

ENSURING A FAIR, INCLUSIVE AND SAFE WORKPLACE

IJM's mission to deliver sustainable value to our stakeholders and enrich lives with the IJM Mark of Excellence is fuelled by the talent, diversity and dedication of our employees. We promote an inclusive and diverse work culture while providing employees with fair remuneration as well as a healthy and safe workplace. We aim to enhance the employee experience where IJMers feel included, empowered, engaged and together contribute to an inspiring and productive working environment.

CREATING A SAFER WORKPLACE

The Occupational Safety and Health Master Plan 2020 by the Department of Occupational Safety and Health ("DOSH") focuses on implementing the preventive culture to further strengthen the establishment of a *Safe and Healthy Work Culture* among employees and workers. This master plan is a continuation of the previous two OSH strategic plans started in 2006.

The preventive culture places a high priority on awareness, responsibility and commitment among employers and workers. Keeping in mind the rights of workers in regards to OSH, the preventive culture encourages the involvement of workers in OSH activities, enhances OSH knowledge, skills, and to efficiently manage OSH risks. The desired outcome is to transform hazardous workplaces into a safe and healthy work environment, protecting the most important asset of our Company – the workers.

In support of SDG 3 and 8 in providing a healthy, safe and secure working environment, health and safety remains a material topic for IJM. In FY2019, we modified our HSE Policy statement into two separate policies – Environment Policy and Occupational Safety and Health ("OSH") policy. The change to the policies is a result of our continuous engagement with the Department of Environment. The revised OSH policy emphasises that maintaining a healthy and safe workplace is the responsibility of everyone.



We are in compliance with widely used and recognised management systems such as OHSAS 18001:2007, Occupational Health and Safety Assessment Series; and the Malaysian Standard on Occupational Health and Safety Management Systems, MS1722:2011. These management systems enable all projects to employ a systematic management of HSE requirements and continually improve the level of OSH performance at workplaces.



Committed to the Occupational Safety and Health Policy aimed at protecting workers' rights to a safe, healthy and conducive work environment

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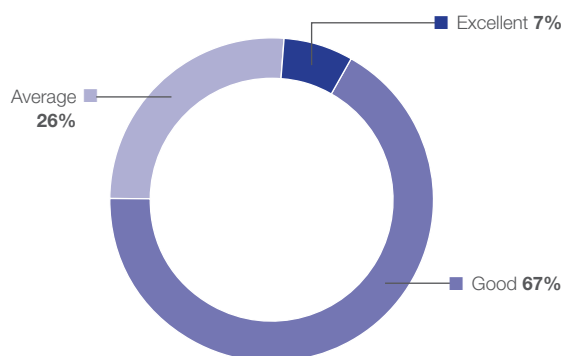
A key element in these management systems is the identification of hazards and risks and determining the necessary controls to prevent these risks. The system emphasises on ensuring all potential risks are determined and controls are put in place during the planning stage. Opportunities to enhance the implementation by eliminating and mitigating hazards and risks are performed before any work commences through best available control measures. In the Construction Division, all workplaces have implemented this process covering all routine and non-routine construction activities at their sites throughout the period under review.

Risk reduction for our workers and nearby communities is a cornerstone of our programmes. We constantly conduct safety and health programmes on work practices for workers to reduce the risks of accidents to our workers and the nearby communities in our effort to ensure safe, inclusive and accessible surroundings as outlined in SDG 11.



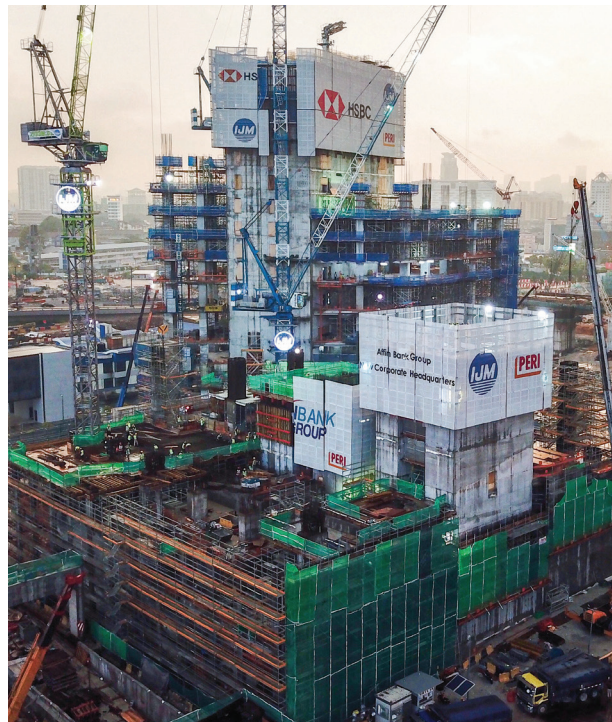
We also conduct regular site inspections and internal audit sessions to evaluate the performance of construction projects and verify the effectiveness of our HSE management system. A total of 42 HSE surprise inspections and 23 HSE internal audits were carried out in FY2019.

HSE Surprise Inspections in FY2019



Managing and monitoring our OSH performance

For the year under review, the Group recorded a Lost Time Injury ("LTI") frequency rate of 3.07. This indicator reflects the number of incidents occurring for every 1 million working hours. In accidents, the Group documented a total of 189 LTIs across all Divisions during the reporting period. The Plantation Division has the highest frequency

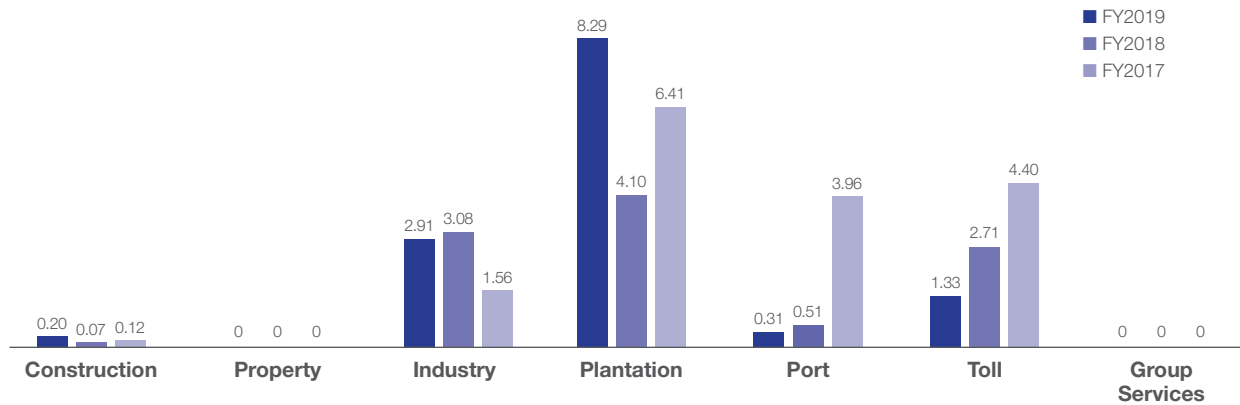


Screen system offers added safety and protection in the construction of high-rise buildings

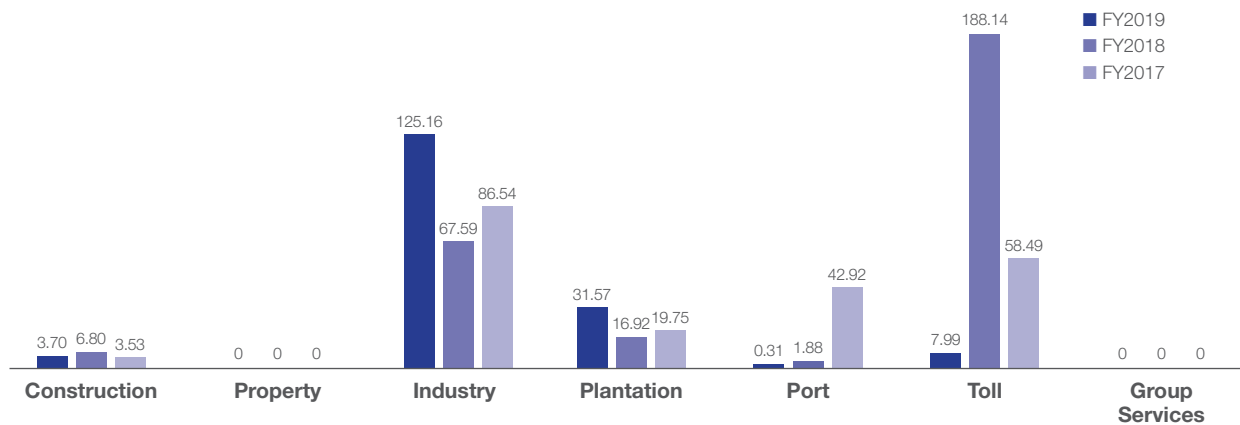
rate due to the manual and physical nature of the working environment. To address this, the Division has conducted more trainings, implemented working permits at high risk stations at the mills and tightened overall supervision. The Port Division's frequency rate has also seen a decrease from FY2017 through to FY2019 due to the implementation of the Occupational Safety and Health Management System such as Risk Assessment before performing any activities, Job Safety Analysis, Safety Work Procedure and enforcement.

The severity rate measures the amount of time lost due to work-related injury occurring for every 1 million working hours. In our Industry Division, hand and finger injuries sustained during manual handling and activities were the most common type of accidents. We have since performed root cause analyses, taken corrective and preventive actions by applying the hierarchy of control method, enhanced our standard operating procedures as well as performed workers briefing. The Toll Division saw a 96% decrease in its severity rate from FY2018 following more constant monitoring, frequent toolbox talks, training and knowledge sharing.

LTI Frequency Rate (per 1 million man-hours worked)



LTI Severity Rate (per 1 million man-hours worked)



Achieving man-hours without LTI

Several project sites – TRX Unity, Almas Tower and Potpourri Ara Damansara – achieved their targeted LTI-free achievement with at least 1.5 million man-hours worked. The celebration served as an appreciation to all employees and subcontractors for their efforts in ensuring a safe workplace and subsequently achieving an accident free operation.

During the financial year, the Construction and Industry Divisions received a total fine of RM60,000 due to fatality cases reported in the previous year. We regret all incidences at the workplace and continue to pursue our goal of zero fatalities. The Board and Management are committed to ensuring that the strategy and underpinning programmes are embedded in the Company to prevent future incidents. No work-related fatalities were reported during the reporting period.

Escalating OSH awareness, competency and collaborations

The human capital and its competency are regarded as one of the driving forces within any organisation. Ensuring



Collaborated with DOSH Kuala Lumpur and Putrajaya to raise public awareness on safety and health in conjunction with the World OSH Day 2018

high levels of OSH performance can only materialise when the workforce is competent and able to make the right decisions. In equipping our employees with the right competency and skillset, we carry out various programmes and initiatives to create a sense of responsibility and instil OSH as a key priority in the workplace.

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These initiatives are also extended to our subcontractors. In FY2019, 285 in-house and On-Job-Trainings were conducted at project sites on topics such as emergency response team awareness, scheduled waste management, sediment and erosion control, working at heights, plant and machinery and best management practices.

On 31 July 2018, we celebrated the *IJM HSE Day*, showcasing divisional OSH and environmental initiatives through live demonstration and exhibition. HSE campaigns were also carried out in the respective Divisions. The Construction Division launched the HSE campaign themed *Zero fatality – let's create a safer workplace* in FY2019. This commitment was cascaded out to all project sites and teams to ensure that all parties involved at the workplace are on the same page as the management in doing their utmost to create a safer workplace. The campaign acts as a platform for engagement among the members of the project and in support of events initiated by DOSH such as *Workplace Accident Free Week 2018*.



On-the-job demonstration on lifting by the supervisor to workers



Kuantan Port staff attending *Working at Height* training as part of the Fall Prevention Programme organised in collaboration with NIOSH and PERKESO



The launch of the OSH campaign themed *Zero fatality – let's create a safer workplace*



Workplace Accident Free Week 2018

On 5 March 2019, DOSH Putrajaya made a visit to our MRT V203 project to gain knowledge on the launching gantry and its work processes. Engagement programmes like these also help strengthen the relationship between the Company and authorities for future collaborations.

We also ran workshops on Occupational Safety and Health in Construction Industry (Management) ("OSHCIM"), in collaboration with DOSH, CIDB and Universiti Teknologi Malaysia. The guideline was established in 2017, based on the *Safety by Design* concept where clients, designers, contractors, competent persons and other duty holders work together to eliminate and control hazards through design at the pre-construction phase. IJM was identified as one of the market leaders to put the guideline into practice through a pilot project. The Property Division participated in a pilot programme to adopt OSHCIM at the Riana Dutamas Phase 2, Segambut project.

On 20 February 2019, the Port Division welcomed 60 doctors and lecturers from Malaysia One Health University Network. The visit allowed us to understand how we can work with the Health Ministry to prevent zoonotic outbreaks relating to international trade. The visitors were brought to the wharf area and container yard to gain insight on the facilities used to surveil and quarantine affected vessels or containers.



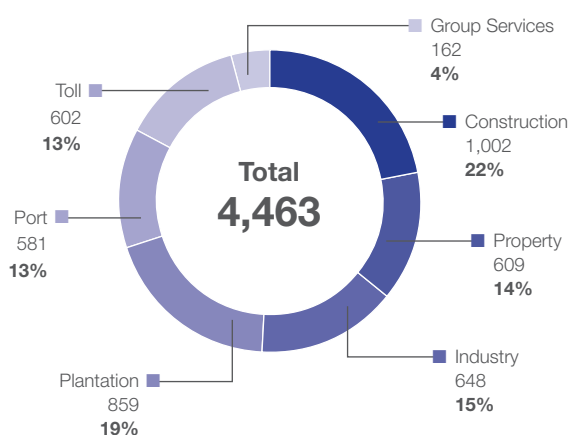
Port Division together with the Health Ministry addressing zoonotic outbreaks

On 25 October 2018, the Toll Division simulated a mock-up accident at the Loke Yew Toll Plaza, BESRAYA. This simulation exercise was done in collaboration with the Fire and Rescue Department, the Royal Malaysia Police, and several hospitals and first aid teams to increase employee awareness on road accidents management and the authorities involved when accidents take place.

DRIVING A DIVERSE AND DEDICATED WORKFORCE

Employees are the driving force for the sustainable growth of IJM Group, and this diverse body of employees is a valuable resource for the Group. IJM Group employed 4,463 employees across our business divisions as at 31 March 2019. The biggest employers are the Construction, Plantation and Industry Divisions that collectively employ 56% of the total workforce (excludes workers). Permanent full-time employees make up 85% of the total workforce.

Employees by Division in FY2019

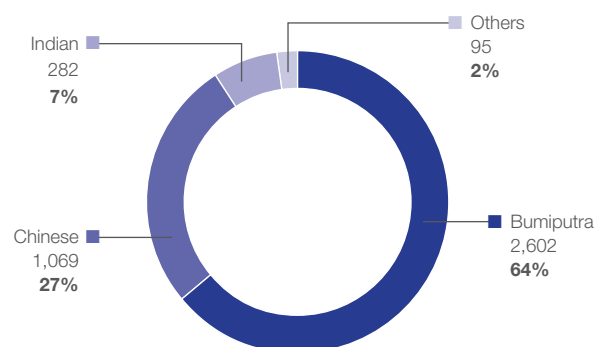


Mock-up accident at BESRAYA

Our Diversity and Inclusion Policy instil our core value for *Respect for Diversity*. We recognise and respect each other regardless of gender, age, race, or through experience. Surrounding ourselves with talented people from different backgrounds is how we prepare for future opportunities and challenges. We fill our job vacancies according to ability, potential and performance, and all employment contracts comply with local employment laws.

In FY2019, 64% of the total Malaysian workforce were Bumiputra (Malays and the indigenous population), 27% Chinese and 7% Indian. Non-Malaysians constitute less than 1% of the workforce in all Divisions except for IJM Plantations Berhad and Group Services. The Plantation Division employs 47% of non-Malaysians in Sabah, East Malaysia and its Indonesian operations while Group Services employs 3% of non-Malaysians.

Malaysian Employees by Race in FY2019

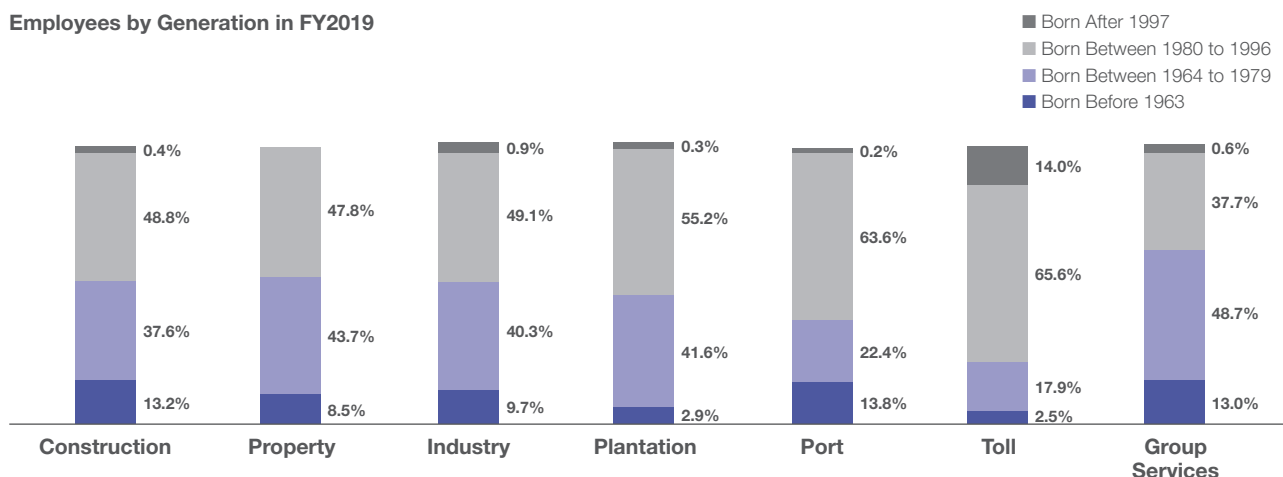


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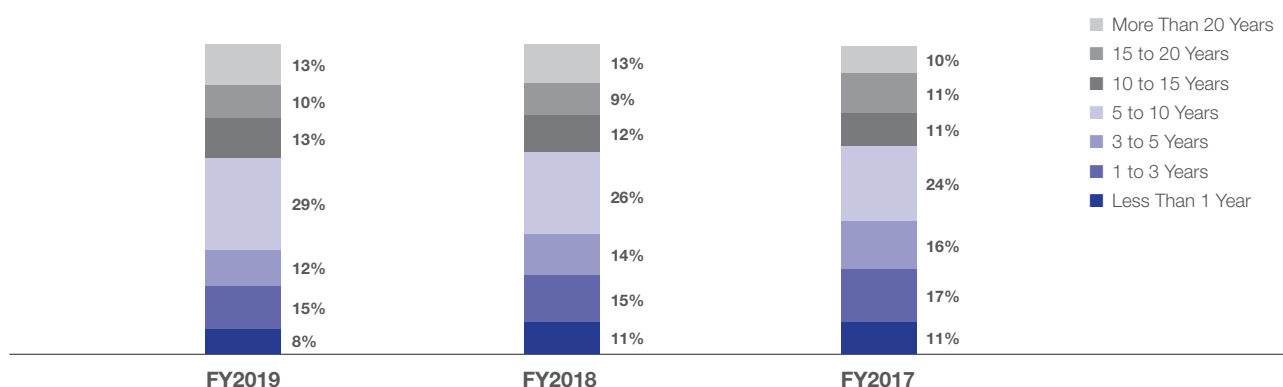
In the reporting year, we honoured 53 of our employees with the 20-years Long Service Awards. The award recognises their commitment, dedication and loyalty put forward throughout their years of service with the Group.

About 66% of the workforce have been with the Group for more than five years. In total, 13% of the workforce have been with the Group for more than 20 years and above.

Employees by Generation in FY2019



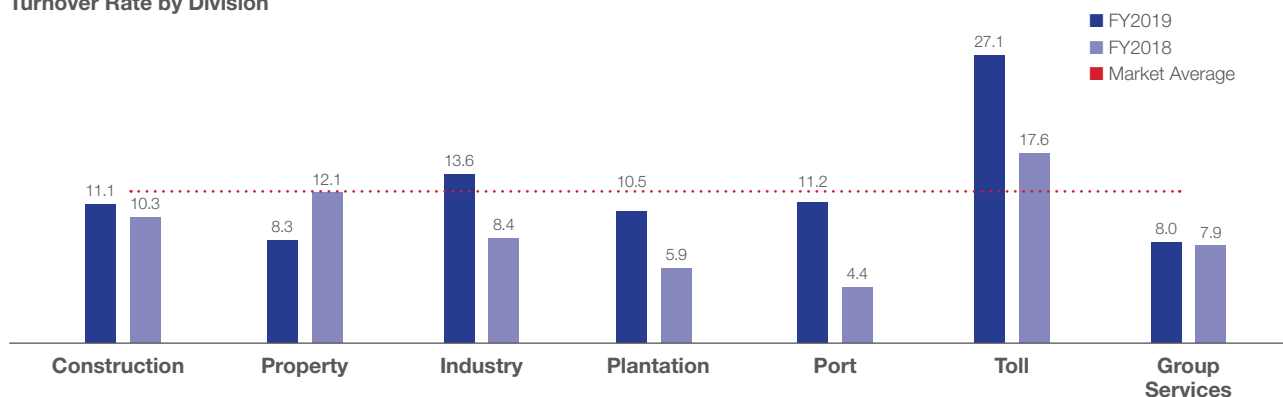
Workforce by Length of Services



Staff turnover remains a valuable indicator of the Group's sustainability and is an ongoing area of focus for us. Generally, our employee turnover rate remains lower than the market average of 12%, except for the Industry and Toll Divisions. The Toll Division hires many part-timers where

high turnover is common, whilst the Industry Division saw an increase due to plant optimisation exercises carried out during the year. Voluntary leavers are all employees who resign or leave the business through a mutual agreement and does not include redundancy and retirement.

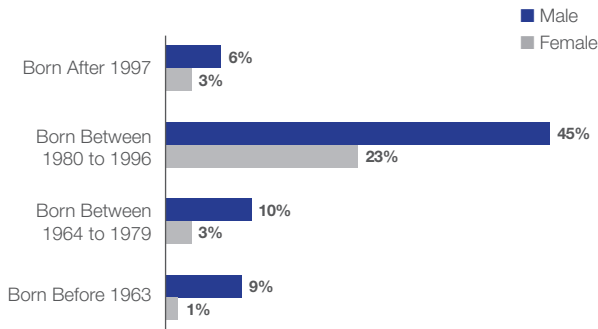
Turnover Rate by Division



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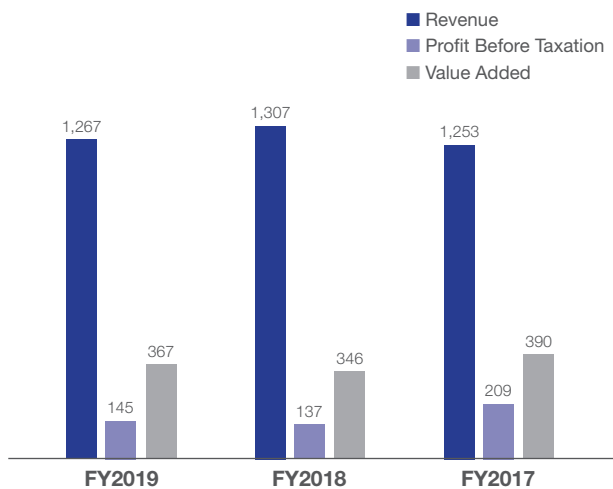
Market average turnover rate as published in the Market Remuneration Report by Korn Ferry dated September 2017. This is a survey conducted across all industries covering 360 companies nationwide.

Employee Turnover by Generation and Gender in FY2019

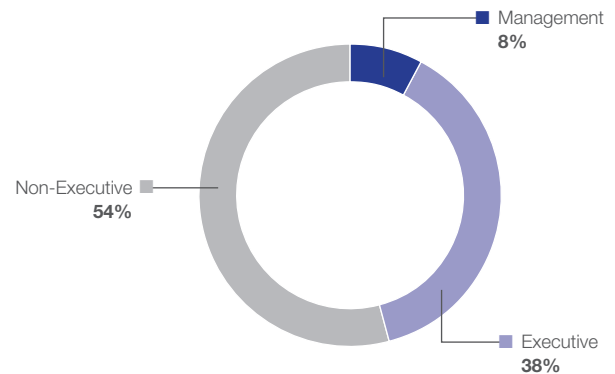


We do not tolerate discriminatory behaviour and are mindful when we hire new employees and in our interaction with each other. We are convinced that a diversified workforce and an open and appreciative corporate culture are important success factors for our business. We challenge ourselves to provide a workplace where the best individuals can thrive and apply their authentic selves to succeed along with the Group. IJM Group tracks, measures and evaluates our workforce representation and impact as part of our strategic business imperative to build a diverse and inclusive organisation.

Productivity per Employee (RM)



New Employee hires by Employee Category in FY2019

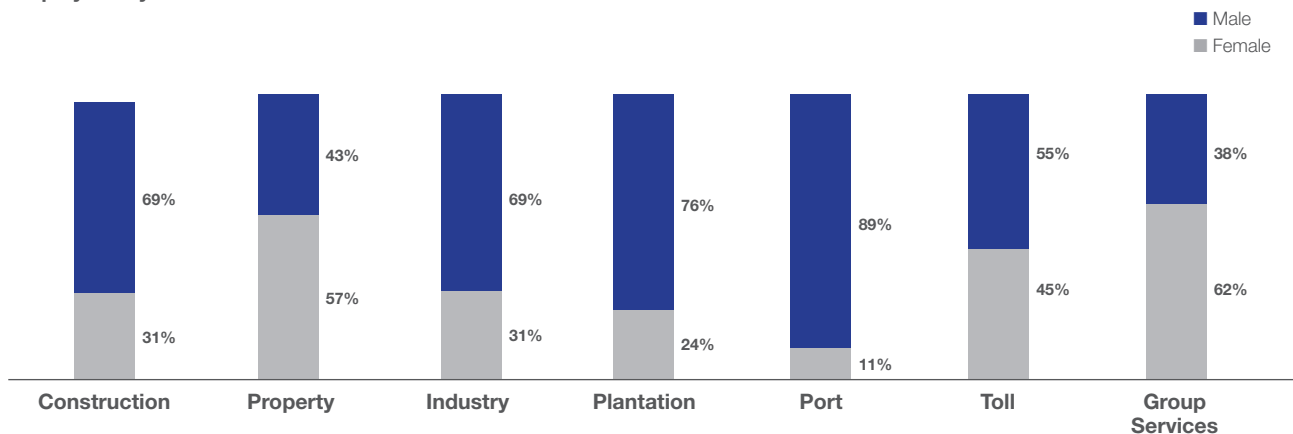


Including everyone in women's advancement

We support the career development of women at all employment levels. Female employees make up one third of the total workforce – 29% of management roles, 39% of executive roles and 31% of non-executive roles. This is in line with SDG 5 which calls specifically for gender equality and the empowerment of all women. Due to the nature of business, certain Divisions have a higher proportion of male employees versus female employees.

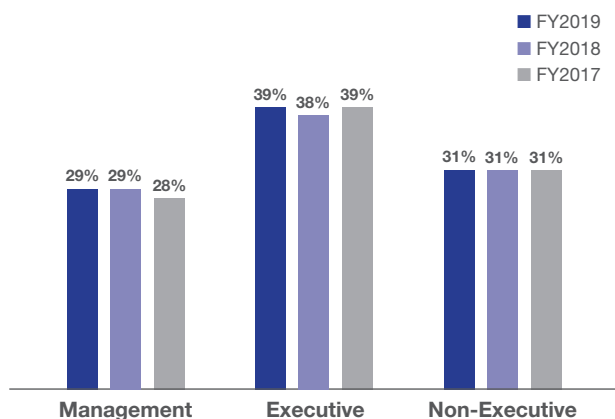


Employees by Gender in FY2019



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Women Representation by Employment Category



Women leaders participating in a workshop in conjunction with International Women's Day

Employee compensation and benefits

In today's competitive business climate, benefits and compensation are important factors in attracting and retaining employees. We continue to add and evolve our programmes to meet our employees' needs and position IJM as their employer of choice. It is important to recognise our employees' performance through appropriate remuneration in line with the market and maintain a positive employee experience.

We listen to our employees and provide a wide range of wellness programmes that cater to their physical and mental health, and financial wellbeing. The expanded benefits are part of IJM Group's ongoing commitment to support greater work-life balance for employees across the Group. As a compassionate employer, we continuously review and revise employee benefits.

Work Benefits Introduced or Revised in Each Calendar Year since 2011

Legend: ✦ New ♦ Revised

2011	2013	2015	2016	2017	2018
<ul style="list-style-type: none"> ✦ Relocation cost ♦ Per diem allowance ♦ Hospitalisation and surgical benefit cascaded to all levels of employees 	<ul style="list-style-type: none"> ♦ Outpatient medical limits ✦ Optical ♦ Medical check-up extended to employees below the age of 45 ♦ Long Service Award and retirement gift choices 	<ul style="list-style-type: none"> ✦ Staggered hours ✦ Family care leave of 3 days ♦ Extended maternity leave for 30 days at half of the monthly basis salary 	<ul style="list-style-type: none"> ♦ Paternity leave increased from 2 to 3 days ♦ Subsistence allowance incidental expenses for employees on-site ♦ Term life coverage ✦ Private retirement scheme ♦ Personal accident coverage ♦ Hospitalisation and surgical coverage 	<ul style="list-style-type: none"> ✦ Flexible working hours ♦ Two Saturdays off (for those on-site) ✦ Return trip for overseas assignee and air travel for assignee's family ♦ International Assignment Policy 	<ul style="list-style-type: none"> ♦ Study and exam leave ✦ Bereavement leave and contribution ✦ Early release for expectant mothers and new fathers

IJM Group introduced the paid parental leave benefit in addition to other employee benefits. Parental leave enables our female and male employees to take time off work following the birth of their child while maintaining their jobs.

Return to Work Rates after Parental Leave by Gender in FY2019

Gender	Female	Male
Total employees who went on maternity or paternity leave	73	166
Return to work rate	99%	100%

Benefitting employees beyond their working years

On 2 October 2018, IJM was awarded the Highest Asset Under Management for Large Corporation at the CIMB Principal Corporate Private Retirement Scheme ("PRS") Conference 2018. This award recognises corporates that help their employees build a comfortable nest egg; proving our commitment towards our employees' well-being even beyond their working years. We are among one of the pioneers in the country who embraced corporate PRS for the benefit of our employees. We introduced the PRS in July 2016 as part of the financial wellness initiative to inculcate the habit of savings among employees for retirement.



Recognised at the CIMB Principal Corporate Private Retirement Scheme Conference 2018

Acting on employee engagements

Employee engagement measures the degree to which people are connected to the company they work for and is a core metric for measuring the health and success of the organisation. Following the feedback of the MyVoice Survey 2017, our business divisions constantly communicate with employees to keep them abreast on business direction and operational progress. These engagements are performed through different means such as regional meetings, townhalls, newsletters, emails and the internal Workplace platform by Facebook. IJM Group has also reviewed the performance management framework and processes, as well as remuneration structure to raise reward differentiation. The next MyVoice Survey will take place in early 2020.

We continue to engage our employees and learnt that our employees feel connected to the Company when we provide a fair and secure workplace. We want all our employees to feel valued and recognised for the part they play in our success. It is also important they feel healthy, motivated and at their best, not just at work but in everything they do. We continue to run employee wellness programmes in the four areas – emotional, financial, physical and environmental wellness. This year, we centered our wellness programmes around family, finances, mental and physical health.



Senior Management Forum 2018 themed *Waking Up to a New Reality*



Health check-up booth during the International Men's Day event



160 Port employees getting updates from the Management at the Townhall in early 2019

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Sports and recreation help bind our employees through shared experiences and shared achievements. Our Kelab Sukan IJM ("KSIJM") organises a variety of sport and recreational activities throughout the year. We also provide a platform for the IJM Toastmasters Club, initiated in 2004 by our own employees, to provide exposure on public speaking and leadership skills.



Employees practice their public speaking and leadership skills through the IJM Toastmasters Club

IJM Games 2018

Our Plantation Division hosted the 12th edition of the biennial IJM Games. The 3-days event saw 5 business divisions, 10 sports, 267 medals, 408 athletes, 324 volunteers and 790 people gathered in Sandakan, Sabah. The games, themed *Celebrate Diversity, Celebrate Extraordinary*, brought together employees from different backgrounds competing with mutual respect, friendship and fair play. The IJM Games reveal the unifying power of sports and dedication to excellence and achievement, the same exuberance shown in our work culture. IJMers' inherent passion for sports shines through in events like this and is amplified through community-based sporting events organised throughout the year at the national and grassroots level.



Oath-taking, marking the opening of the IJM Games 2018 hosted by the Plantation Division

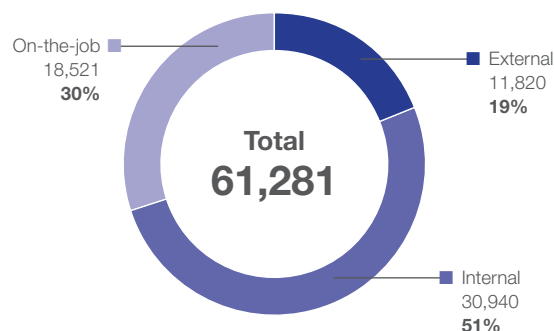


KSIJM committee members organised the annual dinner 2018 themed *The Greatest Show*

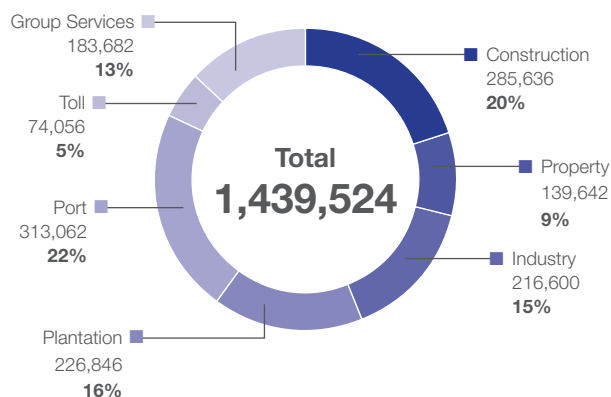
Learning and development

A clear focus on learning and development is crucial to ensuring we keep our people engaged, productive and successful at every stage of their careers. In FY2019, IJM Group invested more than RM1.4 million in 3,944 employees over 61,281 training hours. We also launched the IJM learning and development micro-learning series initiative in November 2018 to deliver bite-size learnings through online platforms.

Training Hours by Type in FY2019



Learning and Development Spending by Division in FY2019 (RM)





Employees undergoing value adding training

We continue to invest in development programmes to enhance our employees' leadership competencies through the Leadership Accelerated Development Programme ("LEAD"). The second cohort of the two-year programme commenced early 2018 and saw 15 participants enhancing competency through a variety of leadership modules such as global mindset, resilience, learning agility and digital proficiency. LEAD provides exposure to these promising leaders to develop the capabilities needed to perform well and keep up with a fast paced and dynamic environment.

PROTECTING HUMAN RIGHTS

We believe that societies, economies and businesses thrive when human rights are protected. We recognise our responsibility to human rights in all aspects of doing business. In running an ethical business, our Human Rights Policy stipulates our commitment to treating people with dignity and respect within the Group and throughout our supply chain. We are committed to developing and retaining a diverse and inclusive workforce, free of unlawful discrimination, harassment and retaliation.

We do not tolerate any discrimination, harassment or retaliation by employees including sexual harassment, degrading or offensive comments or jokes, violence, intimidation or threats. On 7 December 2018, our managers received training on identifying harassment in the workplace. We enforce the policy by providing employees a method to report concerns through whistle blowing. We promptly investigate all complaints and take appropriate responsive actions when warranted.

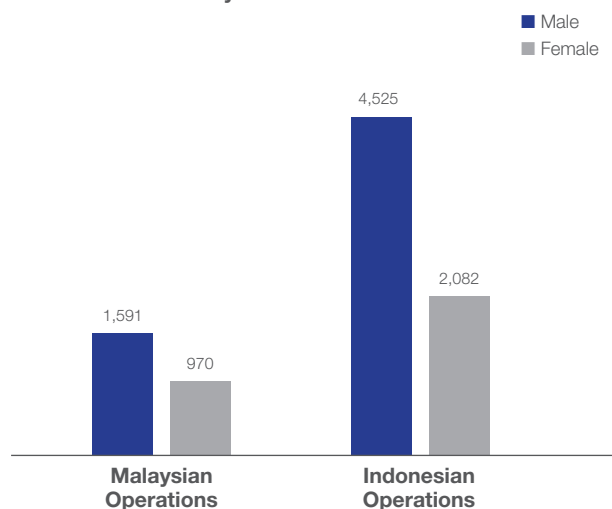
We do not tolerate child labour and any form of forced labour in our direct operations. IJM Group does not and will not employ any person below the age of 18 in Malaysia and 17 in Indonesia.

IJM ensures our employees earn a fair wage. In line with the revision of the Minimum Wages Order (Amendment) 2018 at the end of 2018, the minimum wage throughout Malaysia has been increased to RM1,100. The previous minimum

wage was RM1,000 in Peninsular Malaysia and RM920 in Sabah, Sarawak and Labuan. The Plantation Division, which has operations in Indonesia, adheres to the minimum wage agreements set by each Indonesian provincial government and observes all related guidelines and revisions in the agreements.

The plantation industries that we operate in relies heavily on guest workers. Our guest workers are hired directly by the Plantation Division, who are mostly from Indonesia. We are committed to protecting these workers' rights. We comply with all applicable labour laws, rules and regulations in the countries where we operate.

Plantation Workers by Gender in FY2019



Legalisation process with the Indonesian Consulate for workers in Sugut region

We respect the rights of our employees to associate and to collectively bargain in accordance with national laws. We recognise union representation, which amounts to 2% of the Group's workforce, all of whom are from the Port Division. The communication of the collective bargaining agreements is performed in English and Bahasa Malaysia.