



SUSTAINABILITY STATEMENT

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OUR ROADMAP FOR SUSTAINABILITY



IJM CHARTER

OUR BUSINESS POLICY AND
CONDUCT CONTINUES TO BE
GUIDED BY A STRONG COMMITMENT
TOWARDS...

- Quality Products & Services
- Trusted Client Relationships
- Safety, Health & Environment
- Employee Welfare
- Social Responsibility
- Good Corporate Governance
- Maximising Stakeholder Returns
- Ethical Conduct

The IJM Group Charter guides our Organisation in its tireless efforts to be a responsible corporate citizen, to protect and nurture the environment, to be a positive strength in our communities, and to ensure our workplaces are safe, respectful and empowering. The values enshrined in our Charter stress on sustainability, and have consistently given rise to divisional-level initiatives over the years. Meanwhile, we continually advance the means by which we measure and report on the progress we make on our sustainability journey.

As we set key financial targets and pursue new growth opportunities, we also recognise the importance of building sustainability and shared value creation into our corporate strategies. Our long-established Health, Safety and Environment (“HSE”), Quality, and Corporate Communications teams have persistently driven sustainability practices within our operations. We went a step further in 2016, by establishing a dedicated sustainability team at the Group level to support comprehensive sustainability efforts across the Group and ensure that initiatives are monitored for continuous improvement.

As part of this drive, we also revisited the way we report on our sustainability performance. Investors today routinely seek detailed insights into how companies are managing the risks and opportunities associated with an increasingly warm and resource-scarce world. Stock exchanges worldwide, including Bursa Malaysia, also require companies to include statements of material economic, environmental and social performance in their annual reports. Seizing the opportunity to better serve our stakeholders, we decided to revitalise our sustainability reporting process to address these changing stakeholder needs.

Specific reporting frameworks already exist for many industries. However, the diversity of our business activities makes a standardised approach impractical. We therefore chose to create a bespoke framework that would enable the identification of material sustainability issues at divisional levels so that risks and opportunities could be consolidated and mapped out at the Group level. Throughout early 2017, we collected data on key sustainability parameters, as defined by international reporting frameworks including the Global Reporting Initiative (“GRI”), within each of our business divisions.

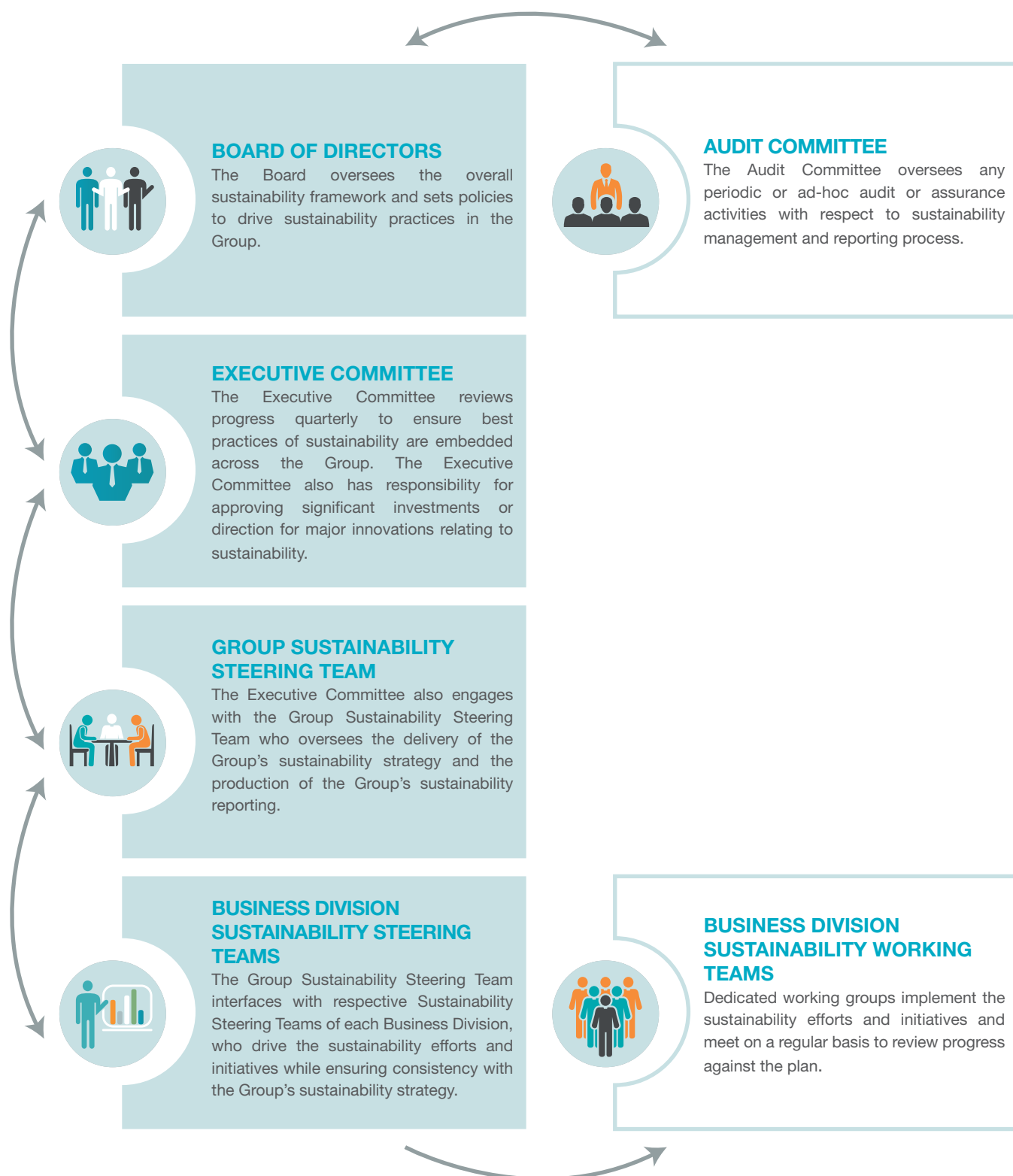
This sustainability statement presents the findings of this process. It describes our performance on key non-financial metrics for the period 1 April 2016 to 31 March 2017. It also evaluates our existing Corporate Social Responsibility (“CSR”) initiatives and provides a roadmap for strengthening our sustainability management activities, processes and reporting in the future.

The scope of this statement covers the IJM Group’s business operations in Malaysia and IJM Plantations’ operations in Indonesia, which accounted for 91% and 5% of the Group’s total operating revenue in FY2017 respectively. The statement includes data from the IJM subsidiaries, but not from associate companies or joint ventures.

OUR ROADMAP FOR SUSTAINABILITY (cont'd)

Sustainability governance at IJM Corporation Berhad

Our sustainability strategy is led by the Board of Directors of IJM, and is implemented and monitored within the following governance framework:



REFINING OUR REPORTING FRAMEWORK

In early 2016, we initiated a multi-step process with the aim of creating a robust framework to guide IJM's future sustainability reporting and overall sustainability strategy. To gain an objective assessment of our performance to date, and ensure alignment with global reporting standards, we engaged an external sustainability consultant as a facilitator.

The process steps were as follows:



UNDERSTANDING THE CONTEXT

We began by conducting a benchmarking exercise to identify key sustainability issues and broader trends in sectors where IJM and its subsidiaries operate. We explored current best practices adopted by our Malaysian peers and global sustainability leaders. We also compared their public disclosures with our own, factoring in typical stakeholder requirements as well as international reporting standards and investor-led benchmarks, including the GRI, FTSE4Good and the Dow Jones Sustainability Indices.



PRIORITISING ISSUES

Based on this consensus, workshop groups prioritised and positioned each issue on a materiality matrix with two axes: 'importance to stakeholders' and 'importance to IJM Group'. The draft matrix for each division then underwent validation with representatives from each workshop group and final adjustments were made.



IDENTIFYING DISCLOSURE GAPS

As IJM has not been previously subject to sustainability disclosure requirements, we acknowledge that aspects of our performance, including many division-level initiatives, could be covered more comprehensively in the Group disclosures. Our next step was therefore to collect data from all business divisions – including environmental and resource use metrics, sustainability-related policies and existing key performance indicators ("KPIs") – in order to identify reporting gaps and expand our disclosures accordingly.



GROUP MATERIALITY MATRIX AND IJM BOARD REVIEW

Division matrices were consolidated into a Group matrix of 18 priority issues. This consolidated matrix, the validated materiality matrix for each division and all other workshop inputs were then presented to our Board of Directors and senior management teams for review and discussion.



DETERMINING MATERIAL ISSUES AT DIVISION LEVEL

A workshop was conducted for each of our six businesses. Six workshops were held in total, each attended by 15 to 40 staff, managers and the heads of divisions, as well as by the Group Sustainability Steering Team. To secure understanding of the issues and best practices in each sector, participants were presented with the benchmarking results and our consultant's assessment of our current performance and disclosures. These led to deep discussions and eventual agreement on the key material sustainability issues impacting each Division, as well as a list of existing corporate responsibility initiatives undertaken at the divisional levels.

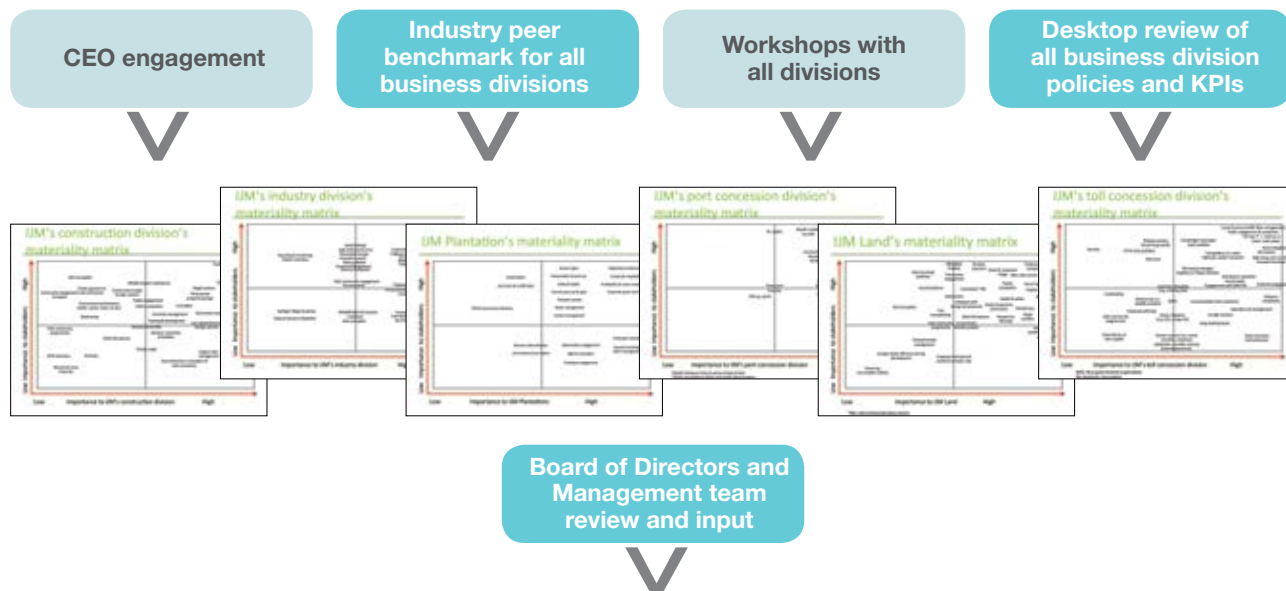


DEFINING KEY PERFORMANCE INDICATORS ("KPIs")

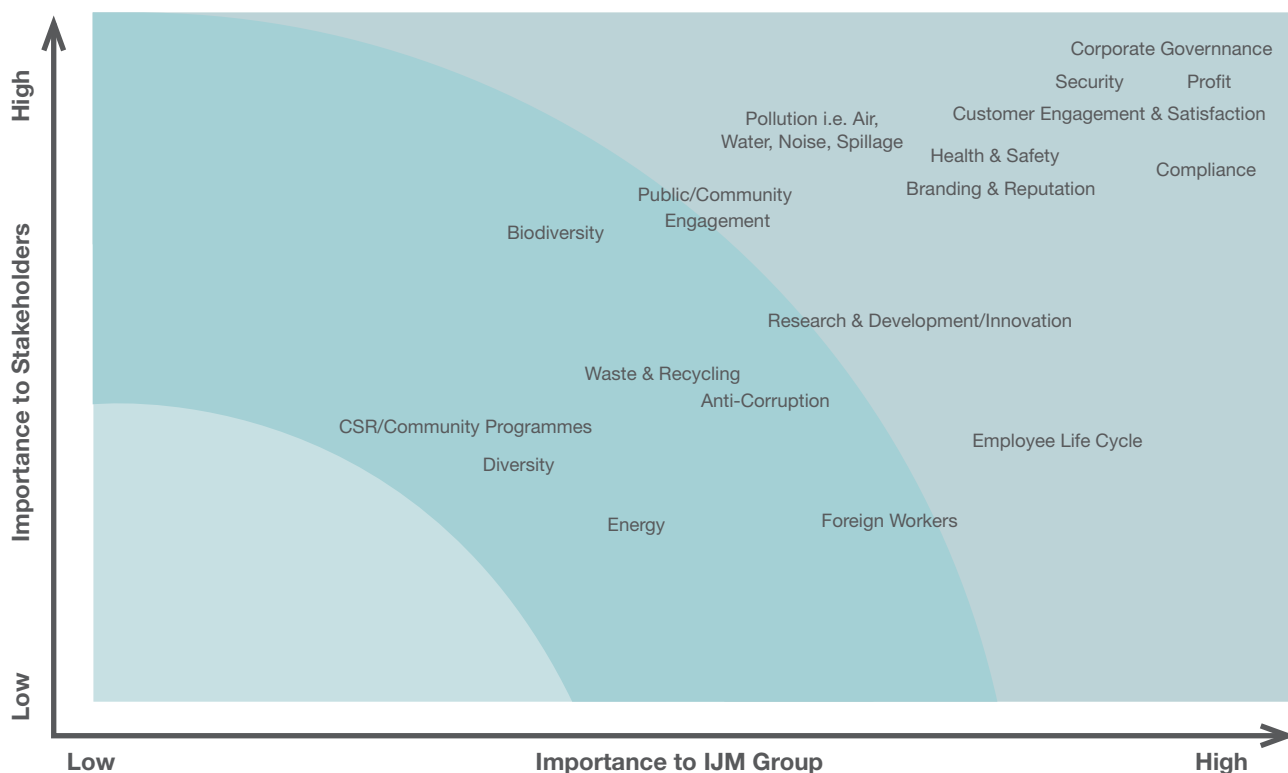
Following the Board's input and approval, the Group matrix has formed a basis for us to define a set of KPIs for measuring and reporting on IJM Group's sustainability performance in the future. Aligned with the four dimensions of our corporate responsibility framework – marketplace, environment, community and workplace – these indicators will provide further input for guiding our overall sustainability strategy.

OUR ROADMAP FOR SUSTAINABILITY (cont'd)

Materiality identification process



IJM Corporation Berhad's materiality matrix



Next steps FY2018

The process described above has enabled us to identify key material sustainability issues, map current performance levels and gather feedback from across our stakeholder groups. We are therefore confident that the KPIs selected accurately reflect those sustainability issues that impact our Group and our stakeholders most. Our task over the next reporting period (FY2018) is to translate what we have learned into an overall sustainability roadmap that clearly defines Group priorities, as well as the actions required from each of our business divisions to address them.

IJM GROUP SUSTAINABILITY TARGETS FY2018

TARGET	FINANCIAL YEAR
Corporate	
Establish a Group Board-approved sustainability roadmap to drive policy developments, implementation and strategy	2018
Marketplace	
Establish robust customer engagement measurement system	2018
Environment	
Perform a carbon footprint assessment	2018
Perform an energy and water footprint assessment	2018
Adopting new technologies to manage waste	2018 - 2022
Community	
Develop a Group-level community investment strategy	2018
Workplace	
Zero fatalities at the workplace for all business divisions	Ongoing
5% overall reduction in accidents	2018
Review leadership competencies to enable business growth	2018
Improvement measures following the feedback from Employee Engagement Survey	2018 - 2020

MARKETPLACE

better results through better practices



Our success as an organisation depends on the strong and continuing support of our customers, suppliers, business partners, investors, bankers, governments and regulatory bodies. We believe that being an outstanding corporate citizen and contributing to the vitality of our marketplace are the best ways to command our stakeholders' respect and confidence.

Business ethics, corporate governance and stakeholder engagement are therefore of key material importance for the IJM Group as a whole. In this section we will review IJM Group's approach to sustainable business and cover the key engagements and performance highlights from FY2017.

OUR CODE OF ETHICS AND CONDUCT

Our Code of Ethics and Conduct sets out the principles and standards by which we do business. Beyond strict adherence to local laws and regulations, our Code of Ethics and Conduct explicitly defines our high expectations of every employee in terms of business practices and personal conduct. The IJM Code of Ethics and Conduct is made available to all employees and can be accessed at our Group website: www.ijm.com.



Anti-corruption

The risk of corruption is seen as moderately significant in the IJM Group materiality matrix. To secure compliance, the Board encourages the use of our Whistle-Blowing Policy, a mechanism by which any employee, associate or any third party can report concerns about any suspected and/or known misconduct, wrongdoings, corruption, fraud, waste and/or abuse. The Whistle-Blowing Policy is available to be downloaded from our Group website at www.ijm.com.

IJM Group provides assurance that individuals who report concerns may remain anonymous, that the information disclosed will only be revealed on a 'need to know' basis (for instance, if required by law, court or authority), and that the reporting individuals will be protected against reprisals and/or retaliation taken in response to their disclosure.

CORPORATE GOVERNANCE AND COMPLIANCE

IJM Group, guided by the Malaysian Code on Corporate Governance, has been proactive in promoting good corporate governance and ensures that the principles and best practices of good governance are applied throughout the Group. In recognition of our good corporate governance practices, IJM has been accorded numerous awards, including induction into the ASEAN Corporate Governance Awards' Top 50 Public Listed Companies and a Top Ten Disclosure Merit Recognition Award by the MSWG-ASEAN Corporate Governance Transparency Index, Findings & Recognition 2015. Details of our corporate governance framework and practices are elaborated in the Corporate Governance Statement on pages 96 to 111 of the Annual Report.

To ensure compliance with all internal controls, laws and regulations, the Group has established clearly documented standard operating policies and procedures, defined levels of authority, and guidelines for recruitment and human capital development. These policies, procedures and guidelines are subjected to regular reviews and improvements, and have been communicated to all staff levels.



STAKEHOLDER ENGAGEMENT

IJM Group is committed to engaging all stakeholders in a timely, effective and transparent manner. Our Investor Relations and Stakeholder Engagement Programme ensures that accurate and high quality information about the IJM Group developments, operations and financial performance reach a broad range of interest groups.

A comprehensive overview of Group activities and performance, as well as a dedicated 'Investor Relations' section, is also accessible at www.ijm.com, where visitors are invited to direct enquiries, offer feedback and suggest improvements to our products and services.

MARKETPLACE (cont'd)

Financial announcements and analyst briefings

Throughout FY2017, IJM Group delivered prompt quarterly financial announcements and biannual analyst briefings to ensure our stakeholders were kept up to date with accurate data and insights. The investor community continued to recognise the exceptional standards set by our engagement activities, with IJM Corporation Berhad and IJM Plantations Berhad both claiming top 10 positions for Best Investor Relations (mid cap) at the 2016 Malaysian Investor Relations Awards.

Media engagements

IJM Group's commitment to open communication is the cornerstone of the long-term and trusting relationships we build with all our stakeholders. We regularly engage the media through press releases, media briefings, interviews with senior management and networking events to provide financial and business updates, as well as to highlight the work that we do and specific industry issues.

Our Property Division had extensive engagements with the media throughout the reporting period. Notable events included media appreciation functions and property tours in Seremban 2 on 25 January 2017 and Penang on 11 February 2017. Both events were well attended by guests from various media outlets.



Biannual analyst briefing



IJM Land's Seremban 2 management team and media guests celebrate good media relations at a restaurant in conjunction with Chinese New Year celebrations



Ushering in the Lunar New Year during Star Media Group's visit to IJM Group's office in Petaling Jaya

Industry and international engagements

The Port operations ramped up an extensive programme of stakeholder engagements for FY2017, hosting national and international trade and industry delegations, ministry officials, investors, technical partners and customers. Of key interest to all were the industrial developments at Kuantan Port, particularly the New Deep Water Terminal ("NDWT") and the Malaysia-China Kuantan Industrial Park ("MCKIP").

To understand and deliver on the needs of such a diverse range of stakeholders, the Port has provided in-depth Q&A sessions, progress reports, investor briefings, and even tug-boat tours where stakeholders can witness the progress of the NDWT project up close – and envision its potential.

Visiting delegations in FY2017 included a group of 120 Chinese investors led by Zhang Xiaoqin, Vice Governor of Guangxi Zhuang Autonomous Region; the Chinese Ambassador to Malaysia, His Excellency Dr. Huang Huikang; representatives from the Hong Kong Trade Development Council; and, in conjunction with Maybank Invest ASEAN 2017, a group of fund managers from Malaysia's leading financial institutions. The Port also received numerous visits by representatives from Malaysia's Ministry of International Trade and Industry, as well as by the Prime Minister's Special Envoy to China.

The Port remains highly responsive to a broad range of stakeholder interests. Malaysia's Minister of Natural Resources and Environment, YB. Dato' Seri Haji Wan Junaidi Tuanku Jaafar visited Kuantan Port in December 2016 to follow up on a number of operational improvements and was satisfied that all Government stipulations had been met. The Port also hosted a delegation from the Department of Environmental Protection of Guangxi Autonomous Region to exchange experiences and explore opportunities for collaboration.



In April 2016, IJM Plantations hosted its annual "Walk with CEO" at the Sandakan and Sugut estates, engaging industry experts, bankers, analysts, media and NGOs. In conjunction with the "Walk with CEO", IJM Plantations took the opportunity to invite neighbouring smallholder plantation representatives to join the Palm Oil Seminar and Dialogue presented by industry experts.



MARKETPLACE (cont'd)



COMMITMENT TO QUALITY

With the ISO 9001:2008 quality system certification secured across most divisions, IJM Group now has the policies, procedures and best practices in place to deliver products and services of outstanding quality. Furthermore, regular reviews, process improvements and quality control assessments are ensuring that our production processes remain in compliance and are continually enhanced. Most Group divisions are now securing compliance with ISO 9001:2015, the latest edition of ISO's flagship quality management systems standard incorporating the process approach and risk-based thinking, and should be compliant well before the September 2018 deadline. More details about the Group's quality system and processes can be found at www.ijm.com.

IJM Group's unflagging commitment to quality, proven by our remarkable track record, once again garnered a succession of prestigious industry excellence awards in FY2017.



Awards for quality construction

IJM Construction has been the proud recipient of a host of Malaysian Construction Industry Excellence Awards ("MCIEA"), which are accorded by the Construction Industry Development Board, the industry regulator. The Division's most recent MCIEA honours include the 2016 Best Project Award for a Major Project (Building) and the 2016 Best Infrastructure Project Award for a Major Project, for the Platinum Park Phase 3 and Pahang Selangor Raw Water Transfer (Semantan Pipeline) projects respectively.

Awards for quality in property development

The Property Division also scored several high profile wins, notably at The Edge Malaysia Property Excellence Awards 2016, where the Division was presented with the Top Property Developers Award and the Property Development Excellence Award for Seremban 2. IJM Land was again named one of the Top 10 Developers in Malaysia at both the Property Insight Malaysia's Prestigious Developer Awards (2015, 2016 and 2017) and at the BCI Asia Top 10 Developer Awards for Malaysia (2014, 2015 and 2016).

The StarProperty.my Awards 2017 also singled out IJM Land for its responsiveness to evolving consumer needs. Not only did IJM Land receive the All-Star Award: Top Ranked Developer of the Year, but also the Family-Friendly Award (Excellence

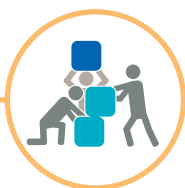
Winner) for Seremban 2, the Skyline Award (Excellence Winner) for Seri Riana Residence, and the StarProperty.my Readers' & Voters' Choice Award. In addition, Bandar Rimbayu township secured the Division a 2016 FIABCI Malaysia Property Award in the Master Plan category for its dedication towards innovative design and quality excellence.

A full list of IJM's most recent awards and accolades at Group and division levels can be found on pages 8 to 9 of the Annual Report.

Recognitions and sustainability certifications in plantations

Our Plantation Division, IJM Plantations, received industry excellence awards from the Malaysian Palm Oil Board ("MPOB"), including for Best Kernel Crushing Plant in 2016 and Best Estate (Rakanan Jaya North Estate) in 2014. IJM Plantations' focus on quality and sustainability is further substantiated by national and international certification standards, including:

- Certificate of Compliance for Indonesian Sustainable Palm Oil (ISPO) for Pertama, Belidan and Manubar Estates in Indonesian operations since 2016.
- Certificate of Compliance for International Sustainability & Carbon Certification (ISCC) for Malaysian operations since 2015.
- Certificate of Compliance for Malaysian Sustainable Palm Oil (MSPO) for Desa Talisai Palm Oil Mill and its supply base in Malaysian operations.
- Certificate of Compliance for MPOB Codes of Practice for Malaysian operations since 2009.



BRANDING AND REPUTATION

The IJM brand is more than just a promise to our stakeholders. Our tagline “We Deliver” is embedded into our culture and represents our commitment to performance, efficiency, cost, quality and delivery, standards by which we live and ensure our continued success.

IJM is also committed to building a positive reputation with its stakeholders across our footprint. We are known for our deep industry knowledge, excellence in service delivery, integrity and professionalism across the business divisions and industries we operate in. We believe that the IJM brand is an important driver when we pursue new business opportunities and attract talents.

Based on the coverage we receive in the media, brand and customer surveys that our Property Division regularly conducts, the awards we receive in categories of business excellence, as well as our long-standing customer relationships, our stakeholders recognise IJM’s ability to create value reliably in changing market conditions.

Brand enhancement was one of the key strategies identified in building long term value for our stakeholders. In FY2018, we will be embarking on a comprehensive brand strategy programme which is supported by positioning our brand personality, messaging and identity across all communication channels to continue strengthening and growing the IJM brand.

CUSTOMER SATISFACTION

Customer satisfaction and engagement was identified as one of the most important material issues in the marketplace dimension across all our divisions. Knowing exactly what customers expect from us improves our bottom line and strengthens our brands and reputation in the long term. To keep our finger on the pulse, we conduct regular customer satisfaction surveys, market surveys and brand audits. The feedback generated provides insights into customer expectations that enable us to develop and deliver better products and services.

Enhancing customer experiences at sales galleries

To move the needle from good to great on customer experiences, our Property Division undertook a 12-month rejuvenation exercise nationwide to promote innovative thinking around ways to better meet customer needs – both today and in the future. The exercise involved extensive customer profiling as well as idea generation sessions that took place at 23 internal workshops and roadshows. Division personnel from all levels participated. Frontline employees were also provided with advanced training on soft skills to improve customer care.

The Division’s sales galleries, amenities and facilities are constantly refined to provide a better sense of home and comfort. Some of our galleries are equipped with a children’s play area to give parents an undistracted period to make enquiries, concentrate and deliberate – or simply to imagine. To assist mothers with young children, we have added private and comfortable nursing rooms to some of our facilities. Buggy services are also provided to potential buyers and visitors to our show galleries and township developments.

IJM Land employs extensive customer surveys at relevant touch points: one month after the sales and purchase agreement is signed, on delivery of vacant possession, and within the first year of period of residence. The outcome of our satisfaction rates and survey feedback support our efforts to consistently exceed customers’ expectations.

Exploring new engagement platforms

Our Property Division has embarked on several social media platforms to drive effective engagements and build a loyal following among online customers and stakeholders. Over 140,000 fans of IJM Land’s Facebook page are engaged with product updates, upcoming developments, lifestyle tips, community service and corporate announcements, as well as campaigns. In recognition of such active engagement efforts and quality content, the division was awarded the Social Media Excellence Award for Property Development at the World Bloggers and Social Media Awards 2016, an event organised by the Malaysian Social Media Chambers. This is the third consecutive year that the division has achieved this accolade.

The Division is presently revamping its Customer Relationship Management system to enhance its service offerings and communication platform for existing customers.

MARKETPLACE (cont'd)

Improving user experiences with cashless tolls

Serving thousands of people every day, our Toll operations face relatively more customer issues than other IJM Group divisions. A total of 111 complaints were received and resolved by the Division in FY2017, the most common relating to toll barriers, road debris, animal crossings and customer service issues.

IJM Group is confident that the 2016 implementation of 100% Electronic Toll Collection (ETC) across our Malaysian highways will enhance users' experiences. Our Highway Users Satisfaction Survey revealed that our Toll operations met and exceeded the service rating set by the Malaysian Highway Authority (82%) and our

own KPI (83%) for the year 2016. The biannual survey evaluates performance on criteria including wait times, sufficient ETC lanes, peak-time capacity, functionality, and teller service.

Assuring customer privacy and data protection

As we embrace new technologies to connect with our customers – including social media channels – we are mindful of our responsibility to protect individual privacy and personal data. IJM Group has a formal customer privacy policy and is compliant with the Personal Data Protection Act 2010.



OUR FOCUS ON SECURITY

We believe in a right to security: for the public, for our customers, for our residents, partners and investors – as well as for the generations to come. Security is an important issue for all IJM divisions, and each is bringing its skills to bear in order to enhance security for our stakeholders.

Property: Crime prevention through environmental design

Our townships are designed to be beautiful, but they are also designed to be safe. Most of our development parcels have single ingress and egress points to screen off intruders, while pedestrian walkways and motorised lanes are separated by buffers to deter snatch thieves. To ensure quieter and safer neighbourhoods, we have introduced cul-de-sac layouts and traffic calming measures, and bright street lighting contributes to overall urban safety. Physical elements, such as landscaping and fencing, are also used to enhance homeowners' sense of belonging and responsibility.

Property: Safe City Initiative

IJM Land works in collaboration with local law enforcement agencies as part of the "Safe City Initiative". Delivering on our commitment to community safety, the Property Division donated to the local police force one Toyota Hiace Window Van designed to serve as a mobile police station and two fully equipped Honda PCX 150 motorcycles. This new hardware supports existing security efforts in Seremban 2. The local force conducts regular patrols throughout the township to preserve order and enhance residents' quality of life through an increased visible presence.

IJM Land collaborates with the local police on various strategies for maintaining community safety and security, including the organisation of crime prevention campaigns and dialogues with local communities. As a matter of practice, the Division actively assists in the formation of residents' associations and provides additional support through safety talks.

The Division has also harnessed new technologies to increase security, introducing a private community mobile application available for residents at Bandar Rimbayu, new phases at Seremban 2 and Seri Riana Residence. The application functions as an extension of existing security measures, allowing the user to communicate directly with the guardhouse. It also enables the resident to stay up to date with pertinent information about the property through a community notice board.



IJM Corporation Berhad CEO and Managing Director Dato' Soam Heng Choon presents the vehicles to Bukit Aman's Director of Management Dato' Sri Zulkifli Abdullah (second from left) to help police with crime prevention duties in Seremban 2

Industry: Handling explosives at quarry sites

Our Industry Division has specific policies and guidelines in place to ensure the safe transport, storage, handling, use and disposal of explosives at all quarry sites. Any worker that uses or handles explosive products or may be affected by their use must be authorised and trained in all relevant safety procedures in accordance with all national regulations and HSE standards. Site managers must notify all relevant authorities of any planned use of explosives or installation of surface magazines, or of any uncontrolled or unexpected explosion.

International Ship and Port Facility Security (ISPS)

The International Ship and Port Facility Security (ISPS) Code is a 2004 amendment to the Safety of Life at Sea (SOLAS) Convention. It sets out the responsibilities of Governments, shipping companies, shipboard personnel, and port personnel to "detect security threats and take preventative measures against security incidents affecting ships or port facilities used in international trade".



Kuantan Port Security Department is operated by Auxiliary Police Officers, vested with police powers to ensure a secure environment within the port premises

In accordance with the ISPS Code, the Kuantan Port Security Department has been set up to keep order and security within the port areas, and to undertake measures to prevent crime. The department is vested with police powers to ensure a secure environment within the port premises, protect cargo and assets, monitor vessels and enforce the ISPS Code requirements.

ENVIRONMENT

towards a greener planet



At IJM Group we strive to be custodians of the ecosystems we operate in. We are mindful of the environmental impact of our activities and maintain full compliance with all environmental regulations. IJM Group continues to develop effective environmental initiatives to protect our natural resources for future generations.

At the Group level, the key material sustainability issues identified for the industries IJM Group operates in are the risk of pollution (particularly air, water, soil and noise), protection of biodiversity, waste management, energy and water usage. In this section we will explore how our businesses have been addressing these issues, assess their performance against key environmental indicators and propose actions and targets for the next reporting period and beyond.

TAKING ACTION ON AIR QUALITY

As seasonal 'haze' becomes a regular phenomenon in Southeast Asia, air quality is an increasingly hot topic for Governments, industries and the general public. All IJM Group divisions strictly adhere to the Environmental Pollution Control Guidelines on air pollution control in line with the objectives of our Health, Safety and Environment ("HSE") Policy. IJM Group divisions operating in industry sectors that are associated with air quality issues – such as construction, agriculture and manufacturing – have adopted industry-specific measures where appropriate.



Plantations tackle open burning

IJM Group's HSE Policy prohibits all open burnings to prevent emissions of smoke, particles and toxic gases. Our Plantation Division has gone further and implemented a strict 'zero burning policy' that covers all replanting and new planting activities in our estates in Indonesia and Sabah. The Division is working to secure commitment to the policy amongst scheme and independent smallholders who supply its mills, as well as among local communities in Indonesia through frequent sosialisasi meetings.

Scheduled patrols of fire risk hotspots have been organised by the estate management, and workers are regularly briefed to stay alert for fires and fire risks in their workplaces and surroundings.

Industry, Construction and Infrastructure combat dust pollution

Air quality is also an important issue for our Industry, Construction and Infrastructure (Port) Divisions, as dust from these operations can contribute to air pollution if it is not carefully controlled.

As well as monitoring dust levels and erecting protective fencing around quarries and factories in compliance with Malaysian environmental regulations, our Industry Division minimises dust pollution through scheduled road spraying, where sprinkler systems, forklifts and water trucks spray harvested rainwater to prevent particulate matter becoming airborne. Spills involving dusty materials are cleaned using a pneumatic vacuum cleaner.

Where possible, the Division also uses Kelat Paya trees to create dust barriers to protect roads and the surrounding environment. Some 188 of the hardy and densely foliated trees have been planted at the Kuang Rock Products quarry and a further 382 at the Malaysian Rock Products quarry. We have also employed hydroseeding on loose soil on slopes to catalyse grass growth for soil erosion control. Hydroseeding involves the application of slurry combining seeds and mulch to ensure quick growth, and

is now widely used to control soil erosion on hillsides. Over 5,000 square feet of sloping ground at each site have now been planted using the technique.

The Construction Division has also implemented dust control strategies to protect the health of workers and minimise any impact on communities living close to project sites. Mitigation measures include wheel-washing facilities at all site entrances, stabilised site access to reduce dust dispersion, the deployment of water bowlers to dampen access routes and the use of road sweepers to keep routes clean.



Road sweeper at MRT V203 project



The high pressure washing bay is used to ensure that all dump trucks that transport the cargoes are cleaned before going to the road. The washing bay has its own sedimentation pond and the water is recycled

ENVIRONMENT (cont'd)



Kuantan Port is equipped with 3 units of road sweeper and 6 units of high pressure water jetter to maintain the road cleanliness around the clock



The covered warehouse for storing mineral cargoes is equipped with a pollution control system

At Kuantan Port, nine-metre dust mitigation panels prevent airborne particles reaching surrounding areas. Efforts have also been taken to adequately cover stockpiles of dry bulk with protective sheeting. All lorries carrying bulk cargo, such as iron ore, bauxite, palm kernel expellers, fertilisers and other bulk goods, are covered before entering the port facility, and a high-pressure washing bay is used to ensure all cargo trucks are clean before going back on the road. Power sweepers and water jets keep all operational areas dust-free.

Kuantan Port has embarked on a new policy of using covered warehousing to store mineral cargo. The objective is to prevent pollution of surface runoff and groundwater, which in turn ensures that regulatory requirements on water discharge are met. The warehouse is equipped with a washing bay, perimeter drains and a retention pond.

Driving down vehicle emissions

Vehicle emissions are a key material issue for toll highways. Toll plazas are associated with poor air quality as high volumes of commercial and non-commercial traffic become congested. To speed up the flow of traffic at tolls, the Infrastructure (Toll) Division rolled out an automated electronic toll collection system ("ETC") across all its Malaysian highways in 2016. ETC has enhanced operational efficiency and reduced toll plazas' carbon footprint, improving air quality as a result.

Our Port also experiences concentrations of vehicle exhaust from ships, trucks and cargo-handling equipment. While external parties are responsible for the majority of these emissions, the Infrastructure (Port) Division continues to explore strategies for improving air quality. Our wholly-owned tug-boats undergo scheduled maintenance and testing, and are now covered by an international marine insurance policy with stringent requirements. Further emission reductions will be achieved in the future by deploying equipment that harness green technologies at the Port's New Deep Water Terminal.





ASSESSING OUR WATER FOOTPRINT

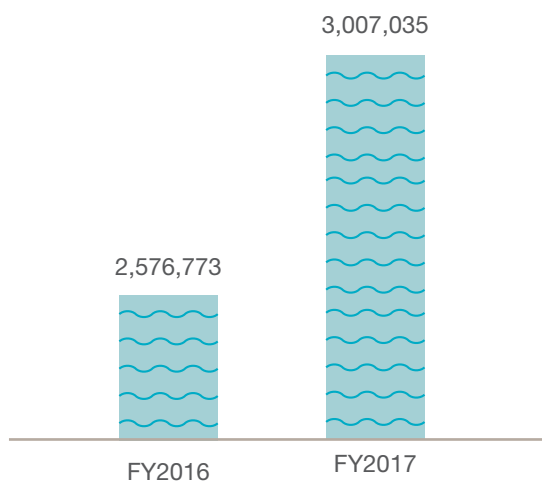
Water use management and water source protection are increasingly important issues for both the IJM Group and its stakeholders as prolonged periods without rainfall reduce the amount of water available for residential and industrial use. Just over 3 million m³ of water were consumed across all IJM business divisions in FY2017. Our Port and Plantation Divisions were the largest consumers, together accounting for 72% of our total water footprint.

Kuantan Port consumed 1.1 million m³, including 95,072 m³ surface water, 95,072 m³ rainwater and 950,715 m³ from municipal sources, which was used for general purposes such as wharf cleaning. Water usage at Kuantan Port has increased since the last reporting period. The FY2017 spike was caused by additional cleaning activities including the washing of trucks, berths, roads and building surfaces.

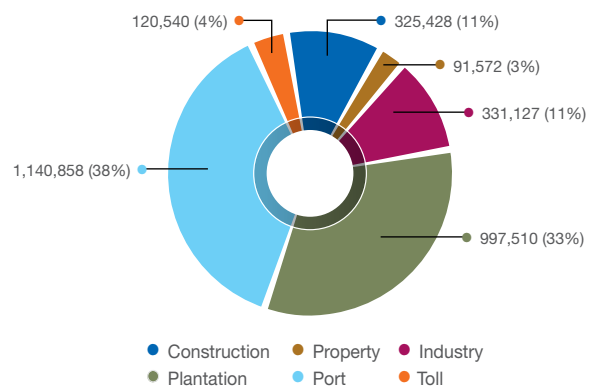
IJM Plantations used just under 1 million m³ in FY2017, mainly for the processing of fresh fruit bunches ("FFB") in mills. An ongoing focus on water savings and efficiencies enabled the Division to reduce the amount of water consumed per tonne of FFB processed from 1.15 m³ in FY2016 to 1.05 m³ in FY2017. Our Industry Division, where water is used as a primary ingredient in the production of concrete piles, consumed 331,127 m³ in the course of its FY2017 operations.

A critical aspect of our ongoing environmental management plans will be to identify opportunities to reduce water usage in high-consumption sectors. Our next step will be to conduct water footprint assessments for our Port, Plantation and Industry Divisions to understand the nature of their water usage and develop effective reduction and conservation strategies.

Water usage in m³



Water usage in m³ by business (FY2017)



Note: Water usage figures do not include Head Office or external subcontractors for Construction Division.

ENVIRONMENT (cont'd)

SAFEGUARDING OUR WATER SOURCES

Acknowledging that some of our businesses are heavily reliant on water, and that competition for water resources is rising, our priority must be to ensure that water sources are not adversely affected by our business activities. Our Port and Plantation operations may have an impact on water quality and as a Group we constantly work to mitigate any such risks.

A key initiative in this area has been our Environment Quality Monitoring Programme ("EQMP"), which we use to assess the quality of the environment surrounding our operations. The EQMP has a specific focus on monitoring the quality of water discharged, enabling us to measure and minimise the impact of our activities on riparian ecosystems.



Water management at Plantations

Our Plantation Division has a water management plan in place for each operating unit and every plan is monitored and regularly reviewed using an environmental monitoring checklist. Environmental audits are performed at all the operating units periodically to ensure the environmental management plans and policies are implemented and adhered to. In addition, we have monitored the drinking water quality through an accredited laboratory to ensure the water is safe for human consumption.

No spraying or manuring activities are permitted within riparian reserves to ensure that connecting rivers fed by the Division's waterways are free from agrochemicals. A programme has been set up to monitor water quality in rivers that flow through the Division's plantations since 2012. This programme is operational in all units.

Pollution control at Kuantan Port

Kuantan Port complies with all local and international regulations, including the Marine Oil Pollution Convention (MARPOL 73/78 Convention) and the International Safety Guide for Oil Tankers and Terminals (ISGOTT). All oil tankers docking at Kuantan Port must adhere to the ship-shore safety checklist. An Oil Spill Emergency Response Team is always on standby in case of emergencies and the division regularly participates in a state-level joint oil spill drill exercise at the port basin.

To reduce the risk of water pollution at the Port, a filtering pond is used to filter dirty water before being discharged back into rivers and the sea. An enhanced wharf cleaning system also reduces sea pollution, and the installation of low concrete walls and perimeter drains prevents dry bulk cargo from falling into the ocean.



WATER CONSERVATION AND RECYCLING EFFORTS

A number of our divisions are making good progress in the challenging area of water conservation and recycling. In fact, divisions with the highest water consumption are often those that are recycling the most.

Water recycling at Kuantan Port



Kuantan Port recycled a total of 152,115 m³ of water in FY2017. Recycled water is used in the Port's washing bays for lorries carrying bulk cargo such as bauxite, as well as for road cleaning. The Port has entered an agreement with one of its oleochemicals clients to collect treated water from their plant for general use. The treated water complies with the Department of Environment's ("DOE") conditions for Effluent Standard B – not consumable but can be used for general purposes, such as road cleaning. This initiative saves some 200,000 m³ of fresh water annually.

Conserving water on our plantations

Water conservation was an important issue for our Plantation Division in FY2017, as a prolonged dry spell in 2016 triggered by El Niño had a serious impact on crop yields. To mitigate the effects of extended dry spells in the future, the Division has taken proactive steps to increase the storage capacity and ensure uninterrupted water supplies. Specific measures include establishing supplementary water catchment ponds, deepening canals and constructing bunds for water retention. Water storage trucks and additional pumps are now always on standby to deliver water. To keep up the momentum, employees receive regular briefings on water conservation while tips and best practices are shared through newsletters and social networks.

As part of a drive towards precision agriculture, the Division has also implemented a drip irrigation system to optimise water consumption at its Malaysian oil palm nurseries. Drip irrigation helps minimise water wastage while ensuring good seedling quality before field planting. The system also saves energy as there is less need for water pumps to run for long durations.

Rainwater harvesting

Our Toll operations have implemented rainwater harvesting systems at the Loke Yew and Eco Majestic Toll Plazas to divert excess rainwater and reduce reliance on municipal water supplies. Harvested rainwater is used for landscaping and road cleaning purposes.

Our Property Division has also implemented rainwater harvesting systems at The Light Waterfront in Penang and The Arc at Bandar Rimayu in Selangor. The Arc, which is home to one of the largest rainwater harvesting systems in Malaysia, incorporates a creek that collects rainwater to irrigate plants and a green roof deck that filters rainwater before discharging it to waterways and community vegetable gardens. As a result, no treated water has been used for irrigation at The Arc in the past three years.

Combining resource conservation in such an innovative community space is just one of the unique sustainability features that have resulted in Bandar Rimayu being awarded a “green township” status certified by the Green Building Index (GBI). GBI certification is also held by two other projects developed by our Property Division for Penang – The Address and The Light Waterfront (Phase 1).

Our Industry Division harvested over 7,000 m³ of rainwater for use at its quarries and factories, including for road spraying to control dust. In FY2016, Kuantan Port began using rainwater and surface water in its operations to offset consumption from municipal sources. Rainwater is also collected at the Port operation’s shaded warehouse for use in high-pressure washing bays. This saves on average 100,000 m³ of fresh water annually.

PROTECTING BIODIVERSITY AND NO DEFORESTATION

Deforestation is an important material issue for our stakeholders and one that IJM takes extremely seriously. While most IJM activities take place in urban and industrial zones, our Infrastructure, Plantation and Industry Divisions do operate near areas of rich biodiversity, and therefore continue taking action on our commitments to ecosystem protection and no deforestation.

Plantations committed to no deforestation and enhancing rehabilitation

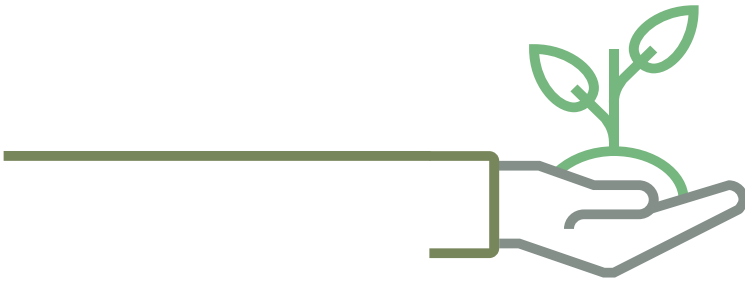
Our Plantation Division strictly adheres to a policy of no deforestation in high conservation value (“HCV”) areas or on peatlands. About 5,076 hectares or 8.4% of the total planted land bank in our Malaysian and Indonesian

operations is set aside for conservation and rehabilitation. Conservation sites include flood-prone and swamp areas, sites with marginal soils and also special set-aside conservation lots. Notable conservation sites include the Hundred-Acre Wood and the Secret Garden in the Sugut region, Sabah.

The Division continues to rehabilitate and enhance biodiversity within these sites, and species used for replanting are carefully selected to match local ecosystems. For example, bongkul (*Neonauclea subdita*) has been planted in low-lying areas, such as the Rakanan Jaya South Estate in Sabah.



ENVIRONMENT (cont'd)



The Hundred-Acre Wood: our conservation hub

Inaugurated in 2006 with a RM300,000 annual budget, the Hundred-Acre Wood is a centre of excellence for conservation and education. Based in Sugut, the centre welcomes IJM employees, stakeholders, academics and NGOs to partake in various environmental programmes. Activities in FY2017 included rehabilitation work, such as the planting of tropical forest tree species, and the continued maintenance of the orchid sanctuary, which contains more than 200 species, many of which are native to Sabah.

Placing just as much focus on fauna, Plantation Division also hosted a Human-elephant conflict meeting organised by Sabah's Wildlife Rescue Unit to discuss and explore solutions for managing elephant encroachment issues in the Kampung Ulu Muanad area. Once again, IJM Plantations sponsored and volunteered at the annual Borneo Bird Festival.

Protecting wetlands and mangrove forests

Wetlands and mangrove forests are breeding grounds for a large number of marine organisms. They also protect vulnerable coastlines from coastal erosion and rising sea levels resulting from global warming. For World Wetlands Day 2016, IJM Group supported an event hosted by the Sabah Wetlands Conservation Society to build awareness about these unique and vital landscapes. Our Plantation Division has also implemented a mangrove forest rehabilitation programme in both its Malaysian and Indonesian operations.

Soil conservation

Soil conservation has remained an integral part of our Plantation Division's commitment towards Good Agricultural Practice (GAP). Terracing continues to be practised in hilly areas in order to conserve soil, water and nutrients. Legume Cover Crops (LCC), fronds and empty fruit bunches are also used to minimise soil erosion, improve soil structure and retain moisture.

Soil and erosion control measures have also been implemented by our Construction Division to enhance project aesthetics and eliminate appreciable damage to off-site receiving channels, property and natural resources. Best management practices include sand-bagging site perimeters to control runoff, installing fibromat and turfing to stabilise slopes and minimise erosion, and using silt traps and curtains to control the dispersion of suspended solids and ensure discharged water is within compliance limits.

Flash flooding and soil erosion at tolls

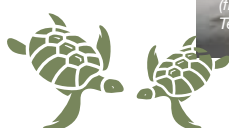
Incidences of flash flooding have occurred at our Toll operations during the reporting period. Although short- and long-term actions have been undertaken to eliminate these occurrences, our mitigation efforts may be limited, primarily due to the rapid development of land along the highways.

Three issues involving soil erosion, settlement and sinkholes occurred on our highways in FY2017. All resulted from either settlement of backfilled materials, piping works or water seeping from drainage. In all cases, immediate action was taken and ongoing monitoring established. Long-term measures – including lane reconstruction, drain and cavity rehabilitation and grouting – were proposed and all have been completed at the time of reporting.

Releasing sea turtles to their natural habitat through a pilot conservation project

Thirty green sea turtles (*Chelonia mydas*) aged between 8 and 30 months were released to the open seas from the Teluk Bahang beach in Penang in conjunction with the 2016 Merdeka Day celebrations. Their release was part of a joint pilot conservation and research project between IJM Land and the Turtle and Marine Endangered Species Research Centre, part of the Department of Fisheries Malaysia, in Rantau Abang, Terengganu.

Collected as tiny hatchlings from a conservation centre, the turtles were raised in the seawater pond of The Light Waterfront Penang's waterways. Results from the first phase of the programme, which was launched in 2014, proved encouraging. The turtles' high survival rates of between 70% and 80% indicated that the waterways provide a conducive environment for marine life to thrive. New collaborative efforts between IJM Land and the Fisheries Department are now in the pipeline, with further plans to utilise the waterways for future breeding and rehabilitation programmes.



MANAGING WASTE

Waste was identified as an important theme for all our business divisions and stakeholders. The specific sub-themes that emerged in our materiality identification workshops included waste management, compliance, and the recycling of by-products.

As a Group, we generated just under 60,000 tonnes of waste during the reporting period. The highest volumes in FY2017 were generated within our Construction (26,606 tonnes), Property (14,716 tonnes) and Industry (13,560 tonnes) Divisions, with the main sources including waste concrete, cement and timber, as well as spent rebar. These operations are continuing their recycling efforts to divert more of these wastes from landfills. Around 19% of our total waste footprint was recycled for building materials during the reporting period.

	Non-Schedule Waste (MT)	Scheduled Waste (MT)
Construction	26,606	27
Property	14,716	0
Industry	13,560	28

Concrete reclamation

Our Industry Division has installed a concrete reclamation system that reclaims concrete waste generated from production activities at its Ulu Choh, Klang and Jawi factories. The concrete reclaimer separates unused concrete into sand, aggregates and slurry effluent, resulting in cost savings and effective management of waste disposal. In FY2017, the system reclaimed a total of 423 tonnes of sand and 555 tonnes of aggregates. Recovered sand and aggregates are mixed back into the stockpile for use in production. Slurry effluent from the concrete reclaimer flows into a tank to let sediments settle. Water separated by this method, totalling 5000 m³ in FY2017, was then reused in the concrete reclamation process. A concrete reclaimer will be installed at our ready mix concrete batching plant in Ulu Choh in FY2018.



Reduce, reuse and recycle in Construction

Reduce, reuse and recycle waste management practices have been embraced at all project sites. These involved a provision for waste management at site, implementation of segregation of waste and programmes to cultivate good practices among employees. In addition, a Waste Management Plan is prepared at every site to outline specific measures for waste handling and to identify opportunities to minimise waste generation.

ENVIRONMENT (cont'd)

Driving compliance on effluent treatment standards

Ensuring compliance on effluent discharge was highlighted as an important issue for our Construction Division. The Division monitors water quality based on an indicator defined as the percentage of water discharged in compliance with permissible Total Suspended Solids ("TSS") limit set by the DOE. In the reporting period, the Division recorded a total compliance rate of 93.6% for all water discharged.

Total Palm Oil Mill Effluent ("POME") in our Plantation operations in Sabah and Indonesia accounted for a total 692,891 m³ in the FY2017 period. The POME is treated via ponding systems and tertiary treatments to achieve the discharge stipulated by DOE. Water samples were collected at designated sampling stations for third party laboratory testing. Discharge from all our mills is in compliance with the stipulated biochemical oxygen demand ("BOD") limit.

Our Property Division highlighted waste disposal handled by external contractors as an important material issue

for its stakeholders. The Division has already compelled all contractors to submit data on their waste generation and water consumption from September 2016, and will continue to engage and support third party contractors to ensure that they comply with best practices and regulatory requirements on environmental preservation set by the local authorities.

Kuantan Port significant spills FY2017

Two significant spill events occurred at Kuantan Port in FY2017 resulting in DOE notices. In both cases, torrential rainfall resulted in surface runoff and the overflowing of water from the facility's bauxite retention pond.

Kuantan Port has responded comprehensively in the wake of these spills. Additional perimeter drains and silt traps have been installed to prevent the dispersion of runoff waste into the environment. Cargo handling methods have been refined to include bins, buckets and barges to eliminate the need for storage directly on the wharf. A system will also be established to expedite the sedimentation process of bauxite in the retention pond during periods of high rainfall.

CLIMATE CHANGE AND ENERGY USAGE



As a Group, we believe we have a responsibility to reduce our carbon footprint. While we work continuously to address key drivers of climate change - including energy use - in our daily operations, the diversity and range of our business activities have so far made the development of a unified Group-level carbon reduction strategy particularly challenging.

Our next course of action will therefore be to consider a carbon footprint assessment as part of our environmental strategy. Our decision on this matter, including any targets and timelines, will be communicated at a later date.

Exploring renewable energy solutions

To contribute towards Malaysia's United Nations Framework Convention on Climate Change ("UNFCCC") commitment to reducing greenhouse gas (GHG) emissions, IJM Group's Industry Division has initiated a Solar Renewable Energy Project. Solar panels have already been installed on the rooftops of the Division's Kapar and Jawi factories, generating a total of 312,702 kWh and 411,107 kWh respectively for on-site consumption. Carbon emissions avoided by both factories amounted to 506,666 kg. The Division will expand the project in FY2018, installing rooftop solar panels at its Senai, Ulu Choh and Lumut ICP factories.



Solar panels installed on the Jawi factory rooftop

Illuminating Malaysian tollways with LED lights

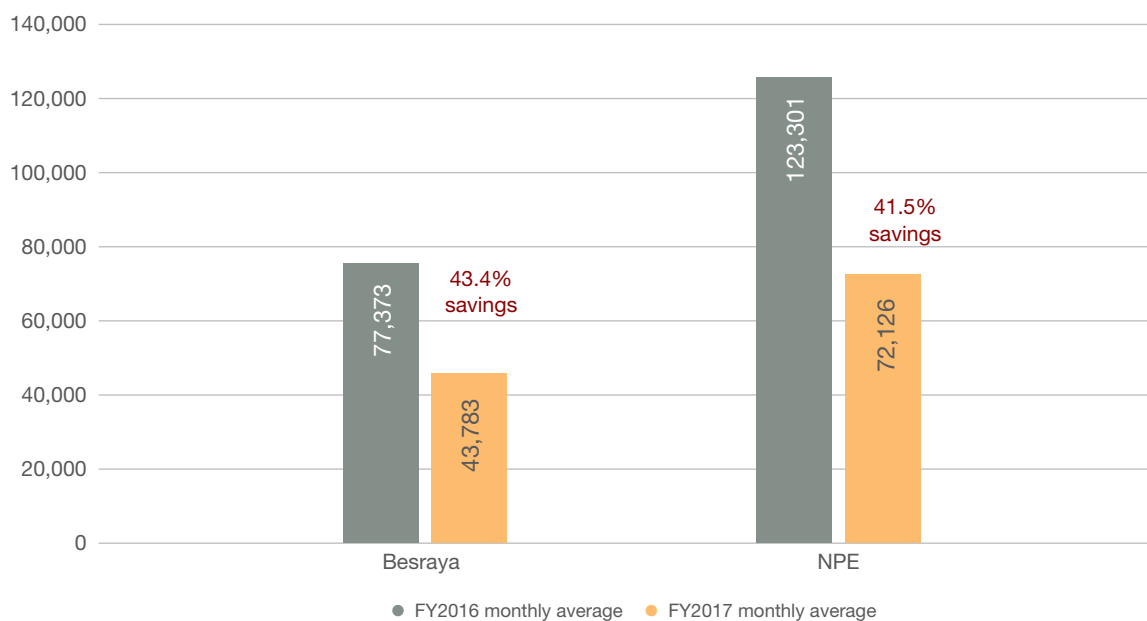
The installation of light emitting diode (“LED”) technology to replace high-pressure sodium vapour (“HPSV”) lamps along all IJM’s local tollways was a big investment in terms of both time and cost, but it is already delivering significant financial and energy savings. LEDs are typically six to seven times more energy efficient than conventional incandescent lights. They have a long lasting operational life of up to 25 times conventional lighting, and contain no mercury. By installing LEDs lighting at our tollways, we reduced the carbon footprint by 1,649.50 tonnes CO₂ per year for the New Pantai Highway and 1,351.98 tonnes CO₂ per year for Besraya Highway. To put this in perspective, this saving of 3,001.48 tons of CO₂ which is equivalent to planting 76,962 trees per year. The added benefit is that LED lights give at least 7 to 10 years of hassle-free service, including cost saving on parts and workmanship.



LED streetlights installed at Besraya Highway

Following full implementation of LED lights, our Toll operations have recorded cost savings of between 41% and 44% based on average monthly utility bills before and after installation.

Energy cost savings following installation of LED street lighting



Eco-Innovation

Our Property Division designs and builds houses to take advantage of natural energy. This helps minimise negative impacts on the environment while providing additional benefits for our customers. The majority of the residential parcels that we build are north-south orientated without direct exposure to morning or evening sun. This results in a cooler home, reduced use of air-conditioning and improved natural air circulation for internal spaces. Large glass panels including windows and doors are lightly tinted to reduce the transfer of heat and penetration of ultraviolet rays. Additional energy-conserving features, such as solar panels for water heating and rainwater harvesting systems, are also available in a number of our developments.

COMMUNITIES

driving positive change on our doorstep



We firmly believe in being a force for good in our communities. Community engagements and community-focused initiatives are seen by all Group divisions as opportunities to mobilise our skills and resources to drive positive change at a grassroots level. During the reporting period, IJM Group contributed over RM4.55 million in community investments and hundreds of volunteer hours to elevate living standards, build community spirit, catalyse local growth, rehabilitate our environment and create new education and job opportunities. In this section we review the highlights from FY2017.

IJM GIVE DAY OUT 2016: ON THE NATURE TRAIL



IJM Group's flagship Give Day Out initiative was conceived to offer our employees the chance to take their talents beyond the company's gate and make a difference for the communities we operate in. Now in its seventh year, Give Day Out has empowered thousands of volunteers from across our business areas to undertake social and environmental activities – from repairing schools and renovating playgrounds, to planting native seedlings and revitalising degraded natural landscapes.

"Fun with Nature", the theme for Give Day Out 2016, engaged over 2,000 IJM employees in the improvement of 12 nature trails across regions in Malaysia, China and India. Each IJM Group division deployed enthusiastic volunteers to help make the adopted trails and associated facilities, which are relied upon by residents, children and visitors for healthy recreation and relaxation, more accessible and aesthetically pleasing. Volunteers maintained and cleared trails, planted and fertilised trees and repaired existing facilities to create safer and cleared green spaces for the benefit of local communities.

IJM Give Day Out 2016 in numbers:

- 1,900 IJM volunteers across Malaysia; around 170 in India and China
- 700 Central Region employees and 60 DBKL (City Hall) members maintain trails at Taman Rimba Bukit Kerinchi, Kuala Lumpur's urban forest reserve
- 180 Central Region employees revamp trails in Kota Damansara Community Forest Reserve (KDCF) in partnership with the KDCF Society
- 130 volunteers deployed to build the S2 Trail for the Seremban 2 community
- 180 Northern Region employees maintain and refurbish facilities on trails at Bukit Jambul and Bukit Mertajam, Penang
- 420 employees carry out trail maintenance at Taman Eko Rimba Bukit Pelindung, Kuantan
- 120 Southern Region staff plant trees and shrubs along Jalan Tun Abdul Razak, Johor Bahru.
- 170 IJM East Malaysia staff plant mangrove trees at Tandawan, Elopura Forest Reserves in Sabah and Kuching Wetlands National Park, Semariang, Sarawak



Communities (cont'd)

SUPPORTING COMMUNITY GROWTH AND WELLNESS

We encourage and empower our business divisions to develop their own community activities and participate in Group-wide initiatives that are centred on strengthening community welfare and growth. Every year we invest in community-based charities and programmes supporting education, disaster relief and local business opportunities, particularly those that make a difference to the lives of underprivileged people.

Wellness initiatives

To support community health initiatives, IJM Group has provided financial support to various NGOs and associations, including donations totalling RM800,000 in FY2017. Among other good causes, donations in cash and in kind have aided people with terminal illnesses and patients in dire financial need. Donations have also sustained Majlis Kanser Nasional (MAKNA), a not-for-profit social enterprise that supports cancer patients and their families.



Blood donation campaign held at Wisma IJM in November 2016



Home Rehabilitation Programme

Our Property Division continues to enhance the lives of underprivileged families through its signature Home Rehabilitation Programme. In FY2017, through a united effort, the Division successfully adopted and revamped the homes of two families, one in Negeri Sembilan and one in Bayan Lepas. The programme also received massive support from our contractors and suppliers, serving as a key initiative for engaging and inculcating a culture of corporate responsibility among our business associates.

Launched in 2010, the Home Rehabilitation Programme entails close collaboration between our Property Division and the State Social Welfare Department as they identify old, unsafe and dilapidated homes belonging to less fortunate members of the community. Once identified, these homes undergo repairs and improvements to enhance the living conditions of the residents.



Promoting health awareness

IJM Plantations is working to elevate breast health awareness through grassroots campaigns targeting students, particularly in the rural towns in Sabah. The Division sponsors and is directly involved in organising various awareness programmes in collaboration with local NGOs, such as the Sandakan Kinabalu Pink Ribbon and the local Duchess of Kent Hospital in Sandakan.

FY2017 activities also included the distribution of breast health information and breast health talks for IJM Plantations employees to coincide with Pink October Breast Health Awareness Month 2016. Clinical screenings and awareness sessions themed “Protect Yourself, Get Screened Today” were organised by and for the benefit of our female guest workers in our

Sabah operation. A consultant radiologist has been engaged to offer ultrasound screenings to all female staff.

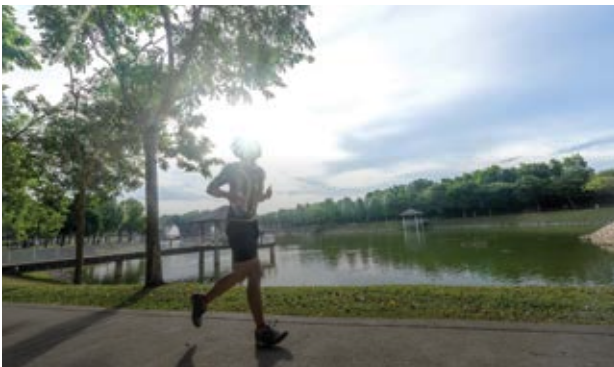


Conducting a breast awareness outreach programme at SMK Beluran 2



Building liveable, healthy communities

Our Property Division's neighbourhoods and townships are designed to be conducive to healthy and safe community living. Focal points such as parks, recreational areas, jogging paths and bicycle lanes are integrated within its developments. We also devote special attention to creating user-friendly facilities and promoting outdoor activities in the belief that these benefit the overall wellbeing of our residents.



30-acre Hill Park, a 15-acre City Park and the S2 Trail serving as green lungs for the Seremban 2 township

BUILDING EDUCATIONAL CAPACITY

- Supporting sustainable growth through the creation of local opportunities requires a long-term and holistic approach. We believe that access to education is a vital ingredient in improving quality of life for individuals in local communities. In helping to realise their aspirations, we provide opportunities for deserving young talents to reach their potential and pursue challenging and fulfilling careers.

IJM Scholarship Programme

For over two decades, IJM Group has empowered and nurtured young talent by providing scholarships to deserving students. Launched in 1994, The IJM Scholarship Programme has to date benefitted more

than 250 students, and continues developing tomorrow's best talents through a structured career development programme. The programme awarded 17 scholarships with a total value of nearly RM900,000 in FY2017.

Beyond financing, IJM scholars also gain access to a mentor at IJM, and this mentorship continues when they join IJM as an employee after graduation. While still studying, students are given the opportunity to complete their internship in the organisation in preparation for their career. Many IJM scholars hold positions at IJM Group, including as project and contract managers, accountants and senior engineers.



Communities (cont'd)

IJM Academic Excellence Awards 2016

We also give recognition to the children of IJM Group employees for achieving outstanding results in their SPM, STPM and A-Level examinations. As well as encouraging students to excel, and rewarding them for their efforts, the awards recognise the importance of parental involvement in children's education. A total of 51 deserving students received Academic Excellence Awards in FY2017.



IJM Scholarship & Academic Excellence Award Presentation Ceremony 2016



Educating the children of guest workers

Our Plantation Division works in partnership with Humana Child Aid Society Sabah, a Sabah-based social NGO, to establish purpose-built learning centres in our operating units. The learning centres provide pre-school and primary education for plantation workers' children who are not eligible to attend local schools. The learning centres are also open for local villagers and communities located remotely from the estates.

To date the Division has established one centre in the Sandakan region and two others in the Sugut region where IJM Plantations Berhad operates. A total of 223 children were enrolled at the centres in FY2017. We also maintain an ongoing collaboration with the Indonesian Consulate to provide extension studies for children aged 12 years and over through the Community Learning Centre (CLC) programme.

Tech Dome Penang

In 2016, our Property Division supported Penang State Government's mission to set up a learning hub for science and technology. The objective of Tech Dome Penang, the state's very first Science Discovery Centre, is to cultivate an inquisitive spirit and a passion for science, engineering and technology. This is in line with IJM Group's core value of promoting innovation and we hope, through our support, to encourage individuals from all walks of life to develop the skills needed to thrive in a high-tech, knowledge-based future.



NURTURING CREATIVITY

It should be no surprise that IJM Group is an avid supporter of Malaysia's young designers, architects and artists. Embedded in our core value of innovation is a commitment to exploring new possibilities and thinking creatively. Through award programmes and targeted activities we aim to nurture this spirit in the young people whose concepts and designs will be central to solving new challenges and shaping our world tomorrow.

Asia Young Designer Award

To bridge the gap between design education and industry, our Property Division collaborated with Nippon Paint Malaysia Group to organise the Asia Young Designer Award ("AYDA") for the third consecutive year. Inaugurated in 2008, the awards aim to inspire sustainable, innovative and creative thinking among local interior design and architecture students. All AYDA gold and silver winners in the architecture and interior design categories are offered internships at IJM Land.

Hosting site visits for students and industry associations



Our Industry Division hosted several groups of university students and industry associations at its spun pile factories throughout FY2017. The purpose of these visits is to increase industry exposure, giving visitors the opportunity to learn more about our manufacturing processes and the application of pre-stressed concrete spun piles as a foundation material.



For AYDA 2016, a total of more than 1,200 entries were received from 50 faculties of higher education institutions as well as from emerging professionals. The 2016 theme – “Be Bold. Be Free. Be You.” – challenged designers and architects to deliver concepts encapsulating boldness, freedom and originality while staying true to the inherent AYDA values of environmental sustainability and community.

Supporting local artists

In its second year of partnership with The Edge Galerie, IJM Land brought the works of emerging and established artists to the community. Since January 2015, the Division has contributed to making art accessible to appreciative audiences through events and exhibitions such as “Penang Art: Then and Now”, “Modern Malaysian Sculptures of Latiff Mohidin” and The Edge Auction Preview in Kuala Lumpur and Penang.



SPORTS FOR DEVELOPMENT

We use sports as a platform to encourage health in our communities, unite people of diverse backgrounds, foster civic pride and participation, improve educational outcomes and train the next generation of leaders.

Championing non-mainstream sports



IJM Group champions the development of non-mainstream sports in Malaysia, including rugby, volleyball and gymnastics. As well as supporting tournaments, state and national athletes, and selected national sports teams and associations, the Group also uses these sports to build youth outreach platforms. Through the joint partnership with the Sabah Rugby Union (SRU), Eagles Rugby Club (ERC) and the Sabah Education Department, IJM Plantations set up the Sabah Rugby Academy to encourage character and leadership development. Students from rural parts of Sabah are selected to attend the Academy and are guided in both their game and their studies. In FY2017, over 3,500 children from 53 primary and 65 secondary schools were involved in the development of rugby through the Academy.

In April 2016, the Division also organised the annual state-level junior rugby tournament for students in Sandakan. This tournament features prominently in the Sabah junior rugby calendar and in 2016, drew overwhelming participation with over 400 participants from 28 school teams across the region. Rugby camps and workshops for school children, as well as seminars for rugby coaches and referees, have also been organised to sharpen playing skills and secure enhanced knowledge of the game.

Communities (cont'd)



Community sports development

IJM Group supports the call by Malaysia's Ministry of Youth and Sports for the private sector to promote and invest in community sports events. Throughout FY2017 we supported community-based sports initiatives in line with our goal of encouraging healthy urban lifestyles. We have also provided safe and well-organised venues for sports enthusiasts of all levels through our assets.

Our Property and Infrastructure Divisions are title sponsors and organisers of signature running and cycling events that take place around the Group-developed townships and toll highways. In FY2017, IJM Land organised two major running events that are synonymous with the townships it is developing: the IJM Land Half Marathon in Seremban 2 and Bandar Rimbayu's "Run With Me". Both events attracted record turnouts, with around 8,000 runners

in total taking part. IJM Group is also the venue sponsor and organiser of Malaysia's biggest night-cycling event, the RHB-SHIMANO Highway Ride. The 2016 night ride took place at our LEKAS Highway toll concession and attracted more than 3,000 cyclists.

In line with our efforts to support talented young sportspeople in our communities, the Property Division took the title sponsorship for the IJM Land Penang Women's Open 2016.

The PSA 5 event offers a platform for promising local players to sharpen their game through exposure to world-class squash champions. The tournament was organised by the Squash Rackets Association of Penang and sanctioned by the PSA World Tour. Penang State Government, Penang State Sports Council and the Squash Racquets Association of Malaysia also supported the event.



IJM Land Half Marathon 2016 in Seremban 2



RHB-SHIMANO Highway Ride 2016 at LEKAS



"Run With Me" in Bandar Rimbayu



THE IJM Land Penang Women's Open 2016 sponsored by IJM Land



MY Astro Chinese New Year Countdown Gala 2017 at Seremban 2 City Park



CELEBRATING MALAYSIA'S MULTICULTURALISM

We celebrate the rich traditions of Malaysia's diverse cultures with various activities during festive seasons. By enabling members of the general public, our community residents and our employees to come together at these special times, we strengthen community ties and foster deeper relationships, both within our organisation and with our different stakeholder groups.

During FY2017 our Property Division hosted a series of celebrations within its developments to celebrate the festivities of Chinese New Year and Hari Raya together for its communities across respective regions. Festive gatherings for Chinese New Year, Hari Raya, Deepavali and Christmas were also organised across the IJM Group locations for employees to share and enjoy.

IJM Plantations celebrates Sabah's ethnic diversity by hosting the Kaamatan Festival in the Sugut Region, Sandakan. The festival combines traditional tribal and cultural exhibitions, the Unduk Ngadau beauty pageant, and traditional sports and cultural activities such as blowpipe and catapult competitions.

Our Toll operations also brightens the journey of motorists by distributing festive giveaways and treats during all major celebrations.



Jom Raya Sinar at Shah Alam 2

WORKPLACE

targeting excellence together



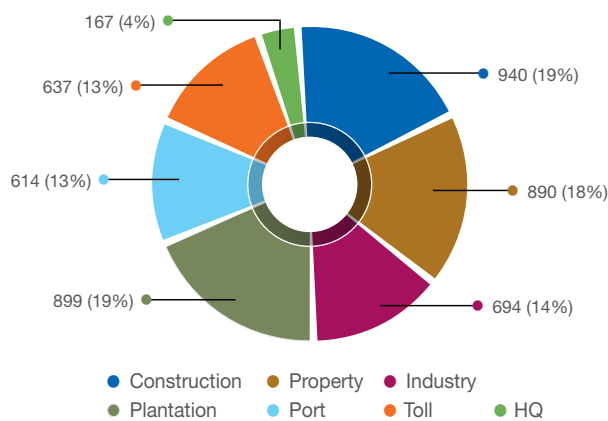
Our businesses thrive on the passion and performance of our people, and by ensuring a safe, engaging and innovative working environments we empower our employees to achieve their full potential. This understanding is reflected in the workplace issues deemed most important across the Group. Raising the bar on employee wellbeing, development opportunities and diversity gives us the edge in an increasingly competitive recruitment environment and supports our ambition to be an employer of choice. In this section we review the progress we made in our workplaces in FY2017.



EMPLOYER PROFILE

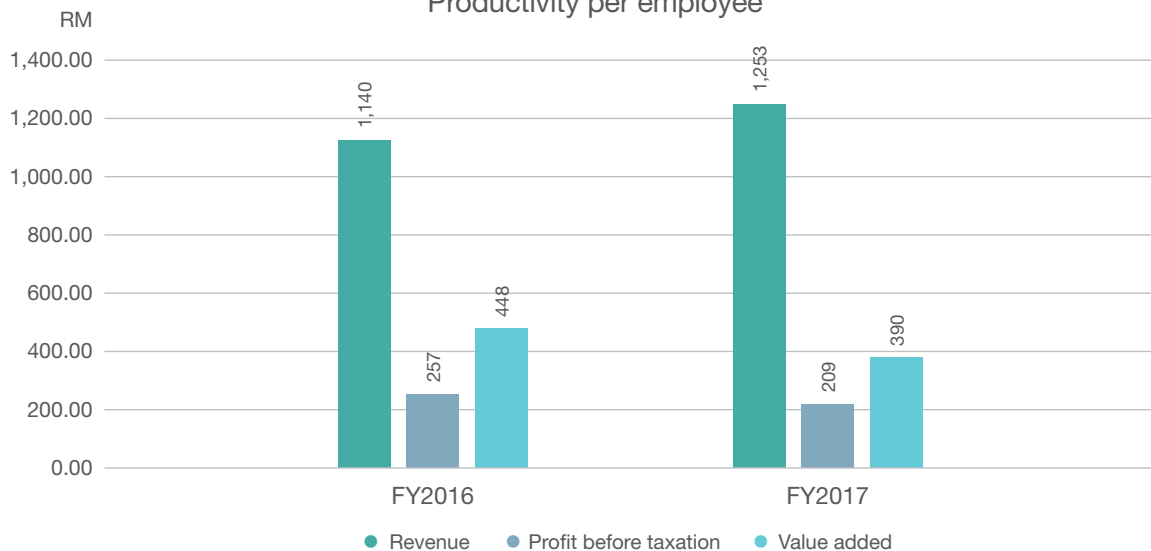
IJM Corporation Berhad employs 4,841 people across its business divisions as at 31 March 2017. Our biggest employers are the Construction Division (940 employees), the Plantation Division (899 employees, not including plantation workers) and the Property Division (890 employees). Permanent full-time employees make up 87% of the workforce. Our reputation as an attractive employer and our ability to retain talent are demonstrated by the fact that 56% of our employees have been with us for five or more years. This high level of retention also enables us to continually increase our productivity per employee.

IJM employees by business (FY2017)



Note: Figures for IJM employees by business do not include plantation workers.

Productivity per employee



Workplace (cont'd)

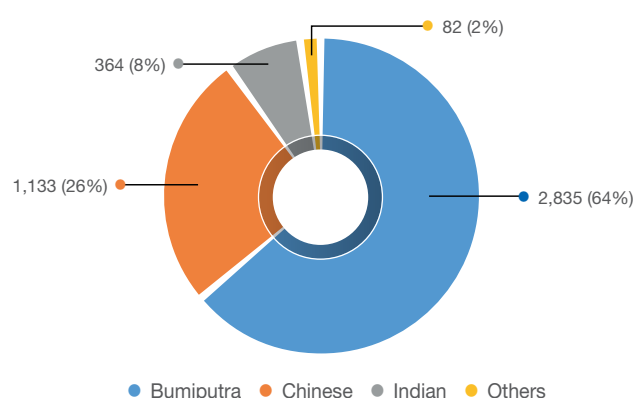


STRONGER BUSINESS THROUGH DIVERSITY

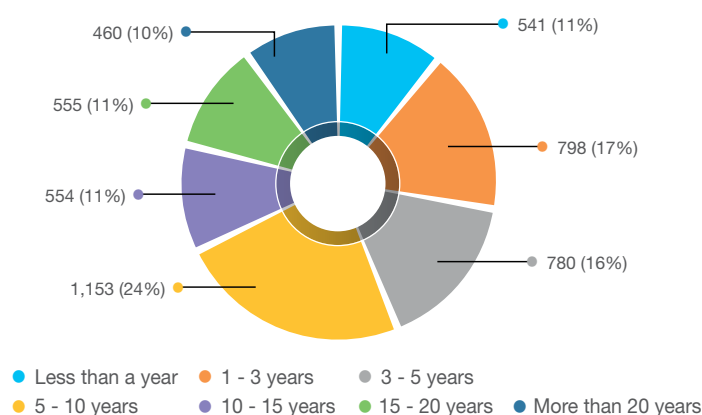
We value diversity because it gives our businesses a competitive advantage. Our diverse organisation provides a wealth of differences and creativity to tap into, infusing new ideas and supporting team synergies. It also makes a career with IJM an attractive proposition, regardless of a candidate's age, race or gender. Our commitment to acknowledge different opinions, cultures and contributions among all team members, and treating all with respect, is embedded in our core value "teamwork" and enshrined in our Diversity and Inclusion Policy which can be accessed at www.ijm.com.

Non-Malaysian nationals constitute less than 1% of the workforce in all our divisions except for IJM Plantations, where they make up around 47% of the total workforce in the Sabah and Indonesian operations. As at 31 March 2017, 64% of our total Malaysian workforce is Bumiputra (Malays and indigenous populations), 26% are Chinese and 8% are Indian.

IJM Malaysian employees by race (FY 2017)



Workforce by length of service (FY 2017)





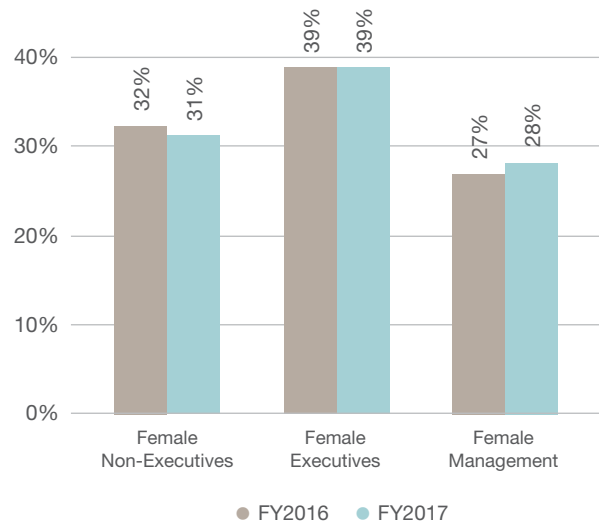
Working towards gender equality

Women make up one third of our total labour force and just under one third of the Group's non-executive workforce. As at 31 March 2017, 39% of our executive roles and 28% of our management roles were held by women.

There are currently no women on our Board of Directors. However, the Board will identify at least one suitably qualified woman Director by 2018, and will endeavour to achieve a Board composition including 30% women Directors as soon as practicable. However, the Board is mindful of Recommendation 2.2 in the Malaysian Code on Corporate Governance and suitable candidates are considered as part of the recruitment exercise for new Directors. A woman Director will be appointed to the Board as soon as a suitable candidate is identified.

As part of our commitment to diversity, we have continued to create flexible working options for women in our workforce. These now include staggered working hours, family care leave, car parks for expectant mothers, breastfeeding rooms and extended maternity leave (with an optional third month).

IJM Group women employees



HEALTHIER WORK-LIFE PRACTICES

Having a healthy workforce strengthens our productivity and ability to succeed.

We are committed to providing ample opportunities for our employees to stay healthy and we take a comprehensive approach to enabling their wellbeing in our workspaces.

Employee Wellness Programme

The Employee Wellness Programme promotes healthy living in our workforce. The Programme is designed based on the four pillars of financial, emotional, environmental and physical wellbeing. It also promotes work-life balance and enhances performance by building competencies in decision-making and goal-setting.



IJM Group provides fitness facilities at its corporate headquarters, including a gym and sports amenities. The Plantation Division encourages the employees to participate in various sports activities by organising friendly matches throughout the year and provision of sporting facilities such as in-door sports facilities, football fields in the operating units.

Other wellness programmes offered include weight management initiatives; weekly yoga, zumba and cardio dance sessions; regular health screenings; financial and retirement planning; anger and stress management; and courses on crime safety and self-protection.

A popular wellness programme open to all IJM employees was The Biggest Loser Challenge, a three-month visceral fat loss programme held in partnership with Pantai Hospital. Two rounds of the Challenge were completed in FY2017 with a total of 60 participants. Those undertaking the programme reported a positive impact, with 81% achieving significant reductions in visceral fat. So far the programme has been rolled out at the Group headquarters and extended to the Toll operations. The next round is scheduled for September 2017.

Workplace (cont'd)



IJM Games 2016 held in Penang

IJM Games 2016

The biennial IJM Games brings athletes from across our business areas together for a week of competition and camaraderie. The games were initiated in 1996 with an ambition to foster greater bonds between IJM employees across our five divisions. The 2016 IJM Games, held in August and hosted by our Construction Division in Penang, included 12 sports disciplines.

EMPLOYEE ENGAGEMENT

Regular employee engagement surveys measure the extent to which our people feel motivated, valued and aligned with the Group's business strategies and vision. Our Employee Engagement 2017 survey had an 81% response rate and revealed a highly engaged workforce. IJM employees are motivated by learning opportunities that enable continual self-improvement and by having a clear understanding of possible career paths. Our culture is socially supportive, with latitude to learn from mistakes, and our confidence is fuelled by a firm belief in our senior management's well-formulated business strategies, as well as by a shared appreciation of the goals and objectives of each respective department.

The results of the 2017 survey by an independent third party, showed a marked improvement from previous surveys, with significant advances made across all 18 categories. Overall, IJM employees reported being very happy with the current pace of change and having a positive outlook for our organisation's future. The survey findings have been used in the roll out of various engagement initiatives, including frequent communications and Balanced Scorecard cascading

sessions led by department heads. Other activities designed to increase inclusivity and team spirit include Regional Alignment Forums, formal and informal teambuilding sessions and the implementation of Workplace by Facebook to improve team collaboration in line with the company's goal of enhancing the "3 Cs" – Connect, Communicate, Collaborate.



Supporting learning and development

IJM Group's learning and development initiatives are designed to ensure that every employee has the right skills to support our strategic and operational objectives and further their own professional development. As a Group we invested RM2.46 million in learning and development in FY2017, delivering 800 training sessions and a total of 56,966 training hours (including internal, external and on-the-job training).

Our training portfolio includes programmes on Health, Safety and Environment (HSE) and quality assurance, as well as development programmes for finance, leadership, soft skills and technical skills. Specific leadership development programmes have been developed for different talent pipelines. These include the Senior Leadership Development Programme (SLDP), Leadership Accelerated Development Programme (LEAD), Leadership Development Programme (LDP), and Young Talent Programme (YTP).

Leadership Accelerated Development Programme



Launched in 2015, IJM Group's Leadership Accelerated Development (LEAD) programme continues to enhance leadership skills among high potential employees at junior and middle management levels across divisions and disciplines. On the two-year programme, candidates undergo classroom-based leadership workshops, build skills through the Harvard ManageMentor® e-learning platform, gain Executive Mentoring from the senior leadership team and participate in cross-functional projects.

Cross-generational coaching competencies are a core part of the IJM Leadership Development Programme. As an age-diverse organisation – where several generations may be found working under one roof – coaching is a crucial skill for bridging the experience gap and sustaining and growing our organisation's capabilities.

PUTTING HUMAN AND LABOUR RIGHTS FIRST



IJM Group is committed to protecting our employees' rights and treating them with dignity and respect. Furthermore, IJM complies with all applicable labour laws, rules and regulations in the countries where we operate, including the Malaysian Employment Act and regulations governing key issues such as child labour and forced labour.



Diversity and inclusion policy

Our Diversity and Inclusion Policy states that we promote diversity and an inclusive culture in the workplace, premised on mutual trust and respect, and that we avoid practices and policies that discriminates against gender, marital status, race, nationality, ethnicity or age. The Policy applies to all IJM employees and Group Directors, and can be accessed at www.ijm.com.

Foreign workers and undocumented labour



Non-nationals make up less than 1% of the workforce in our Construction, Property, Industry and Infrastructure Divisions. In Sabah, our Plantation Division employed 2,342 non-Malaysian workers during the reporting period. These workers were chiefly employed on plantation estates and in mills.

Similar to local employees, foreign workers are given a contract of employment and are awarded the same employment conditions as local workers. We do not require workers to lodge monetary deposits or other collaterals as a condition of employment. Fees or costs to the company for services directly related to their recruitment (e.g. by private employment agencies) are not charged back to workers. We also ensure that employees are never subject to the unlawful withholding of wages, identification cards, passports or other travel documents, or other personal belongings without their consent.

No instances of child labour were reported during the FY2017 period. IJM Group does not and will not employ any person below the age of 17.



ENSURING SAFER WORKING ENVIRONMENTS

Beyond all other considerations, the health and safety of our employees and the public is the most important material issue for all IJM Group divisions. This is reflected in our ongoing determination and investment to create safe and healthy working environments.

Our Health, Safety and Environment (HSE) Policy governs how we live up to our commitment to continuous improvement on HSE practices. The Policy has three key objectives:

- Preventing accidents.
- Preventing occupational illnesses.
- Preventing environmental pollution.

HSE Management System

Our HSE Management System (HSEMS) was established in compliance with the following nationally and internationally recognised environmental and safety management standards:

- **ISO 14001:2004:** a set of environmental management standards emphasising continual improvement.
- **OHSAS 18001:2007:** standard applied to OHS management systems to ensure demonstrably sound OHS performance.
- **MS 1722:2011** a Malaysian standard applied to OHS management systems to manage risks and improve OHS performance.

Integrating environmental management with Occupational Safety and Health (OSH), HSEMS serves as guide to achieving these standards and ensuring continual improvement. We are in preparation for compliance to ISO14001:2015 and on target to achieve full compliance by September 2017, one full year ahead of the September 2018 compliance deadline.

Workplace (cont'd)



HSE Policy Statement

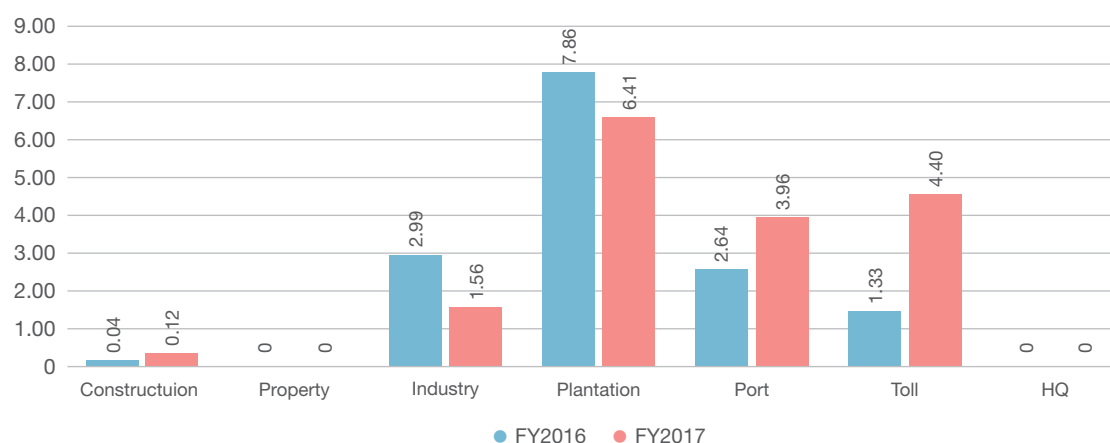
The Group has set up HSE policies, procedures and a comprehensive framework to ensure:

- Compliance with all applicable HSE legislation and other requirements.
- Familiarisation with HSE training, HSE information and available facilities for all employees and stakeholders.
- Increased HSE awareness and accountability at all levels of the organisation.
- The monitoring and regular review of all set HSE objectives.

Workplace accidents

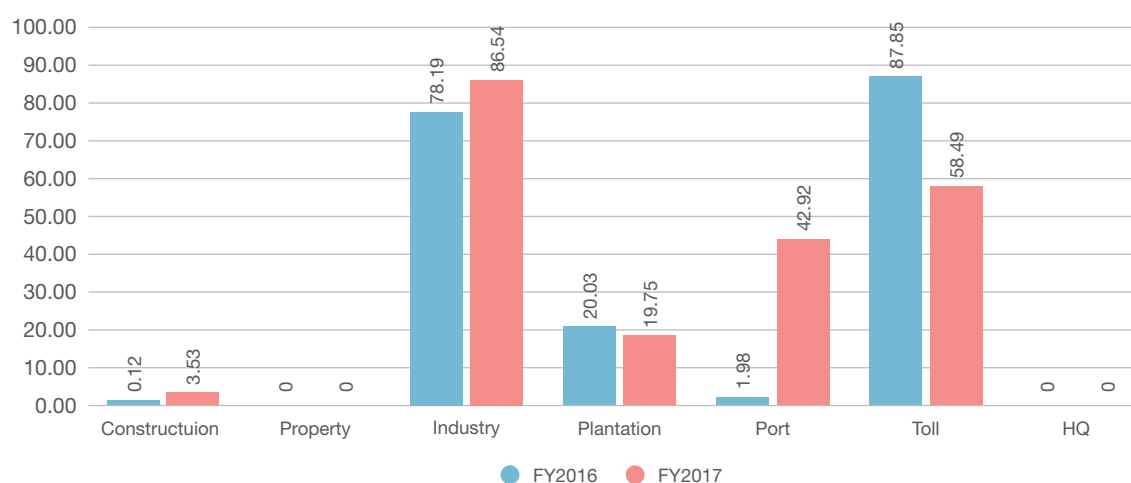
IJM Group documented a total of 175 recordable injuries across all divisions during the reporting period. The Plantation Division recorded the highest Lost Time Accident rates in the Group due to the manual and physical nature of the working environment. Most of the accidents are minor cases caused by thorn pricks and cuts sustained during harvesting, road accidents (motorcycle) and accidents during processing operations.

Lost Time Accident Rate (incidents per 1,000,000 working hours)



Our Industry and Infrastructure (Toll) Divisions recorded the highest accident severity rates across the Group, with totals of 87 and 58 lost work days per number of recordable injuries respectively. In our Industry Division, hand and finger injuries sustained during manual handling activities were the most common type of accidents. At our toll highways, traffic accidents occurred while employees were commuting between toll plazas and patrolling on highways. On a number of occasions, employees also suffered finger and leg injuries at the workplace while providing on-site help to highway users.

Severity Rate



Fatalities FY2017

Two fatalities were recorded in our Construction Division in FY2017. On 3 September 2016, a mobile crane tipped over at a construction site and its boom struck a worker. The worker was immediately rushed to hospital but did not survive. Additional control measures to prevent similar accidents include the establishment of exclusion zones before work starts and ground condition inspections prior to heavy machinery use after adverse weather conditions. On 4 November 2016, a separate incident involving a piling rig that toppled and landed on a public vehicle resulted in a second fatality case. The case is still under investigation at the time of reporting. In addition to a stop-work order issued by the Department of Occupational Safety and Health ("DOSH"), the Construction Division voluntarily stopped work on the entire section to facilitate investigations. To prevent similar incidents occurring in the future, a review of our safety precautions has been undertaken and measures have been strengthened where necessary.



Addressing noise pollution

We take innovative measures to ensure that employees in our Construction and Property Divisions are protected from hazardous noise levels, and that members of the public are not troubled by the sound of our activities. Smart noise monitors have proven to be an efficient means to monitor and contain on-site volume levels, delivering an instant alert when predefined noise limits are exceeded so that site workers can take prompt action. We have also installed barriers at designated areas along our toll highways to protect nearby residents from excessive traffic noise.

MANAGING AND MONITORING OUR HSE PERFORMANCE

HSE management programmes have been implemented to support our divisions as they work towards minimising accidents in the workplace. These include awareness-based initiatives such as our HSE Climate Survey, an assessment tool for gauging employee understanding on HSE issues, as well as Behavioural Based Safety surveys that track the growing strength of our 'safety culture' as we continually improve HSEMS efficacy.

Compliance with the OHSAS:18001, MS 1722 and MS ISO 14001 standards are regularly assessed through internal HSE audits at all IJM Construction project sites. A total of 20 HSE audits and 44 HSE surprise inspections were carried out in FY2017. The ratings recorded in the surprise inspections were:

- Excellent – 1
- Good – 35
- Average – 8
- Below average – 0

Measures based on these findings have been used to improve site conditions.



Smart Noise Monitor installed at MRT V203 project

HSE AWARENESS AND COMPETENCY TRAINING

HSE training is offered to IJM Group employees on a regular basis in order to build safety awareness and competencies in division-specific contexts. Training includes in-house and external courses covering:

- **HSE Committee Awareness Training:** Educating HSE committee members on HSE regulations and requirements as well as their roles and responsibilities.
- **HSE On-Job-Training ("OJT"):** Health, safety and environmental training on specific topics conducted by internal and external trainers for IJM site personnel and sub-contractors at their respective project sites.
- **Emergency Response Team ("ERT") Training:** Providing training and practice on emergency drills, evacuation and first aid deployment.



Workplace (cont'd)

Our Industry Division provides guidance that all employees must receive eight hours of HSE training annually, while our Construction Division stipulates that all employees must attend HSE training and competency sessions. The Construction Division requires all site personnel to attend competency training and HSE On-Job-Training (OJT). OJT is conducted at least three times per month at site. The training includes Emergency Response Team awareness, Chemical Health Risk Assessments (CHRA), scheduled waste management, scaffolding, confined space training, workplace inspection and HSE internal audit training.

A series of HSE roadshows visited all Construction Division project sites in FY2017 to build strong engagement around HSE issues with and among project teams. The roadshows provided a platform to share information across functions and gather feedback on ways to strengthen our safety culture and improve our performance.

DIVISION-SPECIFIC HSE INITIATIVES

Construction: fall protection best practices

Safeguarding our employees from falling hazards is a top priority on all project sites. Fall prevention measures adopted and installed on sites include fencing systems for edge protection, a Rail Climbing Screen System to prevent falls from high-rise constructions, safety net fans to protect the public from falling materials and a protection system for floor opening hazards.

Construction: annual HSE campaign

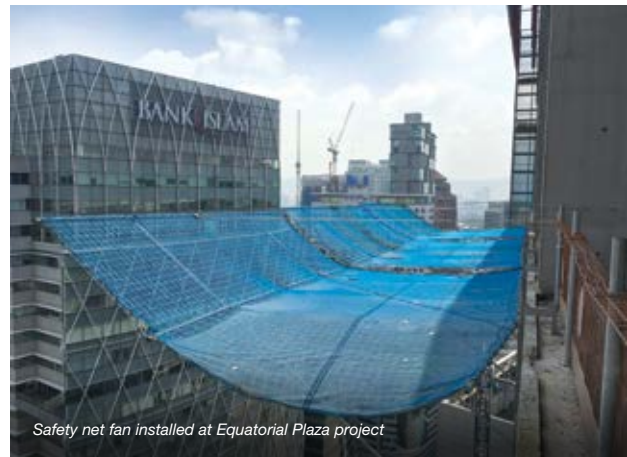
HSE Campaign for Construction Division FY2017 was launched by the Chief Executive Officer and Managing Director of the Group. The campaign themed “Be Persistent! Continual Enhancement of HSE Values to Greater Heights” emphasised on encouraging employees to attain excellence in HSE. During the campaign, the top management and all project managers pledged their commitment towards continuously improving HSE at the workplace.

Property and Construction: ramping up PEMP

Project Environmental Management Plans (“PEMP”) are now established and tailored to the nature of each construction and development project to ensure environmental control measures are taken into account and comply with all statutory requirements. For effective management, a dedicated PEMP coordinator is detailed to each project to organise works and closely monitor HSE performance.



Health, safety and environmental training conducted for IJM site personnel and sub-contractors at project sites



Safety net fan installed at Equatorial Plaza project



IJM Corporation Berhad's CEO and Managing Director, Dato' Soam Heng Choon signing the pledge during the HSE campaign

Property: setting up HSE committees at sales galleries and offices



HSE committees have been set up at all IJM Land sales galleries and offices to conduct more effective on-site inspections. Committee members, who are also part of the Emergency Response Team (“ERT”), have been provided with relevant training to perform their duties. Fire drills are carried out annually.

Industry: raising HSE standards through friendly competition



Our Industry Division has been appealing to its teams’ competitive spirits to raise HSE awareness and improve safety practices. All factories and quarries are subject to twice-yearly surprise visits, where they are assessed for compliance to HSE best practices and for introducing HSE initiatives, and where they are penalised for infractions. The top-performing facilities are acknowledged at the culmination of the competition, while low achievers receive the ‘wooden spoon’.

Plantations: risk-based approach in managing safety issues and risks

Our Plantation Division is focused on risk-based approach to identify, manage and take necessary preventive measures on all potential risks and hazards in operations, i.e. Hazard Identification Risk Assessment and Risk Control (HIRARC) and Chemical Health Risk Assessment (CHRA). The Division also strives to pursue continuous improvement to enhance its OHS performance and to realise the commitment of zero fatality case at the workplace.

Tolls: improving road safety

Our Toll Division carries out routine pavement condition assessments, as well as checks on bridges, slopes, culverts and drains, to ensure the integrity of highway properties road users’ safety. In the current reporting period, the Division also continued its ‘Ops Selamat’ road safety campaign, handing out thousands of leaflets containing information about road safety practices to members of the public.

Plantations and Industry: handling scheduled waste

The handling of scheduled waste is a prominent workplace issue identified by our Plantation and Industry Divisions. Both have specific statements of compliance and detailed standard operating procedures, including that all scheduled waste is clearly labelled with appropriate safety information and stored in accordance with the specifications outlined in the Safety Data Sheet. Storage facilities must also carry clear warning signage to alert workers of the potential hazard.

Ports: ensuring emergency preparedness



The Port Division’s Emergency Response Team (ERT) conducts regular drills – such as the Oil Spill Drill – in our port basin to ensure immediate response and evacuation in the event of emergencies. The drills are conducted together with our clients and the Port Authority. Daily safety briefings and toolbox meetings are conducted in addition to weekly audits and monthly joint-audits performed with the local regulator, Kuantan Port Authority.

ADDRESSING HSE CHALLENGES IN FY2017

Bauxite spillage in Kuantan

Bauxite became an issue in Kuantan in 2016, as spillovers from lorries carrying the ore, which is mined in the area and transported through Kuantan on its way to the port, began turning local roads and rivers red. Bauxite dust was also found in homes and public buildings, while the local fishing community reported red-coloured sediment in and around the seashore. In response, the Federal Government ordered a temporary moratorium on bauxite mining and has imposed new regulations and guidelines covering its extraction and transportation.

IJM Group does not operate any bauxite mines, and we share the deep concern of all Kuantan residents and other stakeholders about this issue. In the first three months of the moratorium, we fulfilled the conditions to clear over three million tonnes of bauxite stockpiled in the Port. Thereafter, cleaning works were carried out at the

Port and in surrounding areas. Facilities enhancements, such as dedicated washing bays, sedimentation ponds and drainage facilities, were also introduced. Specific measures implemented at the Port, including best practices for bauxite handling and facilities such as washing bays, have been used as references by Government authorities.

INNOVATION AS A CULTURE



We have undertaken efforts to incorporate innovation into our workplace. We have a framework to drive innovation – building the right innovation culture, having multiple platforms for collaboration and exchanging of ideas as well as providing skillset training through accelerator programmes. Recently, IJM entered into a partnership with Malaysia Global Innovation & Creativity Centre (MaGIC) and Malaysia Digital Economy Corporation (MDEC) to prepare ourselves for digital innovation adoption. We will be launching an innovation lab that will serve as a space to hold regular sessions of ideation to solve business challenges and knowledge sharing.