

## PROMOTING A SAFE, INCLUSIVE AND REWARDING WORKPLACE

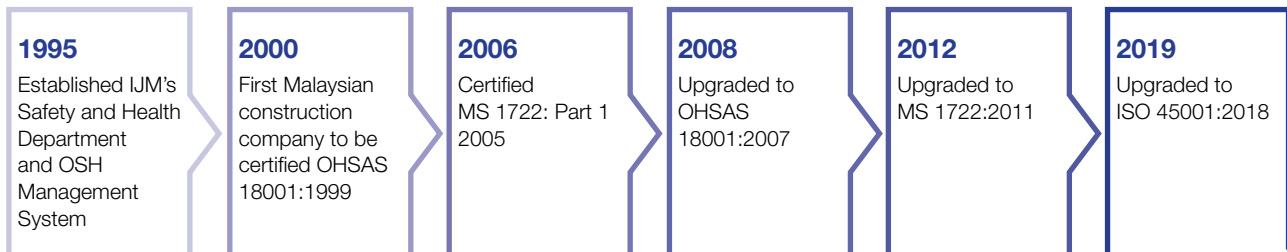
A large part of IJM Group's success is attributed to our dedicated and inspired employees. Recognising that they are our most important resource, we ensure that our workplace promotes a robust talent pipeline through meritocracy, our employees are fairly remunerated and our workforce thrives in an inclusive work culture. We are committed to providing a safe and healthy workplace for our employees so they feel motivated and at their best.

### PROVIDING A SAFE AND HEALTHY WORKPLACE

We recognise that safety and health at work is fundamental and requires continuous effort. IJM's Occupational Safety and Health Policy, available both in English and Bahasa Malaysia on the Company's website, underscores our commitment to provide safe and healthy work conditions at all our operations. Our suppliers, service providers and contractors are expected to have the necessary safety and health measures in place to minimise workplace risks and hazards. Health and safety risks and opportunities are determined in the Organisational Context, Risk and Opportunities Register which takes into consideration all existing projects or any potential new projects pursued by the Company.

Construction and Industry Divisions successfully upgraded the Occupational Safety and Health ("OSH") Management System standard certification from the preceding OHSAS 18001 to the latest standard, ISO 45001:2018. During the year, the Port Division too obtained the ISO 45001:2018 certification. Adopting this risk-based approach addresses new requirements and builds on the effectiveness of the Company's OSH management system. Among the main aspects of the upgraded management system are emphasis on leadership and participation among employees. In the process of maintaining certification to ISO 45001:2018, our health and safety data is verified by SIRIM as part of their audit criteria.

#### Safety and health milestones



We carry out Chemical Health Risk Assessment (“CHRA”) in compliance with the Occupational Safety and Health (Use and Standard of Exposure Chemical Hazardous to Health) Regulations 2000 requirements, at operational areas where hazardous chemicals are utilised at both ongoing and new project sites. The objective of this assessment is to determine the health risk to workers who may be exposed to hazardous chemicals. The results from the assessment will determine the need to carry out subsequent processes such as Chemical Exposure Monitoring and Medical Surveillance at the workplace.

For our Construction Division, this assessment has been carried out at 5 project sites throughout FY2020, where approximately 150 assessments were conducted on various chemicals at the workplaces involved. From the assessments, the Division identified one project that required further Chemical Exposure Monitoring.

At our Port Division, the CHRA is conducted every 5 years in order to study the chemical hazards at the port, associated risks and the mitigation actions required.



Chemical health risk assessment process carried out at project sites



Passenger hoist to safely transport workers from one level to another



Edge protection railing at our project sites



Joint consultative committee meeting between employees’ representatives and management at the Plantation Division’s operating units



Toolbox talk by a project manager

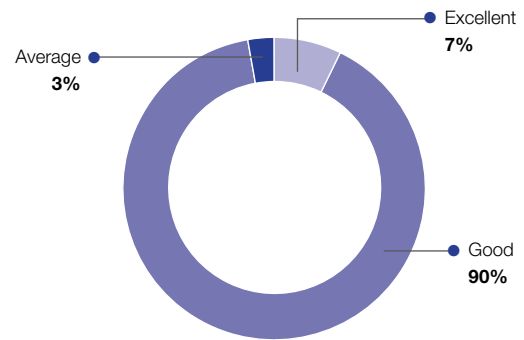


Safety screen system at Affin Bank project at TRX

## PROMOTING A SAFE, INCLUSIVE AND REWARDING WORKPLACE

IJM makes every effort to ensure that all necessary requirements are met within its operations, and aspires to go beyond compliance whenever possible. We employ a high degree of self-regulation, carrying out processes of monitoring and measurement at our workplaces. We conduct regular site consultations and provide advisory and guidance to elevate the projects' performance. In addition, we conduct internal audit programmes to evaluate the construction projects' performance and its Health, Safety and Environment ("HSE") management system. A total of 61 HSE consultation programme sessions and 15 HSE internal audits were carried out in FY2020.

HSE Consultation Programme in FY2020



HSE roadshow conducted at Wisma IJM



Biometric system at some project sites prevent unauthorised entry of individuals without valid credentials and CIDB green cards, also enabling real time monitoring of personnel count within the site



Four construction projects achieved a 5-Star rating in the SHASSIC audits

### CIDB RECOGNITION

In the reporting period, IJM received a Certificate of Appreciation during the CIDB's Safety and Health Assessment System in Construction ("SHASSIC") Day, in recognition of IJM projects' performance. The SHASSIC audit programme looks at the contractors' safety and health management and practices for various aspects of construction activities. The following IJM construction projects achieved a 5-Star rating in the SHASSIC audits – Kuchai Link 2 (BESRAYA), HSBC's new headquarters at TRX, West Coast Expressway Section 3 and Seremban 2 development.

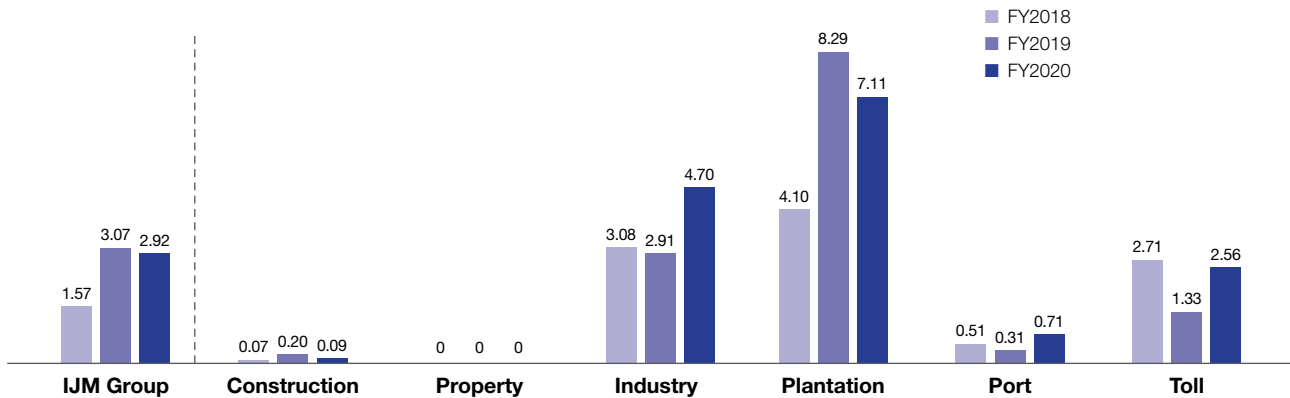


Construction Division shared their learnings after receiving a Certificate of Appreciation during the CIDB's SHASSIC Day

### Managing and monitoring our safety and health performance

In FY2020, the Group recorded a Lost Time Injury ("LTI") frequency rate of 2.92. This indicator reflects the number of incidents occurring every 1 million working hours. The Group documented a reduced total of 175 accidents across all divisions during the reporting period as compared to the previous year.

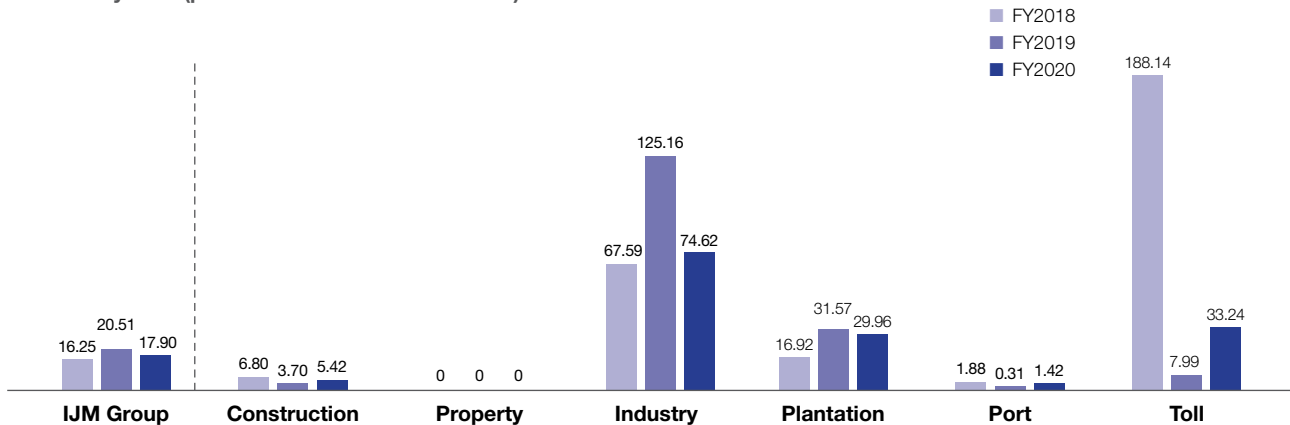
**LTI Frequency Rate (per 1 million man-hours worked)**



Note: Property Division incidences are accounted for under the Construction Division

In FY2020, the Group recorded a severity rate of 17.90. The severity rate measures the amount of time lost due to work-related injuries occurring for every 1 million working hours.

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



Note: Property Division incidences are accounted for under the Construction Division

In FY2020, there were six fatalities involving two IJM employees, three subcontractors and a site consultant. IJM regrets all fatalities at the workplace and continues to tighten internal safety controls, assess the risk of fatalities and have regular employee and worker engagements on accident prevention and safety.

One of the fatal cases that occurred on 5 August 2019 was categorised as a fall from height case, where the site consultant fell through an opening after encroaching into a restricted area. The Construction Division had immediately stopped operations for the entire work section to facilitate the investigation and determine the root cause of the accident. Another fatal case had occurred on 29 September 2019, where a subcontractor's worker was struck by a falling object during a lifting operation due to a mechanical

issue. The root cause of the accident was presented to the authorities and enhancements were made to the existing safety devices of the machinery. The change was also shared with other industry players through MBAM to prevent similar incidents from recurring. The Construction Division has since communicated with all site personnel as well as made necessary enhancements to the current operational controls and HSE management system procedures.

On 31 July 2019, a subcontractor's worker lost his life when rocks and earth fell on the excavator cabin during a slope repair work at one of the quarries. The Industry Division has since tightened the standard operating procedures for excavation and slope repairing activities. In addition to enhancing training and assessments, the Division also strengthened quarry face and slope stability inspections.

## PROMOTING A SAFE, INCLUSIVE AND REWARDING WORKPLACE

On two separate occasions at the Plantation Division, a worker suffered fatal injuries after being hit by falling fresh fruit bunches (FFB) while harvesting on 25 January 2020; while another worker fell from a tractor on his way back to the living quarters on 4 February 2020. The Plantation Division has since reviewed all operations that pose safety hazards and potential safety risks, revised standard operating procedures with stricter accident mitigating measures and retrained workers in accordance to the Hazard Identification, Risk Assessment and Risk Control (HIRARC).

At the Port operations, a stevedore contractor fell into the hopper conveyor system during the cargo loading process on 22 December 2019. In view of this occurrence, the Port Division enhanced preventive actions such as inspecting and removing all obstacles at the operations area that led to the accident and improved the standard operating procedures for cleaning and handling of the conveyor. The Division also conducted a full investigation of the machineries and the contractor rental areas to evaluate safety controls. In addition, frequent toolbox talks and awareness are also conducted for workers.

We will continue to pursue our targets of zero fatality and zero accidents and tackle safety issues by ensuring our work progresses in accordance with the IJM OSH management system. Zero fatality and zero accidents targets are key performance indicators included in the incentive packages for all project directors.

### Deepening OSH awareness and competencies

IJM recognises the importance of developing the OSH knowledge and competencies among our people. The success and high level of sustained OSH performance is dependent on their capability and motivation to execute and implement work processes. We encourage a culture of ownership when it comes to occupational safety by supporting them to prioritise safety as well as improve their awareness and competencies through engagements and promotional programmes.

Several HSE campaigns were organised throughout the reporting period. On 30 April 2019, the Construction Division launched the annual HSE campaign with the theme *Zero Fatality – Take Ownership for a Safer Workplace*. This campaign provides a platform for all construction projects to emulate HSE practices thereby empowering all our people to take ownership and share the sentiments of the Company. At the project sites, the project teams ensure that all parties involved at the workplace are on the same page in ensuring a healthy and safe workplace. Each site sets up their respective joint management-worker health and safety committees. The combined participation allows the direct participation of workers from all job levels to contribute to OSH-related discussions.



The launch of the HSE campaign FY2020 at 3 Residence project, Penang



Property Division conducted HSE best practices and workplace inspection trainings



Theoretical and practical training on overhead crane operation at the ICP Kuantan Factory



On 17 and 18 April 2019, participants from Kuantan Port and stevedore companies attended the Fall Prevention Programme organised by the Port Division in collaboration with NIOSH and PERKESO



Technical sharing on crane operation by an industry expert

In FY2020, the project sites conducted 384 On-Job-Training sessions for a total of 1,429 participants, which involved our employees and subcontractors. The training covered topics such as working at height, scheduled waste management, housekeeping arrangement, chemical management as well as the use of plant and machinery. Understanding the operational and demanding nature of construction projects, IJM created a platform, *Micro Learning*, that allows for condensed learning at sites, whereby the HSE department is able to address high impact topics arising from issues affecting HSE performance at sites.

The Port Division organised a road safety awareness within the Kuantan Port's operations to increase the awareness level among the employees and port users. Government agencies such as the Road Transport Department and the Royal Malaysia Police were invited to share their recommendations on road safety including legislative provisions.

Road safety is a material topic for the Toll Division too. Mock up accidents are performed by the Toll Division in collaboration with certain government agencies – the Fire and Rescue Department, Royal Malaysia Police and State Health Department – to assess the level of readiness and efficiency in managing an emergency situation, including the cohesiveness of our communication.

In FY2020, the Construction and Industry Divisions received a cumulative summon of RM4,700 due to non-compliance relating to mosquito breeding, conducting a test run on a newly installed overhead crane before obtaining a Certificate of Fitness and delay in the audiometric test at one of the quarries.



Industry Division held an HSE awareness competition among its factories and quarries



The Toll Division simulating a mock up accident at one of its highways in collaboration with government agencies

## PROMOTING A SAFE, INCLUSIVE AND REWARDING WORKPLACE

### COLLABORATING AND SHARING BEST PRACTICES WITH THE INDUSTRY AND ACADEMIA

We believe that our businesses can benefit through impactful collaborations. We work with stakeholders such as regulatory authority bodies, academia and non-governmental organisations on industry matters to elevate standards of practice through improving or innovating processes and operations.

In FY2020, the Construction Division was involved in various collaborations:

- IJM's Head of HSE department was appointed as the Subject Matter Expert (SME) Buddy by the CIDB for their CITP Thrust Output KPI to reduce the number of accidents in the construction industry
- IJM was appointed as a member of the technical committee to review CIDB's new standards on various OSH aspects including:
  - CIS 14 Guidelines on construction activities at night
  - CIS 15 Guidelines on prevention of fall at construction sites
  - CIS 16 Guidelines for works at confined areas
  - CIS 25 Construction activities risk assessment (CARA-HIRADC)
- IJM was appointed as the industry representative in the NIOSH Committee for competency of Site Safety Supervisor
- Sharing session with the DOSH on beam launching best practices and methods
- Involvement and support in various MBAM programmes, including its multiple subject matter expert discussions as well as Safety and Health conference
- Sharing session with crane industry experts on crawler cranes, including specifications and safe operations

Our Property Division was invited by DOSH Malaysia who conducted a pilot study to verify the practicalities of the Guidelines on the Occupational Safety and Health in Construction Industry (Management) (OSHCIM). Between August 2018 to December 2019, DOSH shared the implementation methods of OSHCIM with our employees. This included engagements with our consultants, architects and contractors to identify the practical ways occupational safety and health risks of a project can be managed and minimised at the design planning stage. Identifying the risks before the construction work commences, reduces risks further into the project.

The Port Division signed a Memorandum of Understanding on 24 March 2018, entering into a collaboration with Universiti Malaysia Terengganu ("UMT"). Both the industry and academia stand to benefit from this collaboration that fuses the academia's theoretical and research capabilities with the practical know-hows of the industry. In FY2020, three students majoring in maritime management concluded their year-long industry placement at Kuantan Port after completing their 3-year degree at UMT. In addition, four Port employees delivered lecture sessions for the students, sharing their knowledge and experience in the areas of occupational safety and health administration, marine safety, container management system, logistic management and liners system.



Project engineer wins the 8th MBAM Safety and Health Awards for Site Personnel Category



Knowledge sharing session on beam launching between our Construction Division and DOSH on 14 January 2020 at Wisma IJM

**DECENT WORK FOR ALL**

Our businesses will benefit from greater productivity that comes from a healthy, secure and motivated workforce. IJM upholds the principle of diversity of workforce, equal opportunity, non-discrimination and fair treatment in all aspects of employment. This includes recruitment and hiring, compensation and benefits, working conditions and career development. We support SDG 8 which aims to promote inclusive and sustainable economic growth, full and productive employment and decent work for all.

**Embracing a diverse and inclusive workforce**

As at 31 March 2020, IJM Group has a total strength of 4,127 employees across our business divisions. The biggest employers are the Plantation, Construction and Property Divisions who collectively employ 56% of the total workforce (excluding workers). Permanent full-time employees make up 87% of the total IJM workforce while contract full-time employees make up the remaining 13%.

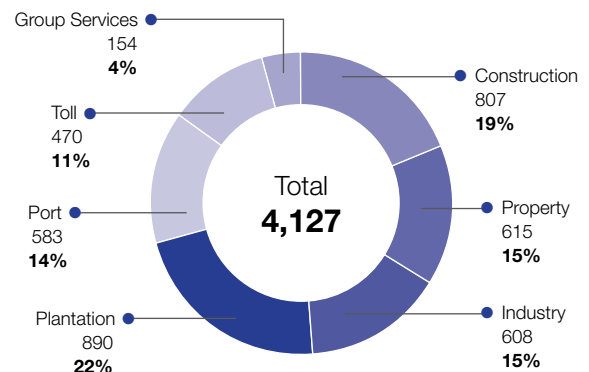
In FY2020, 64% of IJM's total Malaysian workforce were Bumiputra, 27% Chinese and 7% Indian. Non-Malaysians constitute less than 1% of the workforce in all divisions except for IJM Plantations Berhad and Group Services. The Plantation Division employs 49% of non-Malaysians in Sabah, East Malaysia and in its Indonesian operations, while Group Services employs 2% of non-Malaysians.

Attracting and retaining the right employees is essential to achieving our business goals and maintaining a competitive edge. Our Employee Value Proposition (“EVP”) sets standards of high performance in the various industries we serve. The EVP ensures that the like-minded candidates are drawn to IJM and existing employees remain productive and focused. The majority of new employees are hired via online job portals, employee referral programme and IJM Scholarship Award Programme.

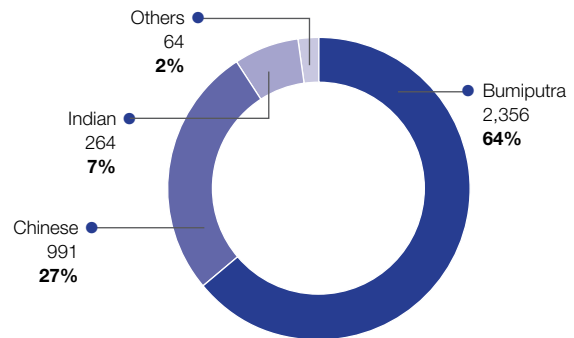


20-year Long Service Award recipients at the IJM Annual Dinner 2019

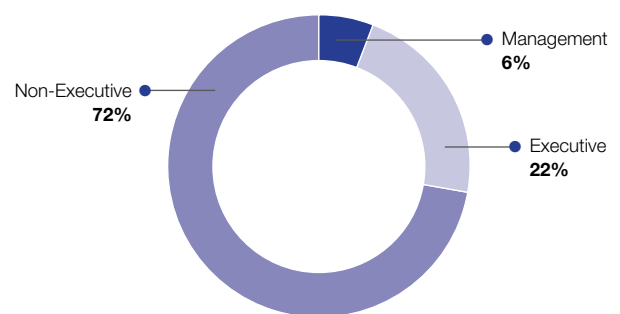
**Employees by Division as at 31 March 2020**



**Malaysian Employees by Ethnicity as at 31 March 2020**



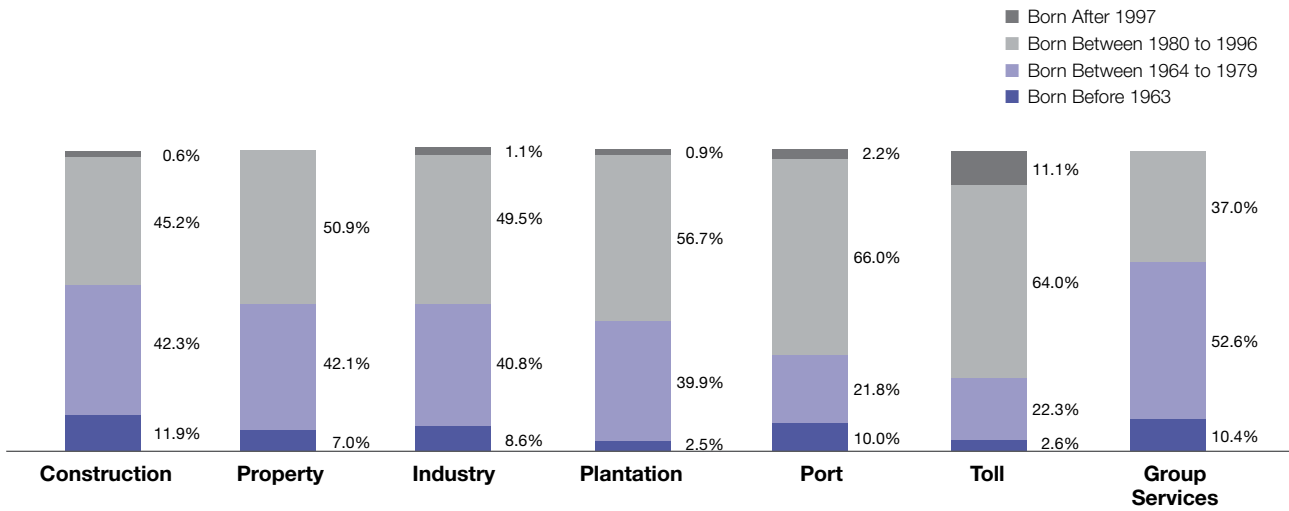
**New Employee Hires by Employee Category in FY2020**





## PROMOTING A SAFE, INCLUSIVE AND REWARDING WORKPLACE

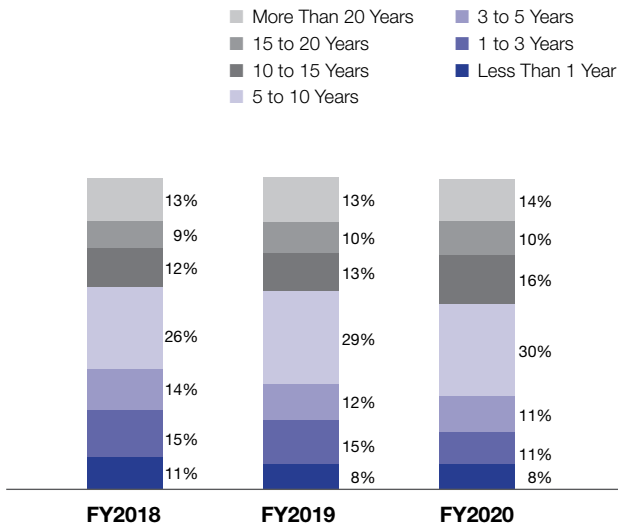
Employees by Generation as at 31 March 2020



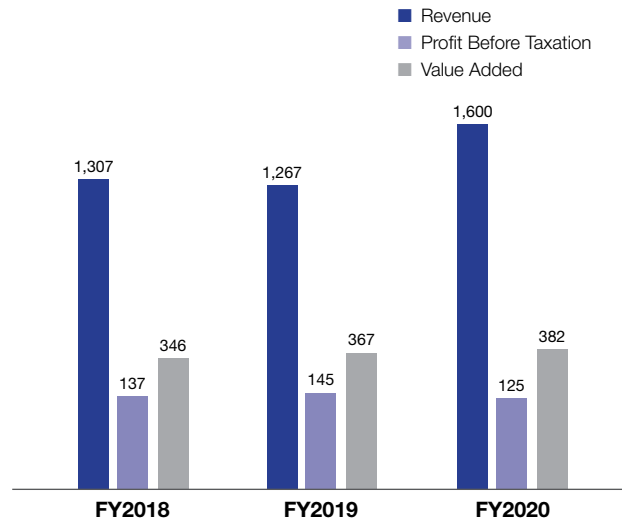
About 70% of our employees have been with IJM for more than five years and 14% of the workforce have been with the Company for more than 20 years. In the reporting year, we honoured 89 employees with the 20-year Long

Service Award. Apart from highlighting their achievements, the award aims to recognise our employees for their commitment and loyalty to IJM.

Workforce by Length of Service



Productivity per Employee (RM'000)



### AWARDED AS MALAYSIA'S 100 LEADING GRADUATE EMPLOYERS 2019

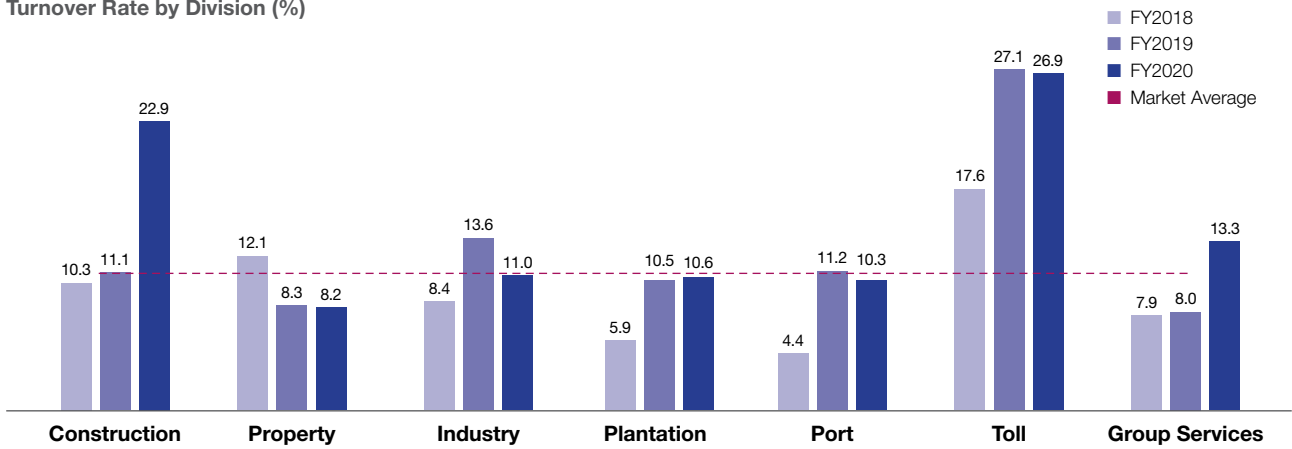
IJM was voted as Malaysia's 100 most desired graduate employers for 2019 by local students and graduates in an annual national survey. The Graduate Choice Award is acknowledged and recognised by the Ministry of Education Malaysia, Malaysia Digital Economy Corporation and the Career Development Centre Club Malaysia.

Over the years, we have actively promoted IJM's appeal as an employer of choice among undergraduates in local universities and schools through the *Inspire to*

*Innovate* and leadership programmes. Last year, the *Inspire to Innovate* programme attracted more than 300 undergraduates from engineering and architecture backgrounds to participate in designing innovative township concepts. The programme was structured for undergraduates to have a feel of the real considerations that developers and architects undertake when designing a particular project.

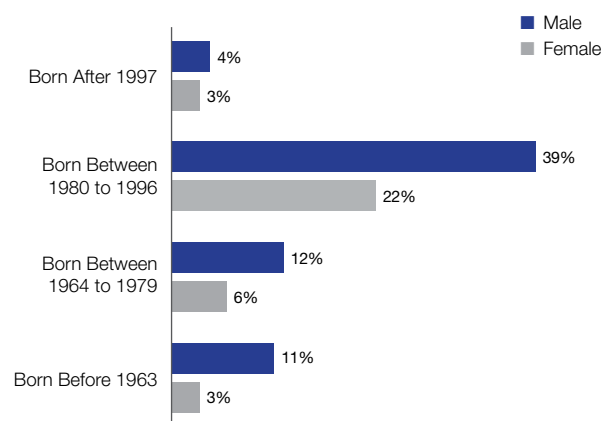


Turnover Rate by Division (%)



Note: Market average turnover rate is as published in the Korn Ferry's Compensation and Benefits Report 2019

Employee Turnover by Generation and Gender in FY2020



An attractive working environment that is good to work in keeps our employees engaged and interested. Our employee turnover rate continues to remain lower than the national average of 11% for most of our Divisions. The Construction Division saw an increase in turnover rate mainly arising from natural separation upon completion of projects, whereas the Toll Division hires many part-timers where high turnover rates are normal. IJM continues to offer competitive salaries and benefits, creating opportunities for growth whilst recognising and appreciating employees in a timely manner.



Staff appreciation including the Best Employee Award for 2019

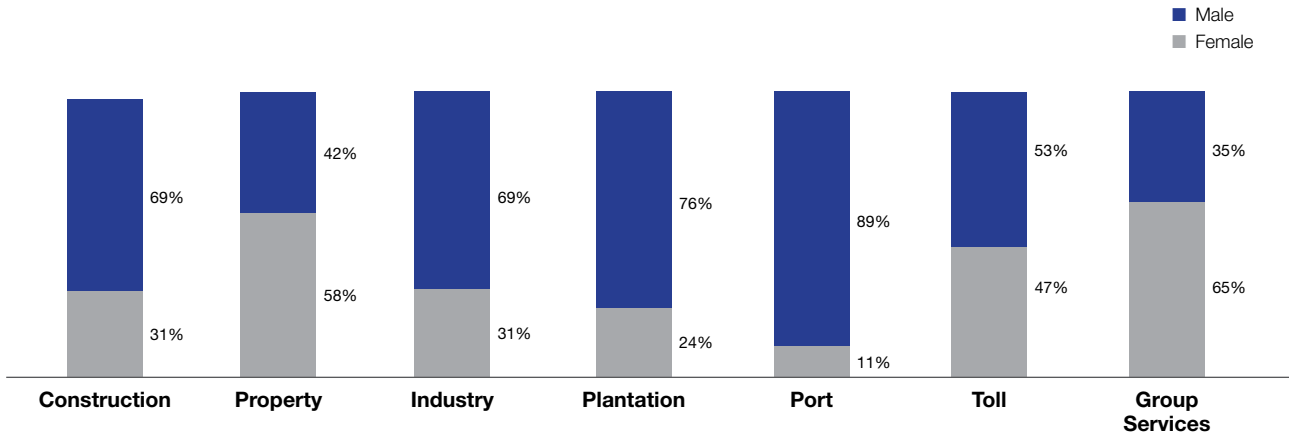
## PROMOTING A SAFE, INCLUSIVE AND REWARDING WORKPLACE

### Retaining women in the workforce

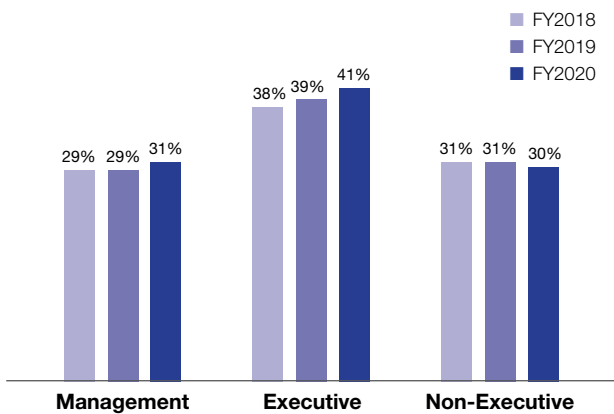
As women make up roughly half of the global population, we believe that unlocking the female talent through gender diversity and inclusion efforts can be a differentiating factor.

We take initiative to attract and retain qualified women in our workforce. Women make up about one-third of our total workforce – 31% in management roles, 41% in executive roles and 30% in non-executive roles.

Employees by Gender as at 31 March 2020



Women Representation by Employment Category



In the reporting year, 75 female employees went on maternity leave and continued to remain employed with IJM upon their return. We are proud of the 100% retention rate of these women.

Gender	Female	Male
Total employees who went on maternity or paternity leave	75	98
Return to work rate	100%	100%

**Developing and engaging our workforce**

In early 2020, we implemented a new human resource system, which allows for more transparent regular performance and career development review. Continuous Performance Management (CPM) facilitates regular check-ins between employees and their managers to improve performance. Employees are able to track their progress towards their set goals; and include updates of their daily work activities and achievements. This provides an avenue for meaningful performance-oriented conversation with their managers who can then provide effective feedback and coaching, when required.

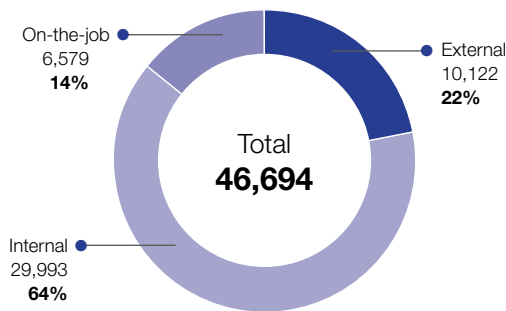
We are committed to enhancing the continual professional and personal growth of our employees. In FY2020, IJM invested RM1.2 million in learning and development, where our employees clocked over 46,600 training hours. We offered a wide spectrum of learning and development programmes in FY2020 to enhance our employees’ potential, covering technical programmes, emergency response preparedness and crisis management, leadership skills, selling skills and other soft skills.

Employee engagement is a critical driver of organisational performance as we seek to achieve our business objectives. We know that engaged employees create value and drive performance. We engage with employees through different means such as annual forums and townhall meetings, employee events and the triennial MyVoice employee engagement surveys.



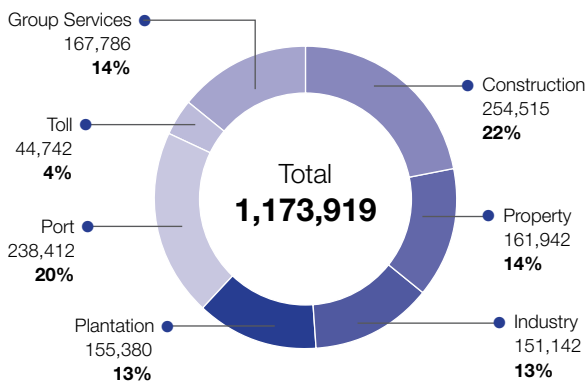
Briefing on the new human resource system

**Training Hours by Type in FY2020**



IJM core values workshop held at the Toll Division

**Learning and Development Spending by Division in FY2020 (RM)**



Managers building their financial acumen in an internal training session

## PROMOTING A SAFE, INCLUSIVE AND REWARDING WORKPLACE



A Lunch and Learn session as part of our Leadership Series



Incoming CEO&MD engaging with employees at Wisma IJM

### Building global mindsets and talents

We are aware that for any business to succeed, it must identify, develop and support leaders that will drive future strategies. Effective succession planning is a material issue for the Group and therefore essential for continued business success. In this reporting period, the second cohort of employees completed their Leadership Accelerated Development Programme (“LEAD”). Since its launch in 2015, 88 high potential employees from junior and middle management levels across divisions and departments have participated in the two-year programme. One-fifth of the LEAD participants have been promoted since graduating from the programme.

The Young Talent Programme (“YTP”) was launched as part of the Group’s Strategic Blueprint FY2016-FY2020 to build global mindsets and talents. Through this five-year programme, new hires and young engineers are able to develop holistic skills in engineering, quantity surveying and project management by being exposed to different major construction modules such as site management and supervision, tenders and contracts, surveying, health and safety. Since its first launch in 2014, 34 young engineers, quantity surveyors and architecture executives have benefitted from the YTP. Through the separate Graduate Associate Programme, newly hired graduates are put on job rotations for two to three weeks in various departments for wider job exposure.



Employees participating in the Construction’s Young Talent Programme gaining practical insights at the Damansara Uptown 8 Office Tower project

Another initiative under the Group’s Strategic Blueprint FY2016-FY2020 is the establishment of a Career Pathing Framework for identified job functions across the Construction, Property and Industry Divisions. Through this programme, identified employees benefit by having greater clarity on their career progression prospects that are accompanied by structured training focusing on their competencies and technical and soft skills. The programme will be expanded to cover more job functions and will be included into the succession and career development module of the new human resource system.

The Group supports talent mobility and gives the opportunity for employees to expand their professional career through cross functional projects and short-term assignments by allowing them to spend 10% to 20% of their time with another department or project. Employees are also allowed to be seconded to another department to learn other skills. Besides this, IJM has enhanced its international assignment policy, remuneration package, orientation as well as allowance for family visits to encourage overseas postings and a global mindset among our employees to support the Group’s overseas expansion.

**RESPECTING HUMAN RIGHTS**

We recognise our responsibility to respect human rights across our business operations. Our Human Rights Policy, available on the Company’s website, provides guiding principles in the areas of diversity and inclusion, workplace security, child labour, and exploitations in all forms – forced labour, slavery, human trafficking and sexual exploitation, health and safety, as well as community rights especially in locations where we operate.

We do not tolerate child labour and any form of forced labour in our direct operations. IJM Group does not and will not employ any person below the age of 18 in Malaysia and 17 in Indonesia. We respect the rights of our employees to freedom of association and collective bargaining in accordance with national laws. We recognise unions, which represent 2% of the Group’s workforce, all of whom are with the Port Division. The communication of the collective bargaining agreements is performed in English and Bahasa Malaysia.

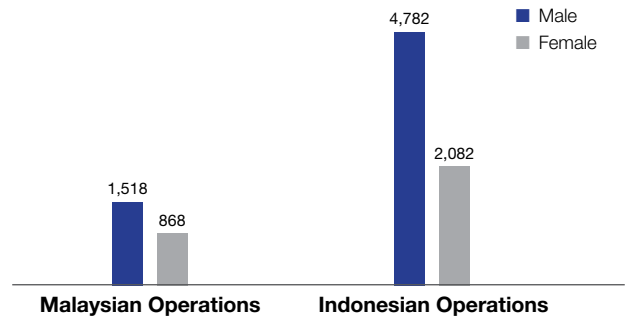
We comply with all applicable labour laws, including working hours and overtime, in the countries where we operate. Employment law in Malaysia is governed by the Employment Act 1955 that sets out minimum benefits offered to applicable employees. Under the Minimum Wages Order 2020, effective 1 February 2020, the minimum wage is RM1,200 per month in major cities in Malaysia. Minimum wage rates payable to areas not encompassing the listed 56 cities and municipal council areas is at RM1,100 per month. The Plantation Division, which has operations in Indonesia, adheres to the minimum wage agreements set by each Indonesian provincial government and observes all related guidelines and revisions in the agreements.

The industries we are involved in – construction, industry, plantation and toll roads – greatly benefit from the employment of foreign workers. The majority of these workers are hired by our subcontractors, with the exception of our Plantation Division. As stated in our Responsible Supply Chain Policy, we expect our subcontractors to ensure that their foreign workers receive fair treatment such as equality in terms of wages, work hours, holidays, terminations, non-discrimination, freedom of association, access to complaint mechanisms and other established protection policies.



Plantation Division briefed workers on new and revised company policies

**Plantation Workers by Gender in FY2020**



At the Plantation Division, medical treatments in the clinics are provided free of charge to all our employees and their dependents. The Division has a total of 22 clinics and 6 ambulances with full-time certified hospital assistants or nurses in every operating unit. Visiting medical officers cum occupational health doctors and health officers from the local health departments make regular visits to these clinics. The local communities are also able to access these medical facilities, treatments and ambulance services during emergencies. Workers’ children are provided vaccinations and vitamins at the clinics and through local health outreach programmes.

The Plantation Division funds four Humana Learning Centers in collaboration with the Humana Child Aid Society Sabah to provide basic education for guest workers’ children aged between 5 to 12 years of age living in the estates around Sabah. This is on top of the two Community Learning Centers which house secondary school aged children, six kindergartens and 25 care centers for babies, toddlers and pre-school children at its estates.



Guest workers at the Plantation Division involved in recreational activities



Foreign workers receiving training at the Construction project site