

ENVIRONMENT

OUR ENVIRONMENTAL STEWARDSHIP



OBJECTIVE

The protection and preservation of the environment is integral to the Group's corporate policy and philosophy.



Sustainability to us means preserving the world for future generations. All our business strategies and operations incorporate sustainability needs and opportunities, in order to ensure that our aspirations are met. We do it not because of mere compliance but because it is the right thing to do to contribute to a more sustainable world.



Rozaimy Bin Amiruddin
Health, Safety and Environment



HIGHLIGHTS

- The Construction, Property, Industry and Toll Divisions continued to be certified with ISO 14001:2015 Environmental Management Systems while the Port Division is in the midst of attaining this certification
- Disclosed our approach to climate action in reference to the recommendations of the Task Force on Climate-related Financial Disclosures framework
- Conducted Group-wide carbon assessment to build IJM's emissions profile that will inform the formulation of our Climate Strategy
- Disclosed the IJM's Scope 1, Scope 2 and six out of 15 categories of Scope 3 emissions
- The Group avoided 2,561 tCO₂e of carbon emissions from renewable energy generation and recycling of wastes within the value chain
- Increased our renewable energy generation capacity to 4,121 kWp and generated a total of 3,107 MWh of electricity from rooftop photovoltaic panels at Industry Division's six ICP factories and Property Division's The Arc located in Bandar Rimbayu, Selangor
- The Industry Division utilised 5,108m³ of rainwater collected from its rainwater harvesting systems
- All division collectively recycled a total of 5,859 tonnes of waste
- The Property Division introduced the KITAREcycle community recycling programme at its Seremban 2 development while the Toll Division rolled out a '3R Programme - Go Green Campaign' in its operations



GRI STANDARDS SPECIFIC TOPICS

- GRI 302: Energy 2016
- GRI 303: Water and Effluents 2018
- GRI 304: Biodiversity 2016
- GRI 305: Emissions 2016
- GRI 306: Waste 2020

SDGs



ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

The nature of our business involves considerable interactions with the environment and we have seen significant benefits as we consider more efficient and sustainable ways of operating. Our Policy Statement on Environment reinforces our commitment to conduct our business responsibly, to use natural resources efficiently and find innovative ways to reduce our impact on nature. In FY2022, we began our assessment of environmental risks and opportunities to better understand the impacts of climate change and build a more resilient business.

We continuously improve our processes and operations across all our businesses by expanding our share of renewable energy, reducing our waste, utilising resources efficiently and protecting the biodiversity in areas we operate. We have in place an Environmental Management System ("EMS") to integrate environmental best practices across the Group. Our Construction, Property, Industry and Toll Divisions continued to be certified with the ISO 14001:2015 Environmental Management Systems. Our Port Division is in the midst of acquiring this certification.

RESPONDING TO CLIMATE CHANGE

In its Sixth Assessment Report, the Intergovernmental Panel on Climate Change ("IPCC") reported that human-induced climate change has resulted in more frequent and intense extreme weather and caused widespread and irreversible adverse impacts to nature and populations, as these systems are pushed beyond their ability to adapt. Without immediate and deep decarbonisation actions in place, there will be compounding threats to human well-being and planetary health². Stakeholders are increasingly aware that the built environment sector has a significant carbon footprint and thus plays a major role in introducing climate adaptation and mitigation interventions.

In FY2022, we experienced the impact of climate change with unusual weather patterns in several states in Malaysia. This affected not only the integrity of infrastructure but also the socioeconomic well-being of communities. Parts of our highways were temporarily affected by flash floods caused by unseasonal heavy downpours and inundated river basins.

At the 26th UN Climate Change Conference of the Parties ("COP26"), Malaysia updated its commitment to reduce 45% of its greenhouse gas ("GHG") emissions intensity (against GDP) by 2030 from a 2005 baseline, and subsequently become a carbon neutral nation by 2050. In achieving this, several mitigation and adaptation measures were highlighted in the 12th Malaysia Plan ("12MP"). Key among them is the formulation of a long-term low GHG emission development strategy and a national adaptation plan³.

In response to these changes, IJM is formulating a Climate Strategy, in line with our Sustainability Roadmap FY2023 – FY2025. This strategy will focus on enhancing our climate resilience and reducing our carbon footprint. We plan to introduce our inaugural Climate Strategy in FY2023.

Enhancing Our Climate Resilience

Being in the built environment sector, it is imperative for us to address both physical and transitional climate risks as we embrace national and international agendas towards a low-carbon economy. In FY2022, climate change was identified as the foremost environmental topic that needs to be addressed in our materiality assessment.

This is our maiden year in referencing the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") framework in building climate resilience. We are assessing the potential impacts arising from the physical and transition risks posed by climate change, as well as identifying the opportunities relevant to IJM. The results of this assessment will inform the formulation of our Climate Strategy.

Presently, we manage our climate risks via our Enterprise Risk Management Policy and Framework, and is addressed in the Statement on Risk Management and Internal Control on page 121. Going forward, we will continue to establish proactive actions. Our goal is to reduce carbon emissions and introduce strategic interventions to build greater resilience in the face of climate change challenges, from diminishing resources to evolving regulations.

² Climate Change 2022: Impacts, Adaptation and Vulnerability, Working Group II Contribution to the IPCC Sixth Assessment Report

³ 12th Malaysia Plan 2021-2025, Economic Planning Unit, Prime Minister's Department Malaysia

The table below outlines our progress in FY2022 and our priorities in the future, in line with our Roadmap.

Our Approach to Climate Action		
TCFD Pillars	Where we are today	Priorities for FY2023 to FY2025
Governance Disclose the organisation's governance around climate-related risks and opportunities	<ul style="list-style-type: none"> Board oversight: <ul style="list-style-type: none"> Periodic discussions by the Board on climate-related matters Review of climate risks as part of the Group's enterprise risk management by the Audit Committee Management oversight: <ul style="list-style-type: none"> Review of climate risks by Business Divisions as part of the Group's enterprise risk management Working committees: <ul style="list-style-type: none"> Discussions and executions of climate-related matters by the Group and Business Division Sustainability Working Teams Ongoing trainings and workshops for Board of Directors, Management, working committees and employees 	<ul style="list-style-type: none"> Continue to strengthen and improve climate risk governance Establish dedicated multidisciplinary task-forces for Construction and Property Divisions as part of IJM's Climate Strategy development* Continue enhancing internal capabilities Build cohesive approach to tackle climate strategy Align understanding of climate related risks and opportunities across the Group
Strategy Disclose the actual and potential impacts of climate-related risks on the organisation's businesses, strategy, and financial planning where such information is material	<ul style="list-style-type: none"> Continuous capacity building for TCFD adoption Prioritising climate change as a material topic 	<ul style="list-style-type: none"> Incorporate SDG 13: <i>Climate Action</i> in the IJM Group Sustainability Framework* Develop Climate Strategy: <ul style="list-style-type: none"> Establish and enhance Scope 1, 2 and 3 carbon emissions profile Establish Carbon Reduction Strategy Assess physical and transition risks and opportunities using scenario analysis over the short, medium and long term Establish short and long-term climate targets
Risk Management Disclose how the organisation identifies, assesses, and manages climate-related risks	<ul style="list-style-type: none"> Climate risks are managed under Group's Enterprise Risk Management Policy and Framework 	<ul style="list-style-type: none"> Conduct physical risk assessment covering our significant asset locations Conduct transition risk assessment based on policy, technology, market and reputation risk drivers Harmonise the Group's existing risk matrix to include climate parameters
Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate related risks where such information is material	<ul style="list-style-type: none"> Disclosed carbon reduction efforts undertaken by the Industry and Toll Divisions 	<ul style="list-style-type: none"> Establish Group carbon inventory based on FY2022 emissions* Establish carbon emissions baseline year as FY2023 Set short, medium and long-term carbon reduction targets

Note: *Developed post-FY2022

ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

Reducing Our Carbon Footprint

(GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5)

In line with our Roadmap, we have adopted a two-pronged approach to profiling the Group-wide greenhouse gas (“GHG”) emissions footprint. This involves the assessment of Scope 1,

Scope 2 and Scope 3 followed by identifying reduction strategies to address each scope. This exercise will straddle two financial years, FY2022 and FY2023.

1. Assessment

We began our GHG emissions assessment across the Group’s

operations in Malaysia in FY2022. In establishing our GHG emissions inventory, we used FY2022 data to calculate the Group’s profile of Scope 1 and Scope 2 emissions as well as six categories under Scope 3 emissions.

Scope 1:

Emissions under Scope 1 account for 7% of our total carbon footprint. Scope 1 emissions includes all emissions released directly by our operations from company-owned vehicles and machineries:

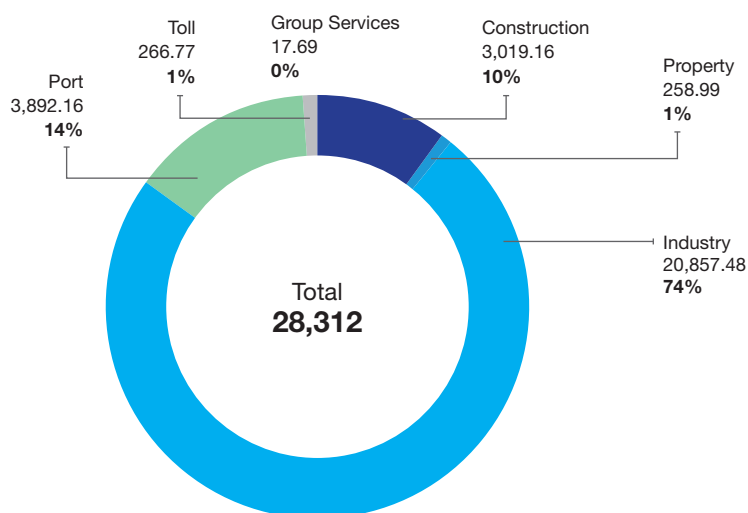
- **Mobile combustion:**

On-road vehicles (e.g.: passenger cars, 4x4 vehicles and lorries), fuel purchased for company-owned vehicles and mobile generation sets at construction sites

- **Stationary combustion:**

Natural gas-fired and diesel-fired boilers at Industry Division’s ICP factories, diesel-fired emergency generators, firewater pumps and cranes at all Divisions

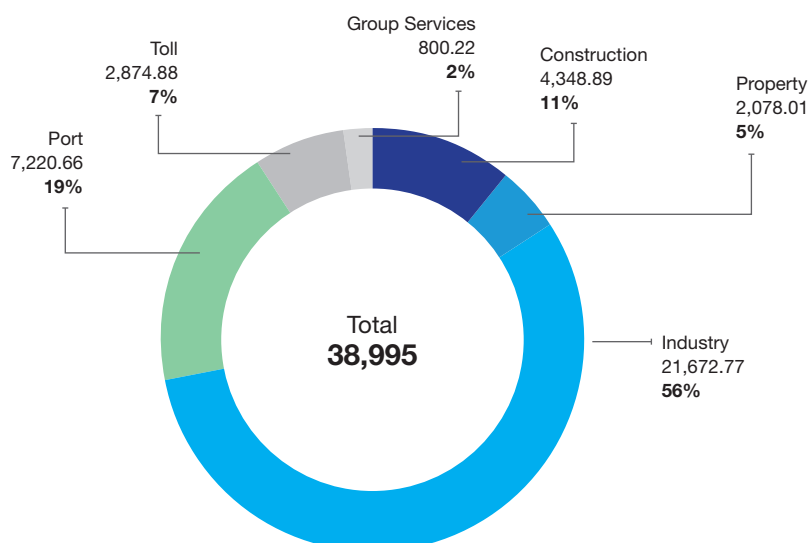
Scope 1 Emissions in FY2022 (tCO₂e)



Scope 2:

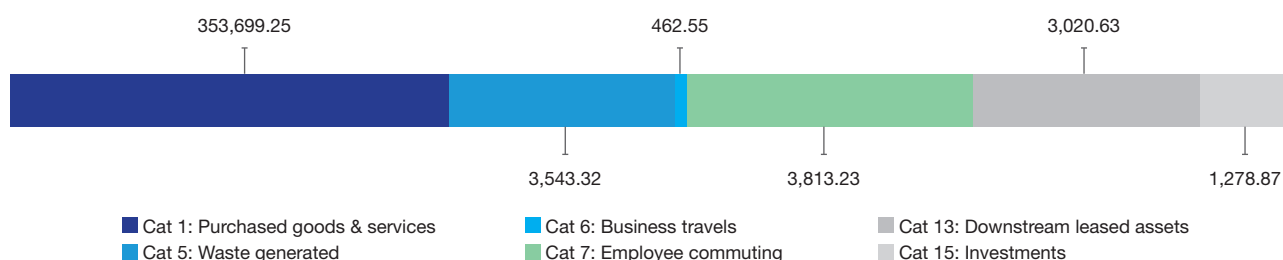
Emissions under this scope account for 9% of IJM’s total emissions. Scope 2 emissions are associated with electricity purchased (location-based) and consumed by offices, factories, other buildings, street lightings and equipment used in our operations.

Scope 2 Emissions in FY2022 (tCO₂e)



Scope 3:

Emissions under this scope include all other indirect emissions generated across our value chain that accounts for 84% of IJM's total emissions. For FY2022, we collated reliable data for six out of the 15 categories under Scope 3:

Scope 3 Emissions by Category in FY2022 (tCO₂e)

Scope 3	Asset Boundary	Calculation Methodology
Category 1 Purchased goods and services	Industry Division: • Industrial Concrete Products ("ICP"), Industrial Building System ("IBS") and Strong Mixed Concrete ("SMC")	Average-data method
Category 5 Waste generated	IJM Group	Average-data method
Category 6 Business travel	IJM Group	Spend-based method covering land and air travel. We will transition to the distance-based method in FY2023
Category 7 Employee commuting	IJM Group	Average-data method where the transportation mode and distance from home to the workplace are determined via an annual survey. The survey was deployed at the end of FY2022 with an employee participation rate of 94%
Category 13 Downstream leased assets	Group Services (IJM Corporation – entity level): • Menara Prudential leased by IJM Corporation	Asset-specific method
Category 15 Investments	Toll Division: • LEKAS Highway	Proportional Scope 1 and 2 emissions using the investment-specific method based on the equity share of investment for Associate in LEKAS Highway

Definition:

Average-data method:

Estimating emissions for goods and services by collecting data on the mass (e.g., kilograms or pounds), or other relevant units of goods or services purchased and multiplying by the relevant secondary (e.g.: industry average) emission factors (e.g.: average emissions per unit of good or service).

Distance-based method:

Determining the distance and mode of business trips, then applying the appropriate emission factor for the mode used.

Spend-based method:

Estimating emissions for goods and services by collecting data on the economic value of goods and services purchased and multiplying it by relevant secondary (e.g.: industry average) emission factors (e.g.: average emissions per monetary value of goods).

Asset-specific method:

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

Investment-specific method:

Collecting Scope 1 and Scope 2 emissions from the investee company and allocating the emissions based upon the share of investment.

ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

The assessment of the FY2022 GHG emissions data will form a basis for our Carbon Reduction Strategy. The Group's short and long-term carbon reduction targets will be set according to the baseline year of

FY2023, which will represent a more normalised year of operations. In FY2023, we will include the emissions of our operations in India as well as three additional categories of Scope 3.

In FY2022, total emissions by the Group was 433,125.51 tCO₂e with 91.73% of our emissions emanating from the Industry Division due to the inclusion of Scope 3 Category 1: Purchased goods and services emissions in the calculation.

Carbon Emissions in Our Value Chain



Construction
10,029.79 tCO₂e
2.32%



Property
3,925.70 tCO₂e
1.80%



Industry
397,307.05 tCO₂e
91.73%



Port
12,289.09 tCO₂e
2.84%

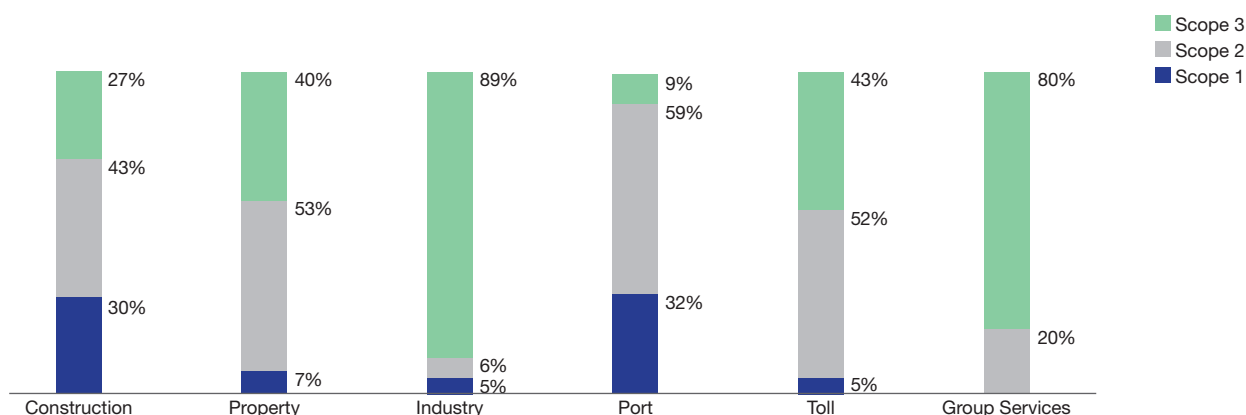


Toll
5,498.08 tCO₂e
1.27%



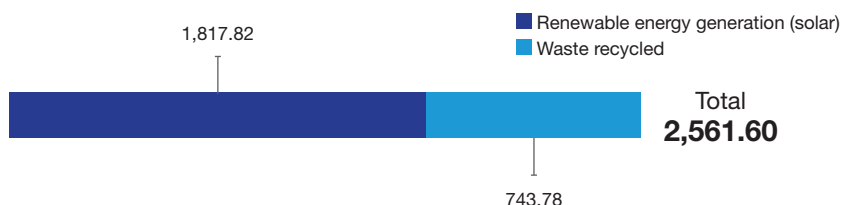
Group Services
4,075.79 tCO₂e
0.94%

Total Emissions by Division in FY2022 (tCO₂e)

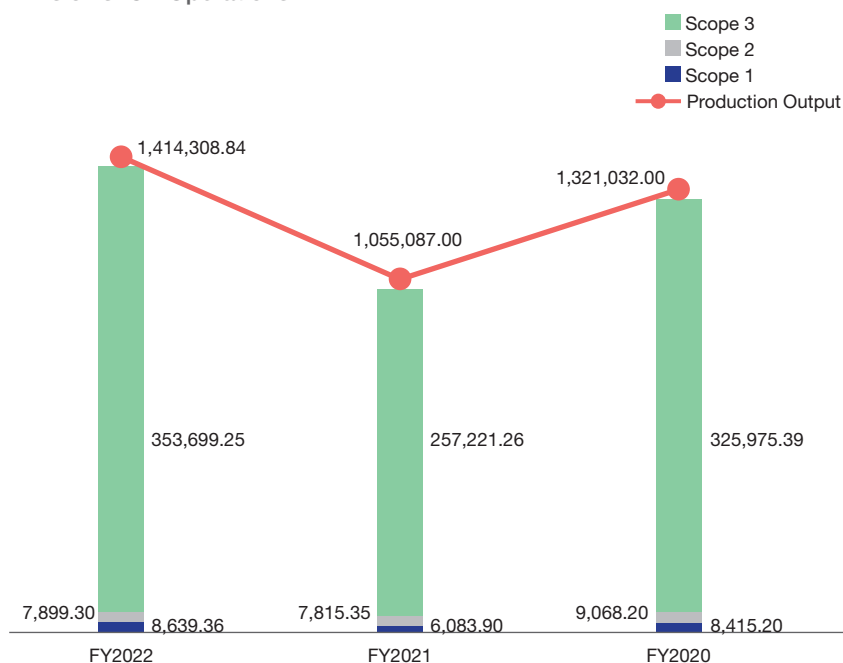


Methodology, boundary and assumptions:

1. Our calculation methodology is based on the *GHG Protocol Corporate Accounting and Reporting Standard* using the operational control consolidation approach.
2. Scope 1 and Scope 3 emissions factors are sourced from the *GHG Conversion Factors for Company Reporting version 2.0 (2022)*, published by the UK Department for Environment, Food & Rural Affairs ("DEFRA") and *Embodied Carbon: The Inventory of Carbon and Energy version 3.0 (2019)*, published by BSRIA.
3. Scope 2 emissions factors for electricity grids in Peninsular Malaysia, Sabah and Sarawak are sourced from the *2017 CDM Electricity Baseline for Malaysia* published by Malaysian Green Technology and Climate Change Corporation ("MGTC").
4. The GHG emissions data has not been assured internally. We will endeavour to undertake internal assurance of GHG emissions data (Scope 1, Scope 2 and Scope 3) in the future.

Emissions Avoidance in FY2022 (tCO₂e)

The 3-year carbon footprint profile (Scope 1, Scope 2, and Scope 3 – Category 1: Purchased goods and services) of the Industry Division's ICP operations is depicted in the following chart.

Total Emissions (tCO₂e) and Production Output (Tonnes) by Industry Division's ICP Operations

2. Reduction

Upon the completion of the Group-wide FY2022 carbon assessment, IJM will proceed to identify suitable carbon reduction opportunities. The Carbon Reduction Strategy is presently at development stage and will be shared in the following annual report.

Based on our present assessment, Scope 3 forms the largest portion of our GHG emissions profile. Thus, we recognise that our reduction efforts must include our supply chain in order for us to achieve our climate goals, in line with SDG 13: *Climate Action*. Our long-term climate goals would involve a progressive approach towards reducing Scope 1 and Scope 2 emissions while we continue to work on reducing our Scope 3 emissions.

As we continue to finalise our Climate Strategy, we aim to chart our emissions reduction pathway and identify short and long-term targets, in line with Malaysia's carbon neutral goals and IPCC's scenarios.



Solar rooftop photovoltaic panels installation at ICP Kapar factory

ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

Our Collective Climate Actions

We recognise that effective climate action will involve us collaborating and partnering with other organisations. IJM actively engages industry experts and regulators to support the development of public policy and standards. In FY2022, we:

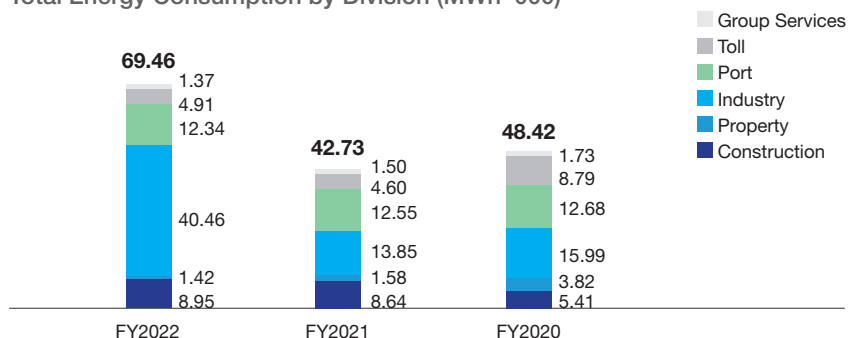
- Provided feedback as an industry player for the development of the revised National Policy on Climate Change
- Became a participant of the UNGC and are committed to align our business to its Ten Principles covering human rights, labour, environment and anti-corruption
- Became a signatory to the British Malaysian Chamber of Commerce ("BMCC") Climate Action Pledge to raise awareness about climate change and implement climate-related initiatives



Ongoing Efforts to Reduce Carbon Emissions (GRI 302-1)

Notwithstanding that the Carbon Reduction Strategy is currently being finalised, the Group continues to promote efficient use of energy and increase our usage of renewable energy in our operations. In FY2022, we consumed 69,455 MWh of energy as a Group. There was an increase in energy consumption in the Industry Division due to the inclusion of the quarry and mining operations in this year's calculation.

Total Energy Consumption by Division (MWh '000)

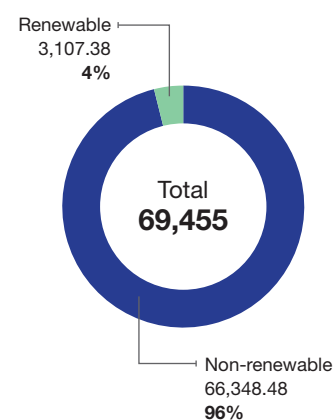


Note:

- Total energy consumption includes diesel usage by mobile generator sets and electricity consumed from renewable and non-renewable sources
- Data for FY2020 and FY2021 have been restated to exclude electricity usage by tenants at Kuantan Port

In FY2022, our renewable energy generation capacity stood at 4,121 kWp, which generated a total of 3,107.38 MWh of electricity from solar rooftop photovoltaic panels. This constituted 4% of the Group's total energy mix. The Industry Division installed 3,784 kWp solar rooftop photovoltaic panels at six of its factories while the Property Division installed 337 kWp of solar panels during the year at The Arc located in Bandar Rimbayu. Currently, the Group is actively expanding its renewable energy generation capacity with plans underway to install more solar photovoltaic panels at several new locations by the Industry Division, at Kuantan Port by the Port Division and along our highways by the Toll Division.

Total Energy Mix in FY2022 (MWh)



Note:

- **Non-renewable energy:** Diesel usage by mobile generator sets and electricity from the grid
- **Renewable energy:** Energy generated from solar rooftop photovoltaic panels

Apart from increasing our renewable energy generation capacity, efforts are in place to reduce our dependence on fossil fuels. The Industry Division continues to explore methods to reduce its energy intensity with the use of Polycarboxylic Ether ("PCE") additives when manufacturing concrete piles. The utilisation of PCE additives allows concrete piles to be manufactured using less fuel; it also reduces the ratio of cement resulting in a faster curing time.

We also aim to instill an energy-efficient and a low-carbon lifestyle among customers. Several developments in Property Division are designed to incorporate energy-efficient features such as solar rooftop photovoltaic panels and provisions for electric vehicle charging equipment. In addition, 95 terrace units at the Property Division's latest phase of the Permatang Sanctuary development, Sanctuary Terraces in Penang, will be equipped with rooftop solar photovoltaic panels as part of the product offering.

The Port Division has installed four hybrid rubber-tyred gantry ("RTG") cranes that are partially powered by electricity. Hybrid RTGs allow for greater fuel efficiency without the loss of productivity and is expected to reduce around 60% in diesel usage, with cleaner and quieter engines. The Division is also committed to replacing aging equipment with more energy-efficient ones. This includes replacing 50 high mast lights with LED lights, saving approximately 5% in electricity consumption equivalent to RM300,000 of the Division's total annual electricity cost.

Sustainable Buildings and Infrastructure

The places we develop and the infrastructures we build will last decades and transcend generations. Therefore, it is vital that we build with sustainability and innovation in mind to create resilient communities and infrastructures. Pursuing green credentials is a key element of the Group's Sustainability Roadmap.

Incorporating green and sustainable elements provide the means to reduce climate impacts of our products. They include energy-efficient designs, resource optimisation and responsible waste management practices, among others. Beyond that, incorporating sustainable design considerations also support inclusive, thriving and healthy communities.

Our green building developments adopt passive design strategies to take advantage of natural ventilation and daylight, reduce cooling loads and thus improve energy efficiency. IJM Group's investment property, Menara Prudential, a LEED-certified (Gold) green building comes with several sustainable features. Among them are smart meters to monitor the building's energy intensity; a rainwater harvesting system for non-potable use; advanced security features; and facilities for the differently-abled.

Our Green Building Projects

Project	Type	Green Certification
Menara Affin, Kuala Lumpur	Non-residential	GBI – Gold, LEED – Gold
TRX Residence, Kuala Lumpur	Residential	GBI – Gold, LEED – Silver
Equatorial Plaza, Kuala Lumpur	Non-residential	GBI – Gold
Bandar Rimbayu, Selangor	Township	GBI – Silver
Pejabat LHDN, Penang	Non-residential	GBI – Certified (Provisional)
Somerset Damansara Uptown, Selangor	Non-residential	GBI – Certified
The Starling Damansara Utama, Selangor	Non-residential	GBI – Certified
Platinum Park Phase 3 – Naza Tower, Kuala Lumpur	Non-residential	GBI – Certified
The Address, Penang	Residential	GBI – Certified
Altitude 236, Kuala Lumpur	Residential	GBI – Certified
The Light Linear, Penang	Residential	GBI – Certified
The Light Point, Penang	Residential	GBI – Certified
The Light Collection I, Penang	Residential	GBI – Certified
The Light Collection II, Penang	Residential	GBI – Certified
The Light Collection III, Penang	Residential	GBI – Certified
The Light Collection IV, Penang	Residential	GBI – Certified
G Tower, Kuala Lumpur	Non-residential	GBI – Certified
Menara Binjai, Kuala Lumpur	Non-residential	GBI – Certified
UOB Tower 2, Kuala Lumpur	Non-residential	GreenRE – Platinum
Pantai Sentral Park - Secoya Residences, Kuala Lumpur	Residential	GreenRE – Gold
The Light City – Mezzo, Penang	Residential	GreenRE – Silver
Riana Dutamas - Savio, Kuala Lumpur	Residential	GreenRE – Bronze (Provisional)
Riana Dutamas - Savvy, Kuala Lumpur	Residential	GreenRE – Bronze (Provisional)
Waterside Residence, Penang	Residential	GreenRE – Bronze
Imazium, Selangor	Non-residential	LEED – Platinum
Menara IQ, Kuala Lumpur	Non-residential	LEED – Gold
Menara Prudential, Kuala Lumpur	Non-residential	LEED – Gold
Bukit Bintang City Centre, Kuala Lumpur	Non-residential	LEED – Certified

Definition:

GBI: Green Building Index

GreenRE: Green Real Estate

LEED: Leadership in Energy and Environmental Design

ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

The Property Division plans to introduce a minimum benchmark for all future developments to be certified as 'green', in line with our Sustainability Roadmap. The Construction Division will continue to target 'green' projects to replenish its order book.

IJM also considers the adoption of alternative materials and methods in construction to reduce our environmental impacts without compromising the quality of our products and services. We continue to accelerate the adoption of IBS in our developments and promote the use of IBS in our construction projects. For more information, refer

to page 145. The Industry Division is also exploring ways to reduce the cement content of its products. Among the options considered is the use of fly ash or ground granulated blast furnace slag ("GGBS"), both by-product materials that have a lower carbon footprint.

Additionally, the Port Division has charted its transition to a Green Port by 2030. This involves five strategic thrusts, which are reducing the level of air pollution; reducing carbon footprint; controlling marine pollution in port areas; implementing energy and water resource efficiency initiatives; and having a systematic waste management control.

Similarly, our highways are assessed against the Malaysia Green Highway Index ("MyGHI"). MyGHI is a performance baseline standard that covers the fundamental elements of green highway development that are suitable for the Malaysian geographical conditions. Currently, both BESRAYA and NPE highways have been assessed under MyGHI and have received 'Gold' certifications.



Solar panels at The Arc, Bandar Rimbayu

Pantai Sentral Park: A City Amidst a Forest



Bird's eye view of Pantai Sentral Park

Built next to a 200-acre forest in the centre of Kuala Lumpur, Pantai Sentral Park is a 58-acre green integrated city with highly connected community and unique architecture. This award-winning township is designed to embed sustainability at its core where environmental considerations, commercial conveniences and future-ready infrastructure are integrated.

The development will be accessible via a network of road and rail transport facilities. Residents as well as the larger community can easily access Pantai Sentral Park through the 2.8km interchange from the NPE which connects to major roads around the Pantai Dalam-Kerinci of Kuala Lumpur area and beyond, with close

proximity to amenities and major entertainment and recreational centres in the Klang Valley. Moreover, Pantai Sentral Park is also located within minutes from public transport services such as the LRT, KTM and the upcoming MRT3 Circle Line. This development will have a spillover effect, to benefit developments and create opportunities in nearby areas.

One of the first completed buildings in Pantai Sentral Park, the Secoya Residences has been certified as 'Gold' by GreenRE under its 'Residential Building' category. The building incorporates a passive design strategy through the utilisation of shallow floor plates to maintain a comfortable indoor environment. The building's orientation has been optimised

and its large windows and doors have been designed to maximise natural ventilation and daylight penetration. This lessens the building's energy intensity requirements to cool and light an indoor space that will subsequently lead to reduced electricity costs. The building is also equipped with water-efficient fittings, a rainwater harvesting system and facilities for the differently-abled.

The Pantai Sentral Park development promotes 'green living' amidst lush surrounding with linear parks and tree-lined streetscapes to foster pedestrian access and movement.

ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

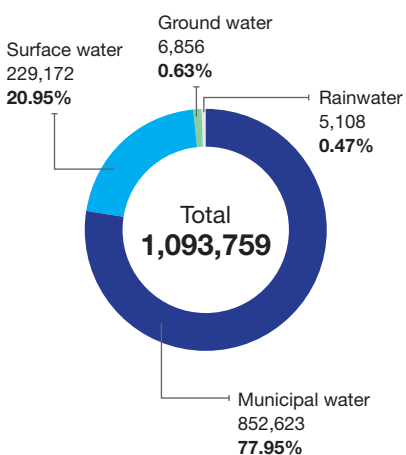
MANAGING AND PRESERVING OUR NATURAL CAPITAL (GRI 303-1, GRI 303-2, GRI 303-5)

Our efforts and commitment towards the preservation of natural capital, environmental pollution prevention and good waste management practices are guided by the Group's Environmental Policy. At Divisional level, specific procedures are established to identify risks, assess potential impacts and implement control measures to ensure we operate responsibly.

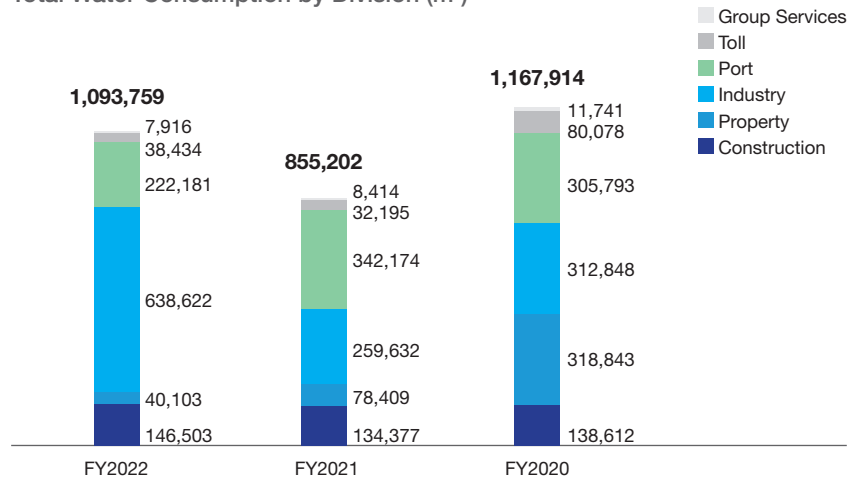
Responsible Water Use

We are committed to using water efficiently across all businesses and strive to reduce our consumption. In FY2022, there was an increase in water consumption over the previous year. This was mainly due to the inclusion of Industry Division's IBS operation, scaffolding business, and sand mining operations into the scope of calculation.

Total Water Consumption by Source in FY2022 (m³)



Total Water Consumption by Division (m³)



As a Group, we continue to ensure that our water discharges adhere to water quality and quantity permits, standards and regulations. In FY2022, there were no recorded cases of non-compliance with regards to our water quality.



Conventional water treatment methods such as silt traps and sedimentation ponds are used at project sites with low water discharges. Meanwhile, water treatment systems are installed at selected project sites and factories with high water discharges to manage our water footprint and

meet environmental standards. Water that passes through the system is treated by adding chemical agents to reduce suspended solids content to below 50 mg/litre prior to discharge into the public drainage system. In certain cases, treated water is recycled and reused at project sites and factories.

We have adopted measures to reduce our dependency on municipal-supplied water with the installation of rainwater harvesting systems across the Property, Industry, Port and Toll Divisions. Rainwater is collected for non-potable uses, namely for cleaning and landscaping purposes. A total of 5,108 m³ of rainwater was harvested and utilised by the Industry Division in FY2022.

Division	Usage of harvested rainwater
Property	Landscaping and cleaning
Industry	Road cleaning at all quarries and factories
Port	Washing bays
Toll	Landscaping and road cleaning

Pollution Management

IJM remains committed to preventing air, noise, waste and water pollution in areas we operate. Through our Environmental Management Plan, we monitor the quality of water discharges, air, noise and vibration levels at all our sites to ensure compliance with regulatory limits as well as to address any risk of pollution associated with our operational activities.

At project sites, we are guided by the Erosion and Sedimentation Control Plan to assess and monitor the risk of erosion and sedimentation resulting from our activities. Measures to mitigate such risks include implementing groundcover, turfing, vegetation and hydroseeding activities. Surface runoffs are mitigated via silt traps and fences in addition to temporary check dams installed at drainage systems for slope protection and prevention of water pollution.



For all ongoing and new projects above 50 hectares, an Environmental Impact Assessment ("EIA") is conducted by the Construction and Property Divisions to identify and assess beneficial and adverse environmental as well as socioeconomic impacts of a proposed project development. The EIA report guides our Environmental Quality Monitoring Programme which monitors the level of air, water and noise pollution at project sites, to ensure compliance with regulatory limits. A total of 21 out of 34 projects under the Construction and Property Divisions were assessed.

Likewise, the Industry Division conducts an EIA for its quarrying activities prior to approval by the Department of Environment, as mandated under the Environmental Quality Act 1974, Act 127. Regular inspections are conducted to monitor the quality of air, water, noise and vibrations at sites. Measures such as water sprinklers, and sediment basins are in place to reduce air, and water pollution while vibration meters are installed at quarries to ensure minimal disturbance to the surrounding areas. In addition, the Division implements hydroseeding on slopes to control soil erosion on hillsides.

The Port Division implemented several measures to reduce the level of air pollution at Kuantan Port through the use of dust barriers and fog cannons. Washing bays are available to clean cargo trucks before they go on public roads, and road sweepers and water trucks are utilised to control dust in Port areas.

In FY2022, the Property Division received notifications of non-compliance in relation to improper controls over soil erosion and sedimentation, improper storage of materials and soil contamination due to oil leakage. No fines were imposed for these non-compliances. The Port Division recorded three occurrences of oil spills due to barge leakage by a palm oil berth user; hydraulic oil leakage from damaged machinery; and leakage from an unidentified source at the liquid chemical berth. All incidences were rectified promptly and effectively cleaned using appropriate methods. The Division was not issued with any non-compliance warnings or fines due to the spillages.

ENVIRONMENT: OUR ENVIRONMENTAL STEWARDSHIP

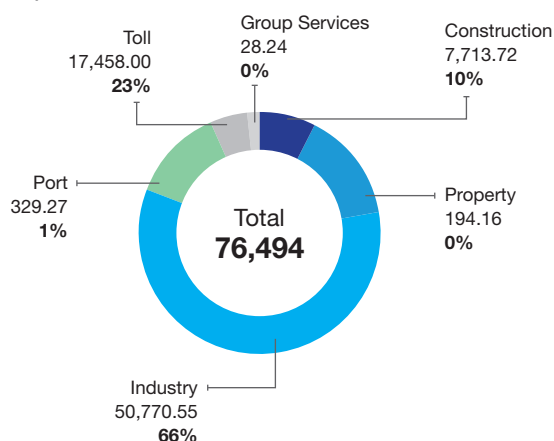
REDUCING AND MANAGING WASTE

(GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5)

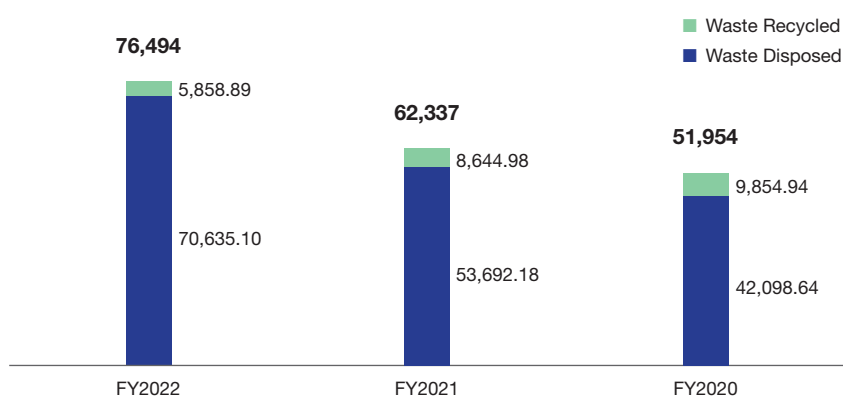
We continue to manage our waste responsibly and reduce waste disposed at landfills. We comply with the minimum requirements of local waste regulations and continue to work towards managing our wastes beyond this minimum threshold.

In FY2022, IJM Group generated a total of 76,494 tonnes of scheduled and non-scheduled wastes, mainly from the Construction, Industry and Toll Divisions. This year, our scope of calculation includes waste generated by Industry Division's quarries, IBS operations, steel manufacturing, as well as the ready-mix cement business.

Total Scheduled and Non-scheduled Waste Generated by Division in FY2022 (Tonnes)



Total Waste Generated by IJM Group (Tonnes)



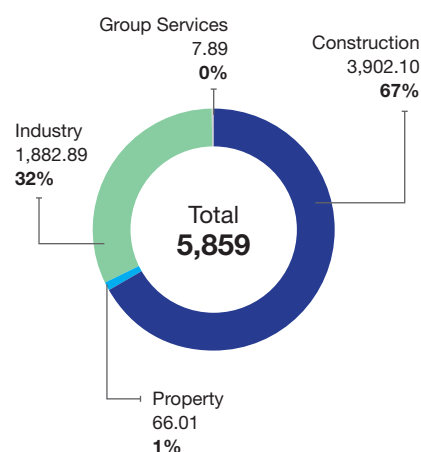
Recycling and Reusing Our Waste

We implement proactive measures across all our operations to minimise waste disposed to the landfills through recycling and reusing the waste we generate. About 7.7% of our waste footprint was reused or recycled in FY2022.

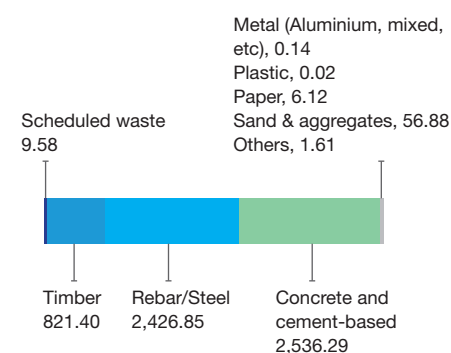
Waste management practices are implemented by the Construction Division as required by law and industry certifications such as the Green Building Index. Construction wastes is segregated at project sites into concrete, timber and steel, to be either reused or disposed by a licensed contractor. In FY2022, the Construction Division embarked on developing a waste management plan to formalise and enforce best waste management practices at all project sites.

At the IBS plant, the Industry Division recycles unused concrete by segregating sand, aggregates and slurry effluents using a concrete reclaimer to effectively manage wastes while improving cost efficiency. Excess water from the IBS manufacturing process is collected and separated from slurry effluents, to be reused for concrete batching, sprinkler systems and cleaning purposes. In FY2022, the Division's IBS plant collectively reclaimed and reused about five tonnes of sand and aggregates, while approximately 11 tonnes of water from sludge tanks were recycled.

Waste Recycled by Division in FY2022 (Tonnes)



Waste Recycled by Type in FY2022 (Tonnes)



In February 2022, the Property Division introduced the KITARecycle community recycling programme at Seremban 2 in collaboration with SWM Environment and the residents' association. The KITARecycle Programme is an incentive-based programme to foster better recycling habits among residents in the township. Residents were taught on how to recycle over 30 types of household wastes, including paper, aluminium cans, plastics, glass and e-wastes. KITARecycle collection bins were placed at six guarded residential precincts in the neighbourhood, and a total of 4,718 tonnes of waste were collected and recycled during the year.



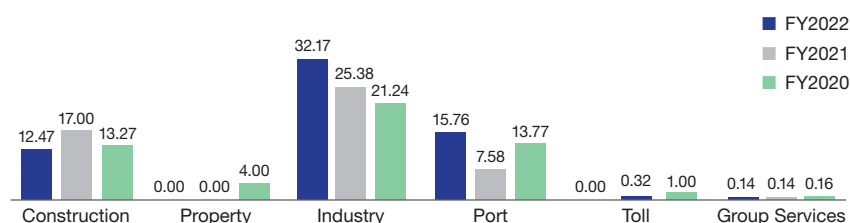
A recycling programme was also rolled out by the Toll Division. The '3R Programme - Go Green Campaign' aims to enhance awareness and encourage the reduce, reuse and recycle ("3R") habit among employees. The Group is continuously identifying waste reduction measures across all operations and exploring alternative materials through research and development.

Managing Scheduled Wastes

Scheduled wastes are managed and disposed according to stipulated legislations. These wastes are stored at designated areas at our project sites and labelled with clear guidelines and specifications. We implement best management practices when handling chemicals and materials to prevent spillage and leakage. Licensed contractors are appointed to dispose scheduled wastes at designated treatment facilities.

In FY2022, the Industry Division received fines totalling RM4,000 for non-compliance in handling of scheduled wastes at its quarry and ICP factory. A review of current processes was undertaken and remedial actions were implemented to address the non-compliances. We will continue to enhance our standard operating procedures and strive for full compliance in all operations.

Scheduled Waste Generated by Division in FY2022 (Tonnes)



The disposal of e-wastes or electrical and electronic equipment wastes is carried out in accordance with the Environment Quality (Scheduled Wastes) Regulations 2005. It is disposed by contractors registered with State Environmental Departments. Additionally, obsolete equipment such as computers and laptops are refurbished and reused in IJM, while certain types of e-wastes are sent to licensed recycling centres. In FY2022, there were no e-wastes disposals.

CONSERVING BIODIVERSITY (GRI 304-1, GRI 304-3)

We acknowledge the need to protect the natural environment and recognise that there are socioeconomic values that nature provides. We are committed to minimising our impact on the surrounding environment in areas where we operate and use natural resources responsibly and, where applicable, conduct initiatives to conserve biodiversity.

The biodiversity value of the location of projects requiring EIA are assessed and suitable measures identified to reduce our environmental impact. We will continue to comply with local regulations and obtain relevant approvals to reduce disruptions to our natural surroundings. The Property Division incorporated a diverse marine ecosystem into its development of the 2.3-acre waterway at The Light Collection project, Penang. The waterway, which is overseen by the residents association, is regularly maintained by marine aquatic professionals.

In FY2022, the Property Division contributed to the efforts of the Tropical Spice Garden in Penang that has five acres of landscaped gardens, planted with more than 500 species of lush and exotic flora from around the world. The Division will be collaborating with the Tropical Spice Garden to incorporate similar spice gardens into its future projects. This collaboration aims to educate, involve and promote green living and an appreciation of natural habitats.

In addition, the Property Division participated in a river and water source clean-up during 'World River Day' organised by *Jabatan Pengairan Saliran Negeri Sembilan* in September 2021. The event aimed to raise public awareness of preserving our water resources.

Our Port Division conducts regular studies on sea water in the port area as part of its control measures to manage water pollution and protect the marine ecosystem. Additionally, the Industry Division has set aside 24 hectares of forest land for conservation.

In line with our Sustainability Roadmap, the Toll Division plans to undertake a tree inventory exercise along its highways, in collaboration with the local Forestry Departments. This exercise will entail a stocktake of the landscape along our highways, which includes identifying the species and number of plants.