NURTURING AND EMPOWERING COMMUNITIES

IJM Group and many of our colleagues voluntarily contribute to help communities address their development priorities. These engagements positively impact both the society and our business. In this section, we review the highlights for FY2018.

In early 2018, 23 representatives from all 6 businesses, including functional roles from Group Services, attended an internal community investment workshop. The workshop showcased analysis on previous community efforts based on the LBG Framework, the global standard for measuring corporate community investment and philanthropy. Besides learning about the LBG Framework, we discussed and worked towards a Group Community Investment Policy that would be relevant to all businesses and their communities.

The newly drafted Community Investment Policy helps direct our efforts toward a more focused and impactful contribution with measurable targets in the community. We focus our contributions across three pillars – Community Development, Sports and Education. The policy defines how we will contribute to the community, in partnership with our stakeholders and employees, to achieve the following objectives:

- Promote positive and sustainable impact in the communities where we operate
- Address community priorities that align with our business objectives to create mutually beneficial partnerships
- Create partnerships with external stakeholders and engage in dialogues with communities in order to address local social needs. IJM integrates community investment considerations into our decision-making and business practices

 Attract and retain like-minded employees who are motivated to make a difference in the community. We encourage our employees to support our community programmes as volunteers

Focusing on the three pillars with measurable targets will enable us to support the Sustainable Development Goals.

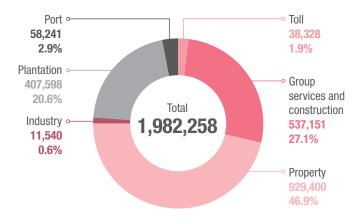
COMMUNITY INVESTMENT HIGHLIGHTS FOR FY2018

We regard community investment efforts as our voluntary engagement with charitable notions that extends beyond our core business activities. During the reporting period, IJM Group contributed over RM1.9 million to the community, amounting to 0.3% of our pre-tax profits.

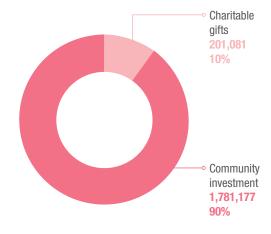
Our motivations matter too – 90% of our efforts are strategic community investments where we consciously invest resources to bring about social and environmental change where we operate; with the remaining 10% invested as charitable gifts which is often regarded as a response to short-term events.

Our biggest contributions are in developing communities and non-mainstream sports. We hope to develop our efforts on community investment, mapping out and measuring the consequent output and impacts from our initiatives.

Expenditure by division (RM)



Motive for contribution (RM)



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Community Development 38.4% Infrastructure 13.1% Philanthropy 2.8% Environment 3.7% Health and wellness 1.7% Arts and culture 2.5% Disaster relief 1.6% Festive celebration

Give Day Out

12.5%

SUPPORTING COMMUNITY GROWTH AND WELLNESS

Education

3.6%

GIVE DAY OUT

Sports

58.1%

Our flagship programme, Give Day Out ("GDO"), is now in its eighth year since it was launched on 3 December 2011. The programme was aimed at building relationships with the community and promoting a healthier environment, making good business sense as well as motivating and bringing our employees together.

In FY2018, the programme themed 'Fun with Nature' brought together close to 2,000 employees to improve the nature trails across the country. Some of these trails were at Bukit Kerinchi Recreational Forest in Kuala Lumpur, Kota Damansara Community Forest in Selangor, Seremban 2 Trail in Negeri Seremban, Bukit Pelindung Eco Recreational Forest in Pahang, Elopura Forest Reserves in Sabah and Kuching Wetlands National Park in Sarawak.

The GDO has taken different forms over the years and is now being reviewed for group alignment, effectiveness and impact against our Community Investment Policy.

FY2012-FY2015

Employee-initiated initiatives (varied focus areas) in groups

 Contributing to the needs of the underpriviledged community

FY2016

IJM Group's initiative on 'Play around playground'

 Building safe playgrounds for children to encourage a healthy outdoor lifestyle

FY2017-FY2018

IJM Group's initiative on 'Fun with nature'

0.3%

 Improving nature trails and facilities to create greater community accessibility and participation



HOME REHABILITATION PROGRAMME

Now in its seventh year, our Property Division continues to enhance the lives of the underprivileged by restoring and rehabilitating homes for families around Malaysia, thus far in Penang, Johor, Negeri Sembilan and Sabah. With the help and support of our contractors and suppliers, the programme entails essential repair works and improvements, cleaning of the surrounding areas

and fresh coats of paint along with sponsorship of household items and products.

In the reporting period, the Division adopted and revamped two homes in Seremban, Negeri Sembilan and Padang Besar, Perlis. This programme is undertaken in close collaboration with the State Social Welfare Department to identify old, unsafe and dilapidated homes belonging to the less fortunate members of the community.



House condition before the Home Rehabilitation Programme



House condition after the Home Rehabilitation Programme

CARING FOR OUR COMMUNITIES AND IMPROVING LOCAL INFRASTRUCTURE

Our Plantation Division has long adopted a practice of helping develop neighbouring communities. In this reporting period, we invested around RM140,000 in road repairs to improve the accessibility for the locals in the Indonesian villages of Binai, Antutan and Susuk.

The Plantation Division, in collaboration with The Forest Trust ("TFT"), have identified potential income diversification opportunities for the villagers. We initiated the Social Entreprenuership Project with the Women's Group in Kampung Ulu Muanad, Sabah under the Rurality Programme and assisted in the marketing of the products made by these women.



Road maintenance for better accessibility for neighbouring communities in Lampung estate, Indonesia



Initiated Social Entrepreneurship Project with the Kampung Ulu Muanad Women's Group

Our Property Division collaborated with the Nilai municipality to organise a gotong-royong session. The event saw the participation of Seremban 2 Heights residents' association cleaning up the surrounding environment.

During the year, we provided disaster relief to affected communities near our project sites. Our Construction Division responded to the aid of the residents of Taman Rashna, Selangor when they were affected by floods following a heavy downpour in November 2017. Our employees distributed food and drinks to approximately 1,000 residents from 150 flood-affected homes over the course of 3 days.

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Sustainability Statement A massive flood also occurred in Penang in November 2017. Volunteers from our Industry Division based in Penang responded immediately to assist with the arduous clean-up work in affected areas. We sent

machineries and lorries including backhoes, mobile cranes and trucks to remove fallen trees, and to ferry debris and waste while our employees helped residents with the general clean-up efforts.



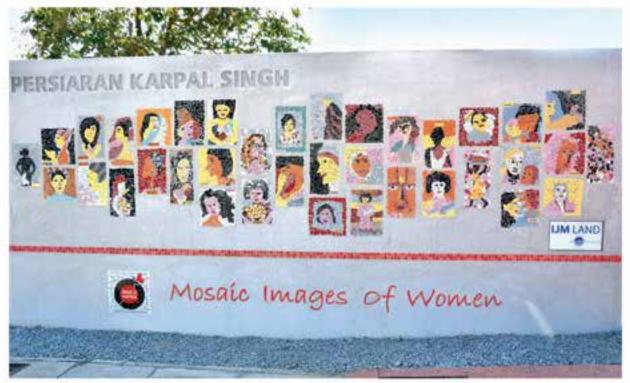


Flood relief by our employees in Penang in November 2017

CONTRIBUTING TO ARTS AND CULTURE

On 4 March 2018, our Property Division launched the Women's Mosaic Wall in conjunction with the International Women's Day 2018. The first-of-its-kind mosaic wall is located at Karpal Singh Drive in

Penang, displaying 74 distinctive pieces of special art in this public space. This event engaged more than 200 people, raising awareness of women's contribution to society. In a separate event, the Division supported the Butterworth Fringe Festival featuring arts, culture and heritage activities in our bid to support local talents.



Women's Mosaic Wall located at Karpal Singh Drive, Penang

PROMOTING HEALTH AWARENESS

Our Plantation Division works at grassroots level to elevate breast health awareness in rural schools in Sabah. In collaboration with the Sandakan Pink Ribbon, a support association for breast cancer prevention and treatment, the Division organised a breast health awareness outreach programme in Sekolah Menengah Kebangsaan Elopura 2. The Division also supported the Sandakan Pink Ribbon through their fundraising dinner and employee-led Zumba charity movement.

Our Toll operations contributed RM10,000 to the Malaysia Lysosomal Diseases Association and provided a platform to create awareness on lysosomal storage diseases, a rare genetic disorder that results from defects in the lysosomal function, during the Division's sporting event. Funds raised at the event provide life-prolonging treatment to patients suffering from this condition.



Breast health awareness grassroot outreach programme at SMK Elopura 2, Sabah



Move2Give fundraising Zumba charity event

BUILDING EDUCATIONAL CAPACITY

IJM recognises that access to education is one of the key enablers in eradicating poverty. The Education pillar aims to provide access to basic education and support the education needs of deserving individuals across our business operations.

PROVIDING GREATER ACCESS TO EDUCATION

The IJM Scholarship Programme was launched in 1994 and has empowered and nurtured deserving students; many of whom have since joined the Company as project and contract managers, accountants and engineers. In FY2018, a total of 15 scholarships totaling RM664,500 were granted.

We also give recognition to the children of our employees for achieving outstanding results in their SPM, STPM and A-Level examinations. A total of 50 students received the IJM Academic Excellence Awards in this reporting period. Apart from encouraging and rewarding students for their outstanding efforts, the award also recognises the role of parental involvement in children's education.

With the inclusion of one new learning centre this year, IJM Plantations, in collaboration with Humana Child Aid Society Sabah ("HCASS") has set up four Humana Learning Centres in Sabah that provide basic education for guest workers' children between the ages of 5 to 12 years. In addition, the Community Learning Centre ("CLC") conducts educational programmes for Indonesian guest workers' children aged between 13 to 15 years. The Division also provides transportation for the children to travel to local schools and learning centres.



IJM employees interacting with scholarship holders

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Sustainability



IJM Scholarship Programme and Academic Excellence Awards held on 18 August 2017

HOSTING SITE VISITS FOR STUDENTS AND INDUSTRY ASSOCIATIONS

The Industry Division organises educational visits for civil engineering students, sharing real life experiences such as managing project sites, manufacturing spun piles and the day-to-day factory activities. In April 2017, a visit to ICP Ulu Choh factory in Johor was organised for Universiti Teknologi Malaysia students, introducing the technologies and innovations practiced along with best practices on health, safety and environment, and thus inspiring the younger generation through practical exposure and knowledge.



Industry Division hosted local university students at their Ulu Choh factory

SUPPORTING CREATIVE TALENTS

IJM seeks to inspire and share our core value of 'Innovation' amongst the younger generation. In our fourth year of partnership with Nippon Paint Malaysia on the Asia Young Designer Award ("AYDA"), the competition sets out to develop and nurture young creative talents in architecture and interior designing in Malaysia and bridge the links between design education and the industry. This year's theme on 'You for Tomorrow: Future Living as Envisioned Today', attracted 1,109 entries from 44 participating design institutions in Malaysia. All AYDA gold and silver winners in the architecture and interior design categories were offered internships by our Property Division.

SPORTS FOR DEVELOPMENT

Our contribution to non-mainstream sports and sports development at the grassroots level constituted the largest portion of our community investment expenditure in this reporting period. Our involvement in sports is with the knowledge that it contributes to a range of positive outcomes on psychological, physical and social health; on top of creating a culture of respect, tolerance, togetherness and a sense of belonging.

CHAMPIONING NON-MAINSTREAM SPORTS

In our continued support to promote and develop rugby in Malaysia, IJM contributed to the 47th COBRA 10s 2017 Rugby Tournament that saw the participation of 10 teams with 220 participants, including 3,000 student spectators from all over Malaysia who were invited to witness these top-level competitions first hand at the stadium. IJM Plantations also supported the Eagles Rugby Club, Sandakan in their Rugby Development Programme for local schools as well as the Borneo 7s 2018 Rugby Tournament.



IJM Men's Club Volleyball Championship 2017



participation of 43 teams of different age groups

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Supporting softball development at Sekolah Kebangsaan Tok Muda,



Contributing to the development of rugby

Besides rugby, IJM also supports volleyball as a longterm grassroots initiative. In addition to collaborating with the Malaysia Volleyball Association ("MAVA") and Majlis Bandaraya Shah Alam ("MBSA"), IJM also sponsored the IJM Men's Club Volleyball Championship 2017 that provided the opportunity for participants to enhance their skill and gain tournament exposure to prepare them for the 29th South East Asia ("SEA") Games 2017.

In support of non-mainstream sports, the Industry Division contributed to the Sekolah Kebangsaan Tok Muda, Kapar Softball Team Development Programme. The school won second place in the district-level Klang Softball competition in 2017. The Division has been supporting the school since 2016 in the development of youth sports activities, encouraging their participation and discovering talents.



IJM was invited to draw lots for the 29th SEA Games Kuala Lumpur

COMMUNITY-BASED SPORTS

In FY2018, we invested in community-based sports events encouraging healthy urban lifestyles that took place at the Group's townships and toll highways.

Our Property Division organised the IJM Land Half Marathon held at the Seremban 2 township on 13 August 2017 and a fun 'Run with Me' at the Bandar Rimbayu township on 9 July 2017, attracting close to 9,500 participants collectively. IJM Land Half Marathon provides an additional platform for the community to contribute to charity, raising RM20,000 each for Pertubuhan Hospice Seremban and the Malaysia Lysosomal Diseases Association.

In separate events, IJM sponsored and organised the IJM-Allianz Duo Highway Challenge, connecting potential customers, community and employees through a shared passion for running. The event attracted more than 15,000 runners, with 5,700 runners at the Besraya Highway Challenge on 30 July 2017 and 9,400 runners at the NPE Highway Challenge on 10 September 2017. On 15 April 2017, our LEKAS highway hosted the RHB-Shimano Highway Ride and attracted more than 4,000 cyclists. These events were organised with the aim of promoting healthy urban lifestyles through running and cycling, as well as providing a safe and well-organised venue for sports enthusiasts.



IJM Allianz Duo Highway Challenge at Besraya on 30 July 2017



The press conference launching Malaysia's first Duo Highway Challenge run