





ENVIRONMENT

OUR ENVIRONMENTAL STEWARDSHIP

ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

In April 2023, IJM introduced its Climate Strategy, known as R₂O, containing mitigation and adaptation strategies that are anchored on two underlying findings. Firstly, major IPCC pathways point to a 1.5°C scenario in the early 2030s, thus compelling the need to strengthen climate resilience. Secondly, as the Group's Scope 3 emissions account for 90% of our baseline FY2023, reduction measures must include our supply chain transitioning with us.

We have made encouraging progress in FY2024 on both fronts. Mitigation efforts saw the Industry Division successfully replacing 13% of cement content with non-cementitious material while development of the Group's sustainability dashboard is progressing well. It will enable comprehensive sustainability performance management across the Organisation. The Group has also bolstered our climate adaptation capacity by formalising climate risk assessment into the enterprise risk management framework.

We continue to uphold our commitment to responsible practices when interacting with nature through our Policy Statement on Environment, elevated by the Group's climate commitment to build resilience against climate change. The Environmental Management System ("EMS") ensures that we conduct our business responsibly, use natural resources efficiently and implement innovative ways to reduce our environmental impacts. All divisions operating in Malaysia have obtained ISO 14001:2015 Environmental Management Systems certification.

CLIMATE ACTION COMMITMENT

We recognise the increased importance of ensuring business resilience against the impacts of climate change. The Group is compelled to address both climate mitigation and adaptation to build resilience across our whole value chain through our Climate Strategy, R₂O, which was substantiated from the outcome of the climate assessments conducted from FY2022 to FY2023. 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.

We continue to adopt the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") to help us identify, assess and incorporate climate risks and opportunities in our business strategy and operations. By aligning with TCFD

recommendations, we not only enhance our ability to navigate the challenges posed by climate change but also position ourselves to embrace emerging opportunities in the transition to a low-carbon economy. Moreover, this alignment will ensure we are well-prepared for the forthcoming IFRS S1 and S2 disclosure requirements, facilitating a smoother transition and ensuring progressive compliance.



Recreational park at Rimbun Vista, Seremban 2

Summary of actions taken in FY2024 and priorities for FY2025 based on recommendations of TCFD:

Actions taken in FY2024	Priorities for FY2025	Page reference
Governance		
Board oversight: <ul style="list-style-type: none"> Formed Board Risk Management and Sustainability Committee Discussed carbon reduction initiatives and formulation of near-term targets Reviewed physical and transition climate risks as part of the Group's enterprise risk management Formalised integration of physical and transition risk and opportunities assessment in Group Enterprise Risk Management (ERM) Policy and Framework Assigned climate-related responsibilities to management-level risk committee 	<ul style="list-style-type: none"> Continue to strengthen and improve climate risk governance Endorse the Group's near-term carbon reduction plan and targets up to FY2031 	Sustainability Governance, page 133
Management oversight: <ul style="list-style-type: none"> Reviewed divisional near-term carbon reduction plans and targets Built internal capacity for Board of Directors, Management, working committees and employees on carbon accounting, physical and transition climate risks and opportunities 	<ul style="list-style-type: none"> Incorporate assessment of physical and transition climate risks and opportunities into ERM at Group and division levels 	Statement on Risk Management and Internal Control, page 116
Strategy		
<ul style="list-style-type: none"> Continued climate strategy of addressing both adaptation and mitigation, with long-term target to achieve net-zero carbon emissions by 2050 Assessed transition risks and opportunities using scenario analysis over the near and long-term Assessed direct and systemic physical risks and opportunities using scenario analysis over the near and long-term 	<ul style="list-style-type: none"> Build capacity for IFRS S2 Climate-related Disclosures adoption 	Climate Strategy, page 156
Risk Management		
<ul style="list-style-type: none"> Climate risks are managed under Group's ERM Policy and Framework Established climate risk likelihood and impact parameters to assess risks and opportunities, as part of IJM's ERM Policy and Framework Aligned understanding of climate-related risks and opportunities across the Group Performed qualitative physical climate risks and opportunities assessments covering significant locations in Malaysia and India 	<ul style="list-style-type: none"> Conduct quantitative physical climate risk for assets with higher exposure 	Resilience in a Net-Zero World, page 158
Metrics and Targets		
<ul style="list-style-type: none"> Announced net-zero carbon emissions commitment: <ul style="list-style-type: none"> Net-zero by 2050 for Scope 1 Net-zero by 2035 via 100% renewable energy for Scope 2 emissions Net-zero by 2050 for Operational Scope 3 categories. Embodied Scope 3 emissions addressed via engagement with supply chain by 2027 Established Group carbon inventory based on FY2022 emissions Established FY2023 baseline report, with independent verification Enhanced Scope 3 disclosures with additional two categories compared to FY2022 Expanded organisational boundaries from 126 sites in FY2023 to 130 sites in FY2024, including operations in India 	<ul style="list-style-type: none"> Set near-term 2030 carbon reduction targets for Scope 1, Scope 2 and Operational Scope 3 emissions Establish supply chain engagement strategy with the view to reduce Embodied Scope 3 emissions 	Our Net-Zero Commitment, page 156

ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

CLIMATE GOVERNANCE

In FY2024, the Risk Management and Sustainability Committee (“RMSC”) was formalised to provide oversight on matters relating to climate change across IJM. Previously, climate-related matters were deliberated by the Board, where it has endorsed the Group’s long-term climate commitment involving mitigation and adaptation measures in line with the Group Sustainability Roadmap FY2023 – FY2025. The RMSC convened in February 2024 to review the progress of initiatives under the Group’s Climate Strategy, R₂O.

Led by the Group CEO and Managing Director, the Operating Committee (“OpCo”) oversees the assessment and management of climate risks and opportunities, and their incorporation within the business strategy and operations. The OpCo is supported by the Group Sustainability and Group Risk Management departments in providing strategic response and overall direction in managing climate risks and opportunities. Across all businesses, divisional management committees review

and manage the execution of division-level initiatives and monitor the progress of the respective goals in line with R₂O.

The broad theme of climate change is managed as operational risk under the Group Enterprise Risk Management (ERM) Framework. In 2024, the RMSC has endorsed the integration of climate consideration within the ERM Framework, with specific likelihood and impact criteria, given the longer time horizon they are assessed against. This will enable us to manage climate risks and seize opportunities proactively.

CLIMATE STRATEGY

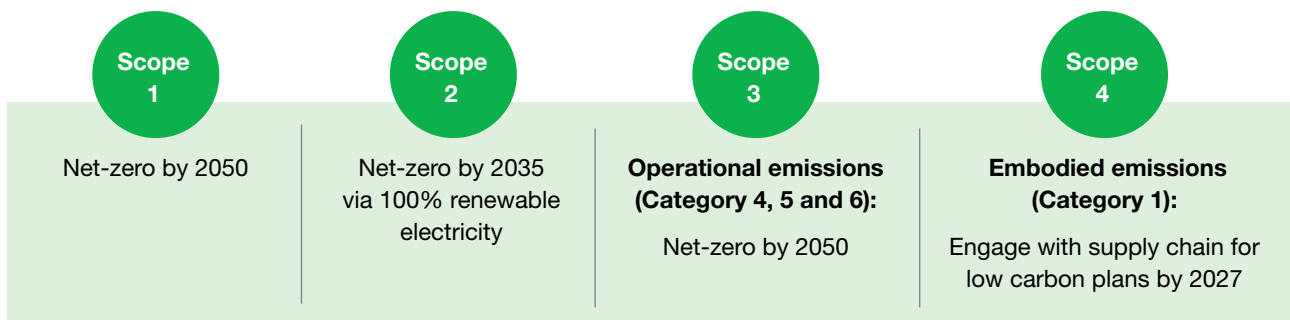
Last year, we announced our Climate Strategy, R₂O, which applies a two-pronged approach in climate action, namely transition to net-zero and adaptation to build climate resilience. The strategy outlines our own low-carbon transition pathway and key approaches to guide our supply chain to transition with us.



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

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

Our Net-Zero Commitment



Our Reduction Targets

Our long-term reduction targets reflect the level of control over each emission Scope. Our ambition is to reduce Scope 1, Scope 2 and Operational Scope 3 emissions to net-zero by 2050, while reduction of Embodied

Scope 3 emissions (Category 1: Purchased Goods and Services) is to be achieved through supplier engagements.

We recognise the imperatives to align our actions with climate science and avoid following a pathway that may not be consistent with addressing

the climate crisis. Hence, our targets were established in line with 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.

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

*Note:

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

² Based on the Science Based Target Initiative Corporate Net-Zero Standard (2023)



IJM’s participation at the UNGCMYB SBTi Symposium 2023

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 any sectoral decarbonisation approach relevant to our business. This will also entail introducing suitable and credible near-term interim targets and improving our understanding of construction project carbon s-curve profiles.

ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

Reduce to Net-Zero

We have established a comprehensive profile of the Group’s GHG emissions baseline for the formulation of R₂O that outlines impactful strategies in line with climate science. These strategies will be carried out in step with marketplace developments, emerging technologies, supporting

infrastructure and regulatory requirements.

In the longer term, we aim to reduce operational emissions by decarbonising our fleet and machinery, optimising energy usage, reducing waste and adopting green transport solutions. Given the bulk of our emissions emanate from Scope 3 Category 1 (Purchased Goods and

Services), and the heavy reliance on supply chain decarbonisation, reducing our Scope 3 Embodied emissions requires a concerted effort within the industry. Hence, our strategy will focus on engaging our supply chain, actively partnering with industry peers and building a portfolio of low carbon products.

Our Reduction Strategy

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

Resilience in a Net-Zero World

R₂O covers adaptation measures to build the Group’s resilience against the risks and impacts from climate change. It aims to address the broad spectrum of climate physical and transition risks and opportunities, guided by the findings

of assessments that we completed in FY2023.

Our strategy focuses on building resilience and increasing capabilities across our value chain. This includes forming partnerships with industry peers, associations and practitioners to advocate for climate resilience

within the supply chain. Continued climate-related assessments and monitoring of the Group’s exposure to climate risks will be undertaken to ensure we capture the evolving climate science projections and emerging market and regulatory trends.

Our Resilience Strategy

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

METRICS AND TARGETS – GHG EMISSIONS

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

One of the critical steps in establishing an impactful carbon reduction strategy is to develop a robust baseline data. In FY2023, we established our carbon emissions baseline following the completion of a carbon footprint assessment that comprised the screening and profiling of the Group’s emissions, accounting for Scope 1, Scope 2 and eight categories of Scope 3 emissions, covering 126 operational sites and entities. In FY2024, we expanded our coverage to 130 operational sites in Malaysia and India.

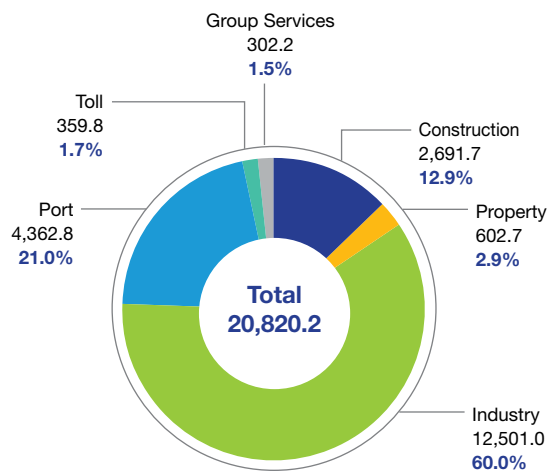
We continually enhance our data collection process and reporting across the Group. This year, we obtained and segregated emissions from construction activities undertaken by our sub-contractors, which is reported under the Group’s Scope 3 Embodied emissions (Category 1: Purchased Goods and Services). In FY2023, these emissions were reported under Scope 1 and Scope 2 emissions.

Scope 1:

Emissions under Scope 1 account for 2.2% of our total carbon footprint. Scope 1 emissions include all emissions released directly by our operations from company-owned vehicles and equipment:

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

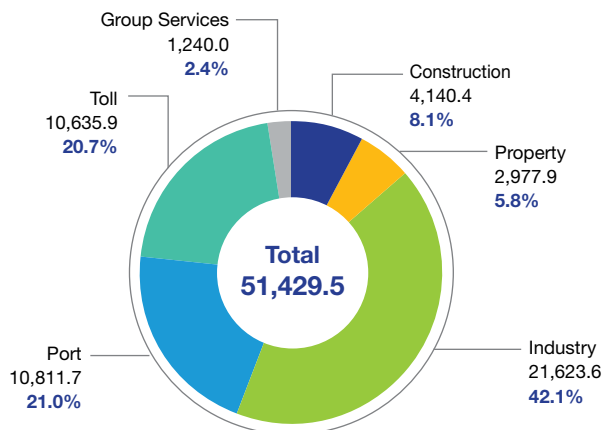
Scope 1 Emissions in FY2024 (tCO₂e)



Scope 2:

Emissions under this scope account for 5.5% of IJM’s total emissions. Scope 2 emissions are associated with electricity purchased (location-based) and consumed by offices, factories, other buildings, street lightings and equipment used in our operations.

Scope 2 Emissions in FY2024 (tCO₂e)



ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

Scope 3:

Emissions under this scope include all other indirect emissions generated across our value chain that accounts for 92.3% of IJM’s total emissions. For FY2024, 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"> Construction Division Property Division Industry Division 	Average-data method
Category 4 Upstream transportation and distribution	<ul style="list-style-type: none"> Construction Division Property Division Industry Division 	Distance-based method
Category 5 Waste generated	IJM Group	Average-data method
Category 6 Business travel	IJM Group	Distance-based method used where practical. Where data is limited, spend-based method was used
Category 7 Employee commuting	IJM Group	Estimated based on average-data method where the transportation mode and distance from home to the workplace are determined via a survey deployed in FY2022 with employee participation rate of 94%. Emissions intensity for each division was determined and multiplied by the total number of employees in FY2024
Category 11 Use of sold products	Port Division	Distance-based method
Category 13 Downstream leased assets	<ul style="list-style-type: none"> Menara Prudential leased by IJM Corporation The Clubhouse operations in Bandar Rimbayu by Property Division Quarry and sand mining operations in Malaysia, and all quarry and ready-mixed operations in India under Industry Division Tenants at Kuantan Port 	Asset-specific method
Category 15 Investments	<ul style="list-style-type: none"> LEKAS Highway by Toll Division 	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 pounds), 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 good or service).

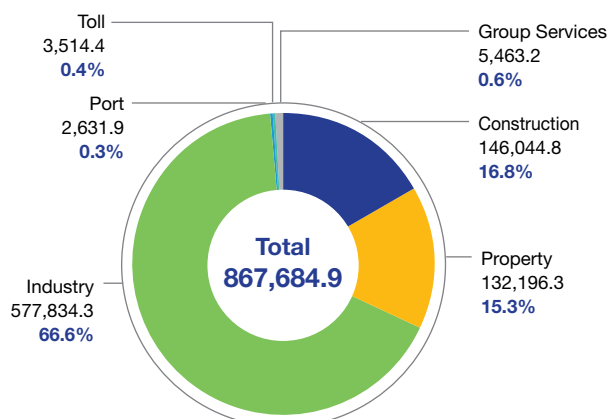
Distance-based method: Determining the distance and mode of business trips, then applying the appropriate emission factor for the mode used.

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 (e.g., industry average) emission factors (e.g., average emissions per monetary value of goods).

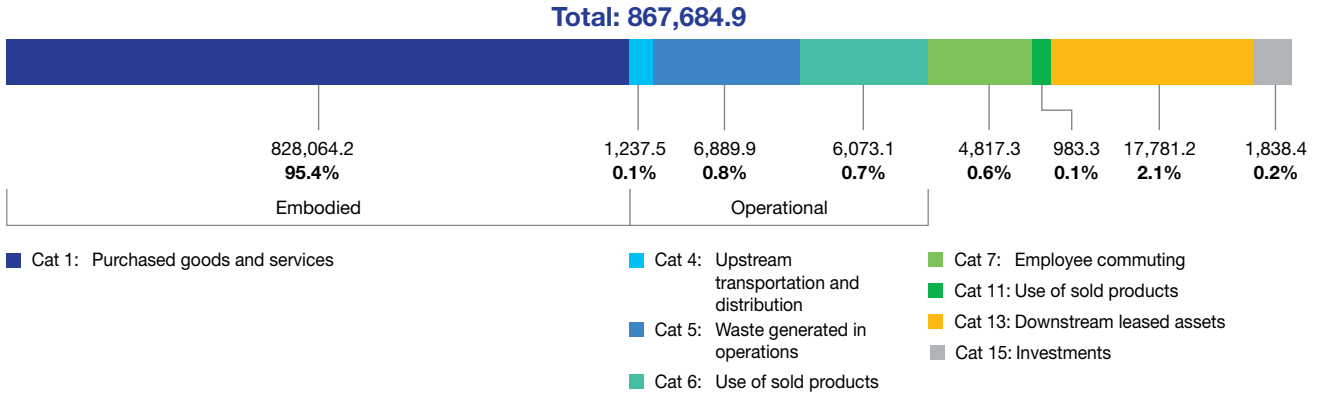
Asset-specific method: Collecting asset-specific (e.g., site-specific) fuel and energy usage data and process and fugitive emissions data or Scope 1 and Scope 2 emissions data from individual leased assets.

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 FY2024 (tCO₂e)

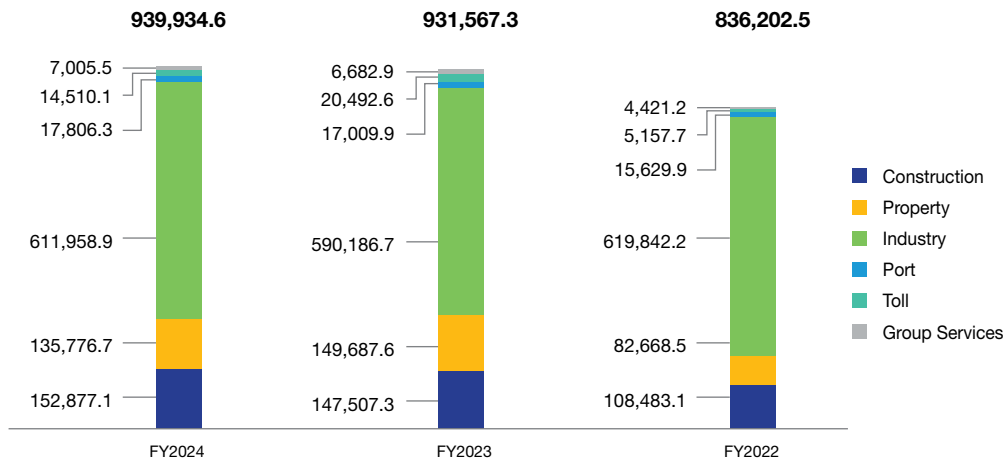


Scope 3 Emissions in FY2024 (tCO₂e)

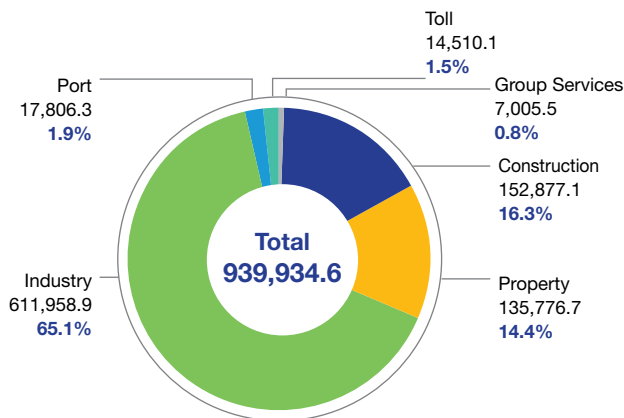


In FY2024, total emissions by the Group was 939,934.6 tCO₂e. The Group’s 3-year carbon footprint profile is depicted below:

Total GHG Emissions by Division (tCO₂e)



Total GHG Emissions by Division in FY2024 (tCO₂e)



Methodology, boundary and assumptions:

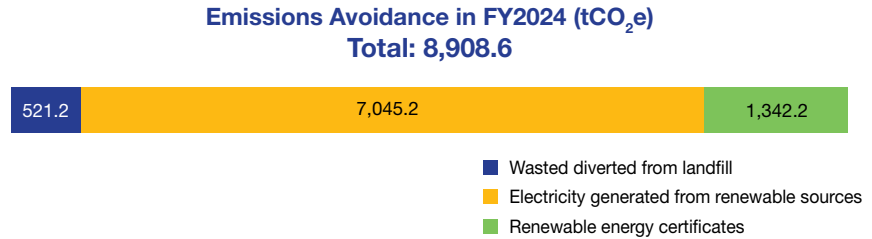
1. Our calculation methodology is based on the *GHG Protocol Corporate Accounting and Reporting Standard* using the operational control consolidation approach.
2. Scope 1 and Scope 3 emissions factors are sourced from the *GHG Conversion Factors for Company Reporting version 2.0 (2022)*, published by 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 adopted the grid emission factors 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. The GHG emissions disclosures are independently verified according to ISO 14064:2018, in addition to data verification by the Group’s Internal Audit Department as part of the Sustainability Statement review.
5. Inter-divisional carbon emissions under Scope 3 Category 1 (Purchased Goods and Services) between the Group’s Construction, Property and Industry Divisions are eliminated to avoid double counting.

ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

This year, our emissions avoidance includes renewable energy generation, waste recycled and the purchase of renewable energy certificates for Menara Prudential. Emissions avoidance accounted for 0.95% of the Group’s total emissions.

Advancing Low Carbon Operations [GRI 302-1, GRI 302-4]

In line with our R₂O commitments, IJM remains committed to implement initiatives to optimise energy usage, improve efficiency and reduce dependency on fossil fuels. We continue to increase our renewable energy generation capacity and explore more efficient processes and materials within our operations.

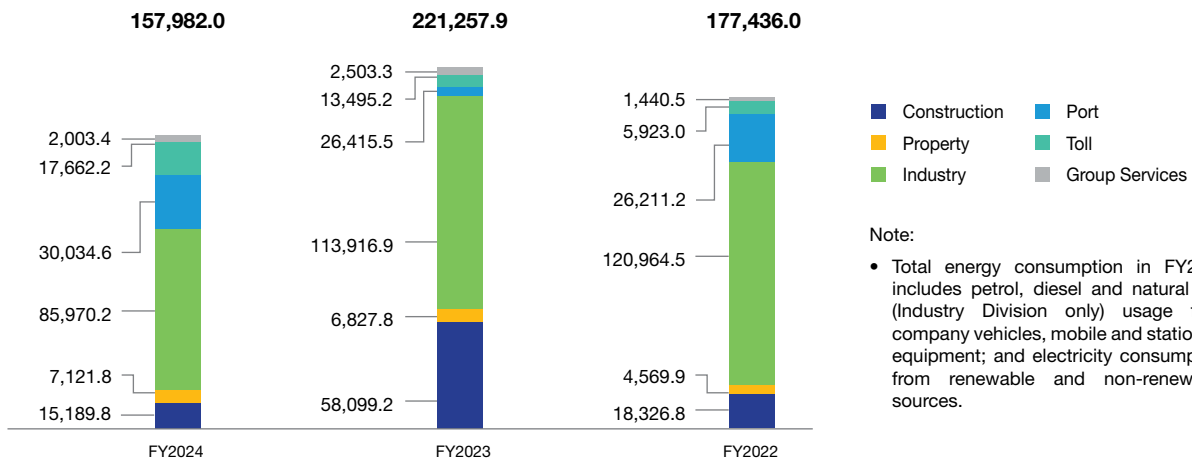


In FY2024, the Group’s total energy consumption was 157,982.0 MWh. The significant decrease in energy consumption from FY2023 is due to the reclassification of energy usage by subcontractors at project sites, as a result of enhanced data collection process in FY2024. This year, we were able to better manage the energy performance of subcontractors at our projects and

establish an effective plan to reduce Scope 3 Embodied emissions in line with our carbon reduction strategy.

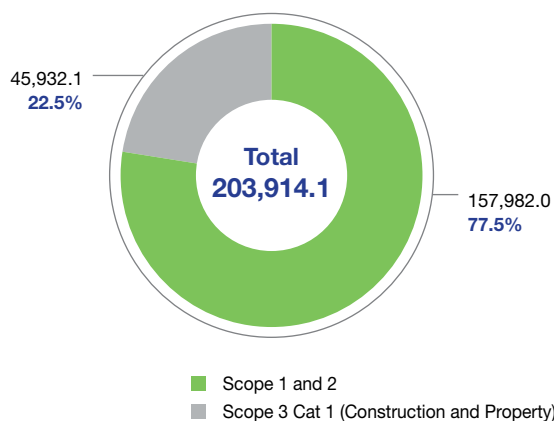
A total of 45,932.1 MWh that was consumed by subcontractors at our projects has been categorised under Scope 3 Category 1 (Purchased Goods and Services) in FY2024.

Total Energy Consumption by Division (MWh)



Note:
 • Total energy consumption in FY2024 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.

Energy Consumption (Direct Operations vs Subcontractors) MWh



Our renewable energy generation capacity expanded to 8,050 kWp as a result of newly commissioned solar photovoltaic (PV) panels at ICP Klang and Kuantan factories under Industry Division, and at Kuantan Port. This contributed to the increase in our energy consumption from renewable sources to 9,032.6 MWh.

We are actively expanding our renewable energy mix in line with our R₂O commitment to achieve 100% renewable electricity by 2035. While our efforts will focus on on-site generation, we are also exploring other mechanisms such as green tariffs and virtual power producing agreements, among others.



Solar PV panels installed at Kuantan Port

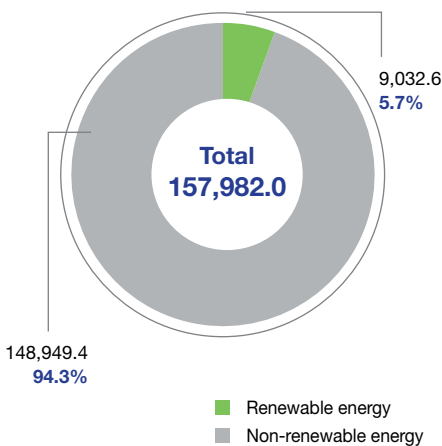
We continue to procure renewable energy certificates (“RECs”) for Menara Prudential. The RECs were acquired via regulated Tradable Instrument for Global Renewable registry from a reputable local power producer.

The Group has implemented effective approaches to reduce its direct emissions by adopting more efficient processes and phasing out high carbon fuels. In certain projects, the Construction Division leverages advanced BIM, including 4D simulations for detailed construction sequencing and 5D modelling for precise cost estimation. By optimising construction sequencing with 4D BIM, we minimise unnecessary transportation and on-site resource handling, thereby reducing fuel consumption and carbon emissions. Additionally, 5D BIM enhances logistics planning by accurately forecasting material needs and procurement schedules, further supporting our commitment to sustainable practices. Furthermore, the division is exploring the use of diesel with higher biofuel content at project sites while also exploring greener equipment and machinery.

feedwater into the boiler. To date, boiler economisers in ICP Nilai and ICP Klang factories have improved fuel efficiency for steam generation. Additionally, we completed the installation of solar thermal preheating system at ICP Senai factory in FY2024. The system uses solar energy to preheat incoming feedwater in boiler operations, which reduces the use of diesel.

The Port Division continues to optimise energy performance in line with the Kuantan Green Port Initiative. The division established an internal procedure to prioritise the use of energy-efficient electrical equipment requiring that any procurement, such as air conditioners, electric fans, and televisions, must have an Energy Efficiency Label of 4 stars and above. Additionally, the installation of electric shore power supply at Kuantan Port has seen a reduction of more than 34,106 litres of diesel usage by tugboats. This translated to an emissions reduction of 92.0 tCO₂e in FY2024 from the previous year.

Total Energy Mix in FY2024 (MWh)



Note:

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

ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

Facilitating Sustainable Buildings and Infrastructure

We are dedicated to embedding sustainable building and construction principles as a catalyst to fostering sustainable communities and mitigating the environmental impact of our products.

The Construction Division is steadfast in advancing the use of alternative materials and innovative methods to minimise environmental impacts. We consistently seek opportunities to collaborate with clients, integrating sustainable design solutions in materials, construction methods, and utility designs to address operational and embodied emissions.

The Property Division has implemented a Green Building Design Framework for residential landed and high-rise developments in Malaysia. This framework serves as a guideline to achieve GreenRE certification, with a minimum benchmark of a ‘Bronze’ certification for all new residential projects. This initiative requires the integration of energy-efficient and passive design strategies, water efficiency features, indoor environmental quality considerations, and various environmental protection elements, among others.

IJM 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

Completed and ongoing green building projects

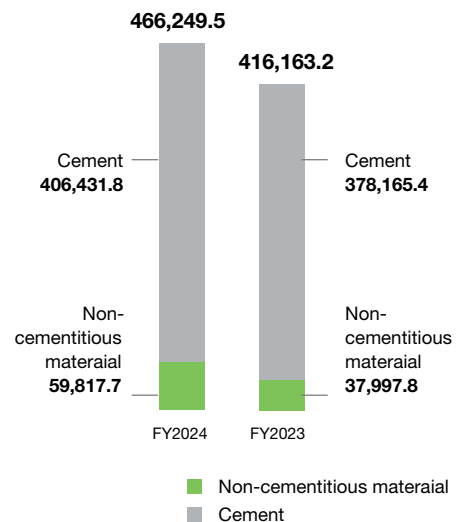


In addition to green certifications, the Industry Division has progressively reduced the cement ratio of products by mixing cement alternatives and admixtures in the composition of concrete spun piles. Industrial by-products such as fly ash, ground granulated blast furnace slag (“GGBS”) along with quarry products such as limestone (“CCP”) 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 commitment under R₂O to tackle Scope 1 and Scope 3 emissions by expanding our low carbon products portfolio.

In FY2024, the emissions from cement constituted 43.3% of the Group’s total emissions. The Industry Division made notable progress by replacing 12.8% of cement with non-cementitious alternatives, thereby reducing Scope 3 Category 1 (Purchased Goods and Services) by

53,436.7 tCO₂e, which is equivalent to 5.7% of the Group’s total GHG emissions. This compares against a 9.1% replacement of cement achieved in baseline FY2023, which amounted to 33,773.9 tCO₂e.

Cement Consumption by Industry Division (Tonnes)



The Port Division undertook several initiatives in line with Kuantan Port Authority’s initiative to transition into a green port by 2030. The Kuantan Port Green 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, adopt digitalisation in decarbonising port operations, and establish systematic waste management control.

Similarly, the Toll Division prioritises sustainability in all aspects of their operations, from reducing their carbon footprint to promoting environmentally friendly practices. Our highways are also assessed against the Malaysia Green Highway Index (“MyGHI”) where both BESRAYA and NPE have received ‘Gold’ certifications.

Furthermore, the Toll Division is exploring and identifying suitable locations along the highways to install DC Fast Charger stations. This

is in line with the Government’s target to install 10,000 charging stations by 2025 to accelerate EV adoption with 452 DC Fast Charger stations along the highways. The Division is exploring potential collaborations with the EV Charge Point Operators to leverage their expertise in green technology solutions, from the EV charging infrastructure to the mobile applications. This collaboration aims to provide a seamless and comprehensive EV charging network across our highways.

COLLECTIVE CLIMATE ACTION IN FY2024

Climate advocacy and collective action form a large part of R₂O. IJM is an official supporter of TCFD, reinforcing our commitment to taking a phased approach to implement its recommendations. As a signatory of British Malaysian Chamber of Commerce Climate Action Pledge, we also continue our support through the annual communication of our climate action progress.

In FY2024, we participated in several forums and industry engagements to share our findings and approach in building credible climate actions and sustainable practices:

- **UNGCMYB SBTi Symposium 2023**
IJM was part of the “Scaling Up Decarbonisation in the Value Chain” panel.
- **UNGCMYB Peer-to-Peer Sharing**
IJM participated in UNGC’s Peer Learning session sharing our experience and learning in shaping internal sustainability and climate strategy with UNGC corporate and SME members.
- **BSI Sharing**
IJM shared insights at *The Future of ESG: Trends, Regulations, and Best Practices*.
- **MASSA Webinar**
IJM shared its best practices and pitfalls to avoid in its ESG adoption journey in a webinar co-organised by MASSA, CILT and MAPAN.
- **ESG Malaysia Expert Series**
IJM was invited as a speaker in ESG Malaysia’s Expert Series to share experiences and insights on its data-driven approach to climate action.
- **US Green Building Council (USGBC)**
Our Construction Division participated in two seminars organised by MBAM as a speaker/moderator, sharing insights on sustainable and digital construction.
- **Climate Governance Malaysia Summit**
Our Industry Division participated as a panel speaker, sharing insights on sustainable construction.
- **Universiti Teknologi Malaysia (“UTM”) Collaboration**
Our Industry Division initiated a collaboration with UTM to explore sustainable concrete technology.
- **UNGCMYB Port Industry Roundtable**
Our Port Division participated in the roundtable and shared the sustainability-related initiatives conducted.



ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

MANAGING CLIMATE RISKS AND OPPORTUNITIES [GRI 201-2]

Climate-related risks are managed in line with the framework established in the Group’s ERM Policy. Specific parameters were established to assess the likelihood and impact of climate risks, given the longer time horizon.

Following the climate risks and opportunities assessment, we have identified relevant climate risks that will likely impact IJM. We conducted a data-driven scenario analysis and a qualitative screening of the Group’s businesses and assets utilising two scenarios by the IPCC that were selected to assess physical risks. Transition risks were assessed against scenarios developed by the International Energy Agency (“IEA”) and Network for Greening the Financial System (“NGFS”).

Climate Scenarios Considered

Type	Goal	Warming level by 2100	Time horizon
Transition	Announced Pledges Scenario ¹	- 1.7°C	Near-term: 2030
	Divergent Net-Zero Scenario ²	1.5°C	Long-term: 2050
Physical ³	SSP2 - 4.5 (RCP4.5)	- 2°C - 3°C	Near-term: 2030
	SSP5 - 8.5 (RCP8.5)	-4°C	Long-term: 2070

¹ World Energy Outlook 2022, IEA

² Scenarios for Central Banks and Supervisors, NGFS

³ IPCC Sixth Assessment Report, Working Group I

Types of Risks and Opportunities Assessed

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

Transition Risks and Opportunities

Transition risks are driven by changes in policies, market dynamics, regulatory changes, and technological advancements as the economy advances towards low carbon and net-zero emissions. Potential risks include increased operational costs due to higher raw material and fossil fuel prices, carbon taxes, and emissions trading schemes. Considerations also include policy restrictions on emissions, market perceptions, shifts in customer preferences, and the availability and demand of services.

The Group’s assessment of transition risks and opportunities has incorporated the Divergent Net-Zero (1.5°C warming) and Announced Pledges (2°C warming) scenarios, using assumptions developed by the

IEA and the NGFS, respectively. We have evaluated transition risks within a near-term horizon up to 2030 and a long-term horizon up to 2050, in alignment with global pledges and national commitments.

We evaluated the level of exposure and impact of transition risks and opportunities on the Group’s current and future operations in Malaysia and India. This assessment involved interviews and discussions with various management levels who influence the strategic direction of the Group’s businesses.

Announced Pledges Scenario (“APS”)

The APS scenario assumes that the Group’s position aligns with current global climate pledges and commitments, including nationally determined contributions (NDCs)

and long-term net-zero targets, being fully achieved within the specified timeframe. This scenario projects a global temperature increases of 1.7°C by 2100, resulting in moderate to severe physical risks and relatively low transition risks.

Divergent Net-Zero Scenario (“DNZ”)

This scenario incorporates the most ambitious policies while taking into account for potential delays in the implementation of necessary actions.

The DNZ scenario achieves net-zero emissions by 2050 and aligns with a climate goal that provides at least a 50% chance of limiting global warming to below 1.5°C by 2100. However, this scenario assumes higher costs compared to the Net-Zero 2050 (NZE) scenario due to the implementation of divergent

policies across sectors and a more rapid phase-out of fossil fuels. Consequently, the DNZ scenario presents significantly higher transition risks and lower physical risks than the NZE scenario, owing to delayed or varied policy adoption across countries and sectors.

Our Findings

Our operations in Malaysia have been identified as having higher risk impacts compared to those in India, primarily due to stricter policies and regulations. The assessment indicates that regulatory and market risks are the foremost concerns likely to significantly affect our business. Under both the DNZ and APS scenarios, the Group's exposure to regulatory risks in all divisions is heightened under both the DNZ and APS scenarios, spanning the near and long term. This primarily involves increased obligations for emissions reporting, carbon pricing initiatives, and regulatory mandates affecting our products and services.

In the long-term, the Property and Industry Divisions face significant long-term market risks under the DNZ scenario, while the Port Division experiences heightened exposure to these risks under both DNZ and APS scenarios. These market risks originate from escalating material costs and the evolving shift in customer preferences towards green or low-carbon developments, products, and services.

Physical Risks and Opportunities

Physical risks are influenced by both acute and chronic climate patterns that could lead to infrastructure damage. Extreme weather could potentially cause temporary work stoppages and reduce productivity, which may lead to delays in the delivery of products and services.

Our assessment referenced projections and data provided by the IPCC and the World Bank's Climate Change Knowledge Portal. The Group evaluated scenarios including worst-case (above 4°C warming) and current trajectory (2°C to 3°C warming). Parameters such as temperature variations, precipitation patterns, flood risks, and sea level rise across various regions and timeframes were analysed. We considered both near-term projections up to 2030 and long-term projections up to 2070 to align with the duration of the Group's concession assets.

A review was undertaken of the physical risks pertinent to major projects across nine locations, specifically Selangor, Kuala Lumpur, Penang, Pahang, Johor, and Perak in Malaysia, as well as Karnataka, Maharashtra, and Madhya Pradesh in India. The assessment involved examining existing risk registers and past climate-related incidents to evaluate the vulnerability of each asset. Location-specific climate projections were employed to gauge the probability and impact of climate stressors specific to each area.

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

This scenario represents the 'most likely' trajectory based on the current scale and pace of climate commitments. This scenario is employed to evaluate the most probable disruptions.

Referred to as the "middle-of-the-road" scenario, emissions remain stable near current levels before gradually declining by mid-century but do not achieve net-zero by 2100. Under this scenario, temperatures are projected to increase by approximately 2.7°C by the end of the century. Socioeconomic factors continue along historical trends without significant deviations.

Progress toward sustainability is sluggish, with uneven growth in development and income.

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

This scenario represents the 'business-as-usual' trajectory resulting from global inaction, enabling the Group to evaluate potential disruptions in a worst-case scenario.

Referred to as the "fossil-fuel development" scenario, emissions continue to increase, doubling by 2050. Under this scenario, temperatures are projected to rise by approximately 4.4°C by the end of the century. The global economy experiences rapid growth, driven by the exploitation of fossil fuels and energy-intensive lifestyles.

Our Findings

Our organisation is expected to experience the effects of both acute and chronic physical climate events, as these impacts are anticipated to become increasingly severe and significant over time. Based on our assessment, certain assets, particularly those situated in Klang Valley and Pahang, have been identified as inherently vulnerable to pluvial flooding caused by heavy rainfall in the near term under both scenarios, reflecting their historical exposure to such events.

Over the long term, our analysis has identified a heightened probability of coastal flooding due to sea level rise affecting assets and operations in coastal areas like Penang and Johor under the SSP5-8.5 scenario, whereas the SSP2-4.5 scenario indicates a slower onset. Moreover, the risk of heat stress is expected to escalate in both scenarios as temperatures chronically rise over time, potentially impacting the Group's operations and productivity.

ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

Limitations to Our Assessment

We recognise that climate risks are complex and evolving. The assessments conducted accounted for the direct impacts on the Group’s assets and operations, excluding systemic risks like food and water insecurity and public wellbeing. Addressing these broader implications requires a deeper understanding of the accumulation of different climate events on 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 our business and value chain resilience.

SAFEGUARDING PLANETARY HEALTH FOR A LIVEABLE FUTURE

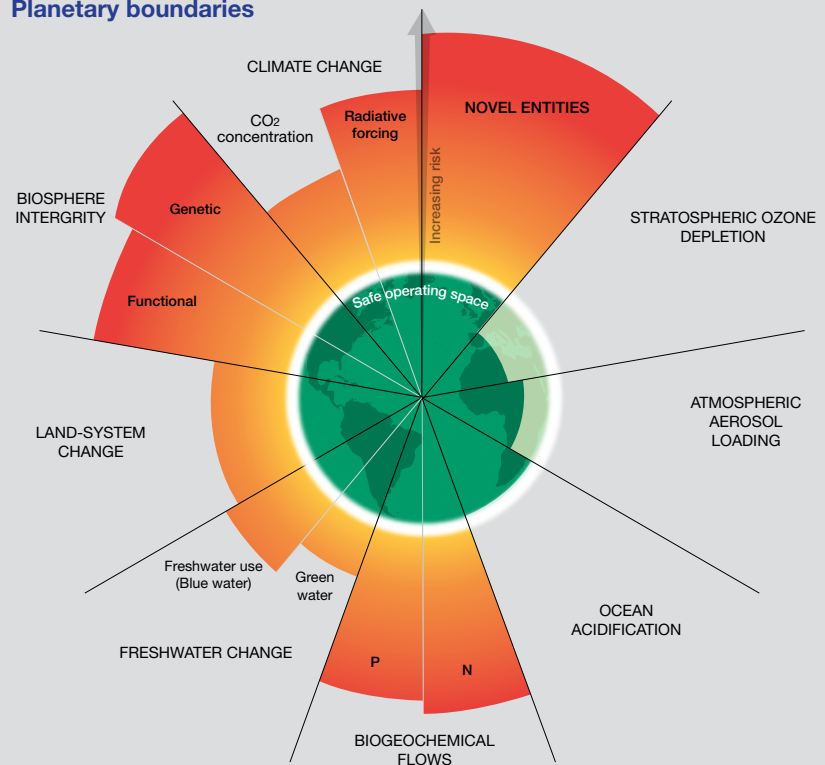
Planetary health, the state of Earth’s natural systems and their capacity to sustain life, is intricately connected to our ability to mitigate climate change. Scientific evidence highlights that six out of nine Planetary Boundaries have already been transgressed. Understanding and addressing these systemic risks is essential for achieving net-zero emissions by 2050. According to the research, the likely remaining pathways to achieving a 1.5-degree scenario, which will involve overshoot and subsequent reduction, will be preconditioned upon a healthy planetary ecosystem.

The Planetary Boundaries framework identifies nine critical processes that regulate Earth’s stability and resilience. These include climate change, biodiversity loss, biogeochemical flows (nitrogen and phosphorus cycles), ocean acidification, land-system change, freshwater use, atmospheric aerosol loading, and novel entities (such as chemical pollution). Crossing these boundaries increases the risk of triggering large-scale, abrupt, or irreversible environmental changes.

The increasing frequency and severity of extreme weather events are a direct consequence of overshooting the 1.5°C global warming limit. This limit represents a biophysical threshold beyond which the risk of triggering multiple tipping points in the Earth system becomes significantly higher. These tipping points can initiate tipping cascades, where the activation of one tipping point increases

the likelihood of others being triggered. For example, the loss of polar ice represents a positive feedback loop where ice-free seas absorb more solar radiation, further warming the water. This warming accelerates the release of methane trapped in the thawing permafrost, which in turn exacerbates global warming in a self-reinforcing cycle.

Planetary boundaries



Source: Stockholm Resilience Centre (2023) <https://www.stockholmresilience.org/research/planetary-boundaries.html>

CLIMATE TIPPING POINTS



The IPCC and climate models provide compelling evidence that the health of our planet is inextricably linked to our climate goals. Corporates and governments must take bold, science-based actions to address the systemic risks posed by transgressing planetary boundaries.

Achieving a net-zero future is an ambitious but necessary goal, one that requires a holistic approach that integrates planetary health into every facet of corporate strategies and government agenda. Failing to address these systemic risks could undermine efforts to achieve net-zero, with dire consequences for both businesses and society.

Tipping Points

- Global
- Regional

Tipping becomes likely within

- 1.5°C - 2.0°C
- 2.0°C - 3.7°C
- 3.7°C - 6.0°C
- > 6.0°C

of global warming

Source: Potsdam Institute for Climate Impact Research (2023) <https://www.pik-potsdam.de/en/output/infodesk/tipping-elements/tipping-elements>

ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

MANAGING ENVIRONMENTAL IMPACTS [GRI 303-1, GRI 303-2, GRI 303-5]

We are committed to safeguarding the environment and reducing our environmental impact. Guided by the Group’s Environmental Policy, we strive to accelerate our efforts in preserving natural capital, preventing environmental pollution, and managing waste responsibly. At the operational level, we have established specific procedures to identify risks, assess potential impacts, and implement control measures, ensuring our operations adhere to responsible practices.

Responsible Water Management

We are dedicated to maximising water efficiency across all our businesses and have implemented measures to reduce water usage in our operations. In FY2024, the Group’s water withdrawal decreased by 16.9% to 1,011,476.0 m³.

To reduce our reliance on ground, surface, and municipal water sources, we collect rainwater across the Property, Industry, Port, and Toll Divisions. In FY2024, we harvested 2,904.0m³ of rainwater for non-potable uses, including

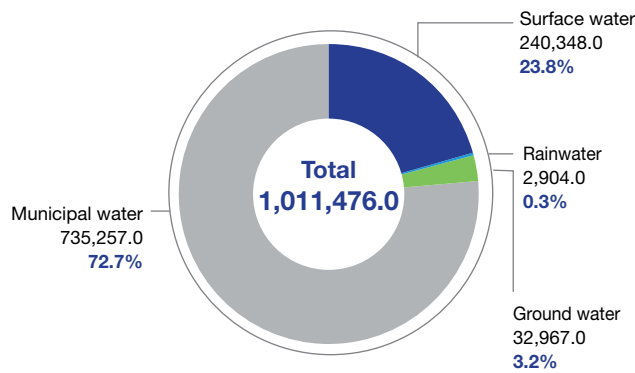
cleaning and landscaping. Kuantan Port collaborated with a tenant to enhance water efficiency by reusing treated water.

We enforce effective control measures to ensure compliance with water quality and quantity permits, standards, and regulations. Notably, in FY2024, there were no recorded instances of non-compliance with water quality standards.

Water treatment facilities are strategically installed at high-discharge sites to manage wastewater and adhere to voluntary

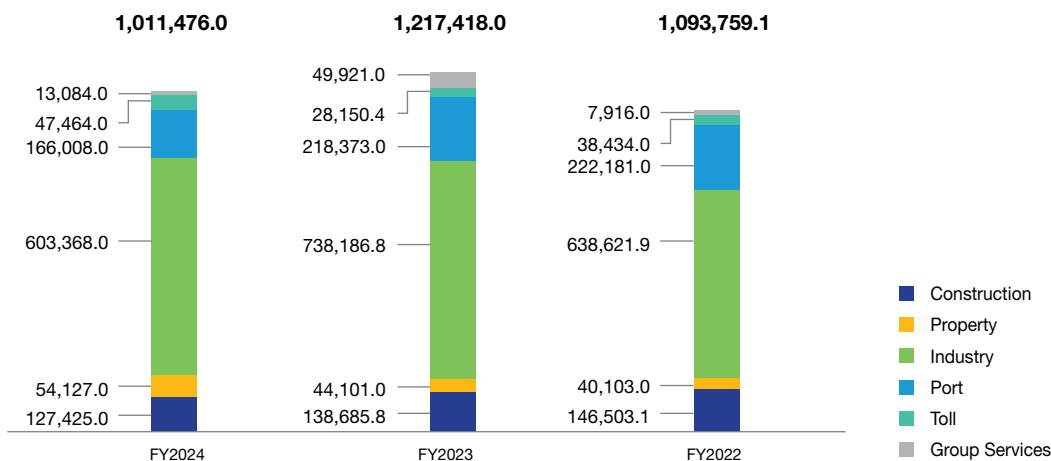
and regulatory environmental standards. These facilities employ chemical agents to reduce suspended solids to below 50 mg/litre before discharging into the public drainage system. Utilising a flocculation process, as seen at the TRX Residences site, these plants effectively separate suspended particles, facilitating easier filtration before discharge. Project sites with lower water discharges employ traditional water treatment methods like silt traps and sedimentation ponds. In certain instances, treated water is recycled and reused at project sites and factories.

Water Consumption by Source in FY2024 (m³)



Water treatment system at TRX Residences site in Kuala Lumpur

Water Consumption by Division in FY2024 (m³)



Environmental Pollution Management

IJM is committed to preventing air, noise, waste, and water pollution across our operations. In FY2024, all divisions achieved ISO 14001:2015 Environmental Management Systems certification, covering 100% of our operations in Malaysia. Aligned with ISO 14001:2015, our Group’s Health, Safety, and Environment (HSE) Management System outlines comprehensive environmental monitoring and pollution management protocols. This system guides the implementation of our Environmental Management Procedures and Operation Specific Plans, enabling us to identify, evaluate, and mitigate pollution risks and minimise the impact of our operations on the environment and surrounding communities.

Across our operations, we adopt suitable practices to manage erosion and sedimentation. Key measures, including groundcover, turfing, vegetation, and hydroseeding, are employed to prevent soil erosion. Additionally, temporary check dams, silt traps, and fences are installed to prevent the pollution of water sources.

To manage noise and vibration pollution from our operations, we have installed meters at our sites for continuous monitoring. Vibration meters at quarries ensure minimal disturbance to surrounding areas, in adherence with the Environmental Quality Act 1974. Air pollution risks are addressed through ongoing monitoring and inspections at project sites. The Port Division has installed dust barriers and fog cannons to mitigate air pollution. Washing bays were provided to clean cargo trucks before they access public roads, and road sweepers and water trucks were deployed to manage dust levels within the port area.

In FY2024, there were no major incidents and penalties due to spillage.

Optimising Material Usage and Reducing Waste

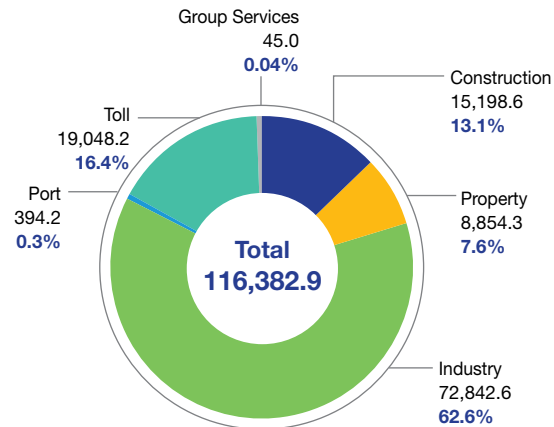
[GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5]

The Group manages waste efficiently and is committed to responsible material usage across all operations. We aim to reduce, reuse, and recycle our waste, whenever feasible. We comply with local waste regulations while continuously working towards managing waste beyond this minimum threshold. Waste reduction is one of the key measures in our climate strategy to achieve Scope 3 emissions reduction. Our target is to reduce wastes generated from

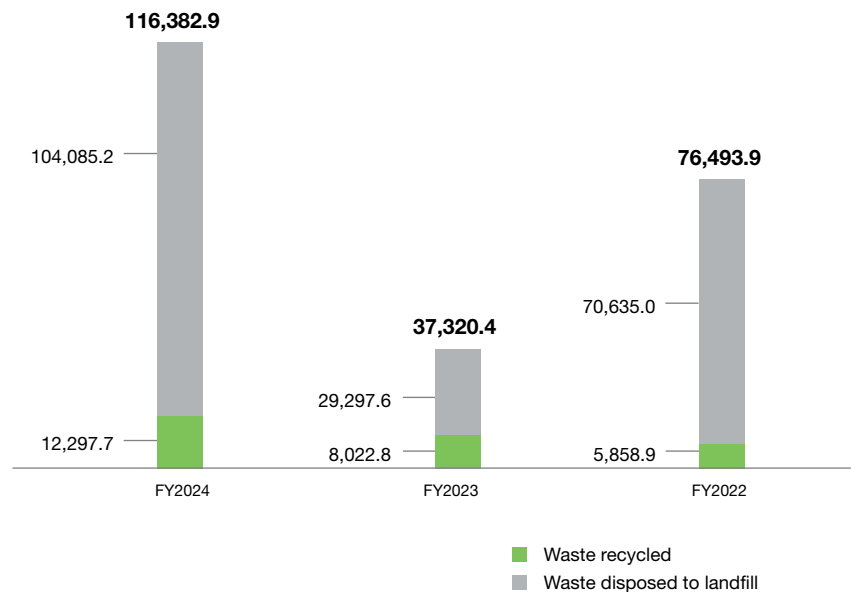
our operations through enhanced process efficiency and increased awareness of circular economy principles.

In FY2024, a total of 116,382.9 tonnes of scheduled and non-scheduled wastes were generated by the Group. 85.5% of waste generated within the Group are categorised as construction waste whereas scheduled waste made up 0.08% of our total waste.

Scheduled and Non-Scheduled Waste Generated by Division in FY2024 (Tonnes)



Total Waste Generated (Tonnes)



ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

We implement proactive measures across all our operations to minimise waste disposed to the landfills by recycling and reusing the waste we generate. In FY2024, 10.6% of our waste 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 waste at accredited facilities. Recycling and reusing of construction waste are prioritised for practical implementation at sites, for instance, concrete waste is crushed and repurposed to stabilise road access to sites. In FY2024, waste that have been diverted from landfill, which includes recycled waste, and treated waste off-site and on-site, amounted to 12,379.1 tonnes.

The Construction Division established a Waste Reduction Framework in FY2023, in line with the Group’s Sustainability Roadmap FY2023 to FY2025. The framework guides the management and reduction of solid wastes within operations. In FY2024, a few projects were selected as pilot projects to initiate the implementation of the Waste Reduction Framework which include waste segregation, reusing and recycling of construction waste material.

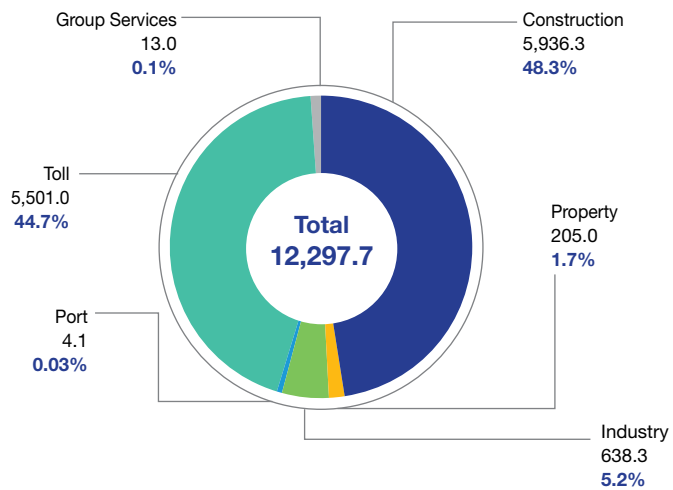
Unused concrete is repurposed at the Industry Division’s IBS factory by segregating sand, aggregates, and slurry effluents through a reclaimer, effectively optimising material usage and enhancing cost

efficiency. Excess water is collected and separated from slurry effluents, then reused for concrete batching, sprinkler systems, and cleaning purposes.

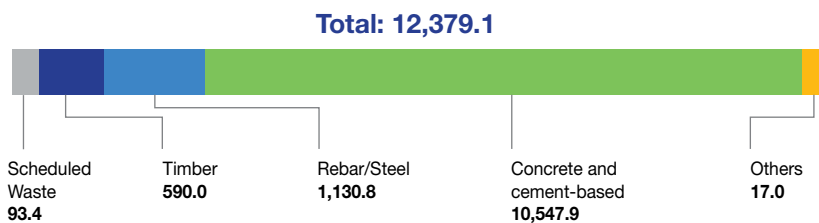
The Toll Division is exploring the use of mill waste from the existing pavement and resurfacing as compaction material to stabilise soil before road overlay works. Reusing milled waste from pavement repair offers several advantages. It reduces

the need for new raw materials, conserving natural resources and lowering project costs. This recycling process decreases landfill waste, promoting environmental sustainability. Reclaimed asphalt pavement (RAP) can enhance the performance of new asphalt mixtures, providing durability and stability. Additionally, utilising RAP minimises the energy consumption and emissions associated with producing

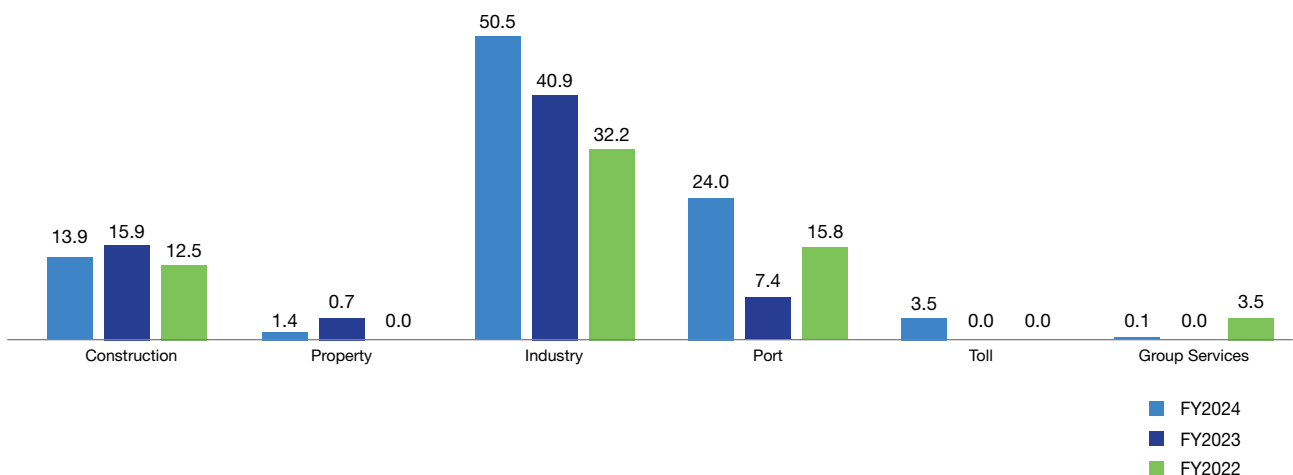
Waste Recycled by Division in FY2024 (Tonnes)



Waste Diverted from Landfill by Type in FY2024 (Tonnes)



Scheduled Waste Generated by Division (Tonnes)



new materials, contributing to a reduction in the carbon footprint of pavement rehabilitation. Reusing milling waste supports eco-friendly practices, cost-efficiency, and the creation of high-quality, sustainable pavements.

Scheduled and hazardous waste are managed and disposed of in adherence to safety and environmental legislations. These wastes are securely stored in designated areas, labelled with precise guidelines and specification. The Group engages licensed contractors to dispose of scheduled waste at approved treatment facilities. In FY2024, there were no fines of non-compliance with environmental laws and regulations relating to handling of scheduled waste.

CONSERVING BIODIVERSITY
[GRI 304-1, 304-3]

We appreciate the value that nature provides and recognise the importance of conserving natural

ecosystems to ensure business resilience. Our commitment includes minimising our impact on the surrounding environment in our operational areas, responsibly managing natural resources, and, when feasible, undertaking initiatives to conserve biodiversity.

Biodiversity loss and ecosystem collapse are recognised as among the fastest-rising global risks in the coming decade. The Group acknowledges the growing significance of integrating nature-related risks into business strategies for long-term viability, safeguarding profitability, and ensuring a sustainable future for both businesses and the environment. We will explore the intricate interdependencies between nature and business using the Taskforce on Nature-related Financial Disclosures (TNFD) framework, evaluating how these connections translate into a wider gamut of financial risks.

All projects exceeding 50 hectares must undergo an Environmental Impact Assessment (EIA) to evaluate biodiversity within their boundaries and propose measures to mitigate disturbances to the natural environment. We strive to incorporate regenerative practices where possible across our operations. The Property Division has established an internal goal to integrate green spaces into their developments that surpass the minimum requirements mandated by local councils.

The Property Division is presently exploring the support of two biodiversity-rich locations that are adjacent to their developments. The support may potentially include allocating development land bank, providing access infrastructure, creating gallery space, conducting biodiversity audits, and collaborating with local academia and non-profit organisations. Further details will be provided as these projects progress.



Sebana Cove, Johor, located next to the biodiversity-rich Sungai Santi forest reserve