



RESPECTED PAST.  
RESPONSIBLE FUTURE.

The IJM Group Sustainability Framework is our master guide for the four sustainability anchors, namely, Marketplace, Environment, Workplace and Community. Since 2021, the performance of these anchors are evaluated against the Ten Principles of the UN Global Compact.

“In order to carry a positive action we must develop here a positive vision”

*Quote by Dalai Lama*

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**Marketplace**

The Property Division was recognised as one of the **Top 10 Developers** at the BCI Asia Awards Malaysia 2022

Menara Prudential successfully achieved all sustainability performance targets for energy and water efficiency. Additionally, **renewable energy certificates** that covered 100% of the building's electricity consumption were purchased

The Property Division received four awards at the **StarProperty Awards 2022:**

- All-Stars Award
- Excellence in the Starter Home Award
- Excellence in the Neighbourhood Award
- Honours in the Neighbourhood Award

Established Group-wide **People Strategy** to elevate leadership skills, nurture a strong talent pipeline for the future, and hone our organisational work culture



**Workplace**

Training investment of **RM1.3 million** with over **65,600 hours** dedicated to learning and development training

Granted scholarships worth **RM346,000** to **eight** deserving undergraduate students

TRX Residence achieved a **5-star rating** in the **Safety and Health Assessment System in Construction ("SHASSIC")**

**HIGHLIGHTS**

Established Group-wide **Climate Strategy** that applies a two-pronged approach in climate action, namely transition to net-zero and adaptation to build climate resilience



**Environment**

Declared long-term **Group-wide carbon emissions targets:**

- Scope 1: Net-zero by 2050
- Scope 2: Net-zero by 2035 via 100% renewable electricity
- Scope 3 (Operational - Category 4, 5 and 6): Net-zero by 2050
- Scope 3 (Embodied - Category 1): Engage with supply chain for low carbon plans by 2027



**Community**

Contributed a total of **RM2.4 million, 1.5%** of the Group's **PATMI**

Refreshed **Community Investment Framework and Strategy** in building resilience and strengthening connections, not only aligns with our commitment to sustainability but also aims to improve the way we work with our stakeholders

Introduced **Built Environment** as one of the strategic goals to creating safe, inclusive and sustainable spaces

# COMMITMENT TO SUSTAINABILITY

At the core of our sustainability efforts lies our dedication to building on our proud past and shaping a responsible future. We understand that true business success is measured not only by financial viability but also by our commitment to the environment and community. By integrating these considerations into our products and services, we strive to grow as a responsible and sustainable business. Our mission is to deliver sustainable value to stakeholders by embedding the *IJM Mark of Excellence* across our four sustainability pillars: Marketplace, Environment, Workplace and Community.

“Sustainability is not just a choice, but a responsibility that we owe to future generations. This means reframing our business beyond ourselves. Our decisions and operations need to occur within the broader framework of economic, environmental and social impacts, so that we can play a meaningful and long-lasting role as a business leader. It is through this commitment to sustainability that we can truly make a lasting impact and leave a legacy that we can be proud of.”

**Lee Chun Fai**  
CEO and Managing Director, IJM Group

## STATEMENT OVERVIEW

### Disclosure Requirements and Benchmarks

We report our sustainability performance on an annual basis, in accordance with the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) Engineering and Construction Services standards. As a participating member of the UN Global Compact (UNGC), we provide an annual update in our Communication on Progress (CoP) on how we align our sustainability disclosures with the Ten Principles of UNGC on human rights, labour, environment and anti-corruption in our everyday business operations. This Statement also references the following disclosure benchmarks:

- Bursa Malaysia’s Sustainability Reporting Guide (Third Edition)
- FTSE4Good Bursa Malaysia Index
- MSCI ESG Indices
- S&P Global Indices
- CDP
- Task Force on Climate-Related Financial Disclosures (TCFD)

- Business for Societal Impact (B4SI) Framework
- UN Sustainable Development Goals (SDGs)

This Statement should be read in conjunction with the Annual Report 2023 and other sustainability-related disclosures published on our Corporate website. Please refer to pages 208 to 213 for our alignment to the GRI, SASB and UNGC Ten Principles.

### Reporting Period and Scope

[GRI 2-2, GRI 2-3]

This Statement covers IJM Group’s sustainability performance data for the financial year 1 April 2022 to 31 March 2023. Along with our Malaysian operations, we have expanded our scope of reporting in FY2023 to include our operations in India, collectively accounting for 99.8% of the Group’s total operating revenue. Except for emissions from Scope 3: Category 15 Investments, the Statement includes data from IJM’s subsidiaries but excludes data from associates and joint ventures outside of management control.

### Performance Data and Independent Verification

[GRI 2-4, GRI 2-5]

Data presented in this Statement includes comparative data from the previous two years. Data disclosed in this Statement have been reviewed by the Group’s Internal Audit Department. Some restatements were made to prior year disclosures due to changes in methodologies and assumptions, as further explained in the relevant sections.

In FY2023, our reported greenhouse gas (GHG) emissions data, which includes Scope 1, Scope 2 and Scope 3 respectively, has undergone independent verification, in accordance with the ISO 14064 standard. Further details of the verification opinion are disclosed on our Corporate [website](#).

### Feedback [GRI 2-3]

Our priority is to create value for all our stakeholders by understanding their expectations. In this regard, your feedback is vital to improve our sustainability performance. We welcome all suggestions and comments from stakeholders. Any queries and feedback can be submitted to [sustainability@ijm.com](mailto:sustainability@ijm.com).

# COMMITMENT TO SUSTAINABILITY

## OUR APPROACH TO SUSTAINABILITY [GRI 2-22]

### Sustainability Framework

IJM Group Sustainability Framework is the cornerstone for sustainable practices and responsible business conduct. It serves as a comprehensive guide, enabling us to seamlessly integrate governance, strategies, focus areas, performance and initiatives. Aligned with local and global sustainability agendas such as the SDGs and the Ten Principles of the UNGC, our Framework encompasses four key pillars: Marketplace, Environment,

Workplace, and Community. By investing strategically across these pillars, we align our business priorities to maximise value creation, mitigate risks and generate positive impacts across the board.

### Sustainability Roadmap FY2023 - FY2025

The Group's Sustainability Roadmap FY2023 – FY2025 (“Group Roadmap”), endorsed by the IJM Board of Directors in FY2022, consists of five principal pillars: Marketplace, Environment, Workplace, Community and Strategic Opportunities. This roadmap

cascades high level decisions to be operationalised across IJM. It is integrated into divisional roadmaps, which are accompanied by specific internal performance measures.

The Group Roadmap serves as a comprehensive guide for our the business divisions, outlining integration of sustainability goals and strategies throughout the organisation. It provides clear direction on how to align our operations with sustainable practices, enabling us to effectively pursue our sustainability objectives and make a positive impact.



The table below highlights our milestones in FY2023:

Pillars	Focus areas and objectives	Milestones achieved thus far
<b>MARKETPLACE</b> Address stakeholders' expectations	<b>Deepen Stakeholder Engagement</b> <ul style="list-style-type: none"> <li>Engage stakeholders as a key strategy to keep pace with evolving expectations</li> </ul>	<ul style="list-style-type: none"> <li>Reincluded into Norway's Government Pension Fund Global investable universe</li> <li>Established the Group Roadmap which communicates progress updates to main stakeholders</li> </ul>
	<b>Engage Supply Chain</b> <ul style="list-style-type: none"> <li>Engage the supply chain to achieve meaningful and lasting impacts</li> </ul>	<ul style="list-style-type: none"> <li>The first cohort of suppliers from the Property Division participated and completed the UNGCMYB pilot ACCESS programme that aims to assess and improve their sustainability performance and disclosure [Page 159]</li> </ul>
<b>ENVIRONMENT</b> Strengthen environmental strategy	<b>Establish Climate Strategy</b> <ul style="list-style-type: none"> <li>Establish climate strategy with a carbon footprint assessment, carbon reduction strategy and climate risks and opportunities profile</li> </ul>	<ul style="list-style-type: none"> <li>Established the Group's Climate Strategy addressing both adaptation and mitigation, with long-term targets to achieve net-zero carbon emissions by 2050 [Page 168]</li> <li>Conducted qualitative physical and transition climate risk and opportunity assessments, covering all major operations in Malaysia and India [Page 168]</li> </ul>
	<b>Pursue Green Credentials</b> <ul style="list-style-type: none"> <li>Integrate green elements into our products and services</li> </ul>	<ul style="list-style-type: none"> <li>Property Division established a Green Building Design Framework and set a minimum benchmark of Bronze GreenRE certification for all future residential projects [Page 177]</li> <li>The Green Port 2030 Initiative by Port Division is on-going [Page 177]</li> </ul>
<b>WORKPLACE</b> Inculcate sustainability culture	<b>Enhance Human Rights Practices</b> <ul style="list-style-type: none"> <li>Improve labour practices to align with local and global standards</li> </ul>	<ul style="list-style-type: none"> <li>Enhanced existing human rights practices to ensure compliance to the amended Employment Act 1955 [Page 193]</li> </ul>
	<b>Elevate Culture and Capabilities</b> <ul style="list-style-type: none"> <li>Conduct a series of learning, sharing and awareness programmes along with regular engagements</li> </ul>	<ul style="list-style-type: none"> <li>Conducted IJM Sustainability Week 2022 in October 2022 to deepen company-wide engagements around sustainability [Page 146]</li> <li>Rolled out sustainability e-learning modules from UNGC Academy Learning platform to employees in December 2022 [Page 192]</li> </ul>
<b>COMMUNITY</b> Refine community investment approach	<b>Enhance Community Investment Framework and Strategy</b> <ul style="list-style-type: none"> <li>Refine community investment themes, focus areas and metrics used for impact measurement</li> </ul>	<ul style="list-style-type: none"> <li>Refreshed community investment framework, strategy and standard operating procedures [Page 205]</li> </ul>
<b>STRATEGIC OPPORTUNITIES</b> Accelerate digitalisation	<b>Digitalise Data Collection and Reporting</b> <ul style="list-style-type: none"> <li>Leverage digital technology for effective data collection, performance measurement and reporting</li> </ul>	<ul style="list-style-type: none"> <li>Digitalised sustainability data and streamlined the data collection process across the Group for sustainability performance review, analysis, monitoring and reporting [Page 157]</li> </ul>
	<b>Communicate Sustainability Progress</b> <ul style="list-style-type: none"> <li>Communicate sustainability progress to stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>IJM's climate priorities were featured in local publications</li> <li>Received an award in the <i>Partnership for the Goals Recognition</i> category at the UNGCMYB Sustainability Performance Award 2022 [Page 146]</li> </ul>

**Sustainability Governance** [GRI 2-12, GRI 2-13, GRI 2-14]




We have an effective governance structure that ensures our businesses are aligned with the Sustainability Framework. The Board provides oversight over the strategic direction of the Group's sustainability commitments, supported by the Executive Committee, now known as Operating Committee, for initiatives under Marketplace, Environment, Workplace and Community. At operational level, Divisional Steering Teams and Working Teams drive and implement sustainability-related initiatives in their respective divisions. In addition, dedicated task-forces have been set up to support the Construction and Property Divisional Steering Teams in developing and implementing IJM's Climate Strategy and the Group Roadmap.

# COMMITMENT TO SUSTAINABILITY

## CREATING VALUE FOR OUR STAKEHOLDERS [GRI 2-29]

We use various reporting guidelines, stakeholder feedback, and other perspectives to formulate the Group’s sustainability performance, strategy and reporting practices. In line with *SDG 17: Partnership for the Goals*, stakeholder engagement helps us deepen dialogue and develop our understanding of critical and emerging societal issues. The interaction also guides us in building our capabilities, facilitating collective action and promoting trust and mutual respect.

## Stakeholder Engagement

 <b>Stakeholders</b>	<b>Shareholders, Investors and Lenders</b>	<b>Clients/Customers</b>
 <b>Method and Frequency of Engagement</b>	<p><b>Why we engage:</b>  <i>To provide us with insights on our financial capacity to sustain growth. We work to ensure they have a strong understanding of our strategy, performance and business fundamentals.</i></p>	<p><b>Why we engage:</b>  <i>To focus on our customers’ needs and identify opportunities to improve our products and services.</i></p>
 <b>Key Topics Raised</b>	<ul style="list-style-type: none"> <li>• Annual general meetings</li> <li>• Annual reports</li> <li>• Bi-annual analyst briefings</li> <li>• Corporate website</li> <li>• Investor conferences</li> <li>• Regular meetings</li> <li>• Scheduled site visits</li> </ul>	<ul style="list-style-type: none"> <li>• Annual customer satisfaction survey</li> <li>• Dedicated customer service teams</li> <li>• Customer satisfaction platforms e.g.: phone calls, emails, social media</li> <li>• Events and scheduled site visits</li> </ul>
	<ul style="list-style-type: none"> <li>• Business outlook and strategy</li> <li>• COVID-19’s impact on business</li> <li>• Financial and operational performance</li> <li>• Impact of government policies and regulations</li> <li>• Sustainability practices and commitments</li> <li>• Risk management</li> </ul>	<ul style="list-style-type: none"> <li>• Product/service quality and support</li> <li>• Customer service and experience</li> <li>• Customer satisfaction and engagement</li> <li>• Project management</li> <li>• Sustainability practices and commitments</li> <li>• Health, safety and environment (“HSE”) practices and compliance</li> <li>• Dissemination of information</li> <li>• Facilities provided</li> </ul>

Subcontractors and Suppliers	Regulators and Government Authorities	Media	Employees	Local Community, Industry Associations, Academia and Non-Governmental Organisations
<p><b>Why we engage:</b> To encourage our supply chain to adhere to high standards of professionalism and sustainable practices.</p>	<p><b>Why we engage:</b> To ensure that we comply with all laws and regulations that are relevant to our businesses.</p>	<p><b>Why we engage:</b> To increase awareness and understanding of our business by providing timely and accurate information about the Group's products, services and financial performance.</p>	<p><b>Why we engage:</b> To provide professional development and career progression opportunities and to create a conducive and engaging workplace that values contributions of employees.</p>	<p><b>Why we engage:</b> To foster collaborative partnerships and on-going dialogues to build positive relationships and ensure that we can deliver mutual benefits.</p>
<ul style="list-style-type: none"> <li>Annual subcontractors/suppliers HSE performance evaluations</li> <li>Briefings such as product/technology briefing sessions</li> <li>Events and training</li> <li>Tender sessions</li> </ul>	<ul style="list-style-type: none"> <li>Annual reports</li> <li>Company representations at industrial association initiatives/technical working groups</li> <li>Compliance, certification exercises and policies</li> <li>Consultations, briefings and training. e.g.: MyCREST Assessor</li> <li>Initiative working group/ Technical committee</li> <li>Periodic site visits, engagements, collaborations and audits</li> <li>Periodic forums and online meetings</li> </ul>	<ul style="list-style-type: none"> <li>Annual general meetings</li> <li>Annual reports</li> <li>Corporate website</li> <li>Media relations e.g.: press releases, emails, phone calls, events and sharing sessions</li> </ul>	<ul style="list-style-type: none"> <li>Annual performance appraisals</li> <li>Employees' wellness initiatives</li> <li>Virtual Regional Alignment Forums, committee meetings and webinars</li> <li>Social programmes via Kelab Sukan IJM, IJM Toastmasters Club</li> <li>Training and development, workshops, and knowledge sharing sessions</li> <li>Wellness surveys</li> <li>Workplace and intranet</li> </ul>	<ul style="list-style-type: none"> <li>Annual reports and social media</li> <li>Industrial association engagement</li> <li>Committee meetings</li> <li>Annual general meeting</li> <li>Community outreach and development programmes</li> <li>Industrial association engagement and community engagements e.g.: partnerships, dialogues, seminars and conferences</li> <li>Corporate website and advertisements</li> <li>Events e.g.: outreach events</li> </ul>
<ul style="list-style-type: none"> <li>HSE practices and compliance</li> <li>Legal compliance and contractual commitments</li> <li>New equipment/technology reliability and performance</li> <li>Product/service quality and delivery</li> <li>Workers' welfare and well-being</li> <li>Sustainability practices and commitments</li> <li>Subcontractors/suppliers performance</li> <li>Management assessment</li> </ul>	<ul style="list-style-type: none"> <li>Certifications and awards</li> <li>Compliance with laws and regulations</li> <li>Corporate governance</li> <li>HSE practices and compliance</li> <li>Sustainability practices and commitment e.g.: Green buildings</li> <li>Industry updates and best practices e.g.: Construction Industry Transformation Programme, visits by officials</li> <li>Prompt resolution of issues</li> <li>Highway operations and maintenance</li> </ul>	<ul style="list-style-type: none"> <li>Company's financial and non-financial performance</li> <li>Company's strategy for growth and value creation</li> <li>Transparency and timely information</li> <li>Customer inspired thought leadership</li> </ul>	<ul style="list-style-type: none"> <li>COVID-19 management</li> <li>Employee engagement and development opportunities</li> <li>Regular health and safety practices</li> <li>Sustainability practices and commitments e.g.: climate change, human rights and workplace conditions, certifications, anti-bribery and corruption system</li> <li>Health management</li> <li>Human capital competency and capabilities</li> <li>HSE ownership</li> <li>Information sharing by Management</li> <li>Promoting teamwork</li> </ul>	<ul style="list-style-type: none"> <li>Community investment programmes and partnerships</li> <li>Sustainability practices and commitment</li> <li>Company's branding and reputation</li> <li>Industry-related issues of concern, developments, research and knowledge sharing</li> <li>Governance system</li> <li>Matters pertaining to highway alignment nearby residential areas</li> </ul>



# COMMITMENT TO SUSTAINABILITY

## APPROACH TO MATERIALITY: IDENTIFYING OUR FOCUS AREAS [GRI 3-1, GRI 3-2]

### FY2023 Materiality Matrix

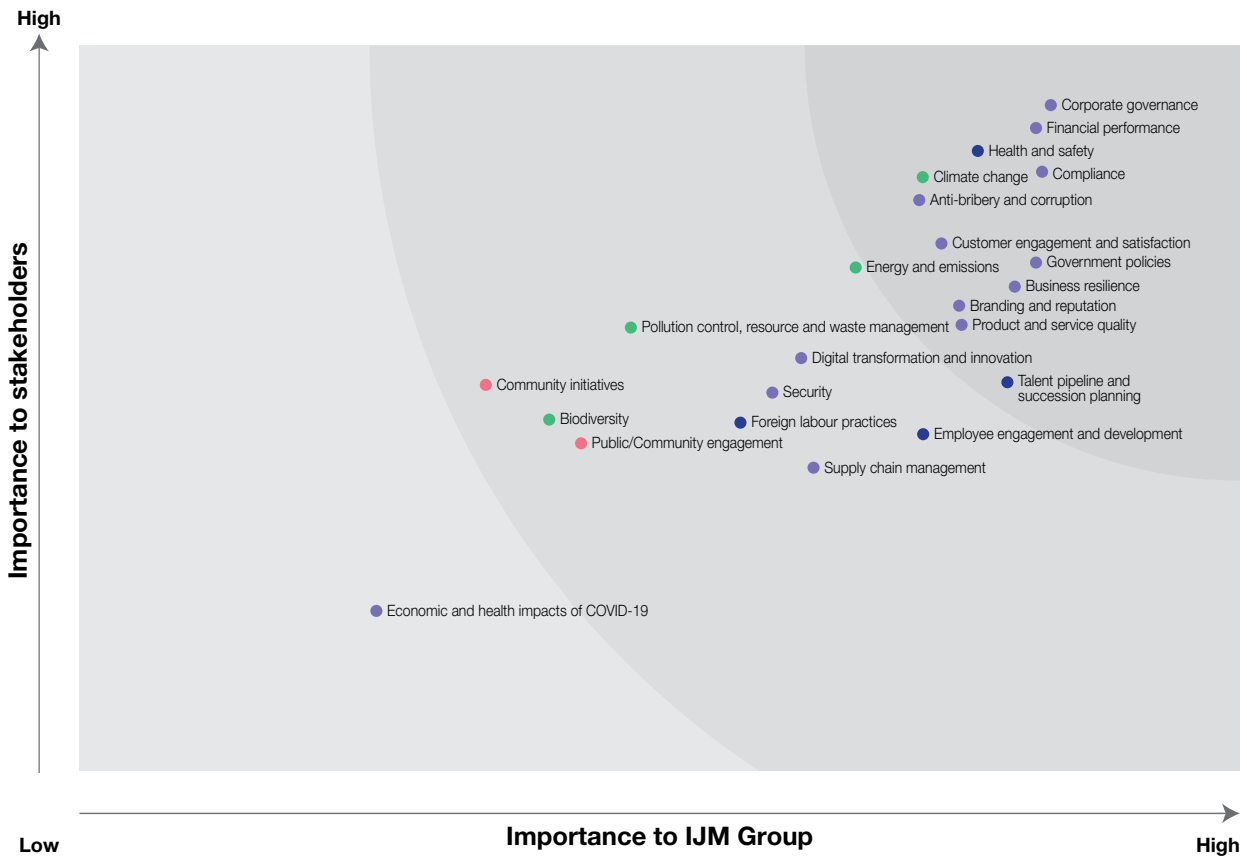
In our recent sustainability materiality assessment, the 23 material topics identified in FY2022 remain relevant for both IJM Group and our stakeholders. The top right quadrant highlights the sustainability

topics that are most material to our stakeholders and the Group. The outcome of the assessment resulted in *Climate Change* moving to the top right quadrant as the topic has become more prominent on the Group's agenda.

In the next financial year, the Group will conduct a thorough refresh of our materiality assessment process to gain deeper insights into the interests

and concerns of key stakeholders. This initiative aims to prioritise sustainability issues and align strategies accordingly, enhancing stakeholder engagement and addressing their needs effectively.

### IJM Group's FY2023 Materiality Matrix



Legend:

Marketplace, Environment, Workplace, Community

## PRIORITISING UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

The United Nations General Assembly adopted SDGs to provide a global direction for the realisation of the 2030 Agenda for Sustainable Development. The SDGs are a universal call to action to end poverty protect the planet and ensure that by 2030 all people enjoy peace and prosperity.

As a Group, IJM is aligned to the SDGs detailed below:

SDGs	IJM Group's Position	IJM Group's Initiatives
	<b>Goal 3: Good Health and Well-Being</b> We view the importance of health and safety of our stakeholders, and we proactively promote health, safety and well-being at the workplace and the community.	<b>Occupational Safety and Health Week 2022</b> In July 2022, Construction Division launched the Occupational Safety and Health Week 2022 to raise awareness on workplace safety and health practices through various activities. <b>Blood Donation Drives</b> In December 2022 and February 2023 respectively, employees from the Industry and Toll Divisions participated in Blood Donation drives that has had a significant impact on the community, with a total contribution of more than 700 blood bags.
	<b>Goal 5: Gender Equality</b> We treat everyone with respect and uphold gender equality in hiring and employment, striving to provide a workplace where equal opportunities are given regardless of gender.	<b>Promote Women Empowerment</b> IJM Group encourages full and effective participation of women in our workforce, with equal opportunities for leadership at all levels of decision making. In FY2023, 28.3% of our workforce were women, with 31.1% in management roles, 41.7% in executive roles and 20.6% in non-executive roles.
	<b>Goal 7: Affordable and Clean Energy</b> We adopt cleaner energy and optimise the use of renewable energy across all business divisions, where possible.	<b>Increased Renewable Energy Generation Capacity</b> The Group's renewable energy generation capacity expanded to 5,665.6 kWp as a result of newly commissioned solar PV panels at Industry Division's Durabon and ICP Lumut factories, and along Toll Division's BESRAYA and NPE highways. <b>Purchase of Renewable Energy</b> Menara Prudential successfully procured more than 5,000 MWh of renewable energy certificates to meet overall sustainability goals and targets.
	<b>Goal 8: Decent Work and Economic Growth</b> We adopt cleaner energy and optimise the use of renewable energy across all business divisions, where possible.	<b>Aligned to Amended Employment Act 1955</b> IJM Group integrated all provisions of the amended Employment Act 1955 into our employee schemes and conditions.
	<b>Goal 9: Industry, Innovation and Infrastructure</b> We commit to working with changemakers to incorporating innovative and creative solutions to promote sustainable practices across our business divisions.	<b>Promoting Accessible Ownership through SWITCH Scheme</b> Property Division partnered with RHB Bank to introduce SWITCH, offering protection against involuntary unemployment of customers. <b>Digitalised Verification Process</b> Construction Division's BIM Department embraced augmented reality (AR) and virtual reality (VR) technologies to enhance project site audits and worker training, in effort to reduce the reliance on paper-based processes.
	<b>Goal 10: Reduced Inequalities</b> We commit to creating equal opportunity for both our employees and communities.	<b>STEM for the Future 2022</b> In September 2022, Industry Division contributed RM5,000 to the STEM for the Future 2022 programme, aimed to stir student interest in Science, Technology, Engineering and Mathematics related fields. <b>Empowerment through Skills</b> In April 2022, India operations collaborated with the Helping Hands of Rotary Trust, Hyderabad, to donate 150 sewing machines worth RM45,000.
	<b>Goal 11: Sustainable Cities and Communities</b> We actively consider sustainable practices in our development and investment decision across our business divisions.	<b>Pursue Green Credentials</b> Property Division established a Green Building Design Framework and aims to achieve at least Bronze GreenRE certification for residential projects. <b>IBS Products Obtained SIRIM ECO 033:021 Certification</b> Products manufactured by Industry Division's IBS factory received an Eco-Label Mark under SIRIM ECO 033:021, covering all prefabricated concrete products for architectural, building and civil structural use.
	<b>Goal 13: Climate Action</b> We view the importance of climate change that will impact our businesses in the long run, and we proactively implement climate strategy across businesses to address climate change issues.	<b>IJM Group Climate Strategy</b> We established the Group's Climate Strategy, applying a two-pronged approach for climate action; i.e. to transition to net-zero, and to build climate resilience. <b>Group-wide Climate Risk assessment</b> In FY2023, IJM conducted a climate physical and transition risks and opportunities assessment on the Group's significant assets and projects. <b>Group-wide Carbon Reduction Plan</b> IJM conducted carbon assessment and reduction workshops to formulate short-term and long-term carbon reduction strategy to meet the Group's net-zero by 2050 commitment for Scope 1, Scope 2 and Scope 3 (Operational) emissions.
	<b>Goal 16: Peace, Justice and Strong Institutions</b> We commit to uphold integrity and compliance with all applicable laws and regulations across our business operations.	<b>ABCS e-learning Module 3.0</b> In October 2022, IJM Group rolled out the ABCS e-learning Module 3.0, mandated for all employees in conjunction with IJM Sustainability Week 2022. <b>ABMS Introduction and Awareness Training</b> In December 2022, Port Division held an Anti-Bribery Management System ("ABMS") Introduction and Awareness Training for ABMS Implementers.
	<b>Goal 17: Partnership for the Goals</b> We actively seek for long-lasting partnerships and collaborations with our stakeholders whether locally or globally.	<b>UNGCMYB Sustainability Performance Award 2022</b> In December 2022, IJM Group received an award in the 'Partnership for the Goals Recognition' category at the Sustainability Performance Award 2022. <b>Employment Oriented Training and Skills Development Programme</b> In June 2022, India operations collaborated with the Construction Industry Development Council ("CIDC") to organise an Employment Oriented Training and Skills Development Programme for 50 unemployed youth and individuals from the economically weaker sections of the community.

## COMMITMENT TO SUSTAINABILITY

### United Nations Global Compact Network Malaysia & Brunei – Sustainability Performance Award 2022

In December 2022, IJM received an award in the *Partnership for the Goals Recognition* category at the Sustainability Performance Award 2022. The annual event is an initiative by the UN Global Compact Network Malaysia & Brunei (“UNGCMYB”) to recognise the efforts of all its participants and to inspire others to make sustainability an integral part of their business strategies.



Receiving an award for the *Partnership for the Goals Recognition* category at the Sustainability Performance Award 2022

### IJM SUSTAINABILITY WEEK 2022

Our IJM Sustainability Week conducted from 4 to 6 October 2022, serves as a platform to reaffirm our sustainability commitments and recognise how we engage, adapt and evolve in response to the fast-changing sustainability era. The week focused on environment, social and governance activities that were conducted over the 3.5 days and involved classroom sharing, panel discussion, and roadshows events, conducted online as well as in person.

#### Day 1: Environment

The day started with a lineup of classroom sharing by divisional sustainability champions on environmental initiatives conducted across business divisions, on topics such as *Delivering Green Projects*, *Energy Management System Initiative*, and *Tree Inventory Initiative*.

An external speaker presented on *Green Real Estate - Enhancing Building through Sustainability Benchmarking*, to create awareness of green building elements and common myths in the built environment.

There was also a session when IJM shared the Company's inaugural carbon footprint profile with employees, with the aim to enhance their awareness and understanding of the current state of carbon emissions across the business divisions. The goal is to encourage employees to actively contribute to sustainability efforts and work towards achieving carbon reduction targets.



An electric vehicle showcased during IJM Sustainability Week 2022, presented as an option on how employees can reduce their carbon footprint

**Day 2: Social**

The Industry Division shared valuable insights on quarry blasting safety precautions, emphasising the safety measures implemented at quarry sites. The highlight was a video showcasing quarry blasting, providing employees with a visual experience of what happens onsite. Additionally, the Construction Division invited an external speaker to present updates on the new legislation on Occupational Safety and Health Administration (“OSHA”), so that employees stay informed about the latest regulations and practices in the field.

*Kelab Sukan IJM (“KSIJM”) and Kelab Kebajikan dan Rekreasi Kuantan Port Consortium (“KKRKPC”)* collaborated for a Disaster Relief Fundraiser.

The initiative aimed to support 74 colleagues affected by severe flooding in the Klang Valley and Pahang that damaged their homes and personal belongings. By providing financial aid, the Group Human Resources Department also

responded to the urgent needs of affected colleagues. This event also raised awareness on the importance of being prepared for similar occurrences in the future due to climate change.



The ‘You Laugh, You Lose’ Disaster Relief Fundraiser was held to raise funds for 74 employees affected by the flood

**Day 3: Governance**

The day began with the introduction of the Anti-Bribery and Corruption System 3.0, a self-learning module developed by the Risk Management and Integrity Group’s Department. Completion of this module within a specified timeframe was made mandatory for all employees, reinforcing our commitment to maintaining a strong ethical culture.

Recognising the growing focus of sustainability in the global value chain, stakeholders such as bankers, investors, corporate procurement, consumers, and regulators are increasingly assessing businesses based on their sustainability practices. To enhance our employees’ understanding of this, we invited a speaker from UNGCMYB to provide

an overview of the Action Centre for Sustainable SMEs (ACCESS) programme that aims to educate the supply chain about sustainability principles and integration, and support the development of their sustainability plans.

We conducted an internal panel discussion involving sustainability champions from each business division. This discussion aimed to delve into their respective divisional roadmaps that are aligned with the Group Roadmap. The five key strategic pillars

of Marketplace, Environment, Workplace, Community, and Strategic Opportunities formed the basis of these deliberations.

Our sustainability digitalisation journey was also highlighted during the event. We announced IJM’s partnership with World Wide Generation (“WWG”), a fintech company specialising in sustainability reporting, making IJM the first Malaysian company to be on their G17Eco platform.



Signing ceremony of IJM’s partnership with World Wide Generation (“WWG”)

## COMMITMENT TO SUSTAINABILITY

“Embracing sustainability as an integral part of business operations is no longer a mere trend but has become the norm in today’s corporate landscape. Companies across various industries, like construction, property and infrastructure are recognising the importance of integrating sustainable practices into their strategies to drive long-term success and create a positive impact on the environment and society.”

**Pradeep Nanduri**

Sustainability Steering and Working Team, India operations



India operations' Sustainability Steering and Working Team engaged during a visit to their headquarters in Hyderabad, India.

### SUSTAINABILITY TEAM INDIA – WELCOME ABOARD!

#### Inclusion of India Operations into the Sustainability Reporting Boundary

In FY2023, our India operations was officially included in the Group’s sustainability reporting boundary, marking a significant step towards integrating sustainability practices. The Group Sustainability Steering Team visited the operational headquarters in Hyderabad as part of the comprehensive onboarding process. This involved a three-day intensive workshop on sustainability agendas and a site visit to properties, townships and toll operations. These initiatives facilitated a deeper understanding and alignment of sustainability practices within our India operations, fostering a unified approach in sustainability practices with the Group.

#### India Operations’ Sustainability Governance Structure

Formed in FY2023, the Sustainability Governance Structure is led by the Executive Sustainability Committee and supported by the Sustainability Steering Team. The committee advises on sustainability strategies that shape the operations’ sustainability-related efforts across Marketplace, Environment, Workplace and Community.

Sustainability Working Team is entrusted to drive and implement sustainability-related initiatives within respective business divisions in line with the Group’s Sustainability Framework and Roadmap.

#### Sustainability Workshops

Workshops were conducted to introduce Group-wide sustainability initiatives, such as the Group Sustainability Framework, Roadmap and our Climate Strategy approach.



**Group Roadmap and Carbon Footprint Awareness Workshop**

**Day 1** introduced the Group Roadmap, explaining how to align current sustainability initiatives of India's operations. This was to facilitate the establishment of their own Sustainability Roadmap FY2023 – FY2025.

The carbon footprint workshop was also held to provide an overview of Greenhouse Gas (GHG) accounting and reporting standards and requirements and usage of common terminologies.

**Sustainability Materiality Assessment Workshop**

**Day 2** had a materiality assessment workshop to guide India operations' Sustainability Steering and Working Team in identifying their significant and relevant sustainability material topics. The assessment resulted in 20 material topics being identified and prioritised to form their Materiality Matrix.



**Sustainability Data Collection Workshop**

**Day 3** covered a detailed introduction to sustainability data collection methodology and type of data to be collected for sustainability reporting.



**Site Visit to Kaza Toll Operation Office of Vijayawada – Chilakaluripet Highway**

The six-lane highway is situated in the state of Andhra Pradesh. A briefing session was conducted by the highway operation manager on safety measurement, data collection and verification process and sustainability-related initiatives implemented along the Vijayawada – Chilakaluripet Highway.



Our Vijayawada-Chilakaluripet highway's safety and sustainability measures ensure safe travels

**Site Visit to Raintree Park Dwaraka Krishna (Phase II) - Willows**

A site visit was also arranged to one of our townships, Raintree Park Dwaraka Krishna (Phase II) - Willows, comprising 632 luxury apartment units located opposite Acharya Nagarjuna University on Vijayawada-Guntur National Highway.



A glimpse of our Raintree Park Dwaraka Krishna (Phase II) - Willows township



The facility management team organised a tree-planting ceremony at the township

# MARKETPLACE

DOING GOOD BUSINESS







# MARKETPLACE: DOING GOOD BUSINESS

We continue to uphold our shared purpose of responsible and sustainable conduct. Our commitment to create continuous stakeholder value drives us to lead with differentiated quality products and services that strengthen trust in the IJM brand.

“Our Group Sustainability Roadmap was formulated with invaluable inputs from our stakeholders. Their perspectives and insights, added to our own, is empowering because it fosters a shared purpose to deliver a sustainable future that looks beyond the business-as-usual scenario from various angles.”

**Dato’ Edward Chong Sin Kiat**  
Chief Financial Officer,  
IJM Group

## GOOD GOVERNANCE AND ETHICS

[GRI 2-9, GRI 2-24, GRI 2-25, GRI 2-26, GRI 2-27]

Aligned with the principles of the Malaysian Code on Corporate Governance (MCCG) we remain dedicated to upholding ethical conduct and integrating it into our corporate strategy, risk management and business operations. Our commitment to sound corporate governance practices is outlined in detail in the Corporate Governance Overview Statement, on pages 108 to 118.

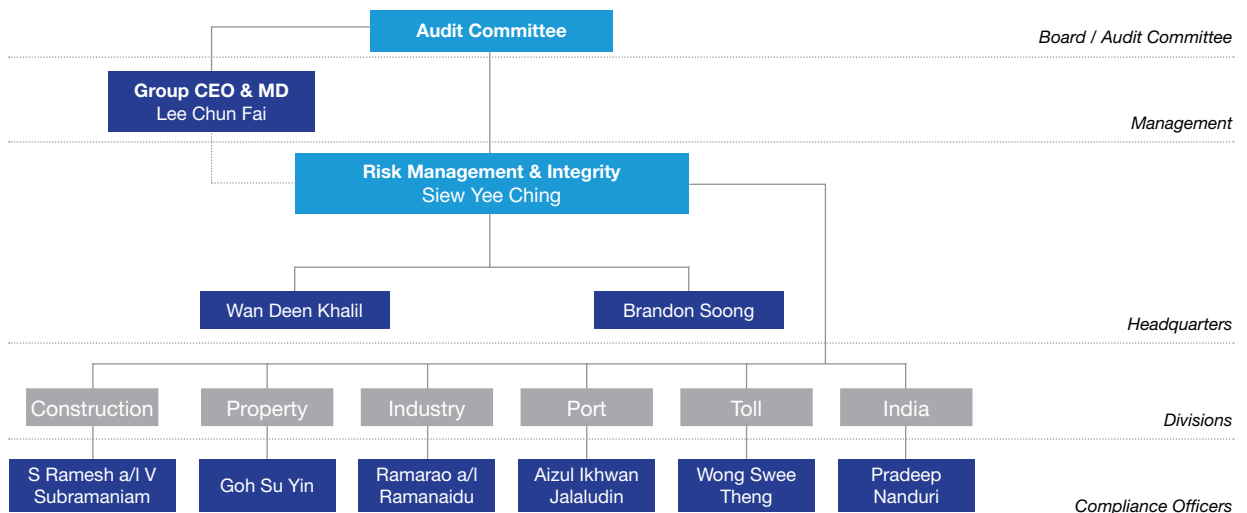
With a strong focus on effective controls, responsible behaviour and transparency, the Board actively works at safeguarding the interests of stakeholders and mitigate risks, ensuring that IJM consistently delivers sustainable value while combating corruption and mismanagement. IJM’s Code of Conduct, which prescribes the principles, rules, guidelines and ethical behaviour in the Group, is cascaded to all of our employees.

## Anti-Bribery and Corruption System [GRI 205-1, GRI 205-2, GRI 205-3]

IJM has zero-tolerance for all forms of bribery and corruption. Our Anti-Bribery and Corruption System (“ABCS”) reaffirms our compliance to local laws and regulations including the Malaysian Anti-Corruption Commission (Amendment) (“MACC”) Act 2018 for operations in Malaysia and the National Prevention of Corruption Act 1988 for operations in India.

We have in place an ABCS Governance Structure to ensure effective implementation and enforcement of ABCS programmes and measures to achieve a smooth dissemination and escalation process of ABCS-related matters across the Group.

IJM Group ABCS Compliance Officers



**ABCS Awareness Session at India Operations**

In July 2022, the Risk Management & Integrity (“RMI”) department conducted an awareness session on ABCS and MACC Act at the India operations headquarters in Hyderabad. Attended by 88 colleagues, both in person and virtually, it emphasised the significance of regular training in fostering an ethical workplace and building trust with our customers, employees, and the wider community. The aim was to enhance employees’ knowledge and understanding of corruption, including its various forms, the consequences of engaging in corrupt activities, the risks involved, procedures for reporting offenses, and the crucial role each person plays in preventing corruption.



India operations engaged in ABCS awareness, promoting unified ethical culture

Compliance with the Group’s Anti-Bribery and Corruption Policy is mandatory for all employees, ensuring that our engagements with government authorities, investors, suppliers, contractors, and business partners adhere to high ethical standards. Rigorous due diligence is

conducted during major investments to identify and assess any risks related to bribery and corruption. Third parties working with IJM must acknowledge compliance with the Code of Business Conduct for Third Parties and adhere to applicable laws and our ABCS manual.

We have robust procedures and internal controls in place, including verification and audit processes, to address corruption across our operations. Further details on our anti-corruption measures can be found in the Statement on Risk Management and Internal Control. We foster a culture of integrity through regular communication, training, and awareness campaigns, with all relevant policies accessible on our corporate website and intranet platform. Updates to the policy are effectively communicated through these channels to employees and third parties.

Refer to our Corporate Governance Overview Statement on page 108 and the Statement on Risk Management and Internal Control on page 125 for more information.

All employees are required to understand and strictly comply with the Anti-Bribery and Corruption Policy when carrying out their duties. Mandatory ABCS e-learning and integrity pledge modules are rolled out annually to be completed by all employees. These modules are developed internally in line with best practices. The Group’s Whistleblowing Policy governs the reporting and escalation of suspected misconduct, for both internal and external stakeholders. A total of 177 posters in both English and Bahasa Malaysia have been put up for display by respective divisions to improve employees’ awareness on the need to report ethical issues which include amongst others, bribery and corruption, fraud and physical and verbal harassments.

The RMI Department has digitalised the third-party due diligence questionnaire, for better monitoring and record safekeeping, in line with the compliance requirements under ABCS Adequate Procedures. The due diligence manual was developed, and seven training sessions were conducted by the RMI Department between February to June 2022 for the Purchasing and Contracts Departments across the Group to improve the employees’ proficiency in using the digital software.

In FY2023, the Port Division conducted an Anti-Bribery Management System (“ABMS”) Introduction and Awareness Training Programme as part of the Group’s on-going efforts to inculcate a zero-tolerance culture against any forms of bribery and corruption. The training programme was designed to provide greater understanding of the procedures and risk management measures to be complied with, in accordance with regulatory requirements and to align with stakeholder expectations.

In FY2023, the RMI Department, entrusted to oversee the implementation of ethics and integrity in the Group, carried out the following activities:



There were zero confirmed incidences of corruption across IJM’s business operations and zero monetary losses arising from legal proceedings associated with charges of bribery or corruption in FY2023.

<b>Culture Building</b>	<ul style="list-style-type: none"> <li>• New Employees Induction Programme</li> </ul>
<b>On-going Awareness</b>	<ul style="list-style-type: none"> <li>• ABCS E-Learning Modules for All Employees</li> <li>• Periodic Awareness and Communication</li> <li>• Board of Directors Training and Integrity Day</li> </ul>
<b>Commitment and Compliance</b>	<ul style="list-style-type: none"> <li>• Integrity Pledges</li> <li>• Third-Party Due Diligence</li> </ul>
<b>Framework and Guidelines</b>	<ul style="list-style-type: none"> <li>• Review of ABCS Manual</li> </ul>

## MARKETPLACE: DOING GOOD BUSINESS

### DIFFERENTIATION THROUGH QUALITY

We have implemented several processes to ensure *Excellence through Quality* in all products and services we deliver. The Group’s Quality Policy and Quality Management System Framework guide the processes, management, monitoring and verification of quality in our entire operations. All Divisions are certified with the ISO 9001:2015 Quality Management System (“QMS”), demonstrating our adherence to the relevant local and international benchmarks and standards.

The Construction Division continues to monitor the quality of our projects through a self-regulated assessment system, IJM Quality and Standard Assessment System (“IQSAS”). IQSAS sets out the standards for various quality aspects, with assessments conducted during construction where projects are assessed and scored based on four components for building works: structural works, architectural works, mechanical and electrical works. The implementation and performance of this system is reviewed annually by our Quality Management Committee for continuous improvements.

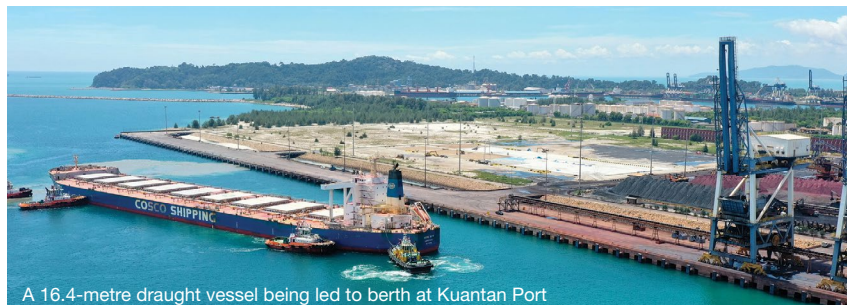
The Property Division utilises the Quality Assessment System in Construction (“QLASSIC”) scoring mechanism established by Construction Industry Development Board (“CIDB”) Malaysia. QLASSIC measures and evaluates the workmanship quality of a building construction work based on Construction Industry Standard (CIS 7:2021). All residential projects under the Property Division are required to achieve a minimum QLASSIC score of 80%. In FY2023, seven out of ten projects successfully scored 80% and above, whereas the remaining three projects achieved 78% and above, which is higher than the industry mean of 73%.

Reinforcing our commitment to provide sustainable solutions to our customers, products manufactured by Industry Division’s IBS factory received an Eco-Label Mark in FY2023, certifying their compliance with SIRIM ECO 033:021. The certification covers all prefabricated concrete products for architectural, building and civil structural use.

This year, the Port Division welcomed one of the deepest and heaviest vessels to berth at Kuantan Port. Led by our internal chief pilot and operations team, the 16.4-metre draught vessel with a capacity of 180,000 deadweight tonnage (“DWT”) successfully berthed at Kuantan Port’s New Deep Water Terminal. The division recently revised the New Deep Water Terminal draft from 14.5 metres to 16.5 metres, which allows the handling of vessels up to 180,000 DWT.



Eco Label certification for IBS products manufactured by Industry Division



A 16.4-metre draught vessel being led to berth at Kuantan Port

The Toll Division supports the Government’s initiative for an open payment system for toll collection as one of the key efforts to transition towards the multi-lane fast flow system. This system gives highway users the option of making toll payments using debit and credit cards in addition to existing payment methods. The Lebuhraya Sungai Besi (“BESRAYA”) and Lebuhraya Baru Pantai (“NPE”) highways have started work on the necessary infrastructure required for this system, with full implementation by September 2023.

In India, the Solapur-Bijapur section of the new National Highway 52, connecting southern and northern India with bypasses and six flyovers has been completed in FY2023. For this project, IJM received the Achievement Award for the Best Professionally Managed Company in Construction and the Achievement Award for Best Project by the Construction Industry Development Council India at the 13<sup>th</sup> CIDC Vishwakarma Awards held in March 2022.



Solapur-Bijapur section of National Highway 52: IJM received dual honours at the 13<sup>th</sup> CIDC Vishwakarma Awards

### MEETING OUR CUSTOMERS' NEEDS

Aligned with our commitment to *Customer Focus*, we actively connect with our valued customers to provide unparalleled services. Across all our business divisions, we diligently conduct surveys to gain valuable insights into customer satisfaction, enabling us to better comprehend their unique requirements.

Customer Satisfaction Survey Results by Division					
	Construction	Property	Industry	Port	Toll
Type	Customer satisfaction survey	Customer satisfaction index	Customer satisfaction survey	Customer satisfaction survey	Highway user satisfaction survey
Performance target	80%	75%	80%	80%	85%
Actual performance	86%	77%	86%	98%	89%

In FY2023, the Property Division saw the customer satisfaction score rise to 77% from the previous year's score of 74% and above its targeted 75%. The Division's Net Promoter Score ("NPS") also increased to +17. The improvement in customer sentiment was related to multiple factors, including the Division's diligence in responding to customer insight gained in previous surveys, where they implemented effective solutions to address identified issues.

For example, the Division introduced an e-billing feature, which allowed customers to receive their progressive billing via email, in addition to the required hard copy by registered post. Customers in the regions of Sandakan and Seremban were one of the first to experience the e-billing feature, resulting in higher satisfaction levels. The Property Division is committed to enhancing customer satisfaction and continuously improving their services based on customer insights and feedback.

The key driver of the division's customer satisfaction centres around employee interaction with customers, with frequent customer mentions on employee professionalism and friendliness. The Property Division's Moment of Truth Programme helps identify employee mentions in customer compliments. The division's management then presents a medal and a gift voucher as a token of recognition and appreciation to the employee.



Our employee receiving a token of appreciation, a photo of which is sent to customers, allowing them to witness the impact of their feedback

The Property Division partnered with RHB Bank to introduce *SWITCH*, a buy-back scheme that promotes accessible homeownership. The partnership introduced an innovative solution that offers protection against involuntary unemployment of customers during a specified coverage period. The division will carry out pilot projects on two of our developments, namely Savvy, Riana Dutamas in Kuala Lumpur and Duta Perintis Apartments in Bandar Alam Suria, Selangor, to evaluate the scheme's reception and effectiveness. This initiative reflects the division's commitment to developing inspired solutions that support customers.

### BRANDING AND REPUTATION

At IJM, our brand promise is *Delivering Inspired Solutions* to our stakeholders. We leverage on our 40 years of experience and reputation to provide innovative and quality solutions that meet customer needs and attract top talent. The Property Division focuses on creating value through brand loyalty, emphasising innovation, quality, customer service, and sustainability. Our developments prioritise customer satisfaction, accessibility, connectivity, and amenities.

More details on our awards and accolades that showcases our commitment to excellence can be found on pages 22 and 23.

## MARKETPLACE: DOING GOOD BUSINESS



Property Division ranked among Top 10 Developers at BCI Asia Awards Malaysia 2022

### BCI Asia Awards Malaysia 2022

The Property Division was recognised as one of the Top 10 Developers at the BCI Asia Awards Malaysia 2022. The award acknowledges IJM's commitment to embrace nature during planning and design of our property developments. This award is given to developers and architectural firms that have built and designed the greatest number of buildings with impressive interiors and are ecologically sensitive.

### Inaugural Sustainability-linked Sukuk

Fairview Valley Sdn Bhd, a wholly-owned subsidiary of IJM, entered into a subscription agreement with CIMB for its proposed RM360 million nominal value *Sukuk Murabahah* to refinance the existing borrowings that was used to fund the development of the Group's Menara Prudential.

Marking IJM's first sustainable finance programme, the sukuk incorporates sustainability-linked features with pre-agreed targets set for the building's energy and water efficiency performance. The building is also LEED Gold-certified and a MSC-status office tower.

In its first year of review, Menara Prudential achieved all sustainability

performance targets, securing us interest rebates and hence lowering overall cost of borrowing. Among its key achievements in FY2023 were fulfilling requirements of building energy intensity and water efficiency intensity. Menara Prudential also purchased renewable energy certificates that covered 100% of its electricity consumption.



Property Division received awards at the StarProperty Awards 2022

### StarProperty Awards 2022

Our Property Division won several awards at the Star Property Awards 2022. They were:

- All-Stars Award
- Excellence in the Starter Home Award - Best Primary Home Development (High-Rise) for Residensi Suria Pantai at Pantai Sentral Park

- Excellence in the Neighbourhood Award - Best Comprehensive Township (500 - 2,000 acres) for Bandar Rimbayu
- Honours in the Neighbourhood Award - Best Comprehensive Township (Above 2,000 acres) for Seremban 2

The awards affirm our commitment to quality excellence, continuous improvements and confidence of purchasers in our product offerings.

**Digitalising Our Business**

**Digitalising on-site operation procedures**

IJM Construction embraced a new era of project site management with the introduction of an in-house developed mobile app, *MyIJM*. The integrated app was created to streamline and digitalise IJM’s daily site operations. In July 2022, the division ran a pilot test on three on-going projects. The app was fine-tuned and in May 2023, the app was subsequently rolled out to all projects. *MyIJM* serves as a central hub for construction updates, consolidating vital data on safety, inspections, site productivity, work logs, and defect management into a user-friendly digital dashboard. With the ability to consolidate data from various projects across different geographical sites in real-time, the app ensures prompt attention to potential risks while enhancing overall site operations and management. *MyIJM* represents a significant advancement for the Construction Division, empowering us to effectively navigate the challenges of construction projects in today’s landscape.



At our India operations, a cloud-based application was developed to streamline the review, submission and approval process and reduce the amount of paper used during the design development, conceptual, approval and shop drawing development stages of a project. The application enables designated external stakeholders such as consultants and vendors, as well as internal design and project teams, to review and approve drawings instantaneously. This limits the number of printings done by project teams hence reduces waste produced at the early stage of a project.

**Digitalising sustainability reporting and disclosure**

The updated requirements of the MCCG 2021 emphasise the importance of regularly updating the company’s sustainability performance at the Board and Management levels. Moving forward, the digitalisation of sustainability data is important to ensure meaningful and insightful reporting. By transitioning from traditional manual processes to digital systems, the Group has adopted the digitalisation approach strategically by streamlining the sustainability data collection, analysis and reporting, for more accurate and timely insights.

Our sustainability data digitalisation covers three main objectives:

1

**Objective**

Streamline and automate the sustainability data collection process

**Milestones achieved**

- Conducted current state assessment to understand the sustainability data collection process and requirements across business divisions
- Streamlined sustainability data collection process and mechanism with a standardised data collection protocol, master data template and sustainability data calculation methodology
- Created automated workflows for sustainability data collection process to enable seamless data flow and efficient collaboration

2

**Objective**

Establish a sustainability performance dashboard with business intelligence (“BI”) tool for monitoring, analysis and reporting

**Milestones achieved**

- Established data connectivity of sustainability data sources to create unified datasets
- Structured and shaped data to suit the sustainability data analytical needs
- Established compelling and interactive sustainability performance reports and dashboards for monitoring, analysis and reporting

3

**Objective**

Interface with sustainability reporting software for alignment with global sustainability standards

**Milestones achieved**

- Interfaced unified datasets with a globally recognised sustainability reporting software for alignment with global sustainability framework such as Sustainable Development Goals and Global Reporting Initiative

By leveraging digital tools and technologies, we can enhance our ability to track, measure, and report on sustainability performance, ultimately driving positive change and creating a more sustainable future.

## MARKETPLACE: DOING GOOD BUSINESS

### BUILDING BETTER AND SMARTER

We embrace technological disruptions that empower us to rethink our processes and yield the benefits of building more efficiently and sustainably. The Group has been in the forefront of advancing sustainable building solutions such as Building Information Modelling (“BIM”) and Industrial Building Systems (“IBS”).

#### Digitalising Construction Processes

The Construction Division adopted BIM to enhance project management and collaboration. With several projects already utilising BIM, the division has experienced its benefits, primarily the realistic and immersive representations of buildings. The implementation of a robust Common Data Environment (“CDE”) facilitates efficient information management and collaboration among stakeholders. Additionally, the division leverages 4D and 5D BIM to incorporate time and cost elements into project planning, allowing for visual simulation of construction sequences, conflict detection, and accurate cost estimation. These advancements improve project efficiency and optimise resource allocation.

### SECURITY

Throughout the Group, security remained a material topic in FY2023. The Property Division focused on Crime Prevention by Environmental Design (“CPTED”), employing natural surveillance and security measures.

The Industry Division continues to prioritise the protection of dangerous materials during transportation, storage, handling, and disposal. The Toll Division implements security measures on highways to monitor movements and ensure the safety of toll collectors and staff.

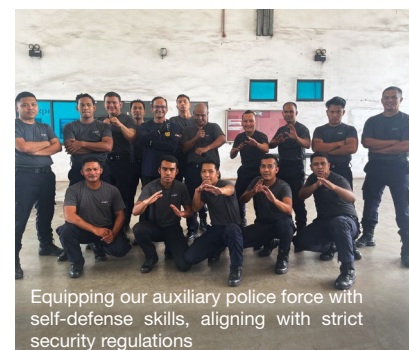
The Construction Division has also embraced augmented reality (“AR”) and virtual reality (“VR”) technologies to enhance project site audits and worker training. AR allows on-site visualisation of BIM models, facilitating effective site audits, while VR enables the practice of on-site tasks in a virtual setting, improving worker training. The division is committed to further exploring other BIM dimensions and integrating elements such as building energy efficiency, water conservation, and waste management. To enhance capabilities, training workshops are conducted for the BIM department and operational teams at project sites. These initiatives ensure continuous improvements and development of professional expertise for BIM implementation throughout the division.

#### Sustainable Building Solutions

The Industry Division’s IBS business has implemented the innovative ‘BubbleDeck’ biaxial suspended floor slab system in a 6-storey building project in Penang. This system replaces solid concrete with strategically placed plastic void formers, reducing unnecessary dead weight and maintaining strength and durability. The system’s reliability has been thoroughly tested, making it suitable for various building types. The ‘BubbleDeck’ system minimises material usage, reduces resources and energy consumption during construction, and enhances construction speed and efficiency. Additionally, the voided slab design allows for easy installation of services, saving time and costs. This sustainable solution also reduces on-site energy consumption and greenhouse gas emissions, contributing to a more environmentally friendly construction process.



In FY2023, the Port Division enhanced security monitoring through the implementation of a new Vessel Traffic Management & Information System (“VTMIS”) at the Marine Traffic Control Tower. The division also provided training to 80 auxiliary policemen, equipping them with self-defence skills and knowledge in compliance with international security standards. These efforts are aligned with relevant security codes and regulations, ensuring the safety and protection of the Group’s operations and personnel.



**Managing Cybersecurity**

In response to the growing cybersecurity risks worldwide, we have prioritised investments under our comprehensive cybersecurity strategy that includes employee education and training. We are committed to strengthening our defences against online threats and ensuring that our employees are equipped with the knowledge to identify and mitigate such risks.

In FY2023, our Information Systems Department conducted a series of security awareness and phishing assessment exercises targeting high-profile users and all employees. These exercises aimed to proactively identify vulnerabilities, safeguard sensitive information, and foster a culture of security awareness. During the year, we conducted 12 phishing assessment simulations involving 105 high-profile users, while also providing mandatory cybersecurity awareness training and phishing campaigns for all employees. These initiatives were crucial in raising awareness about the evolving cyberthreats landscape and emphasising the importance of cybersecurity practices throughout our organisation.

**Data Privacy and Protection**  
[GRI 418-1]

We have implemented a comprehensive Privacy Policy in compliance with the Personal Data Protection Act 2010 (PDPA). The policy outlines our guidelines for collecting, recording, and storing customers’ personal data and is available on our Corporate website, in both English and Bahasa Malaysia.

As part of our commitment to data security, we hold certifications for ISO/IEC 27001:2013 Information Security Management System (“ISMS”) and ISO/IEC 20000-1:2011 Information Technology Service Management System (“ITSMS”). Our Privacy Policy undergoes regular reviews to ensure compliance with the PDPA. Throughout FY2023, we had no substantiated complaints or cases of customer data breaches, leaks, thefts, or loss. All divisions remain dedicated to protecting our customers’ data privacy.

**RESPONSIBLE PROCUREMENT PRACTICES** [GRI 2-6]

Given the nature of our businesses, we rely on diverse suppliers, service providers and contractors, both locally and globally, for materials and services.

We have implemented a Responsible Supply Chain Policy to ensure the alignment of our values and principles throughout our supply chain, fostering trust and long-term benefits for all stakeholders. Our Code of Business Conduct for Third Parties establishes fundamental principles and standards that all third parties conducting business with the Group must adhere to. This includes vendors, suppliers, service providers, contractors, subcontractors, consultants, agents, representatives, and other entities associated with the Group.

Violations or non-compliance with this Code will be treated seriously and may result in the termination of contracts with the non-compliant parties. Both the Code of Business Conduct for Third Parties and the Responsible Supply Chain Policy can be accessed on our Corporate website.

**Responsible Supply Chain Policy** [GRI 409-1]

We aim to extend the Group’s values and principles to our suppliers, service providers and contractors in order to foster trust and long-term benefit to all stakeholders in our supply chain. This is underpinned by good ethics, a healthy and safe workplace, capable of minimising the risk of violating human and social rights, maintaining good environmental practices and ensuring strict compliance to local laws and regulations.



**ENVIRONMENT**

**Environmental compliance**

We expect our suppliers, service providers and contractors to be respectful in their interactions with the environment by adhering to all applicable environmental legislation, preventing pollution and adopting best practices in accordance with the Group’s Environmental Management System.



**SOCIAL**

**Health and safety**

We expect our suppliers, service providers and contractors to have the necessary health and safety measures in place to minimise workplace risks and hazards.

**Human rights and labour**

We expect our suppliers, service providers and contractors to demonstrate their commitment to human rights standards and laws.



**GOVERNANCE**

**Ethics and governance**

We expect our suppliers, service providers and contractors to adhere to integrity and ethical business practices as outlined in the Group’s Code of Conduct and Ethics.

**Encouraging Supply Chain Participation**

In March 2023, the first cohort of the five-month pilot Action Centre for Sustainable SMEs (“ACCESS”) programme, graduated. The ACCESS programme aims to strengthen the Group’s supply chain understanding of fundamental sustainability principles, equip them with practical tools to integrate sustainability into their daily business operation and support the development and implementation of enterprise sustainability plans. This programme marks our commitment to foster sustainable practices among small and medium enterprises, driving positive change in the business community.



Fostering sustainable practices in SMEs: ACCESS programme graduation ceremony



# ENVIRONMENT

## OUR ENVIRONMENTAL STEWARDSHIP





# ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

Planetary health continues to be at the forefront of global discussions as a critical factor in ensuring a liveable and thriving future. In its most recent Global Risk Report, the World Economic Forum<sup>1</sup> identified climate change, biodiversity loss and ecosystem collapse as among the top risks in the next decade. This year, IJM announced our climate commitment to achieve net-zero carbon emissions by 2050 and enhance climate resilience in our value chain.

“GreenRE plays a vital role in our sustainability roadmap, guiding our efforts toward a greener future. By meeting GreenRE criteria, we ensure our projects adhere to stringent sustainability standards, promoting energy efficiency, environmental conservation, and sustainable practices. Embracing GreenRE criteria is our commitment to building a sustainable future for our communities and the environment.”

**Amirrudin Bin Ismail**  
Quality Assurance  
Department, Property Division

Our Policy Statement on Environment reinforces our commitment to conduct our business responsibly, use natural resources efficiently and find innovative ways to reduce our environmental impacts. We have in place an Environmental Management System (“EMS”) to integrate environmental best practices across the Group. All divisions operating in Malaysia have obtained ISO 14001:2015 Environmental Management Systems certification.

By adopting the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD), we now also consider the risks that the environment may pose to our business, particularly climate-related risks and opportunities.

## **BUILDING CREDIBLE CLIMATE ACTION** [GRI 2-28]

In its 2022 Emissions Gap Report<sup>2</sup>, the United Nations Environment Programme (UNEP) highlighted that there is currently no credible pathway to 1.5°C in place and under all major Intergovernmental Panel on Climate Change (IPCC) scenarios, the world will breach the 1.5°C warming limit in the 2030s. Breaching this threshold will result in irrevocable damage to planetary health and human well-being.

IJM is thus compelled to address both mitigation and adaptation to build resilience across our whole value chain. Our goal is to reduce carbon emissions and introduce strategic interventions to build greater resilience in the face of climate change challenges, from extreme weather to diminishing resources and evolving regulations. In line with the Group’s Sustainability Roadmap FY2023-FY2025 (“Group Roadmap”), we formalised our Climate Strategy to drive emissions reduction and build climate resilience, following an extensive climate assessment conducted since FY2022.

## **Our call to climate action**

IJM became an official supporter of TCFD in 2023, reinforcing our commitment in taking a phased approach to implement its recommendations. We are also a signatory of the British Malaysian Chamber of Commerce Climate Action Pledge, and communicate our climate action progress annually. Additionally, IJM participated in the Roundtable Workshop with Building Industry Players, co-organised by CEO Action Network and Climate Governance Malaysia, in partnership with the Real Estate and Housing Developers’ Association Malaysia (REHDA) to recommend policy actions for sector adoption.

<sup>1</sup> 2023 Global Risk Report, World Economic Forum

<sup>2</sup> 2022 Emissions Gap Report, UNEP

Climate change gained in importance in the Group's FY2023 materiality assessment. We recognise the significant impacts of climate-related issues in all areas along our value chain. The Group has made significant strides in establishing specific climate parameters and aligning with the existing Enterprise Risk Management (“ERM”) Policy and Framework, which governs how we manage our climate-related risks. This year, we have enhanced our annual reporting to be aligned with TCFD recommendations, building from our maiden year of referencing the framework in FY2022.

Summary of our progress and priorities in line with TCFD recommendations			
TCFD Pillars	Actions Taken in FY2023	Priorities for FY2024 to FY2025	Page Reference
Governance	<ul style="list-style-type: none"> <li>Board oversight:                             <ul style="list-style-type: none"> <li>Approved Group’s long-term climate commitment involving mitigation and adaption measures</li> <li>Deliberated on carbon footprint assessment and reduction</li> <li>Reviewed physical and transition climate risks as part of the Group’s enterprise risk management</li> </ul> </li> <li>Management oversight:                             <ul style="list-style-type: none"> <li>Reviewed carbon footprint profile and long-term reduction targets</li> <li>Approved physical and transition climate risks and opportunities by business divisions</li> </ul> </li> <li>Built internal capacity for Board of Directors, Management, working committees and employees on carbon accounting, physical and transition climate risks and opportunities</li> </ul>	<ul style="list-style-type: none"> <li>Continue to strengthen and improve climate risk governance</li> <li>Assign climate-related responsibilities to management-level risk committee</li> <li>Form Board-level Risk and Sustainability Committee</li> </ul>	<p><i>Sustainability Governance</i>, page 141</p> <p><i>SORMIC</i> page 125</p>
Strategy	<ul style="list-style-type: none"> <li>Formalised climate strategy addressing both adaptation and mitigation, with long-term target to achieve net-zero carbon emissions by 2050</li> <li>Assessed physical and transition risks and opportunities using scenario analysis over the near and long-term</li> </ul>	<ul style="list-style-type: none"> <li>Continuous capacity building for TCFD adoption</li> </ul>	<p><i>IJM’s Climate Strategy</i>, pages 168 to 175</p>
Risk Management	<ul style="list-style-type: none"> <li>Identified climate risks to be managed under Group’s ERM Policy and Framework</li> <li>Established climate risk likelihood and impact parameters to assess risks and opportunities, as part of IJM’s ERM Policy and Framework</li> <li>Aligned understanding of climate-related risks and opportunities across the Group</li> <li>Conducted qualitative physical climate risks and opportunities assessments covering significant locations in Malaysia and India</li> <li>Conducted transition risks and opportunities assessment based on policy, technology, market and reputation risk drivers</li> </ul>	<ul style="list-style-type: none"> <li>Conduct quantitative physical climate risk for assets with higher exposure</li> </ul>	<p><i>Resilience in a Net-Zero World</i>, pages 172 to 175</p>
Metrics and Targets	<ul style="list-style-type: none"> <li>Announced carbon emissions commitment:                             <ul style="list-style-type: none"> <li>Net-zero by 2050 for Scope 1 emissions</li> <li>Net-zero by 2035 via 100% renewable energy for Scope 2 emissions</li> <li>Net-zero by 2050 for Operational Scope 3 categories. Embodied Scope 3 emissions addressed via engagement with supply chain by 2027</li> </ul> </li> <li>Established Group carbon inventory based on FY2022 emissions</li> <li>Established FY2023 baseline emissions, with independent verification</li> <li>Enhanced Scope 3 disclosures with additional two categories compared to FY2022</li> <li>Expanded organisational boundaries from 88 sites in FY2022 to 126 sites in FY2023, including operations in India</li> </ul>	<ul style="list-style-type: none"> <li>Set near-term 2030 carbon reduction targets for Scope 1, Scope 2 and Operational Scope 3 emissions</li> <li>Establish supply chain engagement strategy with the view to reduce Embodied Scope 3 emissions</li> </ul>	<p><i>Reduce to Net-Zero</i>, pages 168 to 172</p>

IJM'S CLIMATE STRATEGY

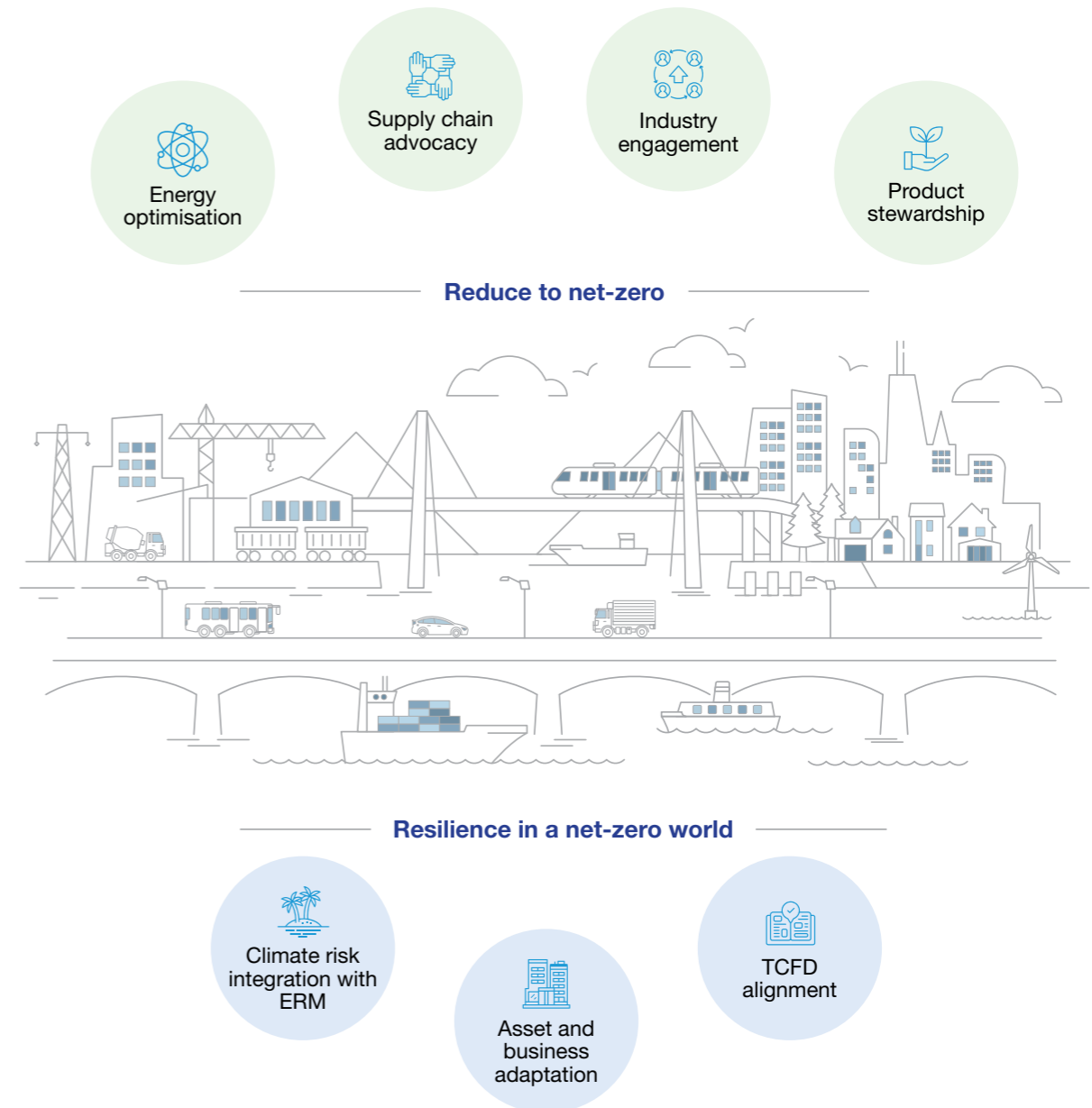


Reduce to net-zero  
Resilience in a net-zero world

R<sub>2</sub>O is a visual representation of our two-pronged climate action commitment. Based on a play on a chemical formula, R<sub>2</sub>O embodies our commitment to reducing carbon emissions to net-zero, while concurrently building resilience to overcome challenges and embrace opportunities in a net-zero world.

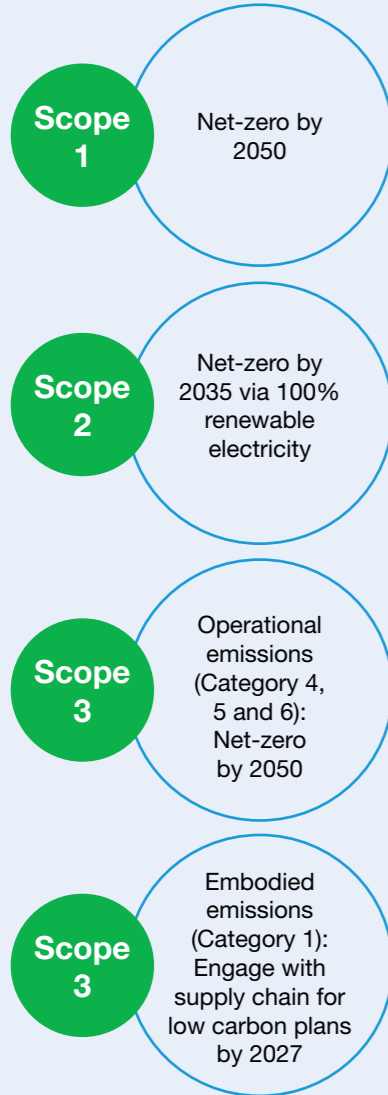
The 'R<sub>2</sub>' represents both reduction and resilience. It signifies our unwavering dedication to curbing carbon emissions, while also embracing the urgent need to adapt and fortify against the challenges posed by climate change. The 'O' symbolises the pathway towards a better tomorrow, illustrating our journey towards achieving net-zero emissions and building a resilient business that thrives in a net-zero paradigm.

IJM Group commits to achieving net-zero carbon emissions by 2050 while enhancing resilience against the impacts of climate change

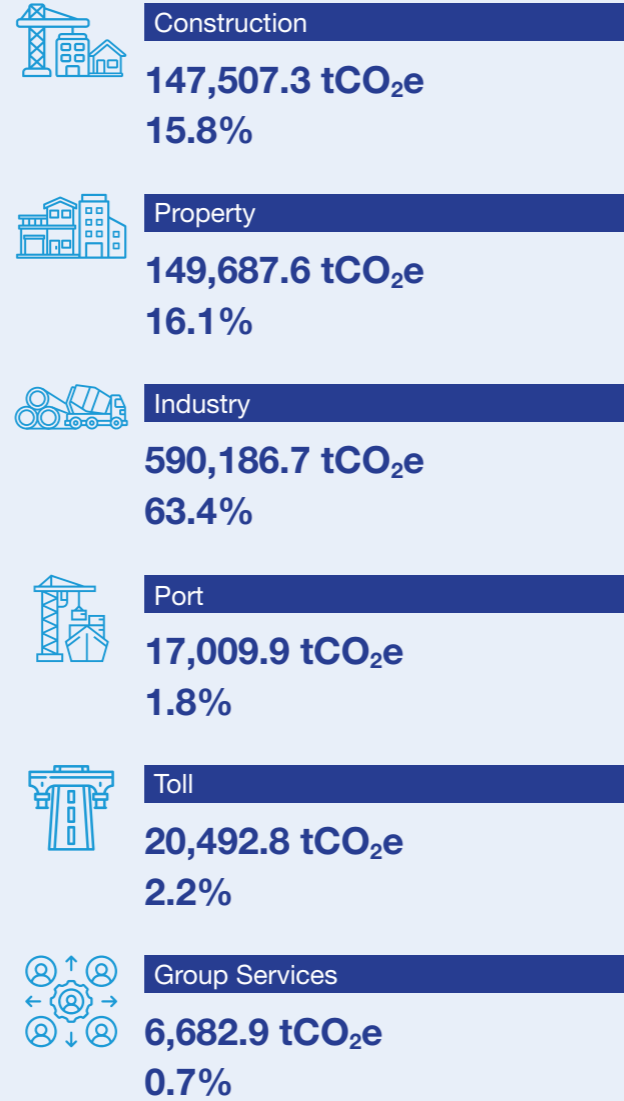


## Reduce to Net-Zero

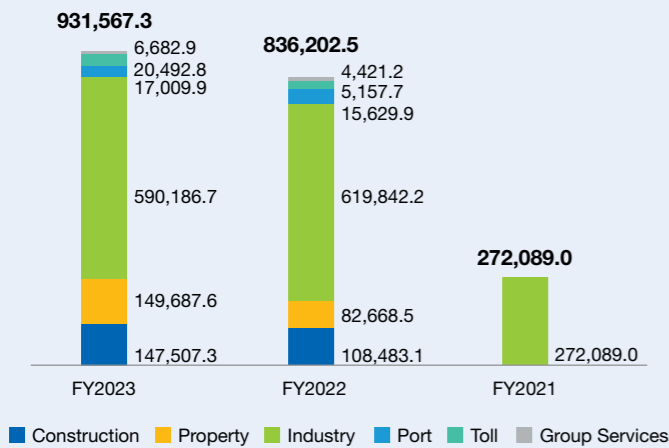
### Our Net-Zero Carbon Commitment



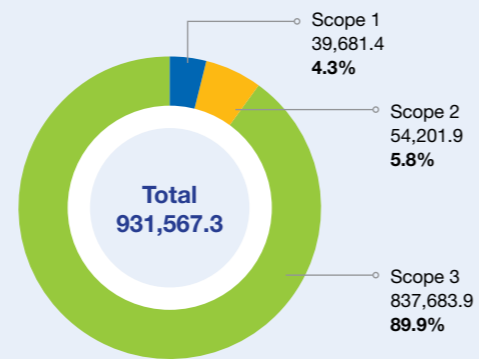
### Our FY2023 Carbon Emissions Profile



Total GHG Emissions by Division (tCO<sub>2</sub>e)



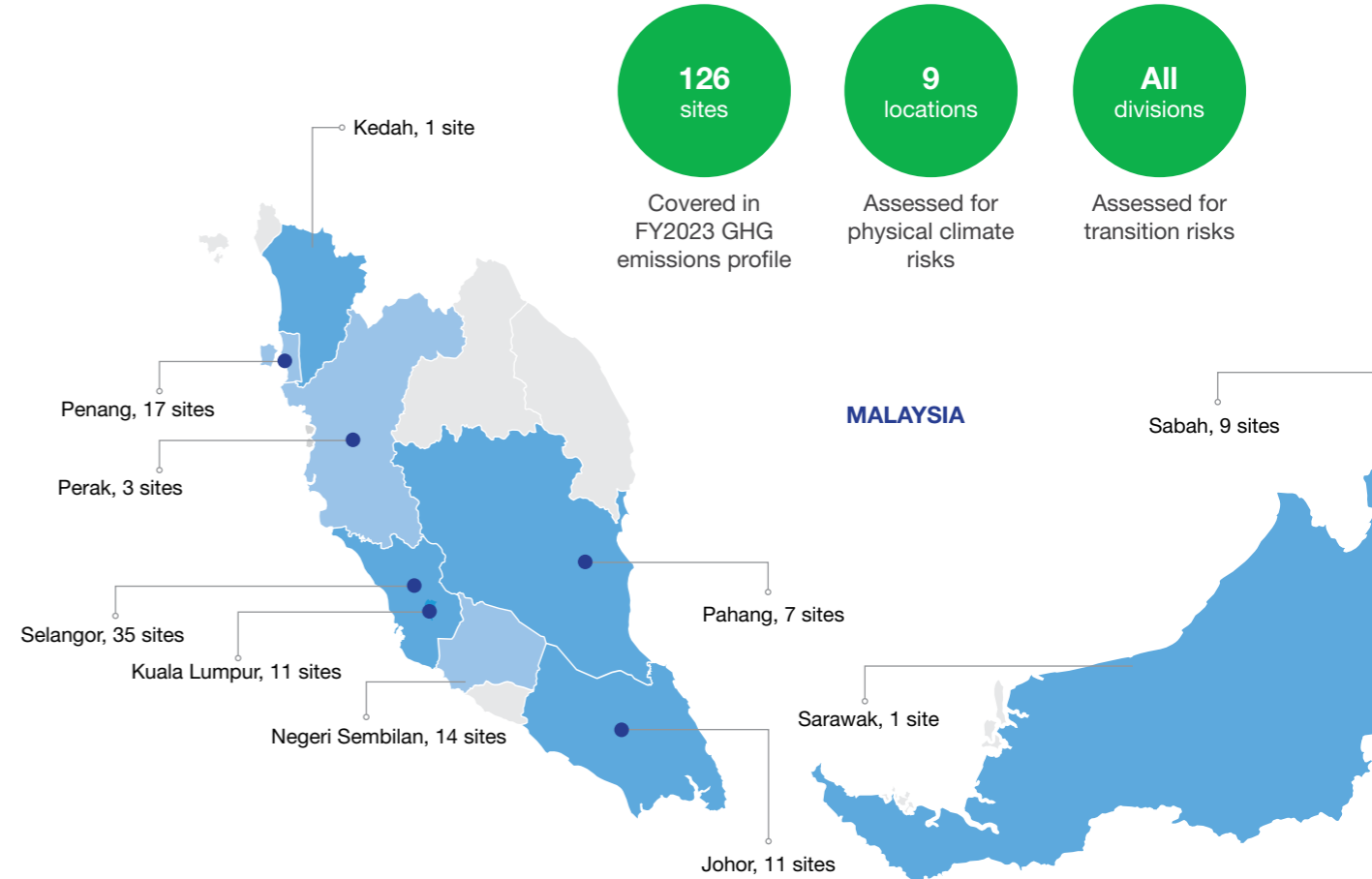
Total GHG Emissions by Scope in FY2023 (tCO<sub>2</sub>e)



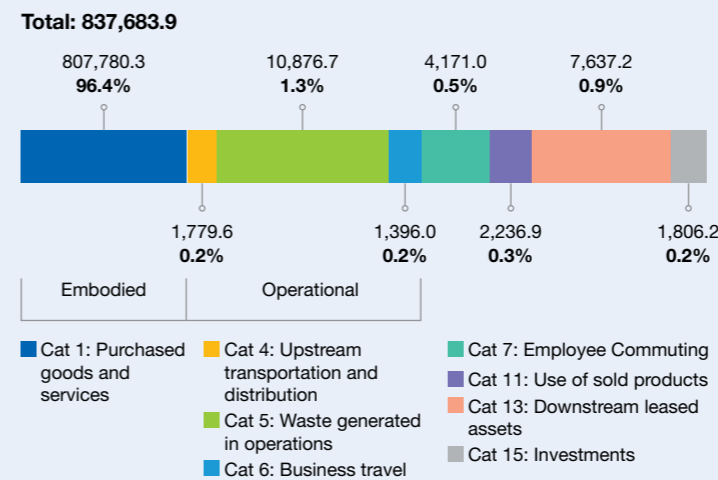
Notes:  
 • FY2023 represents our baseline emissions, which has undergone independent verification by BSI Malaysia in accordance with ISO 14064-1:2018  
 • Intra-Group emissions between the Construction, Property and Industry Divisions have been eliminated to avoid double counting

## A Snapshot of Our Climate Assessment in FY2023

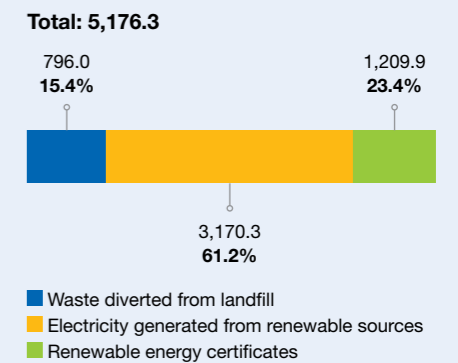
### Location of Sites Assessed in FY2023 for Carbon Emissions and Climate Risks and Opportunities



Scope 3 Emissions in FY2023 (tCO<sub>2</sub>e)



Emissions Avoidance in FY2023 (tCO<sub>2</sub>e)



For more information on our FY2023 emissions profile, refer to page 168 to 170.

## Resilience in a Net-Zero World

### Types of Risks and Opportunities Assessed

Physical Risks	Transition Risks	
<ul style="list-style-type: none"> <li>Acute (flooding, storminess, heat waves)</li> <li>Chronic (temperature rise, sea level rise, precipitation change)</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory</li> <li>Legal</li> <li>Market</li> </ul>	<ul style="list-style-type: none"> <li>Technology</li> <li>Reputation</li> </ul>
Opportunities		
<ul style="list-style-type: none"> <li>Products and services</li> <li>Energy source</li> </ul>	<ul style="list-style-type: none"> <li>Resource efficiency</li> <li>Markets</li> </ul>	

### Case Study: Beat the Heat

Based on our analysis, we have identified that heat stress will likely impact our business in the long-term under both SSP2-4.5 and SSP5-8.5 scenarios. In the long-term, it is projected that operations in Malaysia will experience a higher number of days of heat stress while operations in India will be exposed to more acute heat stress occurrences in the summer months.

According to the IPCC, the heat index is a valuable indicator for assessing heat stress, considering both temperature and humidity. Heat index is a measure that combines temperature and relative humidity to determine the apparent temperature or 'feels-like' temperature, which indicates the level of heat stress on the human body. Our assessment considered 35°C as the threshold for assessing heat stress, given the likelihood of heat-related illnesses arising from prolonged exposure under this condition, and the availability of data.

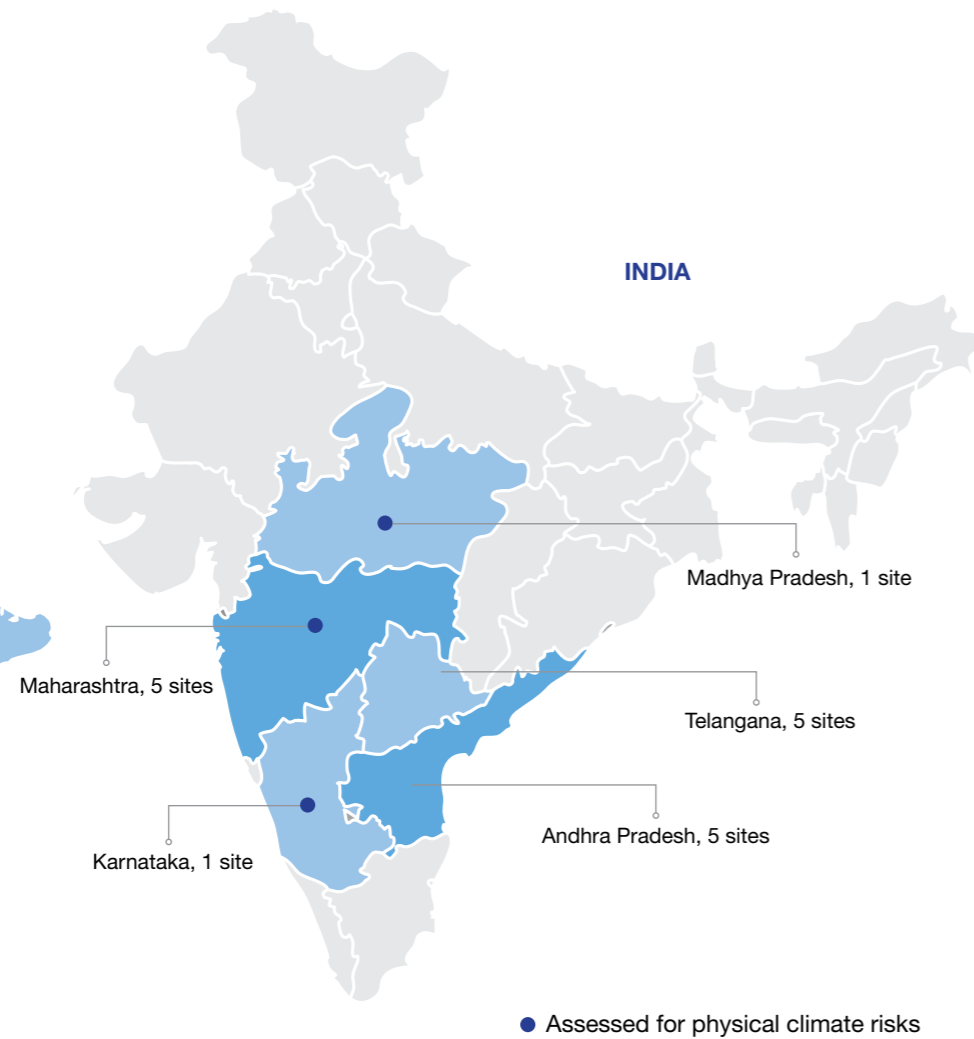
Location	2020	2030	2040	2050	2060	2070
<b>Malaysia</b>	<b>1</b>	<b>6</b>	<b>12</b>	<b>25</b>	<b>48</b>	<b>50</b>
Kuala Lumpur	1	36	75	129	177	220
Selangor	18	60	111	167	211	241
Perak	3	21	35	68	109	120
Pulau Pinang	23	67	98	174	216	244
Pahang	1	10	19	37	74	89
Johor	31	65	121	186	224	251
<b>India</b>	<b>71</b>	<b>78</b>	<b>93</b>	<b>103</b>	<b>107</b>	<b>110</b>
Karnataka	12	20	32	50	58	64
Maharashtra	44	51	69	90	93	99

Mean projections (CMIP6) of number of days where HI>35°C based on multi-model ensemble for SSP2-4.5 scenario<sup>4</sup>

Under the SSP2-4.5 scenario, it is projected that the mean number of days where heat index will exceed 35°C (HI>35°C) is 50 by 2070 in Malaysia. Following the Group-wide assessment, each division identified the areas of impact relevant to their businesses. Current procedures to reduce the risk of heat stress within our operations are reviewed and future adaptation measures were discussed.

Example of Impact Areas	Example of Current Resilience Measures
Operational outdoor productivity may be impacted due to prolonged work in extreme heat	<ul style="list-style-type: none"> <li>Hydration stations and rest areas provided at site</li> <li>Rotation of work</li> <li>Work hours shifted to cooler parts of the day during summer months</li> </ul>
Greater demand for energy efficient products with low thermal transmittance to reduce cooling loads as outdoor air and surface temperature increase	<ul style="list-style-type: none"> <li>Adopt passive design concept in developments</li> <li>All future developments by Property Division to achieve minimum benchmark of GreenRE Bronze certification, with thresholds for building energy intensity and thermal comfort</li> </ul>

For more information, please refer to page 174.



### Climate Scenarios Considered

Types of Risks and Opportunities	Scenarios	Warming Level by 2100	Time Horizon
Transition	Announced Pledges Scenario <sup>1</sup>	~1.7°C	Near-term: 2030 Long-term: 2050
	Divergent Net Zero Scenario <sup>2</sup>	1.5°C	
Physical <sup>3</sup>	SSP2 – 4.5	~2°C-3°C	Near-term: 2030 Long-term: 2070
	SSP5 – 8.5	~4°C	

<sup>1</sup> 2022 World Energy Outlook, IEA

<sup>3</sup> 2021 IPCC Sixth Assessment Report, Working Group I

<sup>2</sup> 2022 Scenarios for Central Banks and Supervisors, NGFS

<sup>4</sup> The World Bank Climate Change Knowledge Portal

## ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

### IJM'S CLIMATE STRATEGY

As climate change accelerates and intensifies the physical risks caused by extreme weather events, the need to take action becomes more urgent, impacting the scale and pace of transition risks. Recognising these interdependencies, the Group conducted in-depth climate assessments over a period of one and a half years, beginning FY2022. Our carbon footprint assessment referenced recommendations by the Science Based Target Initiative (SBTi), whereas climate risks assessment employed various scenarios published by the IPCC, International Energy Agency (IEA) and the Network for Greening the Financial Systems (NGFS).

Our Climate Strategy applies a two-pronged approach for climate action; one, is to transition to net-zero, and two, for adaptation to build climate resilience. The strategy not only outlines IJM's own low carbon transition pathway, but also key approaches to guide our supply chain to transition with us.

#### Reduce to Net-Zero

[GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-5]

One of the critical steps in establishing our carbon reduction strategy is to develop a robust baseline data. In FY2023, IJM completed a carbon footprint assessment covering all divisions, including operations in India. The exercise comprised Scope 3 emissions inventory screening and profiling of the Group's emissions in FY2022, accounting for Scope 1 and Scope 2 emissions as well as six categories under Scope 3 emissions.

Leveraging on the findings from FY2022, we have set FY2023 as a baseline year, which represents a more normalised level of operations due to the lifting of the movement control order by the Malaysian Government. Data reported under FY2023 encompasses Scope 1 and Scope 2 emissions as well as eight categories under Scope 3 emissions, covering 126 operational sites and entities across all business divisions in Malaysia and India.

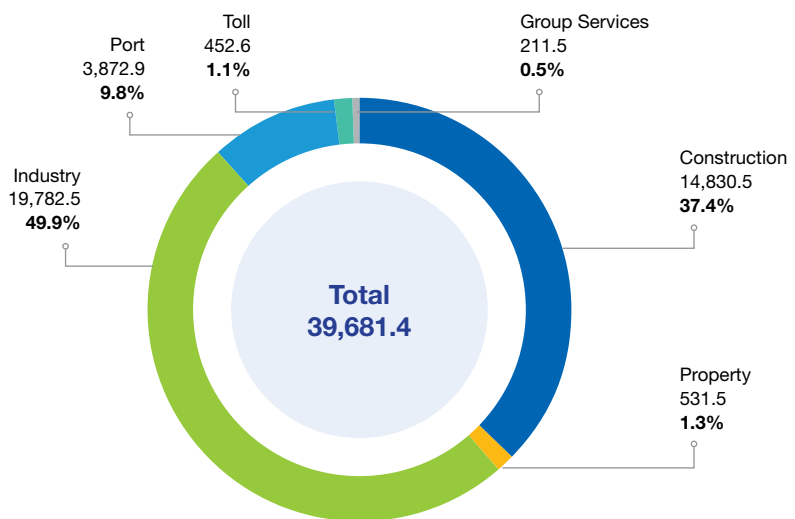
### Our GHG Emissions Baseline

#### Scope 1:

Emissions under Scope 1 account for 4.3% of our total carbon footprint. Scope 1 emissions includes all emissions released directly by our operations from vehicles and equipment owned or controlled by the Group:

- Mobile combustion: Fuel purchased for vehicles and mobile equipment at project sites, factories and offices
- Stationary combustion: Natural gas-fired boilers at factories (Industry Division only) and petrol and diesel-fired stationary equipment at project sites, factories and offices

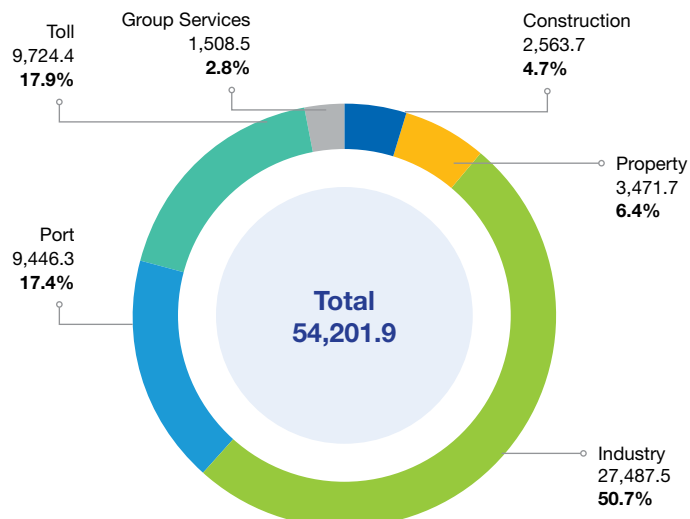
Scope 1 Emissions in FY2023 (tCO<sub>2</sub>e)



#### Scope 2:

Emissions under Scope 2 account for 5.8% of IJM's total emissions. Scope 2 emissions are associated with electricity purchased (location-based) and consumed by offices, factories and other buildings, as well as street lighting and equipment owned or controlled by IJM.

Scope 2 Emissions in FY2023 (tCO<sub>2</sub>e)





**Scope 3:**

Emissions under this scope include all other indirect emissions generated across our value chain. Scope 3 accounts for 89.9% of the Group’s total emissions in FY2023. This year, we have collated reliable data for eight out of the 15 categories under Scope 3:

Scope 3	Asset Boundary	Calculation Methodology
Category 1 Purchased goods and services	<ul style="list-style-type: none"> <li>Construction Division</li> <li>Property Division</li> <li>Industry Division</li> </ul>	Average-data method
Category 4 Upstream transportation and distribution	<ul style="list-style-type: none"> <li>Construction Division</li> <li>Property Division</li> <li>Industry Division</li> </ul>	Distance-based method
Category 5 Waste generated	<ul style="list-style-type: none"> <li>IJM Group</li> </ul>	Average-data method
Category 6 Business travel	<ul style="list-style-type: none"> <li>IJM Group</li> </ul>	Distance-based method used where practical
Category 7 Employee commuting	<ul style="list-style-type: none"> <li>IJM Group</li> </ul>	Estimated based on average-data method by multiplying the total number of employees in FY2023 with the emissions intensity calculated in FY2022, where transportation mode and distance from home to the workplace were determined via a survey with employee participation rate of 94%
Category 11 Use of sold products	<ul style="list-style-type: none"> <li>Port Division</li> </ul>	Distance-based method
Category 13 Downstream leased assets	<ul style="list-style-type: none"> <li>Menara Prudential owned by IJM Corporation Berhad (Group Services)</li> <li>The Clubhouse operations in Bandar Rimbayu owned by Property Division</li> <li>Sand mining operations owned by Industry Division</li> </ul>	Asset-specific method
Category 15 Investments	<ul style="list-style-type: none"> <li>LEKAS Highway by Toll Division</li> </ul>	Proportional Scope 1 and 2 emissions using the investment-specific method based on the equity share of investment for Associate in LEKAS highway

**Definition:**

**Average-data method:** Estimating emissions for goods and services by collecting data on the mass (e.g., kilograms), or other relevant units of goods or services purchased and multiplying by the relevant secondary (e.g., industry average) emission factors (e.g., average emissions per unit of goods or services).

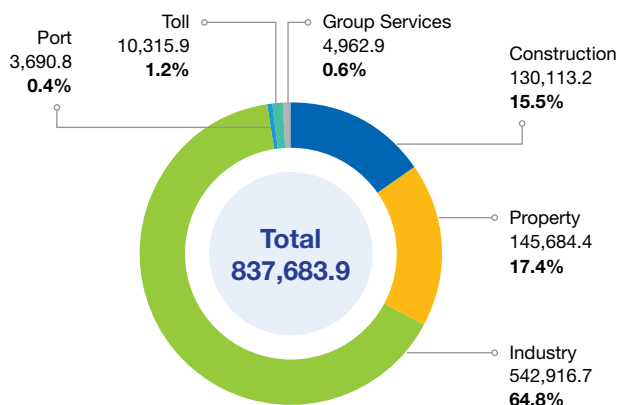
**Distance-based method:** Determining the distance and mode of business trips, then applying the appropriate emission factor for the mode used.

**Spend-based method:** Estimating emissions for goods and services by collecting data on the economic value of goods and services purchased and multiplying it by relevant secondary emission factors.

**Asset-specific method:** Collecting asset-specific (e.g., site-specific) fuel and energy usage data and process and fugitive emissions data or Scope 1 and Scope 2 emissions data from individual leased assets.

**Investment-specific method:** Collecting Scope 1 and Scope 2 emissions from the investee company and allocating the emissions based upon the share of investment.

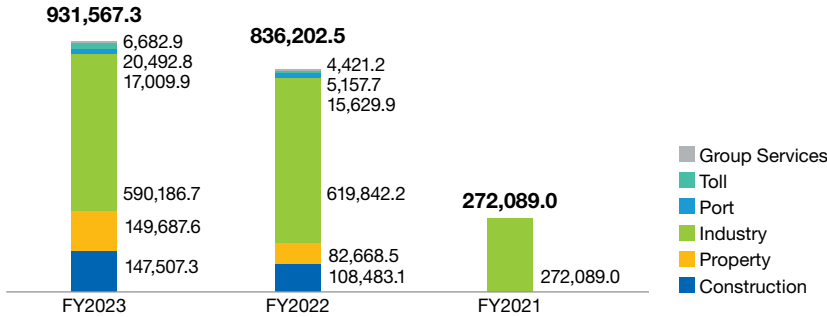
**Scope 3 Emissions in FY2023 (tCO<sub>2</sub>e)**



## ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

In FY2023, total GHG emissions by the Group was 931,567.3 tCO<sub>2</sub>e, an increase of 11.4% from FY2022, as depicted below.

Total GHG Emissions by Division (tCO<sub>2</sub>e)



**Methodology, boundary and assumptions:**

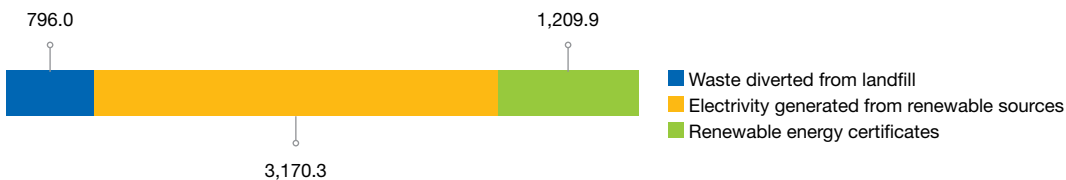
1. Our calculation methodology is based on the *GHG Protocol Corporate Accounting and Reporting Standard* using the operational control consolidation approach
2. Scope 1 and Scope 3 emissions factors are sourced from the *GHG Conversion Factors for Company Reporting version 1.0 (2021)*, published by the UK Department for Environment, Food & Rural Affairs (“DEFRA”) and *Embodied Carbon: The Inventory of Carbon and Energy version 3.0 (2019)*, published by BSRIA
3. Scope 2 emissions data for FY2022 and FY2021 have been restated to reflect the change of grid emissions factor published by the Energy Commission Malaysia (2022) for operations in Malaysia. Scope 2 emission factors in India are sourced from Central Electricity Authority, Ministry of Power India (2022)
4. FY2022 total emissions data has been restated to account for all relevant Scope 3 emissions across the Group. FY2021 total emissions data cover Industry Division’s ICP operations only
5. GHG emissions data has been independently verified according to ISO 14064:2018, in addition to the review by the Group’s Internal Audit Department as part of the Sustainability Statement review
6. Intra-Group carbon emissions under Scope 3 Category 1 (Purchased Goods and Services) between Construction, Property and Industry Divisions are eliminated in FY2023 and FY2022 to avoid double counting

**Emission Avoidance:**

This year, our emissions avoidance includes renewable energy generation, waste recycled and the purchase of renewable energy certificates for Menara Prudential leased by IJM Corporation. Total emissions avoidance was 5,176.3 tCO<sub>2</sub>e, reflecting 0.6% of the Group’s total emissions.

Emissions Avoidance in FY2023 (tCO<sub>2</sub>e)

**Total: 5,176.3**



### Our Reduction Targets

Reflecting the level of control over each emission Scope, our commitment to net-zero by 2050 covers Scope 1, Scope 2 and Operational Scope 3 categories while the reduction of Embodied Scope 3 emissions (Category 1: Purchased Goods and Services) is achieved through supplier engagements.

Our targets were established based on the criteria and recommendations of the Science Based Targets Initiative (SBTi). While we have made great efforts to closely align our targets with SBTi's cross-sector pathway, we have deviated from the minimum ambitions set by SBTi as outlined in the following table.

We will continue to assess our position to fully align with SBTi in the future, taking consideration of current cross-sector pathways as well as the upcoming publication of the *Building Sector Target Setting Guidance*, where relevant. This will also entail introducing suitable and credible near-term interim targets.

Scope	SBTi's Minimum Ambition <sup>2</sup>		Our Targets (Long-term)
	Near-term <sup>1</sup>	Long-term	
Scope 1	<ul style="list-style-type: none"> <li>4.2% reduction annually</li> </ul>	<ul style="list-style-type: none"> <li>90% absolute reduction by 2050</li> </ul>	<ul style="list-style-type: none"> <li>Net-zero by 2050</li> </ul>
Scope 2	<ul style="list-style-type: none"> <li>4.2% reduction annually</li> <li>100% renewable electricity by 2030</li> </ul>	<ul style="list-style-type: none"> <li>90% absolute reduction by 2050</li> </ul>	<ul style="list-style-type: none"> <li>Net-zero by 2035 via 100% renewable electricity</li> </ul>
Scope 3	<ul style="list-style-type: none"> <li>2.5% reduction annually</li> <li>Suppliers and customers to set targets consistent with well-below 2°C ambition, covering at least 67% of Scope 3 emissions</li> </ul>	<ul style="list-style-type: none"> <li>90% absolute reduction by 2050</li> <li>97% physical and economic intensity reduction</li> </ul>	<ul style="list-style-type: none"> <li>Operational (Category 4, 5 and 6): Net-zero by 2050</li> <li>Embodied (Category 1): Engage with supply chain for low carbon plans by 2027, covering the remainder of the 67% of Scope 3 emission</li> </ul>

\*Note:

<sup>1</sup> Up to 2033, following the 10-year timeframe by SBTi to meet near-term target based on FY2023 baseline

<sup>2</sup> Based on the Science Based Target Initiative Corporate Net-Zero Standard (v1.1), 2023

### Our Reduction Strategy

The robust assessment of our baseline data has provided a comprehensive profile of GHG emissions across the Group. We are thus better informed in establishing impactful strategies that are in line with climate science. These strategies will also be carried out in step with marketplace developments,

emerging technologies, supporting infrastructure and regulatory requirements.

We aim to reduce operational emissions by decarbonising our fleet and machinery, optimising energy usage, reducing waste and adopting green transport solutions. The bulk of our emissions are from Scope 3 Category 1 (Purchased Goods and

Services) associated with our supply chain, thus, our transition pathway to net-zero relies on supply chain decarbonisation. This requires a concerted effort within the industry. Hence, our strategy focuses on supply chain engagement, industry partnerships and to build a portfolio of low carbon products.

## ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

Our Carbon Reduction Strategy			
Energy Optimisation	Supply Chain Advocacy	Industry Engagement	Product Stewardship
<ul style="list-style-type: none"> <li>• Explore alternative fuels with higher bio-fuel content</li> <li>• Electrification of equipment and vehicle fleets</li> <li>• Upgrade to more energy efficient equipment</li> <li>• Reduce energy intensity with alternative methods and input materials</li> <li>• Increase renewable energy adoption in operations</li> <li>• Adopt low carbon transportation for business travel and raw material delivery</li> </ul>	<ul style="list-style-type: none"> <li>• Reduce waste in operations via material and operational efficiency</li> <li>• Heighten adoption of circular economy approach</li> <li>• Engage supply chain by 2027 for low carbon plans and targets</li> <li>• Provide complimentary training to major suppliers on climate change</li> <li>• Enhance procurement strategies to include sustainability and climate considerations</li> </ul>	<ul style="list-style-type: none"> <li>• Work with industry associations and peers to align decarbonisation goals</li> <li>• Advocate whole of industry transition towards low carbon and climate resilience</li> </ul>	<ul style="list-style-type: none"> <li>• Incorporate sustainable design principles in developments and construction projects (where we have control)</li> <li>• Use of current and emerging technologies such as BIM and IBS to optimise energy and embodied carbon of projects</li> <li>• Prioritise low carbon raw materials such as recycled, renewable or industrial by-products in product manufacturing, construction and developments</li> </ul>
Scopes of emissions addressed			
<ul style="list-style-type: none"> <li>• Scope 1, Scope 2 and Operational Scope 3</li> </ul>	<ul style="list-style-type: none"> <li>• Operational and Embodied Scope 3</li> </ul>	<ul style="list-style-type: none"> <li>• Embodied Scope 3</li> </ul>	<ul style="list-style-type: none"> <li>• Embodied Scope 3</li> </ul>

### Resilience in a Net-Zero World

[GRI 201-2]

Our climate assessments exercise identified transition and physical risks and opportunities arising from climate change. The assessment involved data-driven scenario analysis and qualitative screening of the Group's businesses and assets. Two scenarios by the IPCC were selected to assess physical risks while transition risks were assessed against scenarios developed by the IEA and NGFS.

#### Transition Risks and Opportunities

Transition risks are driven by the changes in policy, market, regulatory and technology changes as the economy progresses towards low carbon and net-zero emissions. Potential risks include increases in operational costs due to higher raw material and fossil fuel prices, carbon tax and emissions trading schemes.

Factors such as policy restrictions on emissions, market perceptions, shifting customer preferences, availability and demand of services are also key considerations.

The Group's transition risks and opportunities assessment considered the Divergent Net Zero (1.5°C warming) and Announced Pledges (2°C warming) scenarios by IEA and NGFS, respectively. We have considered a near-term time horizon of up to 2030 and a long-term time horizon of up to 2050 to assess transition risks, aligning with global pledges and national commitments.

We assessed the exposure level and impact of transition risks and opportunities to the Group's current and future businesses in Malaysia and India. The engagements involved interviews and discussions with various levels of management who have influence over the strategic direction of the Group's businesses.

#### Announced Pledges Scenario ("APS")<sup>3</sup>

The APS scenario considers the Group's position, assuming current climate pledges and commitments made by governments around the world, including nationally determined contributions ("NDCs") and long-term net-zero targets, will be met in full and on time. This scenario contemplates a global temperature rise of 1.7°C by 2100, leading to moderate to severe physical risks and relatively low transition risks.

#### Divergent Net Zero Scenario ("DNZ")<sup>4</sup>

This scenario is considered to factor in the most ambitious policies, taking into account the potential delays in implementing necessary actions. The DNZ scenario reaches net-zero by 2050 and is in line with a climate goal giving at least a 50%

<sup>3</sup> 2022 World Energy Outlook, IEA

<sup>4</sup> 2022 Scenarios for Central Banks and Supervisors, NGFS

chance of limiting global warming to below 1.5°C by 2100. This scenario, however, assumes higher costs than the Net Zero 2050 (“NZE”) scenario due to divergent policies introduced across sectors and a quicker phase out of fossil fuels. Transition risks are higher while physical risks are lower than the NZE scenario due to policies being delayed or divergent across countries and sectors.

**Our findings**

Our businesses in Malaysia were identified as having a higher risk impact compared to our India operations due to more stringent policies and regulations. The assessment shows that regulatory and market risks are the two top risks that may have a significant impact on our business. Exposure to regulatory risks is high under both DNZ and APS scenarios in the near-term and long-term across all divisions. This mainly relates to enhanced emissions reporting obligations, carbon pricing, and mandates and regulations on products and services.

In the long-term, exposure to market risks is high under the DNZ scenario, particularly for Property and Industry Divisions, whereas the Port Division noted a higher exposure of the same risk under both DNZ and APS scenarios. These market risks stem from the increased cost of materials, the shift of customer preferences towards green or low carbon developments, products and services.

**Physical Risks and Opportunities<sup>5</sup>**

Physical risks are driven by acute and chronic climate patterns that may cause damage to physical infrastructure and operations. Extreme weather events could potentially cause temporary

work interruptions and reduced productivity, which can result in delays in product and service delivery.

Our assessment was based on projections and data published by IPCC and the World Bank’s Climate Change Knowledge Portal. In our assessment, the Group considered the worst-case (above 4°C warming) and current trajectory (2°C to 3°C warming) scenarios. Parameters related to temperature, precipitation, floods and sea level rise in different geographies and time horizons were assessed. We have considered a near-term time horizon up to 2030 and a long-term time horizon up to 2070 to align with the period of the Group’s concession assets.

A review was conducted on the physical risks relevant across major projects and assets at 9 locations across Malaysia and India. The assessment entailed a review of existing risk registers and past climate-related events to assess the vulnerability of each asset. Location-specific climate projections were used to assess the likelihood and impact of climate stressors relative to each location.

**SSP2 – 4.5 (comparable to RCP4.5): 2°C-3°C warming**

This scenario indicates the ‘most likely’ trajectory based on the scale and pace of current climate commitments. This scenario is considered to assess the most plausible disruptions.

Emissions hover around current levels before starting to fall mid-century, but do not reach net-zero by 2100. In this scenario, temperatures rise around 2.7°C by the end of the century. Socioeconomic factors follow their

historic trends, with no notable shifts. Progress toward sustainability is slow, with development and income growing unevenly.

**SSP5 – 8.5 (comparable to RCP8.5): above 4°C warming**

This scenario indicates the ‘business-as-usual’ trajectory arising from global inaction. This scenario allows the Group to capture the breadth of possible disruptions.

Emissions continue to rise until they double by 2050. In this scenario, temperatures rise around 4.4°C by the end of the century. The global economy grows quickly, but this growth is fueled by exploiting fossil fuels and energy-intensive lifestyles.

**Our findings**

IJM will likely be affected by both acute and chronic physical climate events, given these impacts are projected to be more severe and impactful over time. From our assessment, certain assets such as those located in Klang Valley and Pahang, identified inherent risks of pluvial flooding resulting from heavy rainfall in the near-term for both scenarios, given the exposure of these assets due to past occurrences.

In the long-term, our analysis identified an increased likelihood of coastal flooding manifested by sea level rise impacting assets and operations along coastal areas such as in Penang and Johor under the SSP5-8.5 scenario, while the SSP2-4.5 scenario shows a slower onset. Additionally, the risk of heat stress will likely intensify in both scenarios due to chronic temperature rise in the long-term, impacting the Group’s operations and productivity.

<sup>5</sup> 2021 Sixth Assessment Report, Working Group I, IPCC  
<sup>6</sup> The World Bank Climate Change Knowledge Portal

## ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

### Case Study: Beat the Heat

Based on our analysis, we have identified that heat stress will likely impact our business in the long-term under both SSP2-4.5 and SSP5-8.5 scenarios. In the long-term, it is projected that operations in Malaysia will experience a higher number of days of heat stress while operations in India will be exposed to more

acute heat stress occurrences in the summer months.

According to the IPCC, the heat index is a valuable indicator for assessing heat stress, considering both temperature and humidity. Heat index is a measure that combines temperature and relative humidity to determine the apparent temperature or ‘feels-like’

temperature, which indicates the level of heat stress on the human body. Our assessment considered 35°C as the threshold for assessing heat stress, given the likelihood of heat-related illnesses arising from prolonged exposure under this condition, and the availability of data.

Relative Humidity %	Air temperature °C											
	21	24	27	29	32	35	38	41	43	46	49	
0	18	21	23	26	28	31	33	35	37	39	42	
10	18	21	24	27	29	32	35	38	41	44	47	
20	19	22	25	28	31	34	37	41	44	49	54	
30	19	23	26	29	32	36	40	45	51	57	64	
40	20	23	26	30	34	38	43	51	58	66		
50	21	24	27	31	36	42	49	57	66			
60	21	24	28	32	38	46	56	65				
70	21	25	29	34	41	51	62					
80	22	26	30	36	45	58						
90	22	26	31	39	50							
100	22	27	33	42								

- Serious risk to health - heatstroke imminent
- Prolonged exposure and activity could lead to heatstroke
- Prolonged exposure and activity may lead to fatigue

Apparent temperature (heat index) in degrees Celsius according to air temperature and relative humidity<sup>1</sup>

Location	SSP	2020	2030	2040	2050	2060	2070
<b>Malaysia</b>	<b>SSP5-8.5</b>	<b>2</b>	<b>7</b>	<b>30</b>	<b>64</b>	<b>100</b>	<b>148</b>
<b>Malaysia</b>	<b>SSP2-4.5</b>	<b>1</b>	<b>6</b>	<b>12</b>	<b>25</b>	<b>48</b>	<b>50</b>
Kuala Lumpur	SSP5-8.5	12	44	137	190	290	322
Kuala Lumpur	SSP2-4.5	1	36	75	129	177	220
Selangor	SSP5-8.5	33	76	169	219	302	330
Selangor	SSP2-4.5	18	60	111	167	211	241
Perak	SSP5-8.5	9	26	78	118	188	234
Perak	SSP2-4.5	3	21	35	68	109	120
Pulau Pinang	SSP5-8.5	47	95	176	226	296	305
Pulau Pinang	SSP2-4.5	23	67	98	174	216	244
Pahang	SSP5-8.5	3	10	51	91	146	215
Pahang	SSP2-4.5	1	10	19	37	74	89
Johor	SSP5-8.5	36	80	185	242	303	330
Johor	SSP2-4.5	31	65	121	186	224	251
<b>India</b>	<b>SSP5-8.5</b>	<b>72</b>	<b>83</b>	<b>104</b>	<b>109</b>	<b>121</b>	<b>140</b>
<b>India</b>	<b>SSP2-4.5</b>	<b>71</b>	<b>78</b>	<b>93</b>	<b>103</b>	<b>107</b>	<b>110</b>
Karnataka	SSP5-8.5	13	25	48	69	95	131
Karnataka	SSP2-4.5	12	20	32	50	58	64
Maharashtra	SSP5-8.5	43	60	93	100	119	157
Maharashtra	SSP2-4.5	44	51	69	90	93	99

Mean projections (CMIP6) of number of days where HI>35°C based on multi-model ensemble for SSP2-4.5 and SSP5-8.5 scenarios<sup>2</sup>

Under the SSP2-4.5 scenario, it is projected that the mean number of days where heat index above 35°C (HI>35°C) is 50 by 2070 in Malaysia. Following the Group-wide assessment, each division identified the areas of impact relevant to their businesses. Current procedures to reduce the risk of heat stress within our operations were reviewed and future adaptation measures were discussed.

Example of Impact Areas	Example of Current Resilience Measures
Operational outdoor productivity may be impacted due to prolonged work in extreme heat	<ul style="list-style-type: none"> <li>• Hydration stations and rest areas provided at site</li> <li>• Rotation of work</li> <li>• Work hours shifted to cooler parts of the day during summer months</li> </ul>
Greater demand for energy efficient products with low thermal transmittance to reduce cooling loads as outdoor air and surface temperature increase	<ul style="list-style-type: none"> <li>• Adopt passive design concept in developments</li> <li>• All future developments by Property Division to achieve minimum benchmark of GreenRE Bronze certification, with thresholds for building energy intensity and thermal comfort</li> </ul>

<sup>1</sup> Time and Place as Modifiers of Personal UV Exposure - Scientific Figure on ResearchGate

<sup>2</sup> The World Bank Climate Change Knowledge Portal

**Recognising systemic climate risks**

We recognise that climate risks are complex and climate projections are dynamic as studies are continuously on-going and becoming more sophisticated and accurate with time. At this juncture, our assessments consider the direct impacts of climate risks on the Group’s assets and operations, without factoring in systemic risks and impacts such as food and water availability as well as public well-being.

Potential implications of the accumulation and interrelation of different events require concerted

efforts from government, businesses and society. In this regard, a key initiative in our climate strategy is to form active partnerships with local governments, industry associations and likeminded stakeholders to address systemic climate risks.

Importantly, each of the climate scenarios also present opportunities across various time horizons. These include asset and operational efficiencies through improved design and planning, adoption of innovative technology, the use of low carbon materials, and leveraging on government incentives. We will continue to explore the significance

of these opportunities to drive longer-term positive change and strengthen the resilience of our business and value chain.

**Our Resilience Strategy**

To ensure we capture the evolving climate science projections and emerging market and regulatory trends, continuous climate-related assessments and on-going monitoring are required. This will be undertaken through the delivery of our climate strategy which shows our priorities to build resilience and capabilities across the value chain.

Our Climate Resilience Strategy		
Climate Risk Integration into Organisational Matrix	Asset and Business Adaptation	TCFD Alignment
<ul style="list-style-type: none"> <li>Incorporate climate risk into ERM policy and framework</li> <li>Build internal capacity and understanding of climate vulnerabilities and adaptive measures</li> <li>Active partnerships with industry associations and likeminded stakeholders, particularly for climate risks that are systemic in nature</li> </ul>	<ul style="list-style-type: none"> <li>Continuously assess physical qualitative climate risk assessment, based on available scientific data</li> <li>Conduct quantitative assessment for projects and assets with higher exposure</li> <li>Build supply chain resilience</li> </ul>	<ul style="list-style-type: none"> <li>Perform benchmarking and disclose climate risks and opportunities</li> <li>On-going review, monitoring and reporting</li> </ul>

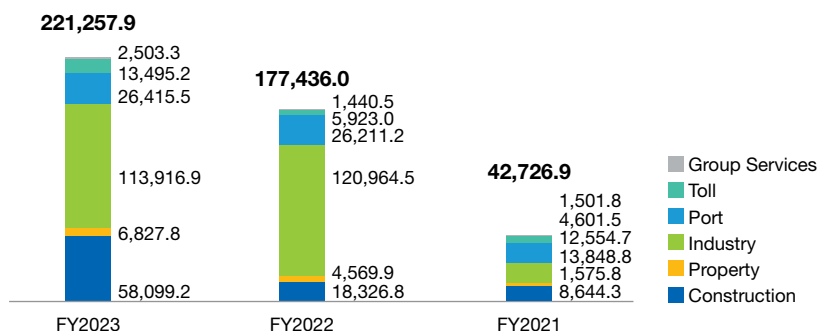
**ADVANCING LOW CARBON OPERATIONS** [GRI 302-1, GRI 302-4]

IJM remains committed to implement initiatives to improve energy efficiency and reduce dependency on fossil fuels. Notwithstanding the formalisation of the Group’s Climate Strategy, we continue to increase our share of renewable energy and explore more efficient processes and materials within our operations.

In FY2023, the Group’s total energy consumption was 221,257.9 MWh, an increase of 24.7% from the previous year due the inclusion of our India operations and increase in activities.

Our renewable energy generation capacity expanded to 5,665.6 kWp as a result of newly commissioned solar photovoltaic (“PV”) panels at Durabon and ICP Lumut factories, and along BESRAYA and NPE highways by the Toll Division. This contributed to an increase of 33.4% in our energy consumption from renewable sources to 4,146.6 MWh.

Total Energy Consumption by Division (MWh)



Note:

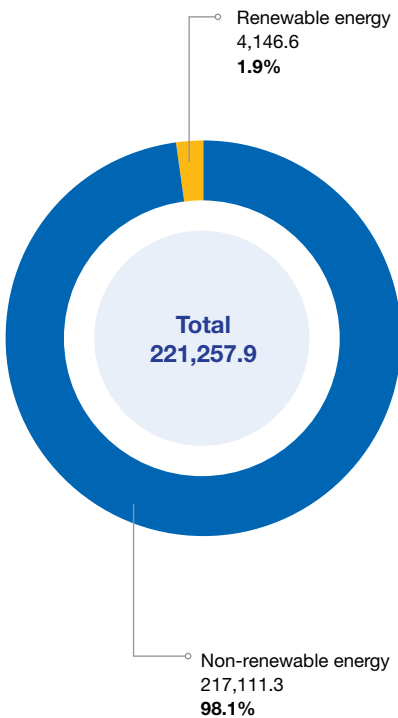
- Total energy consumption in FY2023 includes; petrol, diesel and natural gas (Industry Division only) usage from company vehicles, mobile and stationary equipment; and electricity consumption from renewable and non-renewable sources
- Data for FY2022 has been restated due to the expansion of scope from completion of the carbon footprint assessment, post-publication of the FY2022 Annual Report. The restated data includes other fuel sources beyond diesel used for company vehicles, mobile and stationary equipment, including petrol by all divisions, light fuel oil and natural gas by the Industry Division
- Energy consumption accounted from direct operations only

## ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

This year marks our inaugural procurement of renewable energy certificates (“RECs”) for Menara Prudential. The RECs were acquired via regulated Tradable Instruments for Global Renewables registry from a reputable local power producer.

In line with IJM’s Climate Strategy, we are actively expanding our renewable energy mix through onsite solar generation and RECs. We are also exploring other mechanisms such as green tariffs and virtual power producing agreements, among others.

Total Energy Mix in FY2023 (MWh)



Note:

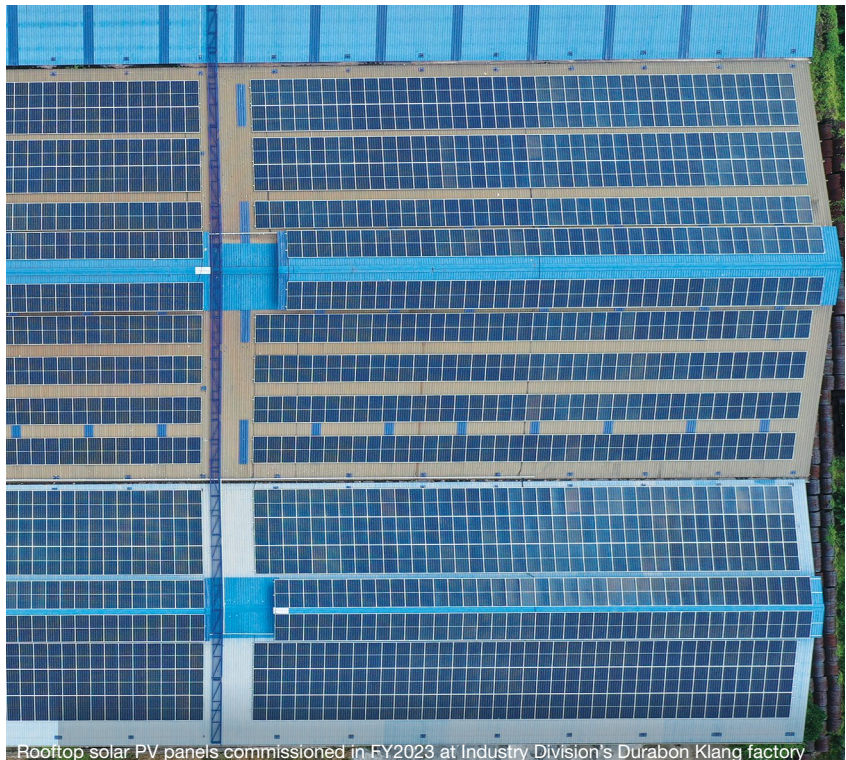
1. Non-renewable energy: Petrol, diesel and natural gas (Industry Division only) usage from company vehicles, mobile and stationary equipment
2. Renewable energy: Energy consumption from renewable sources generated from solar PV panels
3. Energy consumption accounted for direct operations only

The Group has taken effective approaches to reduce its direct emissions by adopting more efficient processes and phasing out high carbon fuels. In certain projects, the Construction Division uses BIM to simulate construction processes with high accuracy, minimising unplanned fuel usage for reworking required to address defects due to coordination issues. Furthermore, the division is exploring the feasibility of using diesel with higher biofuel content at project sites, while also studying the viability to fully electrify its equipment.

The Industry Division replaced the usage of light fuel oil with natural gas and diesel as low carbon alternatives in production processes. In addition, the division

installed a boiler economiser at its ICP factories in Klang and Nilai. The economiser captures heat from the exhaust flue, and heats incoming feedwater into the boiler. The division is also exploring the use of solar power to preheat feedwater in boiler operations.

In line with Kuantan Green Port Initiative, the Port Division conducted an energy audit in FY2023 and identified strategic initiatives to improve energy efficiency and reduce carbon emissions. Simultaneously, the division has completed the installation of electric shore power supply to reduce fuel usage by tugboats that are idling.



Rooftop solar PV panels commissioned in FY2023 at Industry Division’s Durabon Klang factory



**FACILITATING SUSTAINABLE BUILDINGS AND INFRASTRUCTURE**

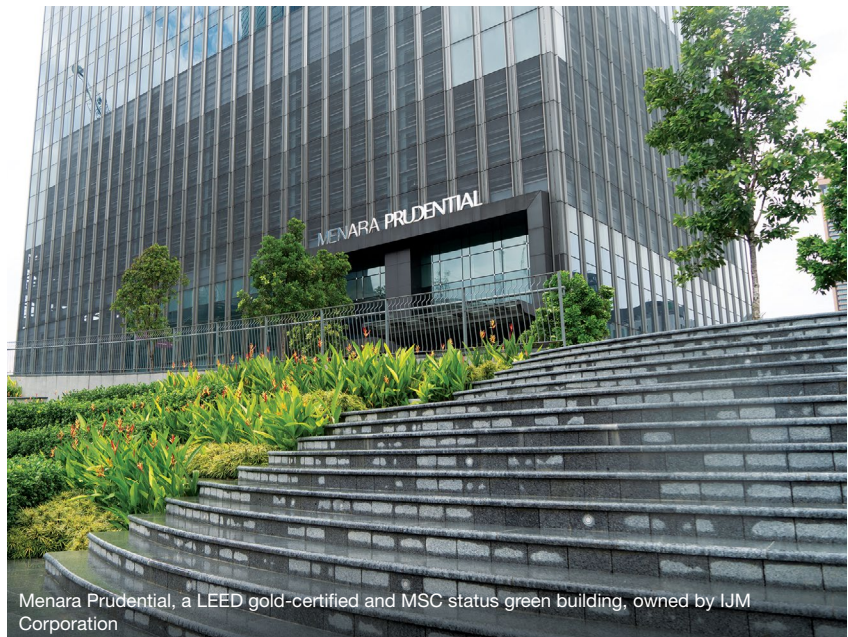
We implement sustainable building and construction principles as a catalytic action in creating sustainable communities and as the means to reduce environmental impacts of our products.

The Construction Division continues to accelerate the adoption of alternative materials and methods in construction to reduce environmental impacts by our projects. Where possible, we work with clients to integrate sustainable design solutions in terms of materials used, construction methods and utilities design, among others, to address operational and embodied emissions.

The Property Division established a Green Building Design Framework for landed and high-rise residential developments in Malaysia. The framework provides guidelines to meet the criteria of GreenRE certification, where the division introduced minimum benchmarks for all new residential projects to obtain a ‘Bronze’ certification level. This necessitates the incorporation of energy efficient and passive design strategies, water efficiency features, indoor environmental quality considerations and environmental protection elements, among others.

The Group’s investment property, Menara Prudential, is a LEED Gold-certified building featuring several resource saving measures. The building incorporates efficient lighting and cooling systems which are monitored via a building management system. Smart meters and sensors are placed to maintain a favourable indoor environmental quality. Low emissivity glass and materials were used in its design

to reduce building heat while captured rainwater and treated wastewater are used for non-potable purposes. Other sustainable features include its convenient location via a network of public transport amenities such as the MRT, and accessible facilities to cater for the disabled.



Menara Prudential, a LEED gold-certified and MSC status green building, owned by IJM Corporation

Completed and On-going Green Building Projects		
Green Building Index (“GBI”)	Green Real Estate (“GreenRE”)	Leadership in Energy and Environmental Design (“LEED”)
18	10	6

The Industry Division has progressively reduced the cement ratio in products by mixing cement alternatives and admixtures in the composition of concrete spun piles. Industrial by-products such as fly ash and ground granulated blast furnace slag (“GGBS”) have lower carbon footprint, while admixtures are used to quicken the concrete curing time. These cement replacers allow low carbon concrete production, aligning with the Group’s Climate Strategy to tackle Scope 1 and Scope 3 emissions through low carbon products. Moreover, IBS products under the Industry Division are certified with an Eco Label Mark. Refer to page 154 for further information.

The Port Division undertook several initiatives in line with the Kuantan Port Authority’s initiative to transition to a green port by 2030. The Kuantan Green Port Initiative involves five strategic thrusts to reduce the level of air pollution and carbon footprint, control marine pollution, implement energy and water resource efficiency initiatives, and establish a systematic waste management control.

## ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

Similarly, our Toll Division prioritises sustainability in all aspects of operations, from reducing our carbon footprint to promoting environmentally friendly practices. Attesting to this commitment, the division was awarded the *Meritorious Winner in the Best Green Initiative* category at the Star Outstanding Business Awards 2022. Our highways are also assessed against the Malaysia Green Highway Index (MyGHI), with both BESRAYA and NPE obtaining ‘Gold’ certifications.



### MANAGING ENVIRONMENTAL IMPACTS

[GRI 303-1, GRI 303-2, GRI 303-5]

We remain committed to safeguard the environment and reduce our impacts. Guided by the Group’s Environmental Policy, we have accelerated efforts for the preservation of natural capital, prevention of environmental pollution and responsible management of waste. At the divisional level, there are specific procedures to identify risks, assess potential impacts and implement control measures to ensure we operate responsibly.

#### Responsible Water Management

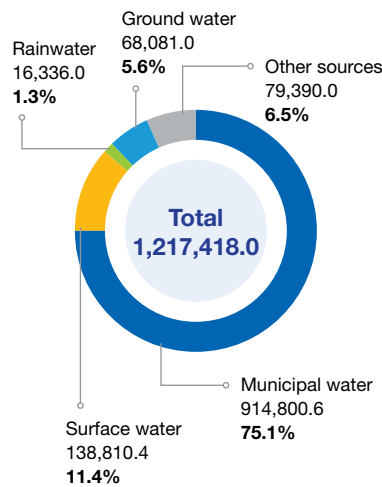
We are committed to using water as efficiently as possible across all businesses and implement measures to reduce water usage in our operations. In FY2023, the Group’s water withdrawal increased by 11.3% to 1,217,418.0 m<sup>3</sup>. This was mainly due to the inclusion of our India operations and increased production volume and activity by the Industry Division.

Rainwater is collected to reduce our reliance on water withdrawn directly from the ground and surface, as well as from municipal supply. Rainwater harvesting systems are installed across the Property and Industry Divisions. A total of 16,663.0 m<sup>3</sup> of rainwater was collected for non-potable use, namely for cleaning and landscaping purposes. Additionally, Kuantan Port collaborated with one of its tenants to improve water usage efficiency through reusing of treated water. The tenant supplied treated water to Kuantan Port for the use of road cleaning, where it made up 39.4% of the division’s total water consumption.

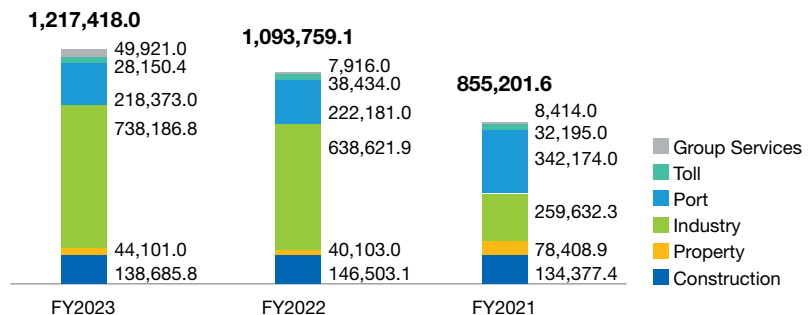
We implement effective control measures to ensure that water discharges adhere to water quality and quantity permits, standards and regulations. In FY2023, there were no recorded cases of non-compliance in regard to water quality.

Water treatment plants are installed at sites with high water discharge to manage wastewater and meet voluntary and regulatory environmental standards. Wastewater is treated by adding chemical agents to reduce suspended solids content to below 50 mg/litre prior to discharge into the public drainage system. Treatment plants with a flocculation process, such as those built in The Light City, Penang sites, effectively separate suspended particles present in wastewater.

Water Consumption by Source in FY2023 (m<sup>3</sup>)



Water Consumption by Division in FY2023 (m<sup>3</sup>)



The clustering of larger particles in wastewater eases the filtration process before discharge. Project sites with low water discharges utilise conventional water treatment methods, such as silt traps and sedimentation ponds. In certain cases, treated water is recycled and reused at project sites and factories.

**Environmental Pollution Management**

IJM remains committed to prevent air, noise, waste and water pollution in areas we operate. In FY2023, all divisions have obtained ISO 14001:2015 Environmental Management Systems certification, which covers 100% of operations in Malaysia. In line with ISO 14001:2015, environmental monitoring and pollution management are outlined in the Group’s Health, Safety and Environment System (“HSE”) Manual. The manual guides the implementation of our Environmental Management Plan to identify, evaluate and mitigate any risks of pollution and minimise the impact of operations on the surrounding environment and communities.

Within our operations, suitable practices for erosion and sedimentation are implemented. Key measures such as groundcover, turfing, vegetation and hydroseeding activities are applied to avoid the risk of soil erosion whereas temporary check dams, silt traps and fences are installed to prevent pollution of water sources.

Pollution from noise and vibration as a result of our operations are controlled and monitored via meters installed at sites. Vibration meters are installed at quarries to ensure minimal disturbance to the surrounding areas as mandated by the Environmental Quality Act 1974. Risks of air pollution are managed through continuous monitoring and inspections at project sites. The Port Division installed dust barriers and fog cannons to reduce air pollution at Kuantan Port. Washing bays are available to clean cargo trucks before they go on public roads and road sweepers and water trucks are utilised to control the dust condition in the Port area.

In FY2023, the Property Division reported one incident of oil contamination due to mishandling of containment bund. Corrective actions were promptly deployed to effectively clean the affected area. The division was not issued with any non-compliance warnings or fines. We will continue to review our processes to ensure that any gaps in compliances are minimised.

**Waste Management and Reduction**  
[GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5]

The Group remains steadfast in managing our waste efficiently and we aim to reduce, reuse, and recycle our waste, whenever feasible. We comply with local waste regulations while continuously working towards managing wastes beyond this minimum threshold. Waste reduction is one of the key measures in our climate strategy. Our target is to reduce waste generated from our operations through enhanced process efficiency and increased awareness on circular economy principles.

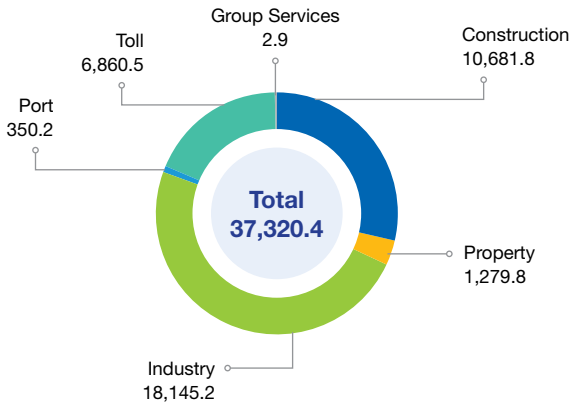
In FY2023, a total of 37,320.4 tonnes of scheduled and non-scheduled waste were generated by the Group.



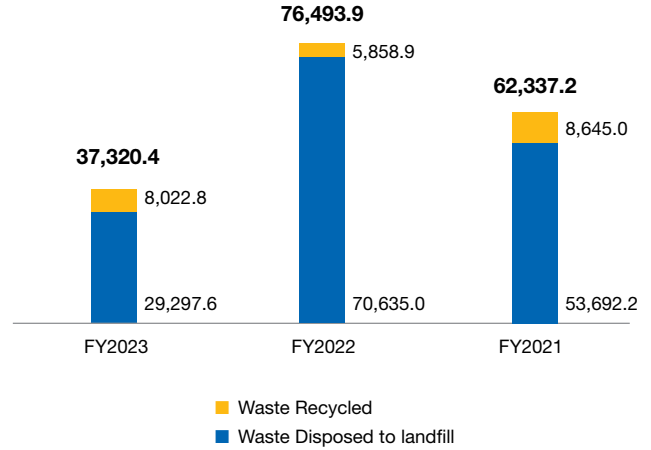
Waste segregation activity by the Construction Division at TRX Residences site

# ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

Scheduled and Non-scheduled Waste Generated by Division in FY2023 (Tonnes)



Total Waste Generated (Tonnes)



We implement proactive measures across all our operations to minimise waste disposed at landfills by recycling and reusing the waste we generate. This year, 21.5% of our waste footprint was reused or recycled.

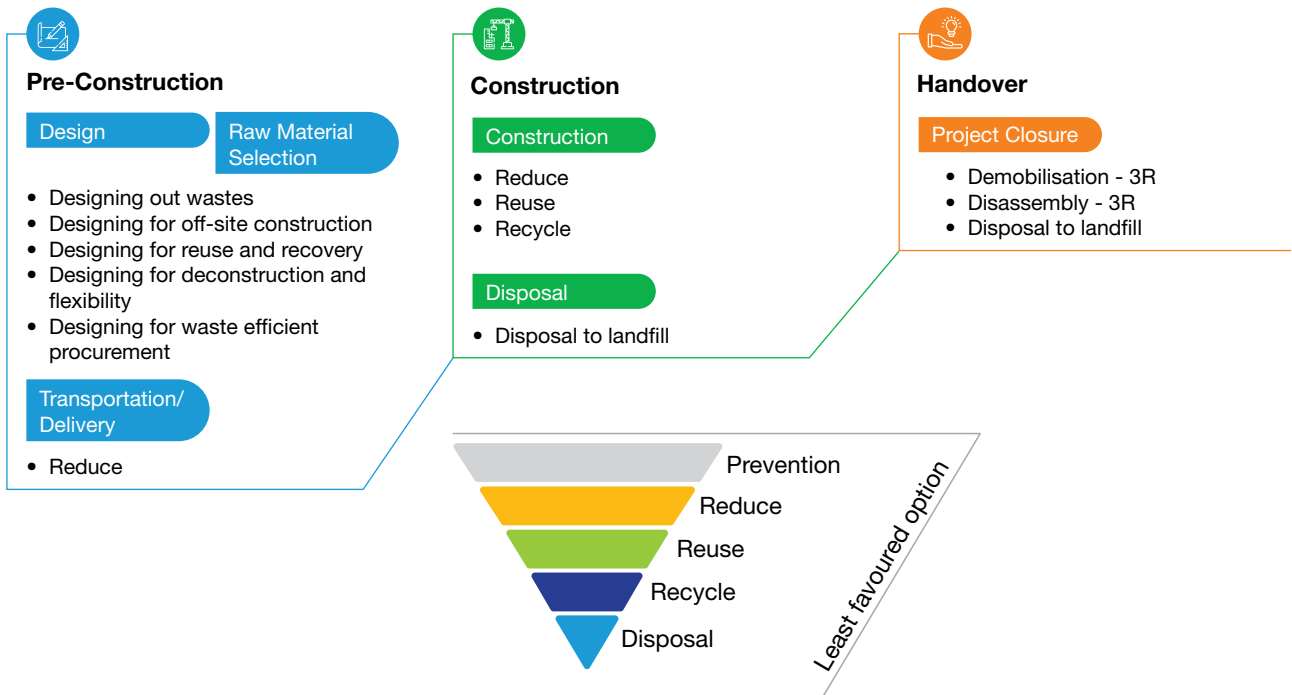
Solid or non-scheduled wastes are segregated at the point of generation with designated collection areas. We appoint licensed contractors to dispose and recycle wastes

at accredited facilities. Recycling and reusing of construction wastes are prioritised for practical implementation at sites, for instance, concrete waste is crushed and repurposed to stabilise road access to sites.

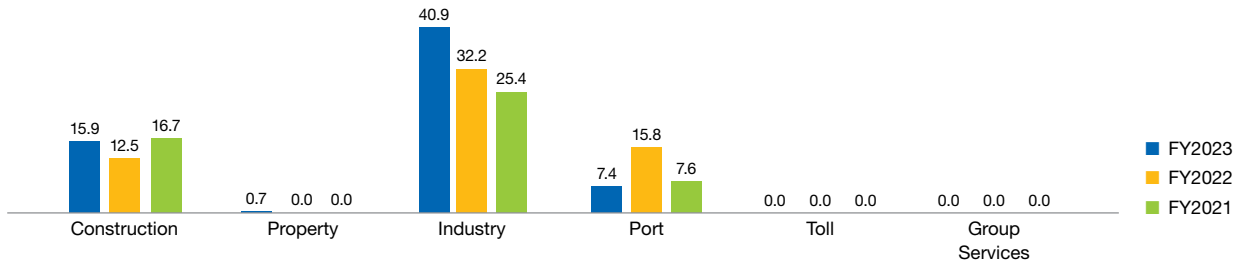
The Construction Division established a Waste Reduction Framework in FY2023, in line with the Group’s Sustainability Roadmap FY2023-

FY2025. The framework provides a guideline for the management and reduction of solid waste. It outlines key measures that can be taken at different stages of a project development and construction cycle. Adopting the waste management hierarchy, reduction of waste is prioritised through design efficiency and process improvements, before reusing and recycling of waste are considered.

## Waste Management Hierarchy and Stages



Scheduled Waste Generated by Division (Tonnes)



Unused concrete is repurposed by segregating sand, aggregates and slurry effluents through a reclaimer at the Industry Division’s IBS factory to effectively optimise material usage and improve cost efficiency. Excess water is collected and separated from slurry effluents to be reused for concrete batching, sprinkler systems and cleaning purposes.

Scheduled or hazardous wastes are managed and disposed according to stipulated safety and environmental legislations. They are stored at designated areas and labelled with clear guidelines and specifications. Licensed contractors are appointed to dispose scheduled wastes at designated treatment facilities. Wherever possible, scheduled wastes are treated and reused on site.

In FY2023, the Industry Division received fines totalling RM65,000 for non-compliance in handling of scheduled wastes at ICP factories in Nilai, Negeri Sembilan and Lumut, Perak. Remedial actions were taken to address the non-compliances and a review of current processes was undertaken to prevent future occurrences. We will continue to enhance our standard operating procedures and strive for full compliance in our operations.

**Cultivating a Circular Economy Culture in Our Townships**

Leveraging on the success of the pilot KITAREcycle community recycling programme at Seremban 2, the Property Division continued this initiative in FY2023. KITAREcycle reinforces the division’s commitment to partner with local communities to promote sustainability within townships. An incentive-based programme, it rewards recycling practices among residents. Working in collaboration with SWM Environment Sdn Bhd and the residents’ association, customised collection bins were placed at 14 locations in Seremban 2.

The Property Division also introduced KITAREcycle to 1,028 primary school students at Sekolah Jenis Kebangsaan (C) Tung Hua, Seremban 2 Heights, Negeri Sembilan, by providing the school with recycling bins. A recycling campaign was conducted to encourage recycling habits among students. In addition, a *Recycling Art Project* and *Recycling Heroes Campaign* were officiated during the campaign, followed by an *Environmental Awareness Talk*.



KITAREcycle collection bin handed over to the residents’ association at Seremban 2 township

## ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

### CONSERVING BIODIVERSITY

[GRI 304-1, GRI 304-3]

We recognise the value that nature provides and acknowledge the importance of conserving the natural ecosystem as part of our business resilience. We are committed to minimising our impact on the natural environment in areas where we operate, using natural resources responsibly and, where applicable, conducting initiatives to conserve biodiversity.

Biodiversity loss and ecosystem collapse are viewed as one of the fastest deteriorating global risks over the next decade<sup>5</sup>. The Group is cognisant on the increased importance of incorporating nature-related risks into business strategies for long-term viability, safeguarding profitability, and ensuring a sustainable future for businesses and the environment. We will explore the complex interdependencies of nature and business based on the Taskforce on Nature-related Financial Disclosures (“TNFD”) framework and assess how they translate into a broader range of financial risks.

All projects above 50 hectares are required to undertake an Environmental Impact Assessment (EIA) to assess the biodiversity value within their boundaries and identify suitable measures to avoid and reduce disturbances on the natural surroundings. Where feasible, we aim to implement regenerative practices in our operations. The Property Division has set its own target to integrate green spaces in their developments, beyond the minimum requirement of local councils.

#### Seawall installation at The Light City, Penang

The Property Division partnered with Universiti Sains Malaysia to install eco-engineered tiles to enhance marine biodiversity along the seafront of The Light City, Penang. The seawall tiles are shaped to replicate the habitat of marine species, stimulating the regeneration of these organisms. The initiative reinforces the division’s dedication to restore and rehabilitate marine ecosystem surrounding coastal developments. The restoration and promotion of blue-green infrastructure will also enhance coastal protection, thus building resilience against physical climate stressors.



A seawall tile installed along seafront of The Light City, Penang

<sup>5</sup> World Economic Forum Global Risk Report 2023

The Toll Division completed the first phase of its tree inventory exercise along the Negeri Sembilan stretch of its LEKAS highway, undertaken in collaboration with the State Forestry Department. This exercise entailed a stocktake of the landscape along LEKAS which, which includes identifying tree species and numbers. The exercise

recorded a total of 4,083 number of trees comprising 38 native and non-native species. The next phase of the exercise will be conducted along the Selangor stretch of LEKAS, as well as NPE and BESRAYA highways. The exercise will enable proper management of roadside landscape and identification of suitable conservation and preservation measures. This exercise also provides valuable insights on potential opportunities in nature-based climate adaptation and mitigation, such as forest preservation for flood protection and carbon sequestration.



A section of LEKAS highway, managed by the Toll Division

# WORKPLACE

EMPOWERING OUR PEOPLE







# WORKPLACE: EMPOWERING OUR PEOPLE

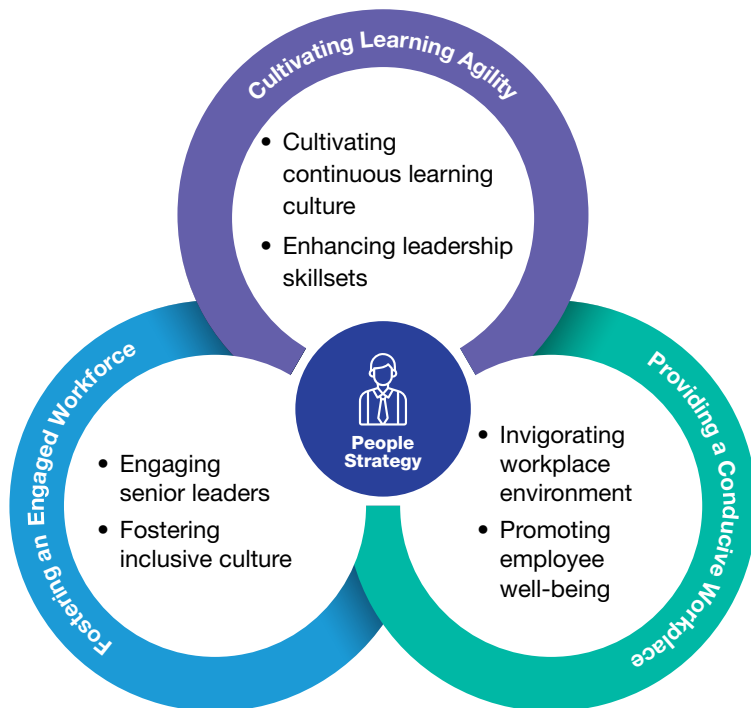
An effective people strategy is essential for aligning human capital with overall business strategy and fostering a positive work culture. IJM Group’s vision and mission statement offers a clear purpose and direction to our employees. In a rapidly evolving world, where work dynamics constantly transform, we recognise the need to adapt and ensure that our workforce remains agile and well-prepared. This section highlights our proactive approach to engaging and empowering our employees, enabling them to stay resilient and adept in the ever-changing landscape of work, both today and in the future.

## PEOPLE STRATEGY AND GOALS

At the core of our People Strategy lies the objective of elevating leadership skills, nurturing a strong talent pipeline for the future and honing

our organisational work culture. Our focus is to strategically place the right individuals in the right roles, at the right time, to build a workplace that promotes productivity and success. The purpose of our People Strategy

is to equip our workforce with the necessary skills, capabilities, and resources to effectively contribute to the achievement of the Group’s business strategic objectives.



“The vitality of an organisation lies in its people, who collectively form its living essence. Everyone in IJM plays a significant role in contributing to the Company’s success. It is the people who infuse the organisation with purpose, enabling IJM to envision the future and fulfil our present responsibilities.”

**Simon Lai**  
Human Resources  
Department, IJM Group

### Fostering an Engaged Workforce [GRI 2-7, GRI 2-8, GRI 401-1, GRI 401-3, GRI 404-2, GRI 405-1]

We understand the significance of fostering an engaged workforce and the positive impact it has on our overall performance. Opportunities for people engagements declined dramatically during the COVID-19

pandemic years, but we are now back in full force in FY2023.

During the year, we assessed employee satisfaction through an extensive employee engagement survey. This survey served as a crucial tool for us to identifying areas of improvement that included

the need to enhance engagement with senior leaders, revitalise workplace experiences, and reignite team synergy. By addressing these opportunities, we aim for a workplace notable for its strong interpersonal connections, high morale, and sense of care and fulfilment among our employees.

### Engaging Senior Leaders

The Group's senior leaders directly engage with employees during townhall sessions and smaller, more intimate, coffee gatherings. Through these interactions, much communication takes place across the company hierarchy. This alignment of purpose ensures that all individuals are working collectively towards common objectives and promoting synergy. Additionally, increased employee visibility has led to greater recognition of their contributions, both in their division and the Group.



Intimate gatherings such as Coffee Session with Senior Leaders foster improved communication and interaction between leaders and employees

### Leadership Workshop

IJM's Group Services and divisional leaders participated in a leadership workshop, aimed at fostering alignment with the Group's strategy and nurturing collaboration and camaraderie among key leaders within the organisation. The knowledge and insights gained from the workshop will be cascaded to each division through a series of leadership team coaching sessions. These sessions serve a dual purpose—namely, to assist us in charting our long-term plan while reinforcing behaviours necessary to support the sustained growth of the Company and our diverse businesses.

“I am truly heartened by the level of employee engagement and enthusiasm that I experienced at our town hall meetings. I hope you got to know me and the senior leadership team a little better. As I shared during the town hall, the Group’s strategic focus on *Nurturing Capabilities* is centred on sustainability, digitalisation and innovation, and risk management initiatives. Along with our people strategy, these focus areas reflect on how we intend to position the Company going forward.”

**Lee Chun Fai**  
CEO and Managing Director, IJM Group



Townhall session with senior leaders at Wisma IJM



Empowering leaders: IJM Group Services and divisional heads engage in dynamic leadership workshop

# WORKPLACE: EMPOWERING OUR PEOPLE

## Fostering an Inclusive Culture

Our employee population reflects our commitment to inclusivity and respect for the diverse perspectives within the Group. Breakdown by age indicates 53% were millennials between the ages of 27 and 43, 36% were between the ages of 44 and 59, while 7% were Generation Z below the age of 26 and 3% were above the age of 60.



As at 31 March 2023, IJM Group had **3,289** employees



**79%** Permanent full-time employees



**21%** Contract full-time employees

### IJM Group Workforce by Ethnicity



Bumiputera **52%**



Chinese **24%**



Indian **7%**

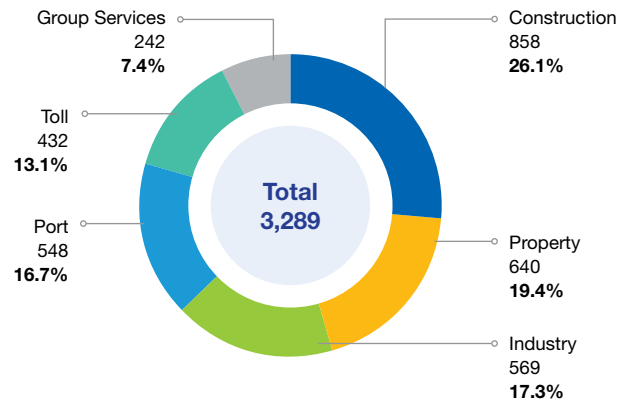


Others **<1%**

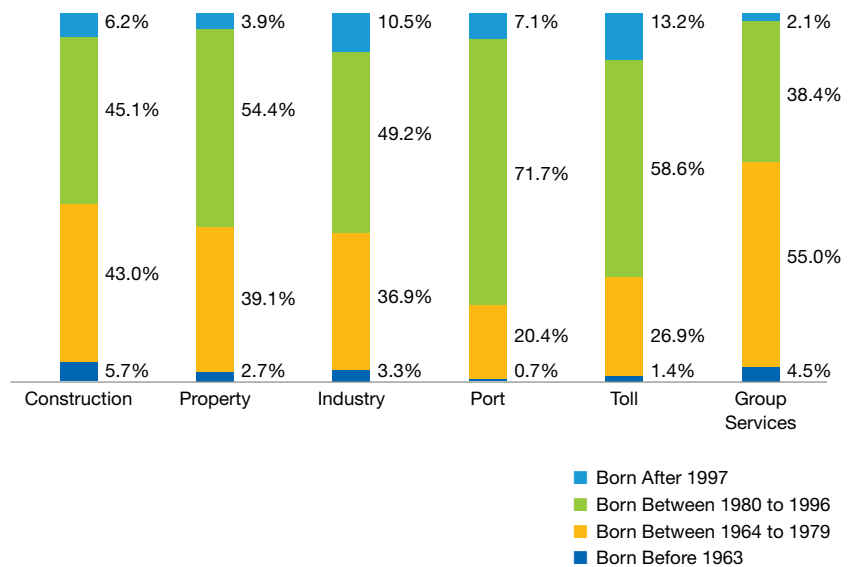


Non-Malaysians: Chinese, Indian, Singaporean and American **17%**

### IJM Group Employees by Division in FY2023



### IJM Group Employees by Generation as at 31 March 2023



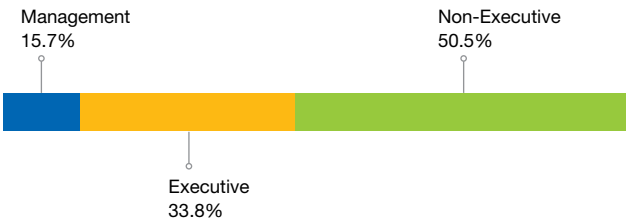
**Employee bonding and engagement**



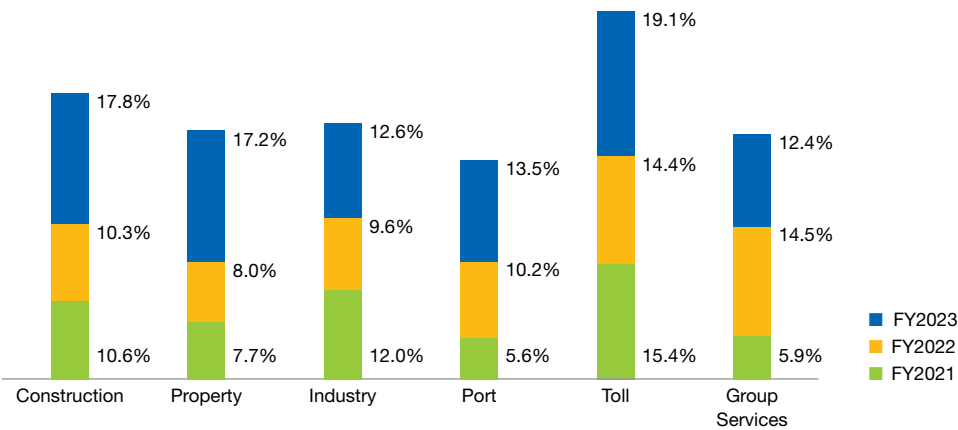
Festive celebrations such as Chinese New Year and Hari Raya Aidilfitri 2023 serve as catalysts for establishing positive work relationships and creating a sense of unity within the Group

**Employee new hires and turnover rate**

IJM Group New Employee Hires by Employment Category in FY2023



IJM Group Turnover Rate by Division



## WORKPLACE: EMPOWERING OUR PEOPLE

### Women at work

We are committed to creating an inclusive and supportive workplace that promotes the advancement and empowerment of women at all levels of decision-making and provide equal opportunities for leadership positions, as per the principles of *SDG 5: Gender Equality*. We recognise the unique strengths, perspectives, and contributions that women bring to the workplace and we are dedicated to fostering their professional growth, development and success.

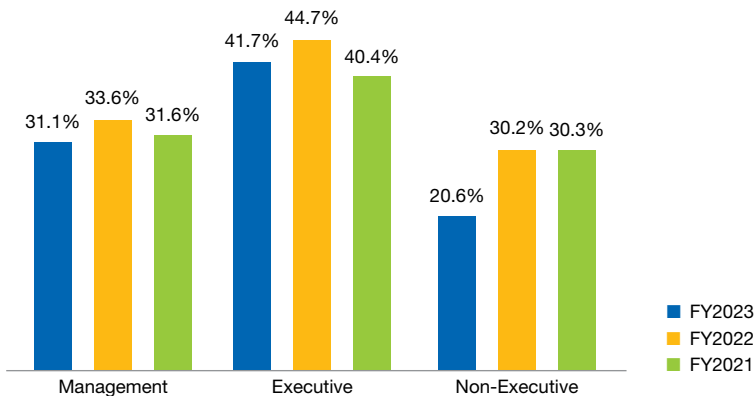
By investing in the professional growth of women employees, we aim to increase their retention and promote long-term career progression. Flexible work arrangements aim to accommodate the needs of working women, to balance their work and personal responsibilities more effectively, leading to better job satisfaction and retention.

We actively identify and develop high-potential female employees for leadership roles and ensure that diverse voices are included in our decision-making processes. We believe women in leadership positions serve as role models and encourages other women to pursue career advancement opportunities.

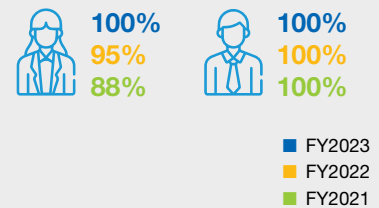
We encourage a 100% return to work after parental leave because it enables us to retain the talent and productivity of these employees. It is also a statement of our equal opportunity practices and career advancement made available to employees, regardless of their gender, marital or family status.

In accordance with the revised employment act, we adjusted our policy to extend maternity leave to 98 days. This revision aims to assist new parents achieve a healthier work-life balance, allowing them to dedicate crucial time to their newborns during the important initial months.

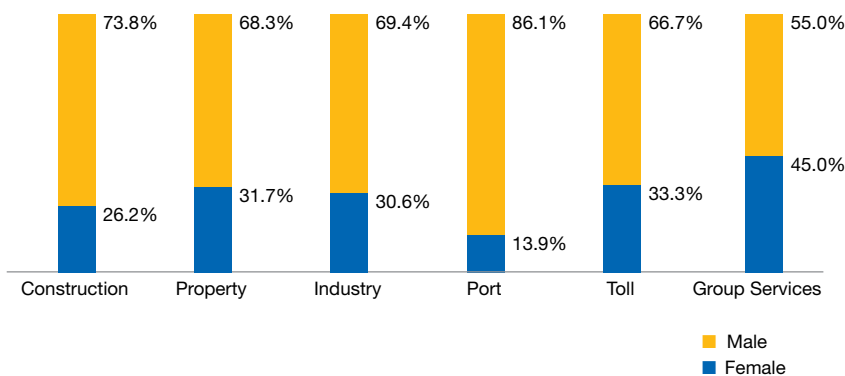
IJM Group Women Representation by Employment Category



Employee Return to Work Rate



IJM Group Employees by Gender in FY2023



### Workplace of Choice

Providing competitive compensation, career development opportunities, and a motivating workplace are vital for attracting and retaining valuable employees. It is noteworthy that 68% of our workforce have been with IJM for over five years and more than 540 employees have stayed with the Company for more than 20 years. This affirms that IJM is a desirable workplace for long-term career growth and development. IJM Group regularly reviews compensation and benefits to ensure our employees are looked after and their needs are met.

In FY2023, the **IJM Long Service Award** ceremony recognised 58 employees for their exceptional 20-year commitment to the Company. The award is an expression of appreciation for their dedication and contributions, and a source of inspiration pursuing professional growth in IJM.



IJM Long Service Award celebrates 20 years of employee commitment

The Toll Division hosted the **Outstanding Personnel Service Awards** ceremony in May 2022 to commend and appreciate individuals who have made remarkable contributions to the Company. This recognition highlights exceptional performance and serves as a source of motivation for others to pursue excellence. It reinforces the organisation's dedication to cultivating a culture of high standards and continuous learning.



Toll Division honours outstanding personnel at awards ceremony

### Civil Construction Career Fair and Exhibition

In April 2022, IJM was the main sponsor of the Universiti Malaya Civil Convention 2022 organised by the university. Our Construction Division CEO, Wong Heng Wai delivered a keynote address, *Trend of Malaysia's Construction Industry After the COVID-19 Pandemic*. We also used this event to reach out to deserving young talents to apply for the IJM Scholarship Award programme, as we believe in nurturing and supporting the next generation of construction professionals.

### Cultivating Learning Agility

[GRI 404-1, GRI 404-2]

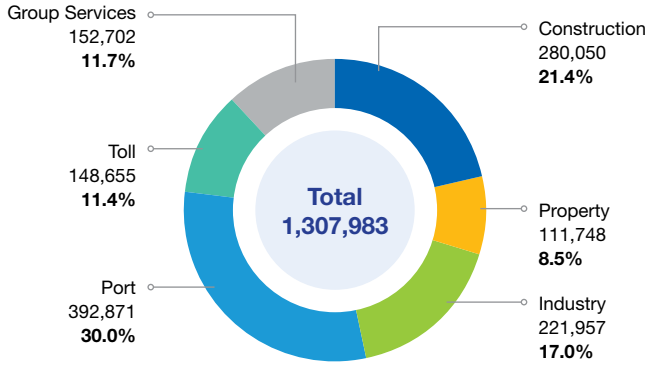
IJM Group is committed to providing continuous professional and personal growth opportunities for all employees, aligning with the Group's short- and long-term objectives. We believe that by investing in the professional growth and development of our employees, we can create a skilled and engaged workforce that is responsive and respected by clients and customers.

In FY2023, we offered a diverse range of learning opportunities, catering to different learning styles and preferences. These opportunities include instructor-led training sessions, online courses, webinars, workshops, mentoring programmes, job rotations and collaborative projects. Our aim is to ensure that these learning opportunities are easily accessible, engaging, and relevant to our employees' roles and career paths.

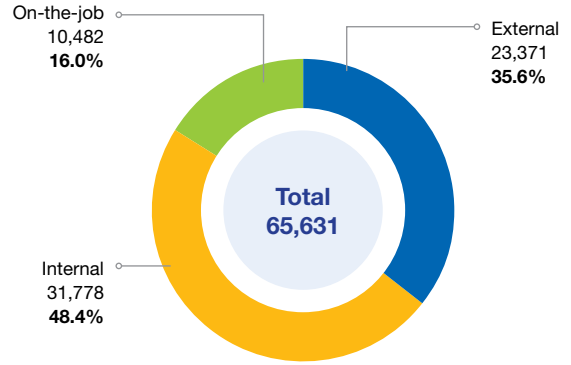
In FY2023, a total of RM1.3 million was spent on training programmes as part of our investment in employee growth. Our employees collectively dedicated over 65,600 hours to learning and development activities, underscoring their commitment to personal and professional development.

## WORKPLACE: EMPOWERING OUR PEOPLE

IJM Group Learning and Development Spending by Division in FY2023 (RM)



IJM Group Training Hours by Type in FY2023



### Cultivate Continuous Learning Culture in Sustainability Topics

We acknowledge the significance of sustainability knowledge and its integration into our corporate practices. As a member of the United Nations Global Compact Network Malaysia & Brunei (UNGCMYB), we utilised the UNGC Academy Learning Platform to provide our employees from various departments with the opportunity to learn about essential sustainability topics.

We introduced several modules such as *The Net-zero Standard* and *SDG Integration - SDG Leadership* to assess our employees' understanding of these topics. Over 400 employees completed the learning modules and

obtained insights from industry experts and corporate leaders on sustainability strategies that are aligned with our Company's goals.

Our objective is to equip more employees with the necessary knowledge and practical insights to address pertinent sustainability issues, empowering them to make meaningful contributions to sustainability efforts and drive positive change within IJM and the wider community.

### Enhancing Leadership Skillsets

We conducted comprehensive evaluations of the Group's workforce skillsets and competencies to ensure their alignment with the Group's strategic objectives. Through this assessment, skill gaps were identified,

and comprehensive learning and development plans were drawn up. These plans are designed to address identified gaps and train our employees with the necessary skills and competencies needed to excel in their role and contribute towards our Group's strategic goals.

In addition, our Individual Development Plan ("IDP") aims to bring clarity to an individual's career aspirations and identify the crucial areas of development necessary to achieve their professional objectives. The IDP encompasses an individual's career goals, identifies opportunities for advancement, and the specific areas of development that will enable them to make progressive strides toward their desired career path.

### Talent and learning pathways

<b>LEAD</b>	<ul style="list-style-type: none"> <li>LEAD programme identifies potential future leaders for IJM</li> <li>The programme employs a blended learning approach to develop well-rounded leaders</li> <li>Focus areas include self-discovery, presentation skills, business acumen, and team leadership</li> </ul>
<b>Managerial Curriculum</b>	<ul style="list-style-type: none"> <li>The Managerial Curriculum is specifically designed to develop and strengthen the competencies of people managers in IJM</li> <li>It focuses on building strong managerial skills and capabilities at every managerial level, to effectively lead and manage teams</li> <li>The curriculum aims to empower managers with the necessary tools and knowledge to drive desired results, build effective teams and efficiently navigate their managerial responsibilities</li> </ul>
<b>Young Talent Programme ("YTP")</b>	<ul style="list-style-type: none"> <li>YTP offers comprehensive exposure to IJM businesses</li> <li>It encompasses technical, operational, and strategic aspects of IJM businesses, equipping participants with a holistic understanding of the respective industry</li> <li>Currently, 13 young talents are actively participating and benefiting from the programme</li> </ul>
<b>Graduate Associate Programme ("GAP")</b>	<ul style="list-style-type: none"> <li>GAP is designed to provide an opportunity for scholarship recipients to gain familiarity with key functions in IJM</li> <li>GAP participants undergo rotations in departments such as Tender and Contracts, Engineering, Accounts and Finance, Health, Safety and Environment, Quality Assurance and Quality Control, and BIM, ensuring they gain diverse and comprehensive exposure</li> <li>By experiencing different roles and departments, GAP participants develop a well-rounded understanding of IJM's operations, fostering their growth and preparing them for future roles in IJM</li> </ul>



**Providing a Conducive Workplace**

We aspire to create a positive and inspiring work environment that attracts and retains top talent, fosters innovation and collaboration, promotes employee well-being, and ultimately drives business growth.

**Invigorating the Workplace Environment**

Wisma IJM will be undergoing major renovation to become a dynamic modern-day workplace that is conducive for nurturing collaboration, diversity and inclusion, better interpersonal connections and communication.

**Employee Well-being**

In FY2023, we improved the coverage and limits of our medical checks and claims, to include additional services like chiropractic and traditional complementary medicine. We also removed the limit for dental and optical expenses, allowing employees to better manage their wellness priorities. Additionally, we separated the medical and hospitalisation leave to comply with national employment regulations. These initiatives reflect IJM's dedication to supporting employee wellness, and creating a caring and productive work environment.

**Employee compensation and benefits**

TYPES OF LEAVE	
Annual Leave, Blocked Leave, Marriage Leave, Parental Leave, Family Care Leave, Bereavement Leave, Sick or Hospitalisation Leave, Prolonged Illness Leave, Study and Examination Leave, Compassionate Leave and Replacement Leave	
EMPLOYEE WELLNESS	WORK ARRANGEMENT
Outpatient Medical Coverage, Annual Medical Check-up, Dental and Optical	Flexi Working Hours, Flexi Lunch Hours (based at office), Two Saturdays Off (Based on-site), Overtime and Flexible Work Arrangement
ALLOWANCES AND SUBSIDIES	INSURANCE COVERAGE
Business Travel Reimbursements and Business Claims	Hospitalisation and Surgical Insurance, Group Term Assurance, Group Personal Accident
OTHERS	
Car Park Facility, Retirement Benefits, Long Service Award, IJM Scholarship Award, IJM Academic Excellence Award	

**Partnership with Big Pharmacy**

The Human Resource Department initiated a partnership event with Big Pharmacy in October 2022. This collaboration allows employees to purchase medicines and supplements at discounted rates from all Big Pharmacy outlets. Furthermore, employees have the opportunity to engage in virtual consultations with certified medical practitioners for common or minor illnesses.

The Big Pharmacy Roadshow, attended by over 503 employees across various IJM locations in Malaysia, featured sales booths

offering special discounts, free basic health screening with blood pressure, glucose level, and cholesterol level checks. Additionally, the event included a series of virtual talks hosted by doctors and health experts, covering various health topics.



The Big Pharmacy roadshow drew over 500 employees

**UPHOLDING HUMAN RIGHTS**

[GRI 406-1, GRI 412-2]

“No one shall be subjected to torture or to cruel, inhumane, or degrading treatment or punishment and everyone has the right to recognition everywhere as a person before the law.”

**Universal Declaration on Human Rights UN, 1948**

The Group is committed to protecting the rights of its people and treating them with dignity, in line with the UNGC Ten Principles and other relevant legal requirements and regulations.

We comply with all applicable labour laws, including working hours and overtime, in the jurisdictions where we operate. We have also integrated all other provisions of the amended Employment Act 1955 into our employee schemes and conditions to ensure conformity with the gazetted Minimum Wages Order 2022, which came into effect on 1 September 2022.

We conducted briefings that not only covered the legal aspects but also emphasised the significance of human and labour rights to promote awareness and understanding of these changes. During these sessions, we reaffirmed IJM's commitment to addressing issues such as sexual harassment, forced labour, and discrimination.

Additionally, we educated our employees on the appropriate channels to report any misconduct or violations, whether by approaching their superiors, contacting the Human Resources Department, or utilising our Whistle-blowing Policy. By fostering a culture of open communication and accountability, we aim to ensure a safe and inclusive workplace for all.

In FY2023, there were zero incidents of human rights violations and zero labour standards non-compliance at IJM.

## WORKPLACE: EMPOWERING OUR PEOPLE

### WORKPLACE HEALTH AND SAFETY

#### Health and Safety On-site

[GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-8, GRI 403-9]

IJM places significant importance on health and safety standards and has successfully retained the ISO45001 and 14001 certifications, which are internationally and locally recognised for Occupational Safety and Health and Environmental Management System.

In FY2023, all 23 active projects of Construction Division, nine ICP factories of Industry Division and Port Division are ISO 45001:2018 certified, and their safety and health data were audited and verified by Standard and Industrial Research Institute of Malaysia (SIRIM). The Construction Division achieved zero non-conformity in the independent audit conducted by SIRIM.

#### IJM Group Health and Safety Best Practices

##### Fall protection

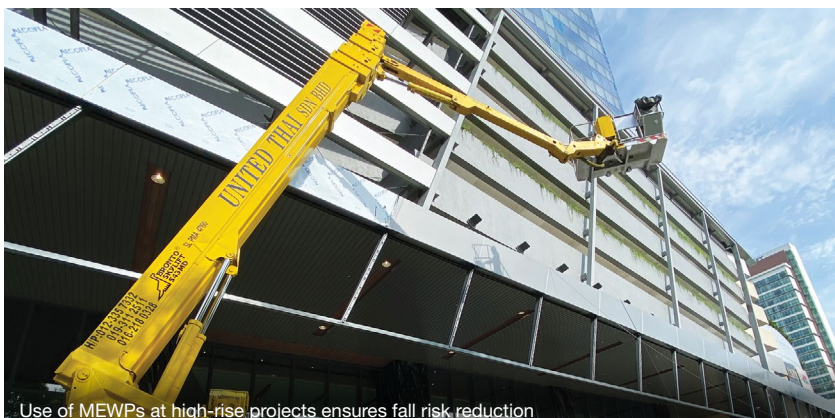
IJM maintains a high standard of fall prevention. We implement the screen or fencing protection system in most of our high-rise projects. The fencing system remains as a standard for edge protection at all project sites. When constraints prevent the implementation of this system, fully secured galvanised iron pipe protection is implemented.



Fencing protection system ensures worker safety

##### Mobile elevated working platform ("MEWP")

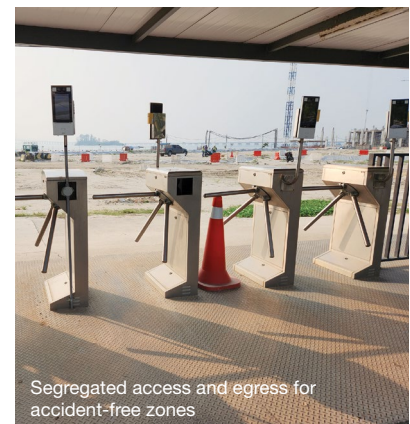
IJM utilises MEWPs at factories, warehouses and high-rise projects, to make it safer to work from height. We ensure full compliance with MEWP's standard operating procedures, to reduce the risk of falls.



Use of MEWPs at high-rise projects ensures fall risk reduction

##### Access and Egress

IJM implements segregated access and egress for machineries and pedestrians to reduce risks accidents and injuries. Our ERA Phase 2 project site has mechanical roller shutter gates for access. The Light City, Penang and other project sites have designated machinery access. The biometric access system has also been maintained at all project sites.



Segregated access and egress for accident-free zones

The Group has a comprehensive Occupational Safety and Health Policy that has been approved by the Group Managing Director and CEO. HSE Committees are present in all Divisions and locations to oversee health, safety, and environmental matters. Moreover, joint management-worker health and safety committees at project sites ensure the active involvement of employees from all levels in discussing and addressing Occupational Safety and Health ("OSH") issues with the management.

The Hazard Identification, Risk Assessment, and Risk Control ("HIRARC") process undergoes regular evaluation to ensure its applicability in the workplaces where accidents could potentially occur. We implement measures to minimise health risks associated with the handling of hazardous chemicals across our work sites.

The Construction, Industry, and Port Divisions comply with the OSH Use and Standard of Exposure of Chemicals Hazardous to Health Regulation 2000 by conducting Chemical Health Risk Assessments (“CHRA”) for both on-going and new project sites, quarries, and port facilities.

The Organisational Context, Risk and Opportunities process was carried out extensively for all existing projects and new potential projects, to facilitate our Construction Division to plan actions necessary for ensuring full compliance and a high level of performance at project sites.

All IJM projects are registered with the Construction Industry Development Board (CIDB) for the SHASSIC audit programme to be carried out at our project sites. Governed by CIDB, SHASSIC is an audit programme applicable for all sites, with a target achievement of 5-star rating from 80% of our project sites audited in the financial year. In FY2023, TRX Residence achieved a 5-star rating in the SHASSIC assessment.

Health and safety hazards, environmental risks and operational risks and opportunities were managed throughout the life cycle of the project, with higher emphasis during design and pre-construction stage. This enables the Company to keep risk levels to as low as reasonably practicable and reduce the potential of accidents and pollution from our operations.

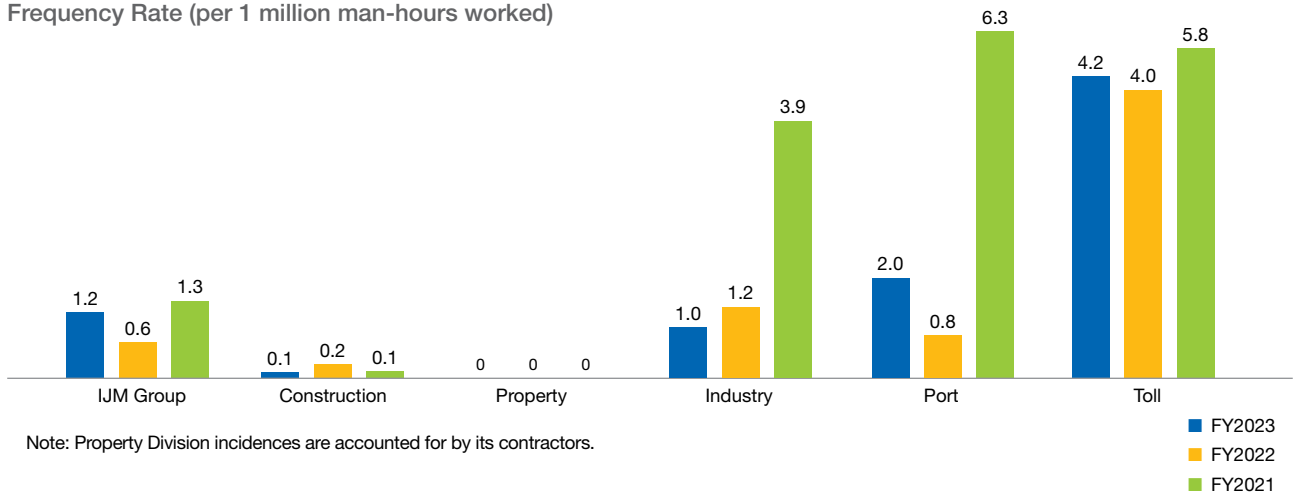
In October 2022, the Toll Division established the Occupational Safety and Health Management System (“OSHMS”), in their pursuit for ISO14001:2018 certification.

Various training programmes were conducted on creating safety awareness and implementing the HIRARC procedure, apart from equipping employees with skills and expertise through the ISO 45001 internal auditor training, to promote a safe working environment.

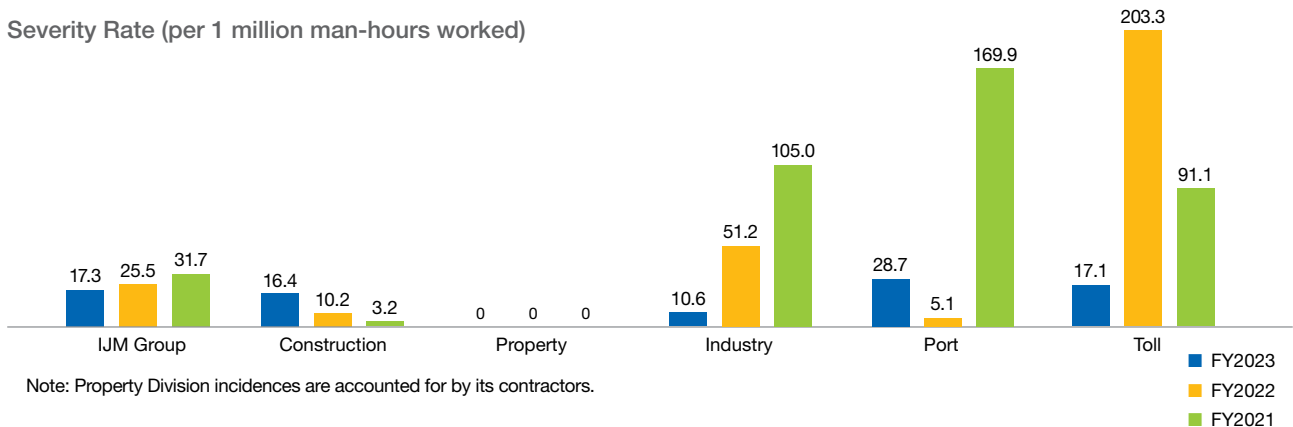
**Preventing Workplace Accidents**

In FY2023, the Group recorded a Lost Time Injury (“LTI”) frequency rate of 1.2; which reflects the number of LTI incidents occurring every 1 million working hours. The severity rate, which measures the number of lost workdays due to work-related injuries occurring for every 1 million working hours, was 17.3.

Frequency Rate (per 1 million man-hours worked)



Severity Rate (per 1 million man-hours worked)



## WORKPLACE: EMPOWERING OUR PEOPLE

The Group strives for zero accidents by implementing safety and health monitoring as well as taking necessary corrective measures. Zero fatality and zero accident objectives are essential performance indicators incorporated into the incentive programmes for all project directors.

In FY2023, there was one fatality case reported under the Construction Division. A worker was hit by a falling steel pipe, weighing 180kg, while operating a scissors lift. Corrective action plans to prevent such recurrences were undertaken based on the root causes identified through the accident investigation process. IJM also executed a safety stand down following the incident to reflect, reassess and restrengthen the operational implementation and control to avoid any accidents of similar nature in the future.

Subsequently, we conducted a management workshop to determine the necessary improvements for the HSE system and operational practices within the Company. As a result, the division decided to establish and execute the HSE Improvement Plan. This plan encompasses various aspects, including human resources, system processes, and performance, with the aim of raising the overall standards within the Company. By implementing this plan, IJM seeks to elevate the minimum operational practices and enhance various processes, such as adopting Safe Work Method Statements to improve risk management procedures throughout the organisation.

In June 2022, an accident occurred in the Industry Division. During a preliminary inspection on a rooftop prior to solar panel installation, a sub-contractor project engineer unhooked his safety harness to traverse the jack roof. He stepped on a transparent roof sheet, resulting in a fatal fall to the

ground. Immediate actions were taken and a thorough investigation was initiated to determine the root causes and identify necessary preventive measures to prevent similar incidents in the future.

In July 2022, the Construction Division conducted the Occupational Safety and Health Week 2022 to raise awareness of workplace safety and health practices through various activities. These included training sessions, workshops, and interactive exhibitions. During the week, employees were updated with the latest developments in safety practices, best practices and first-hand experiences.

Site consultations and internal audits are employed to monitor, enforce and improve HSE requirements. In FY2023, the Construction Division conducted 36 HSE Consultation programme and 11 internal audits, resulting in corrective actions and observations for continuous improvement.

In August 2022, the Port Division announced the official opening of Berth 1 and Berth 2, following extensive refurbishment and renewal efforts after more than 40 years of operation. Both berths have been upgraded and modernised to meet the latest safety and operational standards, ensuring a high level of safety for workers handling vessels and cargo. Working in collaboration with FGV Holdings, the Port Division invested over RM12 million to enhance safety measures for workers, which included the upgrading the berth structure, installing state-of-the-art equipment, and implementing stringent safety protocols.



Enhancing worker safety: Port Division unveiled upgraded Berth 1 and Berth 2

### **Safety training and awareness programmes**

The Construction Division organised several talks with speakers from the Department of Occupational Safety and Health (“DOSH”) to promote HSE as a priority and reinforce IJM’s ambition for zero fatality. Health and safety training are crucial component to improve the competency of all parties at operational sites, including our sub-contractors. The Construction Division conducted health and safety training at the IJM Headquarters and at project sites, both in-person and virtually. The topics included trade-specific HSE requirements, working at height, waste management, chemical management, scheduled waste management, and training on various plant and machinery handling.

**Fire drill for safety and preparedness**

The Port Division organised a fire drill exercise that commenced with a simulated protest enacted by vessel crews, leading to a simulated fire outbreak on the vessel. During the simulation, the prompt and efficient rescue operation emphasised the Port's commitment to safety and swift response. The exercise also showcased the Division's preparedness in handling complex situations effectively. The fire drill was observed by related authorities such as the Assistant Director of Kuantan Port Fire and Rescue Department, the Chief of Gebeng Police Station, and the Senior Fire Officer of Gebeng Fire and Rescue Station.



Ensuring safety first: Port Division's simulated fire outbreak-response

**Integrated road safety and ops campaign**

The launch of Toll Division's Integrated Road Safety and Ops Campaign coincided with Chinese New Year 2023 State Level Sembilan, held at Sentul Tol Plaza, LEKAS Highway. The campaign commenced with the flag-off of departmental vehicles from public

agencies such as the Road Transport Department of Negeri Sembilan State, Malaysia Fire and Rescue Department, Malaysia Royal Police, Malaysia Civil Defence Department and the Toll Division.

The flag-off ceremony was officiated by YB Choo Ken Hwa, Chairman of the Negeri Sembilan State Road Safety

Council, who took the opportunity to distribute campaign materials to road users passing through the Sentul Tol Plaza on the LEKAS Highway. This integrated campaign serves as a crucial initiative to promote road safety awareness and enhance operational efficiency during the festive season.

# COMMUNITY

BUILDING AND ENABLING BETTER COMMUNITIES





# COMMUNITY: BUILDING AND ENABLING BETTER COMMUNITIES

Community investment is an integral part of IJM Group’s ethos. By actively participating in community initiatives and visibly making a positive impact, we establish IJM as a trusted and socially responsible company. Our community investment efforts are guided by the Business for Societal Impact (“B4SI”) Framework and are aligned with globally recognised sustainability frameworks, such as the United Nations Sustainable Development Goals (“SDG”).

## COMMUNITY INITIATIVE HIGHLIGHTS [GRI 203-1]

IJM’s current Community Investment (“CI”) Policy guides us to make a positive impact on the communities where we operate through philanthropic and strategic initiatives in the areas of community development, education and sports.

“We cultivate a culture of social responsibility among IJMers to actively engage in community initiatives. The endeavours initiated to alleviate the hardships faced by vulnerable families garnered an overwhelming outpour of generosity. Our colleagues, along with the wider public, selflessly contributed their finances, time, and energy, bringing aid and support to nearly 800 families within our port community. This heartwarming demonstration of compassion highlights the profound impact we can create when we come together as a united force, driven by a shared purpose to uplift and empower those in need.”

**Nurfatin Nadhrah Hamidon**  
Marketing and Corporate Communications  
Department, Port Division



### Contribution

- ▶ **RM2.4 mil**, accounting for **1.5%** of the Group’s PATMI
- ▶ About **RM1.8 mil** spent on **Community Development** initiatives
- ▶ More than **RM500,000** spent on **Education** initiatives
- ▶ Close to **RM120,000** spent on **Sports** initiatives



### Initiative Motive

- ▶ **93.0%** strategic initiatives involving long-term community partnerships
- ▶ **7.0%** charitable initiative aimed at providing short-term relief



### CI Pillars

- ▶ **74.7%** Community Development
- ▶ **20.4%** Education
- ▶ **4.9%** Sports



### Employee Volunteering

- ▶ Supported by more than **490 employees** across the divisions
- ▶ Clocked more than **2,200 hours**

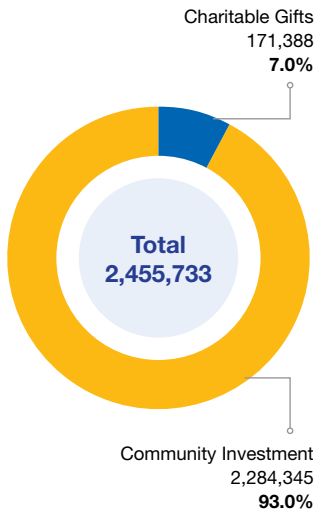


### Location

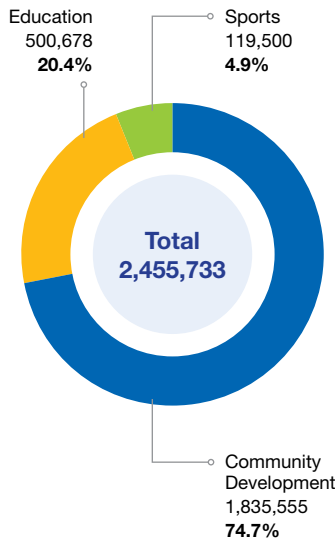
- ▶ Selangor
- ▶ Negeri Sembilan
- ▶ Pahang
- ▶ Sarawak
- ▶ Kuala Lumpur
- ▶ Pulau Pinang
- ▶ Perak
- ▶ Hyderabad



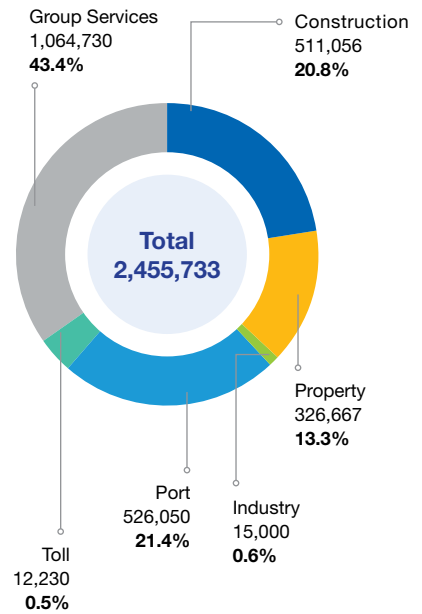
Motive for Contributions in FY2023 (RM)



Supporting Causes by Community Investment Pillar in FY2023 (RM)



Expenditure by Division in FY2023 (RM)



**COMMUNITY DEVELOPMENT**

[GRI 203-2, GRI 413-1]

Our collaborative approach of engaging stakeholders allows us to gain valuable insights and address their concerns. It also strengthens acceptance of our projects within the community and fosters a sense of shared ownership. Engaging stakeholders in decision-making processes also leads to successful project execution and long-term positive outcomes in communities where we operate.

**MyHome Rehabilitation Programme**

Communities with low-income households, elderly individuals, or people with disabilities often struggle to afford safe and habitable living conditions. Through our Home Rehabilitation (“MyHome”) Programme, the Property Division makes a positive impact on the lives of these individuals and families.

In July and November 2022, the Division spent close to RM85,000, providing a blind couple in Sarawak

and a single mother of four children in Seremban, with improved housing and a conducive living environment. The division aims to expand the programme to assist more families in the future and make a tangible difference in their quality of life. Since 2010, 17 homes of B40 families benefitted from this programme, which translates to a cumulative total spend of RM500,000.



The before and after of a home through the Property Division’s flagship MyHome programme

## COMMUNITY: BUILDING AND ENABLING BETTER COMMUNITIES

### Affordable Homes

In FY2023, the Property Division handed over the keys to 180 homeowners of Halaman 11 apartment at IJM Rimbayu, which is under the *Rumah Selangorku* scheme. In addition, all 156 units of the Riverine Diamond A, our condominium project in Kuching, Sarawak, obtained occupation permits.

With prices starting from RM42,000 for the Halaman 11 apartments, and the Riverine Diamond A condominiums priced from RM336,800, the Group's product range addresses housing affordability while empowering individuals and families to realise their dreams of homeownership.

### Spreading Festive Cheer

During festivities, IJM spreads cheer by contributing gifts to communities living near our projects. In FY2023, the Property Division donated more than RM50,000 in the form of cash, daily essentials and groceries to 18 families via our many festive programmes for the community, such as Mesra Ramadan, Deepavali Charity Cheer and Chinese New Year Charity.



### Blood Donation Programmes

Employees from the Industry and Toll Divisions participated in blood donation programmes in December 2022 and February 2023 respectively. This had a significant impact on the community, with the contribution of more than 700 blood bags. The programme not only raised awareness about the importance of blood donation but also encourages our employees to actively participate in blood donation campaigns.



Our employees made a difference with more than 700 blood bags donated

### Empowerment through Skills

In April 2022, India operations collaborated with the Helping Hands of Rotary Trust, Hyderabad, to donate 150 sewing machines worth RM45,000 to beneficiaries identified by the Department of Women Development and Child Welfare, Hyderabad. The sewing machines will provide these women with means to earn a livelihood and become financially independent. By equipping women with the tools and skills, this initiative promotes financial independence, skills development, entrepreneurship and community upliftment.



150 sewing machines donated to empower women for financial independence

### EDUCATION [GRI 413-1]

By focusing on education, we recognise the transformative potential it holds in equipping individuals with the knowledge and skills they need to break free from the constraints of poverty and create a path of upward mobility and sustainable success. Through various initiatives such as supporting educational institutions, scholarships, and mentorship programmes, our efforts are aligned to *SDG 4*, to ensure equal access to education for all.

### Supporting Quality Education and Affordable Healthcare

IJM pledged to donate a total of RM1 million over a duration of three years towards the establishment of a teaching hospital at the Faculty of Medicine and Health Sciences, Universiti Tunku Abdul Rahman, Kampar campus. In FY2023, we contributed RM400,000. Upon completion, the hospital will be operated as a self-sustaining, not-for-profit hospital providing comprehensive healthcare services, training opportunities, and affordable medical care to the local community. Our contribution not only supports medical education but also the provision of quality medical services to those in need. This initiative supports *SDG 3: Good health and well-being* and *SDG 4: Quality education*.

**Nurturing Scholars for Personal and Professional Growth**

The IJM Scholarship Award offers significant benefits to deserving students, enabling them to overcome financial barriers and pursue higher education with valuable guidance from mentors, progress monitoring, internship opportunities, and even potential job placements in IJM Group.

In FY2023, we extended our support to eight deserving undergraduates, amounting to a total value of RM346,000. Established in 1994, the scholarship has benefitted more than 360 students to date.

This year's scholarship recipients were selected from a pool of 547 applicants from various fields of study, such as Civil Engineering, Mechanical Engineering, Quantity Surveying, and Computer Science in local public and private higher learning institutions.



Established in 1994, our scholarship has benefitted more than 360 students to date

Our selection process involves evaluating academic achievements, sports and co-curricular involvement, family financial background, and assessing qualities such as problem-solving initiative, creativity, responsible citizenship, leadership attributes, and collaborative skills.

The scholarship covers the tuition fees, cost of living and provides an opportunity for scholars to pursue their career aspirations in IJM Group. They become part of the Graduate Associate Programme under our talent development framework, which emphasises high performance, leadership development, and the acquisition of business and technical skills. The scholarship equips scholars to succeed in an increasingly complex and competitive world, enriching IJM's talent pipeline and contributing to the Company's overall skill force.

The IJM Scholarship Award embodies our dedication to building human capital, fostering a strong workforce, and empowering students to fulfil their potential and make a positive impact on society.



**Asia Young Designer Award**

IJM has a long-standing partnership with Nippon Paint for the Asia Young Designer Award ("AYDA"). Since 2014, AYDA has been an integral initiative for the Property Division to nurture local young talents in the real estate industry and pave the way for their dreams to become a reality. This partnership holds immense significance for us, as it not only reflects our desire to see a growing movement of design but also allows us to benefit from innovative designs and concepts. In FY2023,

the division donated RM50,000 to AYDA 2022 that garnered a total of 1,101 entries for the architecture and interior design categories from 58 colleges and universities across Malaysia.

**Employment Oriented Training and Skills Development Programme**

In June 2022, India operations collaborated with the Construction Industry Development Council ("CIDC") to launch the *Employment Oriented Training and Skills Development Programme*. The

programme provided three months of comprehensive training to 50 unemployed youth and individuals from the economically weaker sections of the community. The training included theoretical classes and practical sessions to equip participants with the necessary skills for employment. This collaboration with CIDC showcases our commitment to developing human capital and uplifting marginalised communities through targeted training initiatives.

## COMMUNITY: BUILDING AND ENABLING BETTER COMMUNITIES

### STEM for the Future 2022

The Industry Division offers students the opportunity for personal growth and exciting career prospects in Science, Technology, Engineering, and Mathematics (STEM) related fields. In September 2022, the division collaborated with Universiti Teknologi PETRONAS students to organise the *STEM for the Future 2022* programme for 120 students from Sekolah Menengah Kebangsaan Malim Nawar in Kampar, Perak. The division contributed RM5,000 for the programme that included interactive activities and real-world applications of STEM, aimed to stir interest and broaden their knowledge in areas such as astronomy and biochemistry.



### SPORTS [GRI 413-1]

Through our Sports pillar, IJM aims to inspire and support the younger generation's involvement in sports. Such efforts not only recognise and nurture individual talent but also helps unify communities and enhance the Company's reputation for building stronger, more cohesive communities.

#### Softball and Archery Development Programme

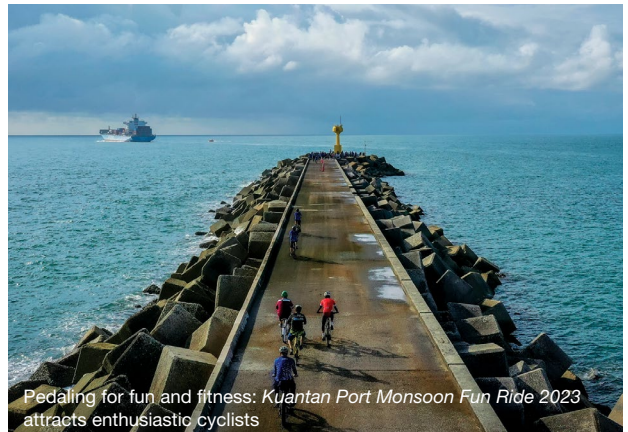
In February 2023, the Industry Division contributed RM10,000 towards Sekolah Kebangsaan Tok Muda's Softball and Archery Development Programme. This helped young individuals to engage in sporting activities, develop their skills, and participate in competitive events, fostering personal growth and sportsmanship.



Industry Division's RM10,000 donation fuels sports development at Sekolah Kebangsaan Tok Muda

#### Monsoon Fun Ride 2023

In February 2023, the Port Division's Sports and Recreation Club organised the highly anticipated cycling event - *Kuantan Port Monsoon Fun Ride 2023*. It attracted the participation of about 70 enthusiastic cyclists from Kuantan Port and Kuantan Port Authority. The race saw all participants completing the 20-kilometer route, which spanned across Kuantan Port 1 and Kuantan Port 2, offering breathtaking morning views from our breakwater. This event promoted fitness and emphasised road safety and well-maintained environment for incident-free cycling.



Pedaling for fun and fitness: Kuantan Port Monsoon Fun Ride 2023 attracts enthusiastic cyclists

## COMMUNITY INVESTMENT FRAMEWORK AND STRATEGY

### Building Resilience, Strengthening Connections

IJM is committed to creating sustainable and lasting change in the communities where we operate. In FY2023, we refreshed our Community Investment Framework and Strategy.

This comprehensive framework, focused on building resilience and strengthening connections, not only aligns with our commitment to sustainability but also aims to improve the way we work with our stakeholders. By making our approach more responsive to local needs, consistent and clear, we strive to enhance our collaboration and effectiveness.

Centred around the three key pillars of Community Development, Education and Built Environment, our approach not only benefits the communities directly but also contributes to the long-term success and sustainability of our business operations.

### Our Strategic Goals

**Community Development:** With a keen emphasis on building resilience and strengthening connections, our Community Development pillar aims to empower individuals and communities. We strive to promote social cohesion, economic growth, and an improved quality of life. By investing in initiatives that foster community engagement, entrepreneurship and social support networks, we enable communities to become more resilient, interconnected and better equipped to face challenges together.

**Education:** Education plays a pivotal role in building resilience and nurturing strong connections within communities. Within our Education pillar, we prioritise initiatives that enhance access to quality education, improve educational infrastructure, and support the holistic development of children and youth. Through scholarships, educational resources and strategic partnerships with educational institutions, we aim to equip individuals with the knowledge and skills necessary to thrive and forge meaningful connections within their communities.

**Built Environment:** IJM understands the profound impact that the physical environment has on resilience and community connections. Our Built Environment pillar is dedicated to creating safe, inclusive, and sustainable spaces. By collaborating closely with local governments, urban planners and non-governmental organisations (NGOs), we contribute to infrastructure projects that promote environmental stewardship, enhance public safety and improve overall quality of life.

Pillars	Goal	Focus Area	SDGs	Impacts/Outcomes Through Community Investment, IJM will:
<b>Community Development</b> 	To contribute to the socio-economic well-being of the community by promoting safe and healthy living condition in the areas in which we operate	<ul style="list-style-type: none"> <li>Community resilience</li> <li>Disaster relief</li> <li>Social inclusion</li> <li>Non-mainstream sports development</li> <li>Health and well-being</li> </ul>	   	<ul style="list-style-type: none"> <li>Improve access to economic opportunities of disadvantaged communities</li> <li>Build stronger and healthier communities</li> <li>Reduce vulnerability of communities to stress and shock events</li> <li>Improve access to essential services and infrastructure for the marginalised and vulnerable</li> <li>Leave positive legacies in the communities we work in</li> </ul>
<b>Education</b> 	To enhance access to equitable quality education and learning, industry skills development and enhanced livelihood opportunities	<ul style="list-style-type: none"> <li>Scholarships, academic support and training</li> <li>Empowerment</li> <li>Digitalisation and innovation</li> <li>Skills development</li> </ul>	  	<ul style="list-style-type: none"> <li>Improve educational achievement by supporting deserving students to pursue quality tertiary education</li> <li>Improve opportunities to participate in the workforce of the future through industry skills and knowledge development</li> <li>Educate the next generation ensuring future skills and knowledge development</li> <li>Improve access to educational resources and infrastructure to ease transition to a digitalised economy</li> </ul>
<b>Built Environment</b> 	To deliver social value on built environment projects, enhancing environmental, economic and social well-being to improve quality of life	<ul style="list-style-type: none"> <li>Environment and climate change</li> <li>Community spaces</li> <li>Urban regeration, restoration and rehabilitation</li> <li>Biodiversity and conservation</li> </ul>	  	<ul style="list-style-type: none"> <li>Improve resilience to potential physical impacts of climate change by contributing to community and ecosystem adaptation planning</li> <li>Support the community and business partners to reduce greenhouse gas emissions</li> <li>Protect natural capital over the life cycle of our built environment</li> <li>Ensure environmental and social benefits through water stewardship and climate change mitigation and adaptation</li> </ul>

# COMMUNITY: BUILDING AND ENABLING BETTER COMMUNITIES

IJM remains steadfast in our commitment to creating sustainable and lasting change in the communities we operate in. Through the refreshed Community Investment Framework and Strategy, we continue to work towards creating resilient communities, paving the way for a brighter and more sustainable future.



IJM's refreshed Community Investment Framework and Strategy

**1**

**Community Development**

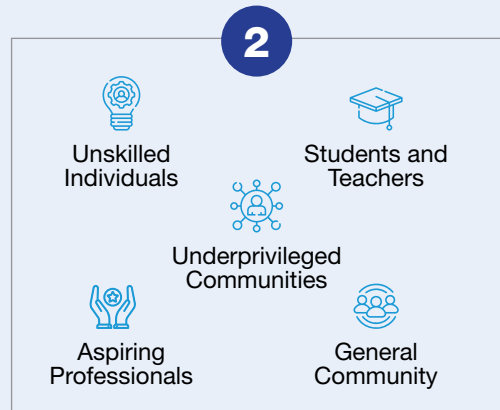
To contribute to the socio-economic well-being of the community by promoting safe and healthy living condition in the areas in which we operate

**Education**

To enhance access to equitable quality education and learning, industry skills development and enhanced livelihood opportunities

**Built Environment**

To deliver social value on built environment projects, enhancing environmental, economic and social well-being to improve quality of life

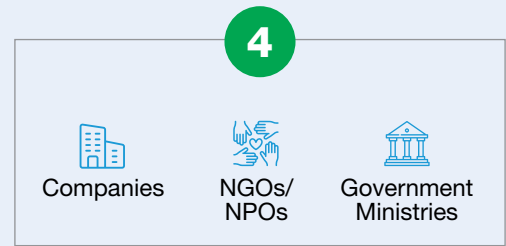


IJM's Community Investment Framework is developed based on the following steps:

- 1 Community Investment Themes:** We identify central Community Investment ("CI") themes that align with our mission and objectives. These themes serve as guiding principles for our initiatives and ensure a focused and cohesive approach.
- 2 Stakeholders/Beneficiaries:** We determine and quantify the stakeholder groups who will benefit from our CI efforts. This stakeholder analysis enables us to understand the diverse needs, aspirations and challenges within the communities we serve. By identifying these stakeholders, we can tailor our initiatives to address their specific requirements effectively.

**3 Initiatives Structure and Policy:** Our CI strategy is guided by a governance structure that ensures efficient decision-making processes, clear roles and responsibilities and effective implementation of initiatives. This structure provides a framework for accountability, transparency and ethical practices, strengthening the impact and sustainability of our community investments.

**4 Partnerships:** Strong partnerships built with relevant stakeholders is a key aspect of our approach. We engage and collaborate with community leaders, local organisations, government entities, NGOs and other relevant stakeholders to foster greater community engagement and brand building. These partnerships amplify our impact, leverage resources and expertise and ensure that our initiatives are aligned with the local context and needs.



**5** **Impact/Outcomes:** We place emphasis on measuring the economic, environmental, and social impact of our CI initiatives. Through regular impact assessment, we quantify and evaluate the outcomes and benefits generated by our investments. This measurement allows us to track progress, identify areas of success and adapt and refine our strategies for continuous improvement.

**How we will prioritise our initiatives:**



# GRI CONTENT INDEX

GRI Standards and Disclosure	Page Number	Omission	
		Reason	Explanation
<b>GRI 2: General Disclosures 2021</b>			
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2-2 Entities included in the organisation's sustainability reporting	24, 25, 139		
2-3 Reporting period, frequency and contact point	139		
2-4 Restatements of information	139		
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2-6 Activities, value chain and other business relationships	20, 78-103		
2-7 Employees	188		
2-8 Workers who are not employees	188		
2-9 Governance structure and composition	46-47, 152		
2-10 Nomination and selection of the highest governance body	108, 125		
2-11 Chair of the highest governance body	48		
2-12 Role of the highest governance body in overseeing the management of impacts	141		
2-13 Delegation of responsibility for managing impacts	141		
2-14 Role of the highest governance body in sustainability reporting	141		
2-15 Conflicts of interest	40-45, 108		
2-16 Communication of critical concerns	125		
2-17 Collective knowledge of the highest governance body	112-115		
2-18 Evaluation of the performance of the highest governance body	114		
2-19 Remuneration policies	115		
2-20 Process to determine remuneration	115		
2-21 Annual total compensation ratio		Information unavailable	Steps are being taken to include in future reports
2-22 Statement on sustainable development strategy	140		
2-23 Policy commitments	152		
2-24 Embedding policy commitments	152		
2-25 Processes to remediate negative impacts	128, 152		
2-26 Mechanisms for seeking advice and raising concerns	128, 152		
2-27 Compliance with laws and regulations	152		
2-28 Membership associations	118, 133		
2-29 Approach to stakeholder engagement	142-143		
2-30 Collective bargaining agreements		Information not reported in the sustainability statement	IJM's labour union represent less than 2% of the Group's workforce, all of whom are in the Port Division
<b>GRI 3: Material Topics 2021</b>			
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<b>GRI 201: Economic Performance 2016</b>			
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GRI Standards and Disclosure	Page Number	Omission	
		Reason	Explanation
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<b>GRI 302: Energy 2016</b>			
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304-3 Habitats protected or restored	182		
<b>GRI 305: Emissions 2016</b>			
3-3 Management of material topics	168		
305-1 Direct (Scope 1) GHG emissions	168		
305-2 Energy indirect (Scope 2) GHG emissions	168		
305-3 Other indirect (Scope 3) GHG emissions	168		
305-5 Reduction of GHG emissions	171		
<b>GRI 306: Waste 2020</b>			
3-3 Management of material topics	179		
306-1 Waste generation and significant waste-related impacts	179		
306-2 Management of significant waste-related impacts	179		
306-3 Waste generated	179		
306-4 Waste diverted from disposal	179		
306-5 Waste directed to disposal	179		
<b>GRI 401: Employment 2016</b>			
3-3 Management of material topics	188		
401-1 New employee hires and employee turnover	189		
401-3 Parental leave	190		
<b>GRI 403: Occupational Health and Safety 2018</b>			
3-3 Management of material topics	194		
403-1 Occupational health and safety management system	194		
403-2 Hazard identification, risk assessment, and incident investigation	194		
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403-4 Worker participation, consultation, and communication on occupational health and safety	194		

## GRI CONTENT INDEX

GRI Standards and Disclosure	Page Number	Omission	
		Reason	Explanation
<b>GRI 403: Occupational Health and Safety 2018</b>			
403-5 Worker training on occupational health and safety	195		
403-6 Promotion of worker health	195		
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	195		
403-8 Workers covered by an occupational health and safety management system	195		
403-9 Work-related injuries	195		
<b>GRI 404: Training and Education 2016</b>			
3-3 Management of material topics	191		
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<b>GRI 405: Diversity and Equal Opportunity 2016</b>			
3-3 Management of material topics	186		
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409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	159,193		
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413-1 Operations with local community engagement, impact assessments, and development programs	198-207		
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418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	159		

## SASB ENGINEERING AND CONSTRUCTION: SECTOR DISCLOSURE

SASB Sustainability Disclosure Topics	SASB Code	Accounting Metric	Section of Sustainability Statement and Page Reference
Environmental Impacts of Project Development	IF-EN-160a.1	Number of incidents of non-compliance with environmental permits, standards, and regulations	Please refer to "Waste Management and Reduction", page 179
	IF-EN-160a.2	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	IJM's projects undergo the Environmental Impact Assessment ("EIA") prior to project approval and implementation. Disclosure can be found under "Conserving Biodiversity", page 182
Structural Integrity & Safety	IF-EN-250a.1	Amount of defect and safety-related rework costs	To be included in subsequent Sustainability Statements
	IF-EN-250a.2	Total amount of monetary losses as a result of legal proceedings associated with defect and safety-related incidents <sup>1</sup>	To be included in subsequent Sustainability Statements

<sup>1</sup> Note to IF-EN-250a.2 – The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses.

SASB Sustainability Disclosure Topics	SASB Code	Accounting Metric	Section of Sustainability Statement and Page Reference
Workforce Health & Safety	IF-EN-320a.1	Total recordable incident rate (TRIR) for direct employees	TRIR is disclosed based on total man-hours worked which include direct and contract employees. Please refer to “Preventing Workplace Accidents”, page 195
		Total recordable incident rate (TRIR) for contract employees	
		Fatality rate for direct employees	There were two fatality cases reported in FY2023. Disclosure can be found under “Preventing Workplace Accidents”, page 195
		Fatality rate for contract employees	There were two fatality cases reported in FY2023. Disclosure can be found under “Preventing Workplace Accidents”, page 195
Lifecycle Impacts of Buildings & Infrastructure	IF-EN-410a.1	Number of commissioned projects certified to a third-party multi-attribute sustainability standard	Please refer to “Facilitating Sustainable Buildings and Infrastructure”, page 177
		Number of projects seeking such certification	7 on-going projects
	IF-EN-410a.2	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	In line with SDG 9 Industry, Innovation and Infrastructure, the Property Division established a Green Building Design Framework for landed and high-rise residential developments in Malaysia, which necessitates the incorporation of energy efficient and passive design strategies, water efficiency features, indoor environmental quality considerations and environmental protection elements, among others. Disclosure can be found under “Facilitating Sustainable Buildings and Infrastructure”, page 177
Climate Impacts of Business Mix	IF-EN-410b.1	Amount of backlog for hydrocarbon-related projects	None
		Amount of backlog for energy projects	None
	IF-EN-410b.2	Amount of backlog cancellations associated with hydrocarbon-related projects	None
	IF-EN-410b.3	Amount of backlog for non-energy projects associated with climate change mitigation	None
Business Ethics	IF-EN-510a.1	Number of active projects	There were 23 active projects during FY2023
		Backlog in countries that have the 20 lowest rankings in Transparency International’s Corruption Perception Index <sup>2</sup>	None
	IF-EN-510a.2	Total amount of monetary losses as a result of legal proceedings associated with charges of bribery or corruption	There were zero monetary losses as a result of legal proceedings associated with charges of bribery or corruption in FY2023. Disclosure can be found under “Anti-Bribery and Corruption System”, page 153
		Total amount of monetary losses as a result of legal proceedings associated with charges of anti-competitive practices <sup>3</sup>	None
	IF-EN-510a.3	description of policies and practices for prevention of bribery and corruption	IJM has in place the Anti-Bribery and Corruption System (“ABCS”) that reaffirms our adherence to local laws and regulations including the Malaysian Anti-Corruption Commission (Amendment) Act 2018, which took effect on 1 June 2020. Disclosure can be found under “Ethics & Integrity”, page 130 and “Anti-Bribery and Corruption System”, page 152
		Description of policies and practices for prevention of anti-competitive behavior in the project bidding processes	IJM has in place the Anti-Bribery and Corruption System (“ABCS”) that reaffirms our adherence to local laws and regulations including the Malaysian Anti-Corruption Commission (Amendment) Act 2018, which took effect on 1 June 2020. Disclosure can be found under “Ethics & Integrity”, page 130 and “Anti-bribery and corruption system”, page 152

# SASB ENGINEERING AND CONSTRUCTION: ACTIVITY METRIC

Activity Metric	SASB Code	FY2023
Number of active projects <sup>4</sup>	IF-EN-000.A	23 on-going projects
Number of commissioned projects <sup>5</sup>	IF-EN-000.B	4 projects
Total backlog <sup>6</sup>	IF-EN-000.C	4.42 billion

<sup>2</sup> Note to IF-EN-510a.1 – The entity shall provide a brief description of its approach to managing ethical risks specific to the countries with low rankings in the index where the entity has active projects and/or backlog.

<sup>3</sup> Note to IF-EN-510a.2 – The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses.

<sup>4</sup> Note to IF-EN-000.A – Active projects are defined as buildings and infrastructure projects under development that the entity was actively providing services to as of the close of the reporting period, including, but not limited to, both the design and construction stages. Active projects exclude projects that were commissioned during the reporting period.

<sup>5</sup> Note to IF-EN-000.B – Commissioned projects are defined as projects that were completed and deemed ready for service during the reporting period. The scope of commissioned projects shall only include projects that the entity provided construction services to.

<sup>6</sup> Note to IF-EN-000.C – Backlog is defined as the value of projects not completed as of the close of the reporting period (i.e., revenue contractually expected in the future but that has not been recognized), or is defined by the entity, consistent with its existing disclosure of backlog. Backlog may also be referred to as revenue backlog or unsatisfied performance obligations. The scope of disclosure is limited to buildings and infrastructure projects where the entity provides engineering, construction, architecture, design, installation, planning, consulting, repair, and/or maintenance services, or other similar services.

## UNGC TEN PRINCIPLES

Principle	IJM Commitment Alignment	References that Underscore IJM's Commitment	GRI Standards and SASB Alignment
<b>Human Rights</b>			
<b>Principle 1</b>	<p>The Group supports and respects the protection of internationally proclaimed human rights.</p> <p>We protect the rights of our people and to treat them with dignity in line with all relevant legal requirements and regulations. We had taken a proactive approach to ensure that human rights and workplace standards are upheld across all our operations.</p>	<ul style="list-style-type: none"> <li>• Sustainability Statement FY2023</li> <li>• Human Rights Policy</li> <li>• Policy Statement for Occupational Safety and Health</li> <li>• Code of Conduct and Ethics for Employees</li> <li>• Code of Business Conduct for Third Parties</li> <li>• Diversity and Inclusion Policy</li> <li>• Whistleblowing Policy</li> <li>• Privacy Policy</li> <li>• Community Investment Policy</li> </ul>	<p><b>GRI Standards</b></p> <ul style="list-style-type: none"> <li>• GRI 401: Employment 2016</li> <li>• GRI 403: Occupational Health and Safety 2018</li> <li>• GRI 404: Training and Education 2016</li> <li>• GRI 413: Local Communities 2016</li> </ul> <p><b>SASB</b></p> <ul style="list-style-type: none"> <li>• Workforce Health &amp; Safety: IF-EN-320a.1</li> </ul>
<b>Principle 2</b>	<p>The Group ensures that we are not complicit in human rights abuses.</p> <p>We also comply with all applicable labour laws, including working hours and overtime, in the jurisdictions where we operate. We comply with the amendments to the Employment Act that came into effect on 1 September 2022.</p>	<ul style="list-style-type: none"> <li>• Sustainability Statement FY2023</li> <li>• Code of Business Conduct for Third Parties</li> <li>• Human Rights Policy</li> <li>• Responsible Supply Chain Policy</li> <li>• Quality Policy</li> </ul>	<p><b>SASB</b></p> <ul style="list-style-type: none"> <li>• Workforce Health &amp; Safety: IF-EN-320a.1</li> </ul>
<b>Labour</b>			
<b>Principle 3</b>	<p>The Group upholds the freedom of association and the effective recognition of the right to collective bargaining.</p> <p>We respect the rights of our employees' freedom of association and collective bargaining in accordance with national laws. Our labour union represent less than 2% of the Group's workforce, all of whom are in the Port Division.</p>	<ul style="list-style-type: none"> <li>• Sustainability Statement FY2023</li> </ul>	<p><b>GRI Standards</b></p> <ul style="list-style-type: none"> <li>• GRI 2-30: Collective bargaining agreements</li> <li>• GRI 401: Employment 2016</li> <li>• GRI 403: Occupational Health and Safety 2018</li> <li>• GRI 405: Diversity and Equal Opportunity 2016</li> <li>• GRI 406: Non-discrimination 2016</li> <li>• GRI 409: Forced or Compulsory Labor 2016</li> </ul>
<b>Principle 4</b>	<p>The Group supports the elimination of all forms of forced and compulsory labour.</p> <p>The nature of our businesses is labour intensive where many foreign workers are hired by our subcontractors. We require our subcontractors to uphold foreign labour rights and ensure that they receive fair treatment with regard to wages, working hours, holidays, terminations, non-discrimination practices, freedom of association, access to complaint mechanisms and other established protection policies. All these requirements are outlined in our Responsible Supply Chain Policy, which can be found on our Corporate website.</p>	<ul style="list-style-type: none"> <li>• Sustainability Statement FY2023</li> <li>• Human Rights Policy</li> <li>• Policy Statement for Occupational Safety and Health</li> <li>• Code of Conduct and Ethics for Employees</li> <li>• Code of Business Conduct for Third Parties</li> <li>• Diversity and Inclusion Policy</li> <li>• Whistleblowing Policy</li> <li>• Privacy Policy</li> </ul>	<p><b>SASB</b></p> <ul style="list-style-type: none"> <li>• Workforce Health &amp; Safety: IF-EN-320a.1</li> </ul>

Principle	IJM Commitment Alignment	References that Underscore IJM's Commitment	GRI Standards and SASB Alignment
<b>Labour (Cont'd)</b>			
Principle 5	<p><b>The Group supports the effective abolition of child labour.</b></p> <p>We have a zero-tolerance against child labour and any form of forced labour in our direct operations. The legal working age in Malaysia is 18 years.</p>	<ul style="list-style-type: none"> <li>• Sustainability Statement FY2023</li> <li>• Human Rights Policy</li> <li>• Policy Statement for Occupational Safety and Health</li> <li>• Code of Conduct and Ethics for Employees</li> <li>• Code of Business Conduct for Third Parties</li> <li>• Diversity and Inclusion Policy</li> <li>• Whistleblowing Policy</li> <li>• Privacy Policy</li> </ul>	
Principle 6	<p><b>The Group supports the elimination of discrimination in respect of employment and occupation.</b></p> <p>We recognise the benefits of having a multi-generation perspective that will contribute to the growth of our short and long-term business objectives.</p>	<ul style="list-style-type: none"> <li>• Sustainability Statement FY2023</li> <li>• Human Rights Policy</li> <li>• Code of Conduct and Ethics for Employees</li> <li>• Code of Business Conduct for Third Parties</li> <li>• Diversity and Inclusion Policy</li> <li>• Whistleblowing Policy</li> <li>• Privacy Policy</li> </ul>	
<b>Environment</b>			
Principle 7	<p><b>The Group keeps a precautionary approach to environmental challenges.</b></p> <p>We have in place an Environmental Management System ("EMS") to integrate environmental best practices across the Group. All divisions operating in Malaysia have obtained ISO 14001:2015 Environmental Management Systems certification.</p>	<ul style="list-style-type: none"> <li>• Sustainability Statement FY2023</li> <li>• Policy Statement for Environment</li> <li>• Statement on Risk Management and Internal Controls</li> </ul>	<p><b>GRI Standards</b></p> <ul style="list-style-type: none"> <li>• GRI 302: Energy 2016</li> <li>• GRI 303: Water and Effluents 2018</li> <li>• GRI 304: Biodiversity 2016</li> <li>• GRI 305: Emissions 2016</li> <li>• GRI 306: Waste 2020</li> </ul>
Principle 8	<p><b>The Group undertakes initiatives to promote greater environmental responsibility.</b></p> <p>We work toward establishing proactive climate-related actions by reducing our carbon emissions and introducing strategic interventions to build greater resilience in the face of increasing climate change challenges, from extreme weather to diminishing resources and evolving regulations. We continuously improve our processes and operations across all our businesses by expanding our share of renewable energy, reducing our waste, utilising resources efficiently and protecting the biodiversity in areas we operate.</p> <p>This year, we formalised our Climate Strategy to drive emissions reduction and build climate resilience, following an extensive climate assessment conducted since FY2022.</p>	<ul style="list-style-type: none"> <li>• Sustainability Statement FY2023</li> <li>• Policy Statement for Environment</li> <li>• Code of Business Conduct for Third Parties</li> </ul>	<p><b>SASB</b></p> <ul style="list-style-type: none"> <li>• Environmental Impacts of Project Development: <ul style="list-style-type: none"> <li>- IF-EN-160a.1</li> <li>- IF-EN-160a.2</li> </ul> </li> <li>• Lifecycle Impacts of Buildings &amp; Infrastructure: <ul style="list-style-type: none"> <li>- IF-EN-410a.1</li> <li>- IF-EN-410a.2</li> </ul> </li> <li>• Climate Impacts of Business Mix: <ul style="list-style-type: none"> <li>- IF-EN-410b.1</li> <li>- IF-EN-410b.2</li> <li>- IF-EN-410b.3</li> </ul> </li> </ul>
Principle 9	<p><b>The Group encourages the development and diffusion of environmentally friendly technologies.</b></p> <p>We continue to embrace technological disruptions that empower us to rethink our processes and yield the benefits of building more efficiently and sustainably. The Group has been in the forefront of advancing sustainable building solutions such as Building Information Modelling ("BIM") and Industrial Building Systems ("IBS").</p>	<ul style="list-style-type: none"> <li>• Sustainability Statement FY2023</li> <li>• Policy Statement for Environment</li> </ul>	
<b>Anti-corruption</b>			
Principle 10	<p><b>The Group works against all forms of corruption, including extortion and bribery, in our area of influence.</b></p> <p>IJM has zero-tolerance for all forms of bribery and corruption. Our Anti-Bribery and Corruption System ("ABCS") reaffirms our compliance to local laws and regulations including the Malaysian Anti-Corruption Commission (Amendment) ("MACC") Act 2018 for operations in Malaysia and the National Prevention of Corruption Act 1988 for operations in India.</p>	<ul style="list-style-type: none"> <li>• Sustainability Statement FY2023</li> <li>• Anti-Bribery and Corruption Policy</li> <li>• Code of Conduct and Ethics for Employees</li> <li>• Code of Business Conduct for Third Parties</li> </ul>	<p><b>GRI Standards</b></p> <ul style="list-style-type: none"> <li>• GRI 205: Anti-corruption 2016</li> </ul> <p><b>SASB</b></p> <ul style="list-style-type: none"> <li>• Business Ethics: <ul style="list-style-type: none"> <li>- IF-EN-510a.1</li> <li>- IF-EN-510a.2</li> <li>- IF-EN-510a.3</li> </ul> </li> </ul>