

SUSTAINABILITY STATEMENT



Clearly, 'business as usual' is no longer an option. A ticking climate clock demands an urgent and obligatory transition to a low carbon economy. There is also the growing need for businesses and society to adapt to a rapidly changing natural world – which presents emerging risks and opportunities.

Since launching our three-year Strategic Focus for financial years 2021 to 2023, we have continued to build on our momentum, and have made progress in the way we operate and do business, incorporating sustainability as one of our core strategic agendas.

The imperative is clear - we must continue to operationalise sustainability and make it a guiding principle in our everyday decisions and actions. Our priority in championing the sustainability agenda is to also foster a culture of empathy and purpose for positive impact.





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COMMITMENT TO SUSTAINABILITY

IJM approaches sustainability based on our four sustainability pillars of **Marketplace**, **Environment**, **Workplace** and **Community**, which are aligned to the United Nations Sustainable Development Goals (“SDGs”). The Group’s Sustainability Framework defines our strategic approach to embed sustainability into our business strategies. In FY2022, IJM established our Group Sustainability Roadmap FY2023 – FY2025, which charts the focus areas for the next three years to meet increasing stakeholder expectations. This Roadmap has been developed to deliver the objectives across the Group and business Divisions, covering the existing four pillars as well as other strategic opportunities. This is aligned with our mission to deliver sustainable value to our stakeholders and enrich lives with the *IJM Mark of Excellence*.

STATEMENT OVERVIEW

Disclosure Requirements and Benchmarks

We report our sustainability performance on an annual basis, in accordance with the Global Reporting Initiative (“GRI”) and Sustainability Accounting Standards Board (“SASB”) Engineering & Construction Services standards. IJM became a participant of the UN Global Compact (“UNGC”) in FY2022 and our disclosures are aligned with the Ten Principles of UNGC across four areas: Human Rights, Labour, Environment and Anti-Corruption. This Statement is also aligned with the following disclosure benchmarks:

- Bursa Malaysia’s Sustainability Reporting Guide (2nd Edition)
- FTSE4Good Bursa Malaysia Index
- MSCI ESG Indices
- Business for Societal Impact (“B4SI”) Framework
- UN Sustainable Development Goals (“SDGs”)

For the first time this year, we are making reference to the recommendations outlined by the Task-Force for Climate-related Financial Disclosure (“TCFD”) Framework.

This Statement should be read in conjunction with the Annual Report



At IJM, we have always believed in holding ourselves to the highest standards of business ethics and conduct. We were early adopters of ISO quality and safety standards, taking a professional approach to business and organisational set-up, boardroom governance, risk management, adopting strong environmental protection measures, corporate social responsibility and ensuring our employees are treated fairly and based on meritocracy – among many others.



Mr Liew Hau Seng
CEO & Managing Director of IJM

2022 and other sustainability-related disclosures published on our Corporate website. Please refer to pages 186 to 192 for our alignment to the GRI, SASB and UNGC Ten Principles.

Reporting Period and Scope (GRI 2-2, GRI 2-3)

This Statement covers IJM Group’s sustainability performance of our business operations in Malaysia for the financial year 1 April 2021 to 31 March 2022. Except for Scope 3 Category 15: Investments, the Statement includes data from IJM’s subsidiaries but excludes data from associates and joint ventures outside of management control. Operations in Malaysia accounted for 85% of the Group’s total operating revenue in FY2022. In this Statement, the performance of the Plantation Division has been omitted following its divestment in September 2021. We will expand our scope of reporting to include our operations in India in FY2023.

Performance Data (GRI 2-4, GRI 2-5)

Data presented in this Statement includes comparative data from the previous two years. Data for FY2022 disclosed in this Statement, other than our carbon emissions data, has been verified by the Group’s Internal Audit Department. IJM will endeavour to obtain an independent third-party verification in the future. Comparative data and charts presented in this Statement have been restated to exclude the Plantation Division.

Feedback

Our priority is to create value for all our stakeholders by understanding their expectations. In this regard, their feedback is vital to improve our sustainability performance. We welcome all suggestions and comments from stakeholders. Any queries and feedback can be submitted to sustainability@ijm.com.

OUR APPROACH TO SUSTAINABILITY (GRI 2-22)

Sustainability Framework

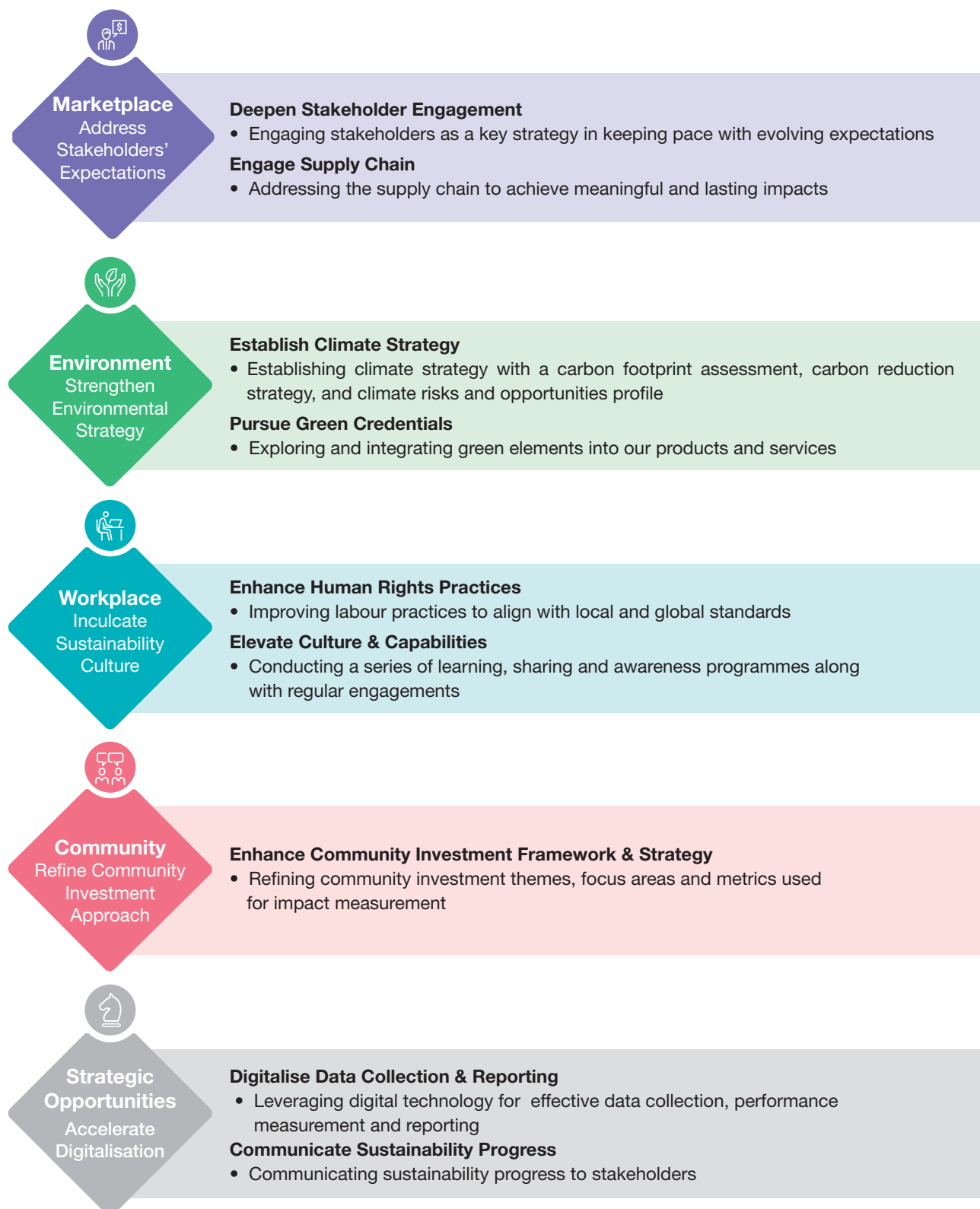
The IJM Group Sustainability Framework (“Framework”) serves as a guide for the effective integration of our governance, strategies focus areas, performance and initiatives, in line with local and global sustainability agendas such as the SDGs and the Ten Principles of the UNGC. Our Framework responds to the needs of the foreseeable future and integrates sustainability into every part of our business.



COMMITMENT TO SUSTAINABILITY

Sustainability Roadmap FY2023 - FY2025

The Group's Sustainability Roadmap FY2023 – FY2025 ("Roadmap") was endorsed by the IJM Board of Directors in FY2022 and is integrated into Divisional roadmaps, which are also accompanied by specific internal performance measures.



Sustainability Governance

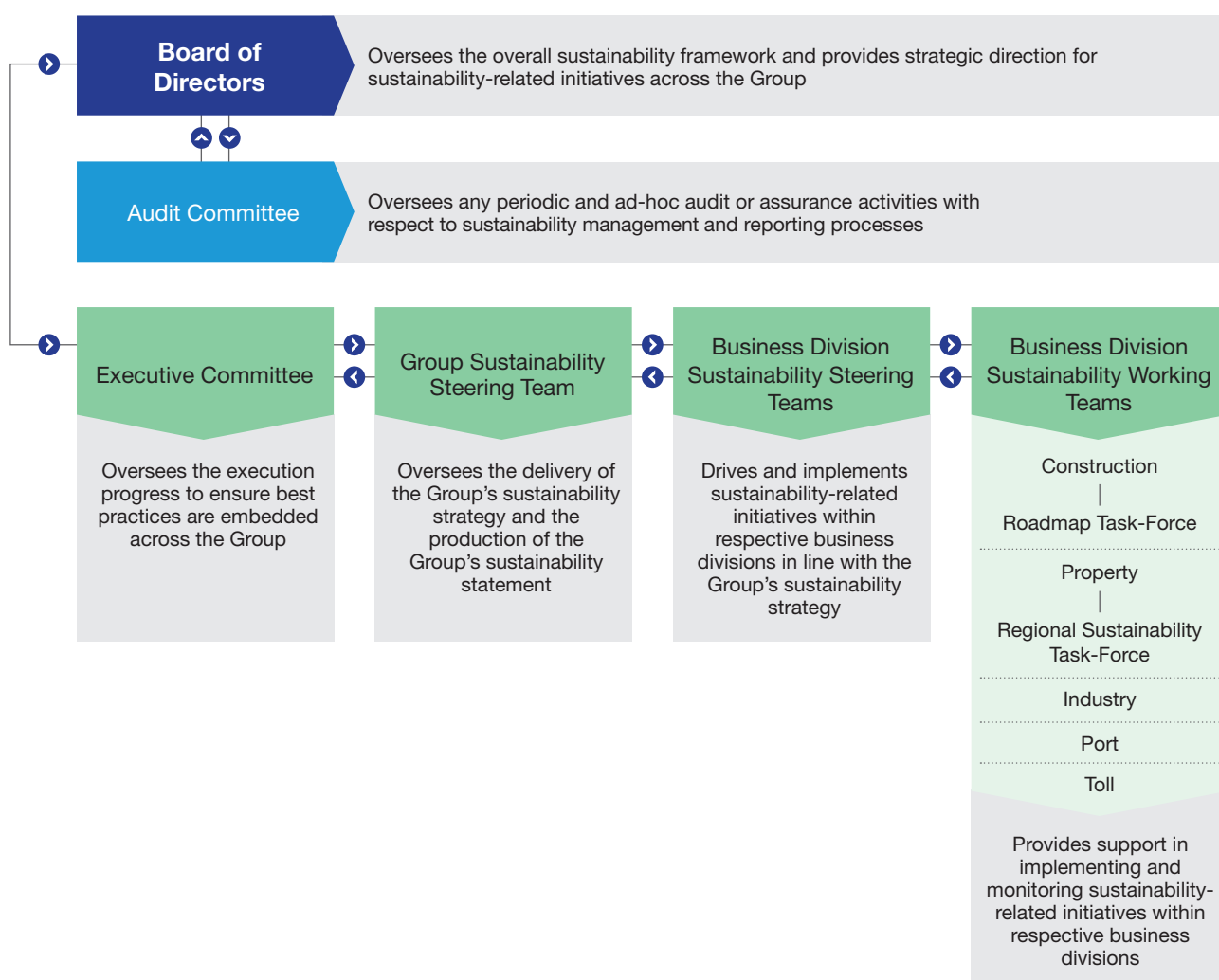
(GRI 2-9, GRI 2-11, GRI 2-12, GRI 2-13, GRI 2-14)

We continuously work at embedding sustainability in our businesses, governed by IJM Group's Sustainability Governance Framework. The Board provides oversight over the strategic direction of the Group's sustainability commitments, supported by the

Executive Committee while the Marketplace, Environment, Workplace and Community related sustainability practices across the Group are integrated by the Group Sustainability Steering Team. Subsequent Divisional Steering Teams and Working Teams drive and implement sustainability-related initiatives in their respective Divisions.

In FY2022, dedicated task-forces were set up to support the Construction and Property Divisional Steering Teams in the development and implementation of IJM's Climate Strategy and Sustainability Roadmap.

IJM Group Sustainability Governance Framework



COMMITMENT TO SUSTAINABILITY

CREATING VALUE FOR OUR STAKEHOLDERS (GRI 2-29)

Key stakeholder opinions are valuable in the development of our sustainability strategy and provide insights on marketplace trends, operating environment, workplace growth and community development across our business operations.

In line with SDG 17: *Partnership for the Goals*, we engage with stakeholders to understand their perspectives on the Group's sustainability performance, strategy and reporting practices.

 Stakeholders	Shareholders, Investors and Lenders	Clients/Customers
 Method and Frequency of Engagement	<p>Why we engage: <i>To provide us with insights on our financial capacity to sustain growth. We work to ensure they have a strong understanding of our strategy, performance and business fundamentals.</i></p> <ul style="list-style-type: none"> • Annual general meetings • Annual reports • Bi-annual analyst briefings • Corporate website • Investor conferences • Regular meetings • Scheduled site visits 	<p>Why we engage: <i>To focus on our customers' needs and identify opportunities to improve our products and services.</i></p> <ul style="list-style-type: none"> • Annual customer satisfaction survey • Dedicated customer service teams • Customer satisfaction platforms e.g. phone calls, emails, social media • Events and scheduled site visits
 Key Topics Raised	<ul style="list-style-type: none"> • Business outlook and strategy • COVID-19's impact on business • Financial and operational performance • Impact of government policies and regulations • Sustainability practices and commitments • Risk management 	<ul style="list-style-type: none"> • Product/service quality and support • Customer service and experience • Customer satisfaction and engagement • Project management • Sustainability practices and commitments • Health, safety and environment ("HSE") practices and compliance • Dissemination of information • Facilities provided

Subcontractors and Suppliers	Regulators and Government Authorities	Media	Employees	Local Community, Industry Associations, Academia and Non-Governmental Organisations
<p>Why we engage: To encourage our supply chain to adhere to high standards of professionalism and sustainable practices.</p>	<p>Why we engage: To ensure that we comply with all regulations and laws that are relevant to our businesses.</p>	<p>Why we engage: To increase awareness and understanding of our business by providing timely and accurate information about the Group's products, services and financial performance.</p>	<p>Why we engage: To provide professional development and career progression opportunities and to create a conducive and engaging workplace that values contributions of employees.</p>	<p>Why we engage: To foster collaborative partnerships and ongoing dialogues to build positive relationships and ensure that we can deliver mutual benefits.</p>
<ul style="list-style-type: none"> • Annual subcontractors/suppliers HSE performance evaluations • Briefings such as product/technology briefing sessions • Events and training • Tender sessions 	<ul style="list-style-type: none"> • Annual reports • Company representations at industrial association initiatives/technical working groups • Compliance, certification exercises and policies • Consultations, briefings and training e.g. MyCREST Assessor • Initiative working group/Technical committee • Periodic site visits, engagements, collaborations and audits • Periodic forums and online meetings 	<ul style="list-style-type: none"> • Annual general meetings • Annual reports • Corporate website • Media relations e.g. press releases, emails, phone calls, events and sharing sessions 	<ul style="list-style-type: none"> • Annual performance appraisals • Employees' wellness initiatives • Virtual Regional Alignment Forums, committee meetings and webinars • Social programmes via Kelab Sukan IJM, IJM Toastmasters Club • Training and development, workshops, and knowledge sharing sessions • Wellness/COVID-19 survey • Workplace and intranet 	<ul style="list-style-type: none"> • Annual reports and social media • Industrial association engagement • Committee meetings • Annual general meeting • Community outreach and development programmes • Industrial association engagement and community engagements e.g. partnerships, dialogues, seminars and conferences • Corporate website and advertisements • Events e.g. Outreach events
<ul style="list-style-type: none"> • HSE practices and compliance • Legal compliance and contractual commitments • New equipment/technology reliability and performance • Product/service quality and delivery • Workers' welfare and well-being • Sustainability practices and commitments • Subcontractors/suppliers performance • Management assessment 	<ul style="list-style-type: none"> • Certifications and awards • Compliance with laws and regulations • Corporate governance • HSE practices and compliance • Sustainability practices and commitment e.g. Green buildings • Industry updates and best practices e.g.: Construction Industry Transformation Programme, visits by officials • Prompt resolution of issues • Highway operations and maintenance 	<ul style="list-style-type: none"> • Company's financial and non-financial performance • Company's strategy for growth and value creation • Transparency and timely information • Customer inspired thought leadership 	<ul style="list-style-type: none"> • COVID-19's management e.g. vaccination programmes • Employee engagement and development opportunities • Regular health and safety practices • Sustainability practices and commitments e.g. climate change, human rights and workplace conditions, certifications, anti-bribery and corruption system • Health management • Human capital competency and capabilities • Ownership on HSE • Information sharing by Management • Promoting teamwork 	<ul style="list-style-type: none"> • Community investment programmes and partnerships • Sustainability practices and commitment • Company's branding and reputation • Industry-related issues of concern, developments, research and knowledge sharing

COMMITMENT TO SUSTAINABILITY

APPROACH TO MATERIALITY: IDENTIFYING OUR FOCUS AREAS (GRI 3-1, GRI 3-2)

IJM's materiality assessment was refreshed in FY2022 in line with *GRI 3: Material Topics 2021* guidance and principles.

Our materiality assessment process involves a four-step approach that aims to assess our key material sustainability topics and their importance to our internal and external stakeholders. An annual materiality assessment exercise was conducted this year with colleagues from all Divisions and Group Services.

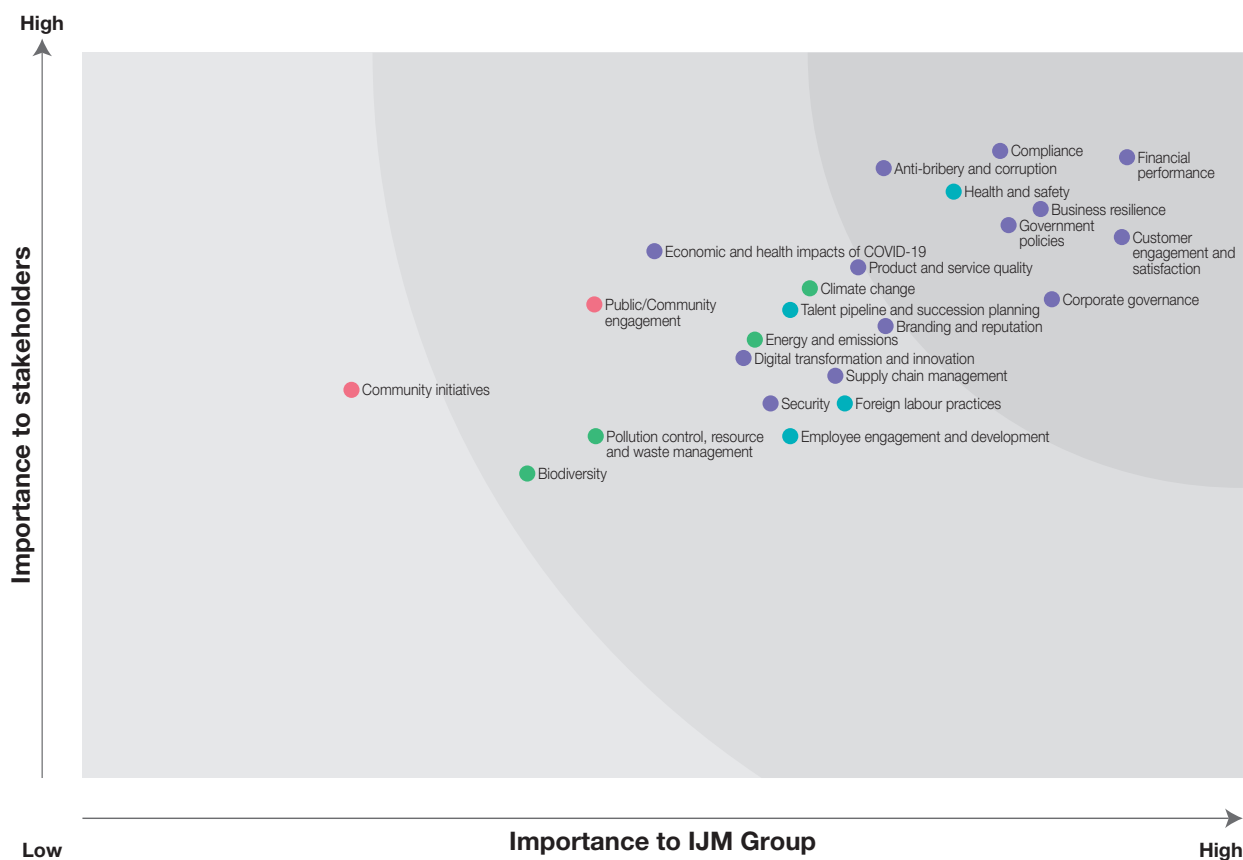
FY2022 Materiality Matrix

The results of the assessment were plotted in a matrix based on the importance of each material topic for both IJM Group and stakeholders. In FY2022, 23 material topics were identified and prioritised. The top right quadrant highlights the sustainability topics that are most material to our stakeholders and the IJM Group.



IJM's materiality exercise conducted physically and virtually with functions and departments representatives

IJM Group's FY2022 Materiality Matrix



Legend:

Marketplace, Environment, Workplace, Community

ALIGNING TO GLOBAL AGENDA

Supporting the Sustainable Development Goals

We recognise that the Group can play a role in solving broader sustainability issues and have thus aligned our Framework to the SDGs that we believe are most relevant to our business.

The effects of climate change have become more prominent. According to the 2021 Weather, Climate and Catastrophe Insight report, the average global climate-related economic losses in 2021 was estimated to be \$329 billion.¹ We mapped our initiatives to SDGs closely related to our business and in line with our Roadmap to establish a Group-wide Climate Strategy, we have included SDG 13: *Climate Action* in FY2022.

The alignment of the Group's initiatives to the SDGs are detailed below:

SDGs	IJM Group's Position	IJM Group's Initiatives
	Goal 3: Good Health and Well-Being We view the importance of health and safety of our stakeholders, and we proactively promote health, safety and well-being at the workplace and the community.	<ul style="list-style-type: none"> We strive to achieve zero accidents through continuous safety and health monitoring and corrective actions. Zero fatality and zero accidents targets are key performance indicators included in the incentive packages for all project directors. We established the IJM Wellness Resource Centre, a platform to support and educate all employees on healthy lifestyle habits.
	Goal 5: Gender Equality We treat everyone with respect and uphold gender equality in hiring and employment, striving to provide a workplace where equal opportunities are given regardless of gender.	<ul style="list-style-type: none"> We develop our talent pool via various individual and group tailored development programmes to ensure and maintain a constant pipeline of future leaders for the various businesses within the Group. We continue to ensure full and effective participation of women in our workforce, with equal opportunities for leadership at all levels of decision making. In FY2022, 36% of our workforce are women - 34% in management roles, 45% in executive roles and 30% in non-executive roles.
	Goal 7: Affordable and Clean Energy We commit to adopting cleaner energy to optimise the use of energy across all business divisions and exploring renewable energy where possible.	<ul style="list-style-type: none"> We installed 3,784 kWp solar rooftop photovoltaic panels at six of our factories at our Industry Division and installed 337 kWp of solar panels during the year at The Arc located in Bandar Rimbayu of our Property Division. We are actively expanding our 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.
	Goal 8: Decent Work and Economic Growth We uphold fair employment practices, both for our people and across our supply chain, making a decent workplace for our employees.	<ul style="list-style-type: none"> We recognise the benefits of having a multi-generation perspective that will contribute to the growth of our short and long-term business objectives. As at 31 March 2022, 59% of our workforce were between the ages of 25 to 42.
	Goal 9: Industry, Innovation and Infrastructure We commit to working with changemakers to incorporating innovative and creative solutions to promote sustainable practices across our business divisions.	<ul style="list-style-type: none"> We implemented our Strategic Innovation Plan ("SIP") to deliver greater value, create sustainable advantages and generate business growth for the Group. The Construction Division introduced an in-house developed mobile application, <i>MyIJM</i>, a digital platform that eases construction updates from project sites by consolidating data on safety, inspection, site productivity, work log and defect management.
	Goal 10: Reduced Inequalities We commit to creating equal opportunity for both our employees and communities.	<ul style="list-style-type: none"> We sponsored 1,000 vaccination slots, worth RM90,000, to encourage our employees from the Klang Valley and their family members, general workers and our supply chain to get vaccinated. We contributed a RM500 one-off cash aid donation, totalling RM380,000, to our employees via our Financial Assistance for Employees Hardship Initiative-Malaysia Prihatin initiative, in conjunction with National Day and Malaysia Day celebrations.
	Goal 11: Sustainable Cities and Communities We actively consider sustainable practices in our development and investment decisions across our business divisions.	<ul style="list-style-type: none"> We embrace the National Construction 4.0 Strategic Plan (2021-2025) by the Ministry of Works and the global call for sustainable construction through our investment in robotic assisted smart precast manufacturing system, or better known as SMART IBS.
	Goal 13: Climate Action We view the importance of climate change that will impact our business in the long-run, and we proactively implement climate strategy across businesses to address climate change issues.	<ul style="list-style-type: none"> We are establishing a Climate Strategy, in line with our Sustainability Roadmap FY2023-FY2025. This strategy will focus on enhancing our climate resilience as well as reducing our carbon footprint. We have disclosed our approach to climate action in reference to the TCFD framework and our climate risks are managed via our Enterprise Risk Management Policy and Framework.
	Goal 16: Peace, Justice and Strong Institutions We commit to uphold integrity and compliance with all applicable laws and regulations across our business operations.	<ul style="list-style-type: none"> We are guided by the Malaysian Code on Corporate Governance ("MCCG") and are committed to ensuring that our corporate strategy, risk management and business conduct are in line with the principles and best practices of ethical conduct. We have in place the Anti-Bribery and Corruption System ("ABCS") that reaffirms our adherence to local laws and regulations including the Malaysian Anti-Corruption Commission (Amendment) Act 2018.
	Goal 17: Partnership for the Goals We actively seek for long-lasting partnerships and collaborations with our stakeholders, both locally or globally.	<ul style="list-style-type: none"> We collaborated with Institute of Engineers Malaysia and University of Nottingham Malaysia to ensure sustainable development in the construction industry is achieved by embedding and developing BIM knowledge, intellectual aspects and practical skills. We are participating in a pilot Action Centre for Sustainable SMEs ("ACCESS") programme with UNGC Malaysia and Brunei to incentivise our supply chain to integrate elements of sustainability in their operations.

¹ 2021 Weather, Climate and Catastrophe Insight Report, AON <https://www.aon.com/getmedia/1b516e4d-c5fa-4086-9393-5e6afb0eeded/20220125-2021-weather-climate-catastrophe-insight.pdf.aspx>

COMMITMENT TO SUSTAINABILITY

A Participant Member of United Nations Global Compact

In March 2021, the UNGC Council adopted a new three-year strategy, the UN Global Compact Strategy 2021-2023, for companies to increase their contributions and work towards achieving the SDGs and Ten Principles of the UNGC.

In October 2021, IJM became a participant member of the UNGC. We have incorporated the Ten Principles of the UNGC on safeguarding the environment, respecting human and

labour rights, and working against corruption in the formulation of our Roadmap. As a participant, IJM will also submit the annual Communication on Progress (“CoP”) that describes our Company’s efforts to implement the Ten Principles.



Signing as a participant member of the UNGC

OUR INAUGURAL IJM SUSTAINABILITY WEEK 2021

We launched the inaugural IJM Sustainability Week, which was conducted virtually, from 28 to 30 September 2021 to raise awareness and deepen company-wide engagements around sustainability. Our Divisions and various functions showcased their sustainability efforts and progress in the areas of Environment, Social and Governance (“ESG”).

This event is envisioned as an annual event to celebrate the Group’s sustainability journey, as well as a catalyst to reaffirm our sustainability commitments and set higher goals. IJM Sustainability Week presented an opportunity to recognise how we proactively engage, adapt and evolve in response to the changing global dynamics that will impact our future growth and success.

Over three half-days, there were presentations and activities by employees across our business operations and external speakers that covered a wide range of sustainability content.

DAY 1: Environment

The day began with a keynote address by Group Chairman, Tan Sri Krishnan Tan, who reminded employees that sustainability has always been part of IJM’s DNA. This was followed by a tree-planting ceremony, to symbolise IJM’s commitment to sustainability, as well as the energising of the newly-installed solar panels at Bandar Rimbayu, which has won numerous environmental awards for its green features.

There were virtual presentations by the respective Divisions that covered the following environmental efforts as follows:

- Construction’s talk on the industry’s green efforts
- Property’s natural ecosystem and biodiversity initiatives in Penang
- Industry’s reduced carbon footprint through the use of modified additives in concrete mix

- Port’s adoption of green technology through hybrid rubber-tyred gantry cranes
- Toll’s fully-installed LED lights across the highways in support of the Malaysia Green Highway Index (“MyGHI”) initiative

DAY 2: Social

Our Human Resource Department launched the Employee Wellness Resource Centre with a talk by an external speaker on mental health. The Construction Division shared its health and safety efforts and hosted a COVID-19 talk by an official from the Ministry of Health. We concluded the day with a presentation on the

IJM’s COVID-19 community relief efforts and how we have come forward to support the communities where we operate.

DAY 3: Governance

The Governance Day started with an anti-bribery and corruption system talk, followed by a presentation from the Internal Audit Department on IJM’s whistleblowing mechanism and process. On this day, IJM invited the President of UN Global Compact Malaysia and Brunei, Faroze Nadar, for a welcome message before signing as a participant member of the UNGC, the world’s largest corporate sustainability initiative.



A tree-planting ceremony of a 17-year old Baobab tree, marking a symbolic gesture to affirm IJM’s commitment to sustainability

VOICES FROM THE TOP DURING SUSTAINABILITY WEEK


IJM affirming our commitment to becoming more sustainable

"Sustainability has always been part of IJM's DNA, though, in the past, it may not have been articulated in a holistic manner. As a Group, we have always believed in holding ourselves to the highest standards of business ethics and conduct. I would like to assure you that the Board is fully supportive of management's efforts to undertake greater adoption of sustainability measures going forward."

Tan Sri Dato' Tan Boon Seng
Chairman


Pursuing the green agenda

"Given the increasing public appreciation for the green agenda, we are committed to adopting a minimum of a bronze GreenRE certification across all our developments. Our focus will be on challenging ourselves to incorporate more ambitious, yet practical solutions that will also enable us to further differentiate the IJM Land brand in the marketplace."

Dato' Edward Chong
CFO & formal MD, Property Division


Creating a sustainable future for the global trade, green port is the answer

"Kuantan Port is committed to being a Green Port by 2030, and we have established five pillars to guide us towards the Green Port status. 90% of world trade moves by sea, and ports around the world face similar challenges from climate change, sea level rise and extreme weather, among others. Kuantan Port will do its part to pursue a greener pathway while building prosperity for current and future generations."

Mazlim Husin
COO, Port Division


Sustainability, this generation's defining purpose

"Today, if a company doesn't have sustainability as a core part of its strategy and operations, it is not seen as progressive. At IJM, we have been on a journey of continuous improvements, embedding sustainability into our culture, operations and services. There is still much to be done, and we need to continue challenging ourselves to make a real impact."

Liew Hau Seng
CEO & MD


Industry needs to improve its foreign labour practices

"In recent times, the COVID-19 pandemic has brought to light the state of foreign workers' welfare and confined living conditions. As a responsible corporate citizen, IJM Construction will support improvements to foreign labour practices through industry and regulatory engagements. In the meantime, we have the opportunity to review and improve on our supply chain practices."

Wong Heng Wai
MD, Construction Division


Energy efficiency is a key component of the MyGHI initiative

"The efficient consumption of energy is an important component that has been identified under the Malaysia Green Highway Index. For us, the business case is clear since the environmental benefits of reducing our carbon emissions through lower energy consumption is met with a payback period that justifies the cost of implementation."

Wan Salwani Wan Yusoff
CEO, Toll Division


A global and progressive mindset required

"As one of the industry benchmarks in Malaysia, IJM is well-placed to demonstrate that our sustainability commitments are aligned with global goals. In order for us to meet the needs of the 21st century, we must have in mind 'clarity of purpose' and stay focused on IJM's mission to deliver sustainable value to our stakeholders and enrich lives with the *IJM Mark of Excellence*."

Lee Chun Fai
Deputy CEO & Deputy MD


Creating business value with sustainability

"We pride ourselves to always do the *Right Thing*. Many sustainability initiatives that we have undertaken earlier were plans and efforts to be more efficient and have less wastage, thus, increasing our profitability. Today, these are now in line with what ESG means. We need to embrace sustainability to thrive in the corporate world."

Tan Boon Leng
MD, Industry Division





MARKETPLACE

DOING GOOD BUSINESS



OBJECTIVE

The confidence and trust of our customers, suppliers, business partners, investors, bankers, governments and regulatory bodies are of paramount importance to the Group's continued success.



Our Sustainability Roadmap was formed with the valuable input of our stakeholders. In order for its implementation to be successful, a mutual understanding and support have to be nourished.



Shane Guha Thakurta
Investor Relations and Sustainability



HIGHLIGHTS

- Zero confirmed incidences of corruption and monetary losses arising from legal proceedings associated with charges of bribery or corruption across IJM Group
- The Property Division continued to be recognised as a top property developer in Malaysia and received three awards at the StarProperty Awards 2021
- The Property Division received High QCLASSIC Achievement Award at the CIDB QCLASSIC Award 2021 for Taman Austin Duta Phase 6 residential project
- The Industry Division produced its longest ever pretensioned spun high strength concrete piles with a joint length of 90 metres and diameter of 1,000 mm, exceeding previous spun piles of 75 metres length
- IJM implemented a Strategic Innovation Plan to deliver greater value, create sustainable advantages and generate business growth for IJM Group
- The Construction Division introduced *MyIJM*, an in-house developed mobile application, a platform that eases construction updates from project sites
- The Industry Division's SMART IBS manufacturing plant at Bestari Jaya, Selangor commenced operations and has completed two industrial projects
- The Port Division has fully digitalised Kuantan Port's entry procedures by implementing an electronic gate system
- Zero substantiated complaints concerning breaches of customer privacy and zero cases of identified leaks, thefts, or loss of customer data



GRI STANDARDS SPECIFIC TOPICS

- GRI 201: Economic Performance 2016
- GRI 205: Anti-corruption 2016
- GRI 418: Customer Privacy 2016

SDGs



MARKETPLACE: DOING GOOD BUSINESS

With the sustainability agenda gaining prominence among our stakeholders, sustainable conduct and alignment to greater business purpose have become essential for us to be differentiated in the marketplace today. We are committed to upholding the values of responsible business practices and strengthen the trust in the IJM brand through our products and services.

GOOD GOVERNANCE AND

ETHICS (GRI 2-9, GRI 2-23, GRI 2-24, GRI 2-25, GRI 2-26, GRI 2-27)

We are guided by the Malaysian Code on Corporate Governance (“MCCG”) and are committed to ensuring that our corporate strategy, risk management and business conduct are in line with the principles and best practices of ethical conduct. Our corporate governance framework and practices are elaborated in the Corporate Governance Overview Statement on pages 95 to 105 of the Annual Report. The Board ensures that IJM has the structure, strategy and capability to deliver long-term value to our stakeholders.

IJM’s Code of Conduct and Ethics for Employees, which prescribes the principles, rules, guidelines and ethical behaviour in the Group, is cascaded to all of our employees.

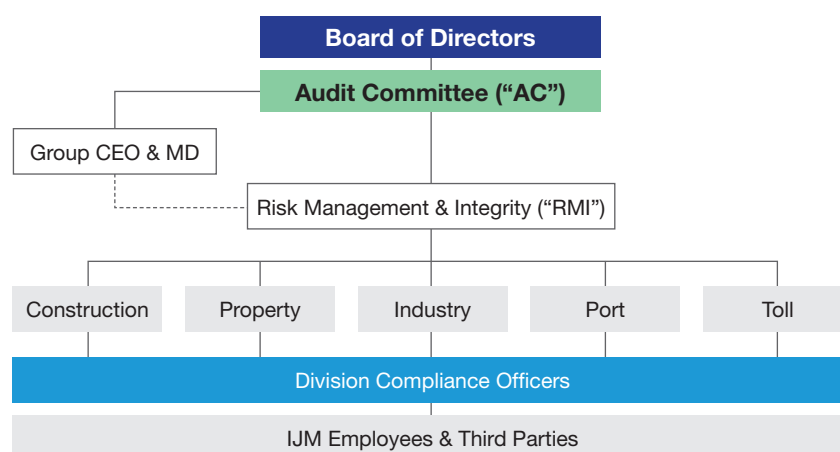
Anti-Bribery and Corruption

System (GRI 205-1, GRI 205-2, GRI 205-3)

IJM has zero-tolerance for all forms of bribery and corruption. We have in place the Anti-Bribery and Corruption System (“ABCS”) that reaffirms our adherence to local laws and regulations including the Malaysian Anti-Corruption Commission (Amendment) Act 2018, which took effect on 1 June 2020.

The Group has a formal structure for the effective implementation and enforcement of ABCS programmes and measures to achieve a smooth dissemination and escalation process of ABCS-related matters throughout the Group.

ABCS Governance Structure



IJM employees are required to comply with our Anti-Bribery and Corruption Policy at all times. This policy covers various types and elements of bribery and corruption to ensure our interactions with government authorities, investors, suppliers, contractors and business partners are conducted by observing high ethical standards. Major investments, including mergers, acquisitions, joint ventures and projects, are reviewed for anti-bribery and corruption risks with appropriate due diligence conducted on the counterparty and owners of the counterparty, where relevant.

Third parties who perform work or services for or on behalf of IJM are also required to acknowledge conformity to the Code of Business Conduct for Third Parties as well as comply with all applicable laws and our ABCS manual.

We have procedures and internal controls in place to address corruption in all our operations through periodic verification and audit processes. For further information on our anti-bribery and corruption measures, please refer to page 117 of the Statement on Risk Management and Internal Control.



Port Division received the Silver Award at the Anugerah Integriti, Governans dan Anti Rasuah (“AIGA”) ceremony

The Group continues to promote a culture of integrity through awareness campaigns and regular communications. All employees are expected to read, familiarise and strictly comply with the Anti-Bribery and Corruption Policy when carrying out their duties. Every year, employees are required to attend a compulsory ABCS e-learning programme conducted internally.

As part of the Company's commitment to promote and uphold high ethical and integrity standards, all anti-bribery and corruption related policies are published on the Corporate website. In addition, the dedicated IJM intranet keeps employees updated with new information and disseminates training materials to guide them.

In FY2022, the Risk Management and Integrity Department ("RMI"), which is entrusted to oversee the implementation of ethics and integrity in the Group, carried out the below activities. There were zero confirmed incidences of corruption across IJM's business operations and there were zero monetary losses arising from legal proceedings associated with charges of bribery or corruption in FY2022.

ABCS Activities

Culture Building	Ongoing Awareness	Commitment and Compliance	Framework and Guidelines
<ul style="list-style-type: none"> New Employees Induction Programme 	<ul style="list-style-type: none"> ABCS E-Learning Modules for All Employees Periodic Awareness and Communication Board of Directors Training and Integrity Day 	<ul style="list-style-type: none"> Integrity Pledges Third-Party Due Diligence 	<ul style="list-style-type: none"> Review of ABCS Manual

ATTRACTING CAPITAL

Inaugural Sukuk with Sustainability Features

On 18 July 2022, Fairview Valley Sdn Bhd, a wholly-owned subsidiary of IJM, entered into a subscription agreement with CIMB for its proposed RM360 million nominal value Sukuk Murabahah to be issued under an Islamic Medium Term Notes Programme. The proceeds from the issuance will be utilised to refinance the existing borrowings that was used to fund the development of the Group's Menara Prudential.

The programme marks the first time IJM is integrating our sustainability performance with financing metrics as the sukuk incorporates sustainability-linked features with pre-agreed targets set for the building's energy and water efficiency performance and renewable energy composition. Profit rebates will be granted should Fairview Valley achieve these targets, thus lowering the overall cost of borrowing.

Re-inclusion into the Norwegian Pension Fund

On 15 June 2022, IJM was reincluded into Norway's Government Pension Fund Global's investable universe when the executive board of the fund's manager decided to revoke the exclusion of IJM after we exited from the oil palm sector in 2021. The Pension Fund, in 2014, placed IJM in its Exclusion List due to the risk of the Company being responsible for severe environmental damage through the conversion of tropical forest into oil palm plantation.



IJM Group inks RM360 million Sukuk Murabahah subscription with CIMB

MARKETPLACE: DOING GOOD BUSINESS

EXCELLENCE THROUGH QUALITY

We take pride in achieving “*Excellence through Quality*” and continue to improve the products and services we deliver. We are guided by our Quality Policy and Quality Management System framework to enhance our skills, processes and quality management system. All Divisions are certified with the ISO 9001:2015 Quality Management System (“QMS”), demonstrating our adherence to the relevant local and international benchmarks and standards.

We implement a systematic approach through our management systems and practice the Plan-Do-Check-Act approach in our work processes to attract and retain customers by optimising opportunities while improving results.

The Construction Division ensures the quality of its projects through a self-regulated assessment system, the IJM Quality and Standard Assessment System (“IQSAS”). IQSAS sets out the standards for various quality aspects, with assessments conducted during construction. All projects are assessed and scored based on four components for building works: structural works, architectural works, mechanical and electrical works, including compliance with IJM Quality System. The implementation and performance of this system is reviewed annually by our Quality Management Committee for continuous improvements.

Furthermore, to ensure the delivery of high-quality products to our customers and meet industry standards and best practices, developments by the Property Division are assessed and benchmarked against the Quality Assessment System in Construction (“QLASSIC”) scoring mechanism. QLASSIC is a system or method used to measure and evaluate the



workmanship quality of a building construction work based on Construction Industry Standard (CIS 7:2021).

All projects under the Property Division are required to achieve a minimum QLASSIC score of 80%. In FY2022, all projects assessed successfully scored above the minimum score, with six projects scoring 85% and above. During the financial year, the Division received the High QLASSIC Achievement Award at the CIDB QLASSIC Award 2021 for its Taman Austin Duta Phase 6, a project that achieved a score of 87%.

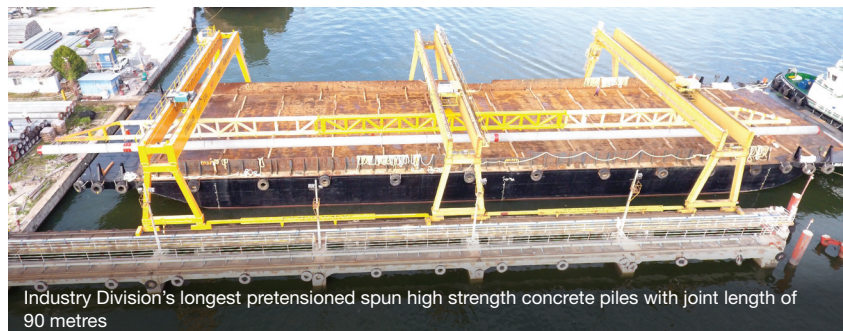
The Industry Division produced its longest ever pretensioned spun high strength concrete piles with a joint length of 90 metres and diameter of 1,000 mm, exceeding previous spun piles of 75 metres length. The piles were cast for a megaproject, the Batang Lupar bridge, Sebuyau, Sarawak. The bridge will be the

longest river-crossing bridge in Malaysia connecting Samarahan to Betong with a two-lane single carriageway. It is scheduled for completion in 2025.

Industry Division's products are certified with the following:

- MS 1314: Part 4:2004 Precast concrete piles
- SS EN 206:2014 Concrete
- MS EN 206:2016 and CIS 21:2018 Ready-mixed concrete
- JIS G 3137:2020 Small diameter steel bars for prestressed concrete
- MS 1138: Part 3:2007 Prestressing steel
- MS 1462 Metal scaffolding

Furthermore, the Division is also certified with the C60 Shoring system, BS 5975 Code of practice for temporary works procedures and the permissible stress design of falsework and BS EN 12812 Falsework.



MEETING OUR CUSTOMERS' NEEDS

We continue to engage with our customers to deliver the best of our services, in line with our core value of Customer Focus. All business divisions conduct surveys for insights on customer satisfaction to better understand their needs.

Customer Satisfaction Survey Results by Division					
	Construction	Property	Industry	Port	Toll
Target	80%	75%	80%	80%	85%
Actual performance	86%	74%	92%	91%	89%

All Divisions achieved above their target score, except for the Property Division. The Property Division's FY2022 customer satisfaction score was below its targeted 75%. The Division's Net Promoter Score ("NPS") also decreased to 14. In both instances, the below target scores were due to circumstances beyond their control; they were primarily due to mobility restrictions arising from the Government's Movement Control Orders ("MCO") during the pandemic. As a result, customers were unable to visit our showrooms and galleries, and engagements were restricted due to the standard operating procedures ("SOPs"). Furthermore, the MCOs hampered the progress of projects, delaying completion and handover dates.

Nonetheless, the Division persisted in taking steps to strengthen customer engagement and improve customer satisfaction by providing support to existing and prospective customers with virtual tours and online sales presentations. Regular customer-centric training was also conducted for continuous enhancement of customer service.

Keeping Our Road Conditions Safe

Several initiatives have been put in place to manage traffic congestions and ensure the safety of our road users. These include lane reconfigurations and installation of signages as well as road safety audits for all our highways. Mitigation measures have been identified and are currently underway.

BRANDING AND REPUTATION

Delivering Inspired Solutions is our brand promise to our stakeholders. For customers, we leverage on our decades of experience and know-how to provide solutions that are as inspiring as they are beneficial. We value the IJM brand and reputation as important key differentiators to stand out and seize new business opportunities and attract talent.

IJM Land's brand philosophy focuses on transcending customer satisfaction by creating value through brand loyalty and advocacy.

The primary brand drivers for IJM Land have always been innovation, timeless quality, excellent customer service and responsible sustainable practices.

Customers come first, and we place strong emphasis on ensuring our developments create value, are easily accessible, well-connected and come with convenient amenities. We are recognised for having delivered well in this regard, and won several awards and accolades in FY2022. Please refer to pages 10 to 11 of the Annual Report.



MARKETPLACE: DOING GOOD BUSINESS

StarProperty Awards 2021

Our Property Division was recognised for exceptional property developments among top-class developers. We won three awards at the StarProperty Awards 2021, namely:

- StarProperty All-Stars Award - IJM Land
- Excellence in The-Close-To-Home Award - Riana Dutamas, Kuala Lumpur
- Excellence in The Borneo Star Award - Bandar Utama, Sandakan



EMBRACING TECHNOLOGY IN OUR OPERATIONS

Accelerating Strategic Innovation and Digital Transformation

A 3-Year Roadmap encompassing the Strategic Innovation Pillars has been formulated, with clearly defined objectives to be delivered via a wide array of initiatives. These initiatives are strategically planned to leverage on the benefits and advantages of trending technologies. In FY2022, we implemented our Strategic Innovation Plan ("SIP") to deliver greater value, create sustainable advantages and generate business growth for the Group.

Key Pillars of the Strategic Innovation Plan

Pillar 1: Process Automation

- Achieve a synergistic human automated workplace by leveraging on technologies to improve productivity levels, minimise and eventually remove human error, enforce good practices of data control and governance, and foster organisational transparency

Pillar 2: Digital Insights and Analytics

- Establish a centralised data repository for access, as a common source of accurate and trusted data to empower informed decision-making, enable strategic risk mitigation, prepare predictive action plans, and create new innovative products and services

Pillar 3: Competitive Business Innovation

- Redefine IJM's business model to explore new avenues of growth, as well as to gain greater market share in existing businesses by elevating our value proposition, solidifying reputation, providing bespoke customer experience, and ensuring sustainable growth

Digitalising Our Business

Our Divisions are continuing to integrate digital solutions into their business operations.

The Construction Division introduced an in-house developed mobile application, *MyIJM*, a digital platform that eases construction updates from project sites by consolidating data on safety, inspection, site productivity, work log and defect management. The application enables data consolidation among various projects across different geographical sites in real-time, ensuring risks are attended to immediately while improving site operations and management.

The Property Division enhanced its Customer Relationship Management ("CRM") solutions for pre-sales by introducing a cloud-based CRM software, to facilitate a more efficient sales process, digital marketing and data analytics. In addition, the Division is developing an application to provide an all-in-one platform on post-sales project related information such as development progress, key-handover process and resident community updates.

In FY2022, the Property Division continued to engage its customers virtually and hosted a number of online activities. These included virtual sales launches for its development projects where sales were done online. A proprietary electronic system is also used to manage expressions of interest, unit selection and sales bookings for each new property to create a seamless buying experience for our customers. Aside from this, we continued to engage with prospective buyers through virtual tours of developments and show units for the launched projects.

The Industry Division's automation enhancement initiative saw the installation of a double feeding system and a pile vacuum lifting beam, and the launch of a digitalised production system at their Lumut and Kapar factories. As a result, this increased the Lumut factory's output to 35% from a target of 25%, and Kapar factory's output to 34%, exceeding its target of 20%. These efforts helped the Division reduce costs and foreign labour dependency.

The Toll Division digitalised the majority of its documentation tasks and has introduced a highway patrolling system, which utilises the Internet of Things ("IoT") platform. It provides real-time patrolling activities via high-precision Global Positioning System ("GPS") and perimeter surveillance. Meanwhile, the Port Division has launched the e-Gate platform to improve its automated traffic scheduling efficiency.

In addition to our in-house digitalisation efforts, IJM recently invested RM35 million for a 60% equity in Globalcomm Solutions Sdn Bhd ("GlobalComm"). Since its incorporation in 2005, GlobalComm has been involved in providing network architecture development, dedicated network services and telecommunication infrastructure solutions in Malaysia. The investment enables us to harness fully potential synergies within our existing property developments via improved network setups. It can also facilitate the development of customised solutions for our Toll Division's network for grid leasing and building smart highway capabilities.



Virtual tour of Property Division's Mezzo development at the Light City, Penang

MARKETPLACE: DOING GOOD BUSINESS

Working in the New Normal

Managing cybersecurity

With extended periods of work from home and the adoption of more digital collaboration tools as a business necessity in FY2022, we were focused in providing a secure and seamless employee experience across company computers and personal devices. This has been further intensified following global reports on the increase in cybersecurity risks at the beginning of 2022. We will continue to invest in a multi-layered cyber defence strategy with increased attention to education, and training our employees in identifying and mitigating online risks and to strengthen our people firewall. This year, a security posture assessment ("SPA") was conducted by the Information Systems Department that included a series of activities to raise awareness on potential phishing scams.

In FY2022, employees were required to complete mandatory cybersecurity training. For our efforts on managing cybersecurity risks, please refer to pages 121 and 122 of the Statement on Risk Management and Internal Control.

BUILDING BETTER AND SMARTER

IJM is constantly looking at new methods to promote efficiency and achieve business excellence. We strive to accelerate the adoption of progressive technologies such as digitalisation, automation as well as intelligent delivery system in order to anticipate or even initiate technological disruptions in the industry.

Building Information Modelling ("BIM")

We utilise BIM during the pre-construction phase. It enables early visualisation and planning using 3D model-based simulation

to promote better coordination between trades and eases work for renovation and facilities management upon project completion.

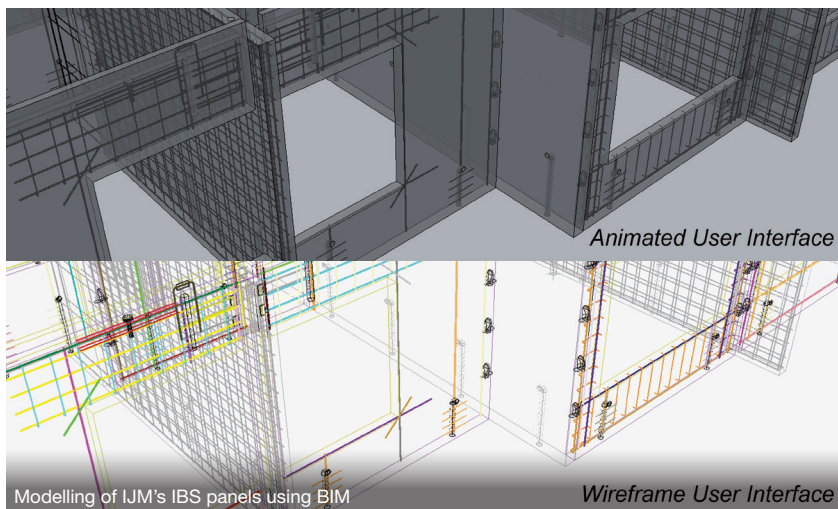
We undertook two industrial projects with BIM implementation in Batu Kawan, Penang. These industrial infrastructures were fast-paced projects, taking between six months to two years, where coordination before construction is vital to ensure the seamless delivery of the projects. Clash-free BIM models can be produced in the early stage to reduce the probability of expensive mistakes at the later stage of the projects.

In addition, the success of BIM implementation is also reliant on the use of the Common Data Environment ("CDE"), especially during the pandemic when remote working was necessary. The CDE plays an important role in the implementation of BIM Level 2. This is a digital platform that stores relevant project progress updates and information that can be accessed by the BIM team, construction personnel and subcontractors. The CDE enables project members to access the latest information from a single source and facilitates BIM collaboration via virtual meetings. The implementation of BIM and CDE minimises the impact of disruptions arising from the pandemic. It facilitated project coordination during this

unpredictable period.

BIM also plays an integral role in the entire operation of our SMART precast manufacturing system which enables engineers to design and breakdown the entire building into individual precast components. The digitalisation of precast components is also used as the base to power the robotic assisted manufacturing system. The digitalisation of our manufacturing and construction processes has propelled IJM to be at the forefront of embracing Industrial Revolution 4.0.

In collaboration with the Institute of Engineers Malaysia ("IEM") and University of Nottingham Malaysia, we shared our experience and knowledge on the application and utilisation of BIM in actual practices during the construction process under the theme *Building Information Modelling: The Catalyst for the Construction Industry*. The collaboration was also part of our aim to ensure sustainable development in the construction industry is achieved by embedding and developing BIM knowledge, intellectual aspects and practical skills. Our goal is also to share and transfer our technology skills with students.



Industrialised Building System (“IBS”) – The Smarter Way to Build

We embrace the National Construction 4.0 Strategic Plan (2021-2025) by the Ministry of Works and the global call for sustainable construction through our investment in robotic assisted smart precast manufacturing system, or better known as SMART IBS.

SMART IBS represents a paradigm shift in the way we approach construction. In FY2022, the Industry Division's SMART IBS manufacturing plant in Bestari Jaya commenced operations with the aim of delivering an end-to-end digital IBS solution to the construction industry. This fully digital-driven factory enables works such as designing, modelling, manufacturing, storage, delivery and panel installation to be digitalised and connected via CDE. With an annual output capacity of 500,000m² equivalent to 2,500 homes, our SMART IBS factory has the highest construction productivity rate in Malaysia. The digitalisation of processes across the entire value chain empowers us to have a digital preview of the manufacturing process, delivery arrangement, sequencing of installation and the finished product.

Our SMART IBS factory operates on an automated carousel precast manufacturing system that utilises robotic-assisted plotting and shuttering process, automated customisable mesh production and concrete feeding process. The robotic-assisted and advanced shuttering system of the smart manufacturing process delivers both accuracy and design flexibility that is not possible with conventional methods. The panel jointing system speeds up the installation process and eliminates wet works, resulting in a quieter, neater and cleaner construction site. This simplifies

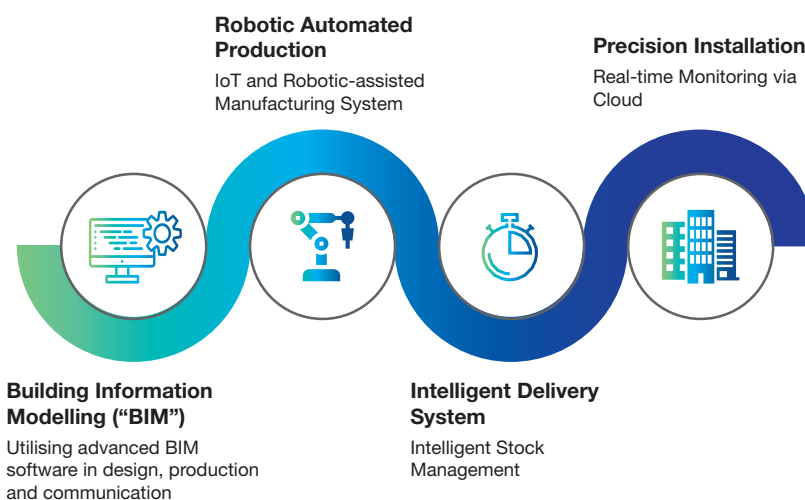
onsite work processes and reduces the complexity of managing manpower, requiring fewer workers and lowering health and safety risks at construction sites.

The IBS manufacturing system requires significant capital investment, including the upskilling of our workforce. The internally developed capability for our IBS precast system enables IJM to spearhead the transformation of Malaysia's construction industry, and drive a smarter, safer and more affordable way to build. The adoption of SMART IBS will also help us to lower our carbon footprint in line with our Sustainability Roadmap. We have several measures in place

to reduce wastage of raw materials by reclaiming and recycling of water and aggregates. Moving forward, we intend to install solar panels to power our SMART IBS plant.

Projects such as affordable housing, low and high-rise residential and public projects including schools and government quarters will benefit greatly from our SMART IBS technology. The Property Division's upcoming project in Shah Alam 2 will be among the first residential developments to adopt our SMART IBS solution. Since our commencement, our SMART IBS has completed two industrial projects.

Key Components of SMART IBS



Industry Division's SMART IBS factory at Bestari Jaya, Selangor

MARKETPLACE: DOING GOOD BUSINESS

Speedier and Better Quality Construction for Hotayi Electronic, Batu Kawan, Penang

One of the projects utilising the SMART IBS system was the construction of an industrial building for Hotayi Electronic at Batu Kawan, Penang. Precast wall panels were used to construct four wall sections of the building, replacing the use of conventional methods, such as the installation of brick walls which require plastering and skim coating. The adoption of the precast panels allowed for faster construction time and lesser onsite works, resulting in reduced labour cost as well as a more consistent quality in the finished product. With the use of the SMART IBS system, the project was completed within 45 days, from manufacturing to construction, which is eight times faster compared to the conventional method of construction.



8x faster

Completed in 45 days



Only 7 manpower

Needed to complete the job



High precision

No alteration works needed



Smooth surface

Throughout allows for paint to be applied directly onto the panel, eliminates plastering and skim-coat works



Construction of Hotayi Industrial building using SMART IBS system

In addition, the IBS system helps to reduce environmental impacts caused by construction works. Reduced raw materials such as sand, cement and water are consumed as these panels are produced in a factory with high precision while wastage is also considerably lesser as compared to the conventional methods of construction.

SECURITY

Security was a material issue for all our Divisions in FY2022. The Property Division strives to provide secure spaces for communities to thrive. Our townships come equipped with various safety and security precautions. The Division implements an approach known as Crime Prevention by Environmental Design (“CPTED”), which entails a natural form of surveillance on top of other security measures, such as CCTV surveillance, street lighting and round-the-clock guard patrols to reduce criminal opportunities and provide a safer environment for all residents.

At our factories, the Industry Division undertakes various security measures to safeguard the transportation, storage, handling, use and disposal of dangerous and hazardous materials. All workers

are trained with relevant safety procedures in accordance with national regulations. We also abide by regulatory health and safety standards in handling and disposal of various materials including the use and disposal of explosives at our quarry sites. All relevant authorities are pre-informed of any planned use of explosives at quarry sites.

The Port Division adopts the International Ship and Port Facility Security (“ISPS”) code and is also protected under the Protected Areas and Protected Places Act 1959. The Division has fully digitalised the port entry procedures by implementing an electronic gate (“E-Gate”) system to better monitor and control authorised access to port facility areas and ships. The system enables the digitalisation of all procedures at the Kuantan Port’s entrance, prompting better

efficiency and faster turnaround time. In addition, E-Gate allows the tracking of port users, including the entry of staff as well as vehicles and the information is stored online for security purposes. In FY2022, the Division received a five-star rating in its security audit from the Malaysia Chief Government Security Officer’s Office, reflecting its high standards of security procedures and measures.

The Toll Division has implemented several security measures along highways. CCTV cameras are installed at toll plaza areas to monitor highway movements as well as at gated walkways assigned to our toll collectors and operational staff for their safety. Additionally, security guards are positioned around the toll plaza areas to ensure that only employees are allowed to enter authorised areas.



Kuantan Port's Marine Traffic Control Tower equipped with the new Vessel Traffic Management & Information System

MARKETPLACE: DOING GOOD BUSINESS

DATA PRIVACY AND PROTECTION (GRI 418-1)

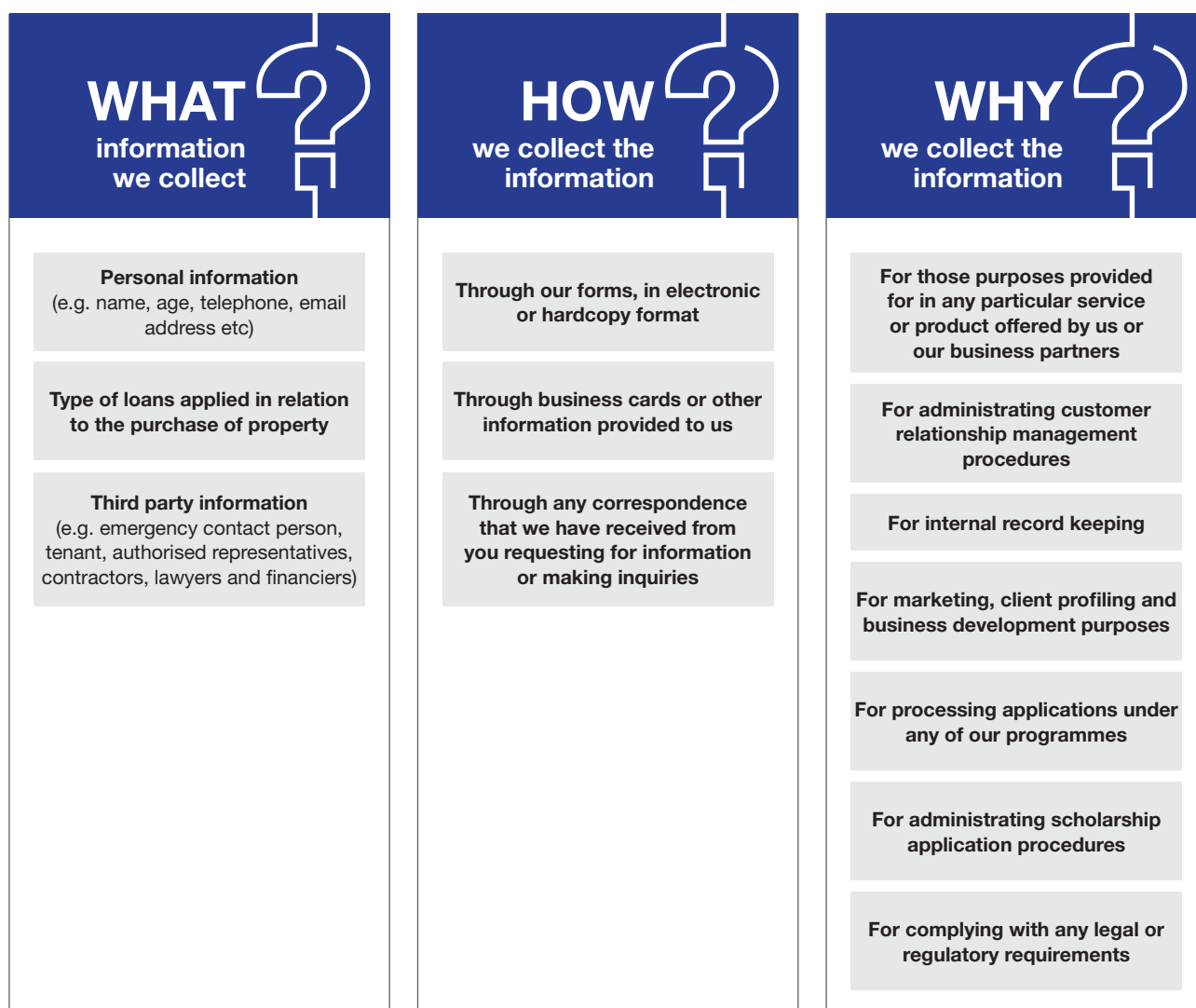
Customer data privacy and protection are of utmost importance to us. Therefore, we ensure our business is conducted in strict adherence to the Personal Data Protection Act 2010 ("PDPA"). We established a Privacy Policy to communicate the processing guidelines for collecting, recording, holding or storing our customers' personal data. We have duly obtained the consent of our customers before processing their

personal data, taking reasonable steps to secure and protect their personal data. We do not retain personal data longer than required for the purpose for which it was to be processed. The Privacy Policy, in both English and Bahasa Malaysia, is available on the Corporate website.

In addition, we are certified with the ISO/IEC 27001:2013 Information Security Management System ("ISMS") and ISO/IEC 20000-1:2011 Information Technology Service Management System ("ITSMS").

We also conducted regular trainings and communications to employees in order to effectively ensure data privacy is appropriately managed in a secure and controlled environment. In FY2022, we recorded zero substantiated complaints concerning breaches of customer privacy and zero cases of identified leaks, thefts, or loss of customer data. We will continue to protect our customer's data privacy across all Divisions. Our Privacy Policy is reviewed regularly in compliance with the PDPA 2010.

Our PDPA Approach



RESPONSIBLE PROCUREMENT PRACTICES

(GRI 2-6)

Given the nature of our businesses, we rely on diverse suppliers, service providers and contractors, both locally and globally, for materials and services.

We established a Responsible Supply Chain Policy to ensure alignment and extend the Group's values and principles to foster trust and long-term benefits to all stakeholders across our supply chain. In addition, our Code of Business Conduct for Third Parties sets out fundamental principles and standards that our third parties are required to conform with when conducting business with

the Group. This includes, but is not limited to all vendors, suppliers, service providers, contractors, subcontractors, consultants, agents, representatives and any other persons or entities who provide work, goods or services or act for or on behalf of the Group.

Any violations and/or non-compliance with this Code shall be taken seriously and may result in, among others, the termination of the Group's contract with erring third parties. The Code of Business Conduct for Third Parties and the Responsible Supply Chain Policy are available on our Corporate website.

We have also increased efforts to enhance the screening of our suppliers and vendors. This includes a sustainability assessment to ensure we have a responsible supply chain. We are participating in a pilot Action Centre for Sustainable SMEs ("ACCESS") programme with UNGC Malaysia and Brunei to incentivise our supply chain to embed sustainability into their operations. Selected suppliers and vendors will undergo a 5-month sustainability training and development, following which participants will be certified as sustainability-trained.

Responsible Supply Chain Policy

We aim to extend the Group's values and principles to our suppliers, service providers and contractors in order to foster trust and long-term benefit to all stakeholders in our supply chain. This is underpinned by good ethics, a healthy and safe workplace, capable of minimising the risk of violating human and social rights, maintaining good environmental practices and ensuring strict compliance to local laws and regulations.



ENVIRONMENT

Environmental compliance

We expect our suppliers, service providers and contractors to be respectful in their interactions with the environment by adhering to all applicable environmental legislation, preventing pollution and adopting best practices in accordance with the Group's Environmental Management System



SOCIAL

Health and safety

We expect our suppliers, service providers and contractors to have the necessary health and safety measures in place to minimise workplace risks and hazards

Human rights and labour

We expect our suppliers, service providers and contractors to demonstrate their commitment to human rights standards and laws



GOVERNANCE

Ethics and governance

We expect our suppliers, service providers and contractors to adhere to integrity and ethical business practices as outlined in the Group's Code of Conduct and Ethics

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:

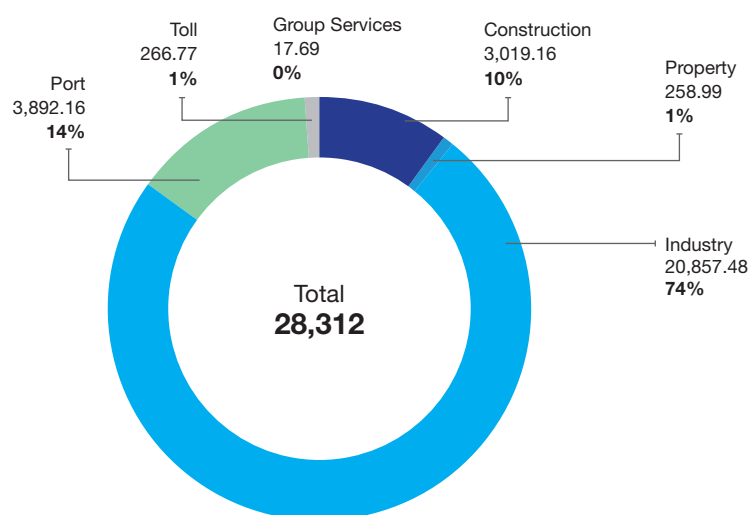
• Mobile combustion:

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

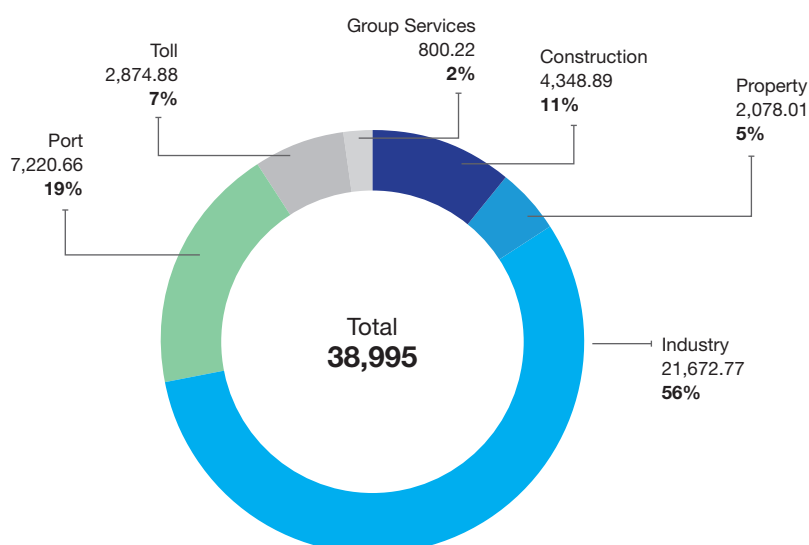
Scope 1 Emissions in FY2022 (tCO₂e)



Scope 2:

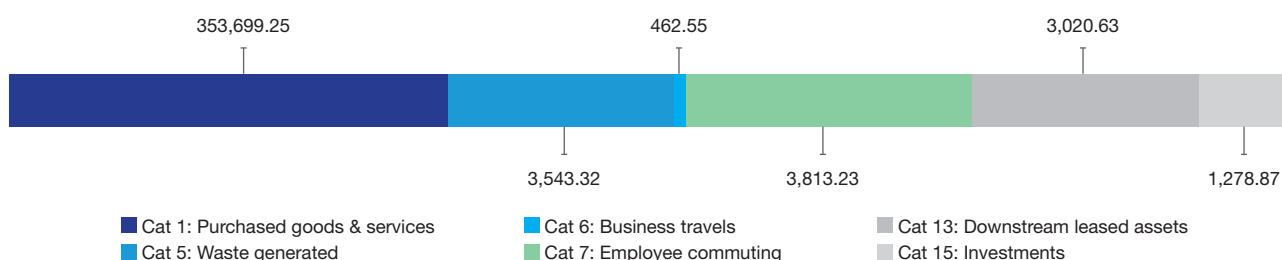
Emissions under this scope account for 9% of IJM's total emissions. Scope 2 emissions are associated with electricity purchased (location-based) and consumed by offices, factories, other buildings, street lightings and equipment used in our operations.

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%

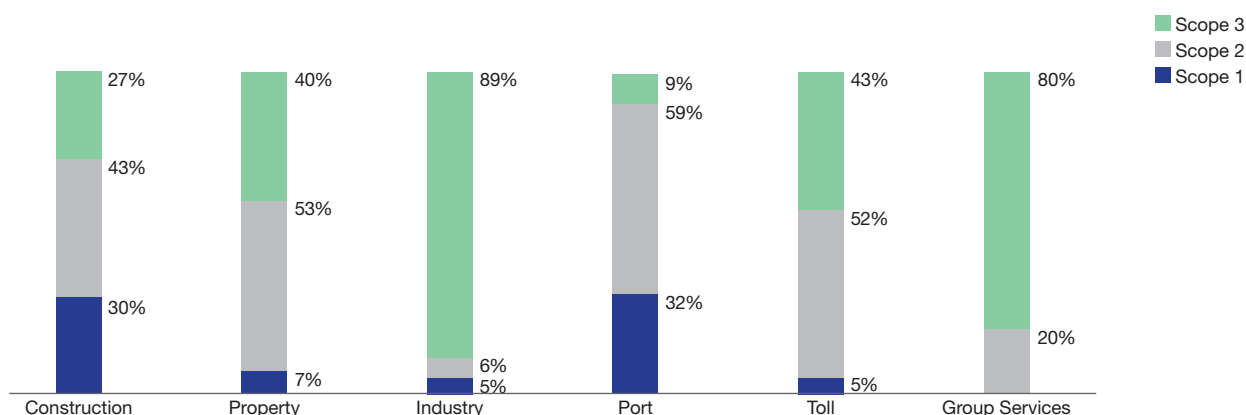


Toll
5,498.08 tCO₂e
1.27%



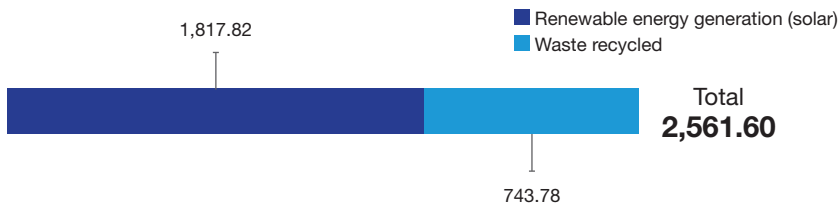
Group Services
4,075.79 tCO₂e
0.94%

Total Emissions by Division in FY2022 (tCO₂e)

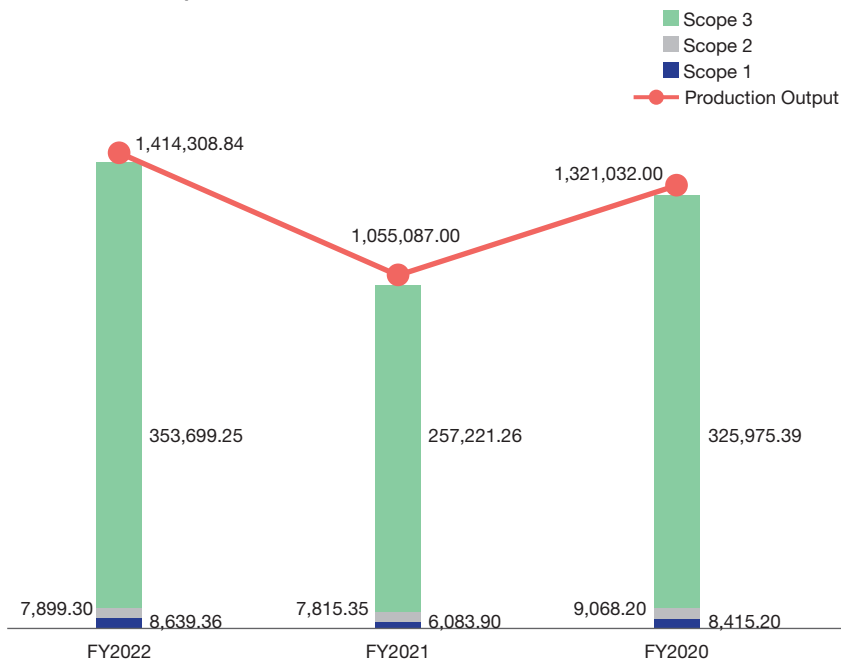


Methodology, boundary and assumptions:

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:

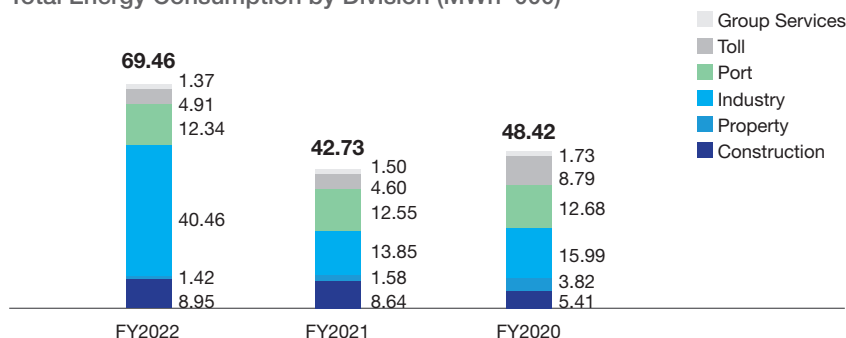
- Provided feedback as an industry player for the development of the revised National Policy on Climate Change
- Became a participant of the UNGC and are committed to align our business to its Ten Principles covering human rights, labour, environment and anti-corruption
- Became a signatory to the British 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)

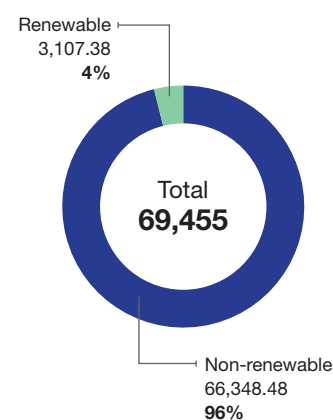


Note:

- 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

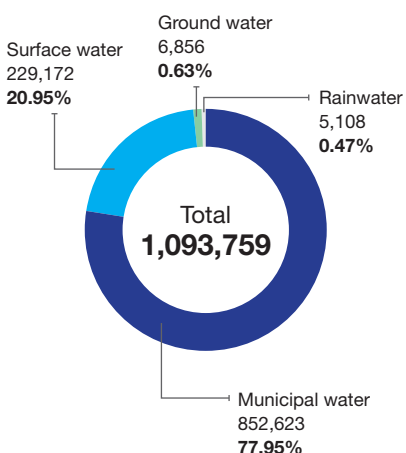
MANAGING AND PRESERVING OUR NATURAL CAPITAL (GRI 303-1, GRI 303-2, GRI 303-5)

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.

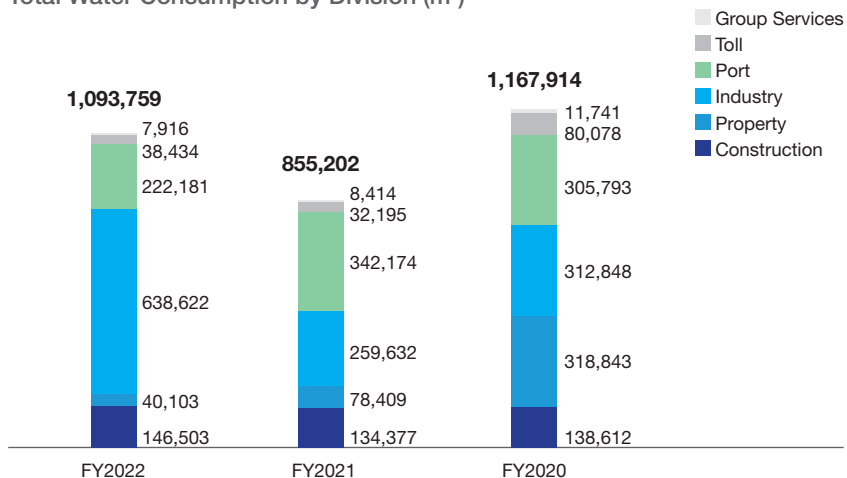
Responsible Water Use

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

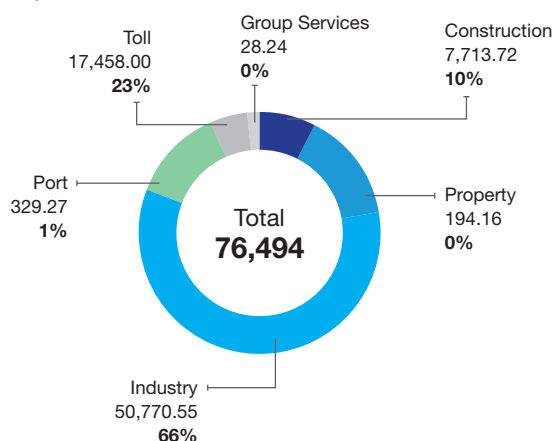
REDUCING AND MANAGING WASTE

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

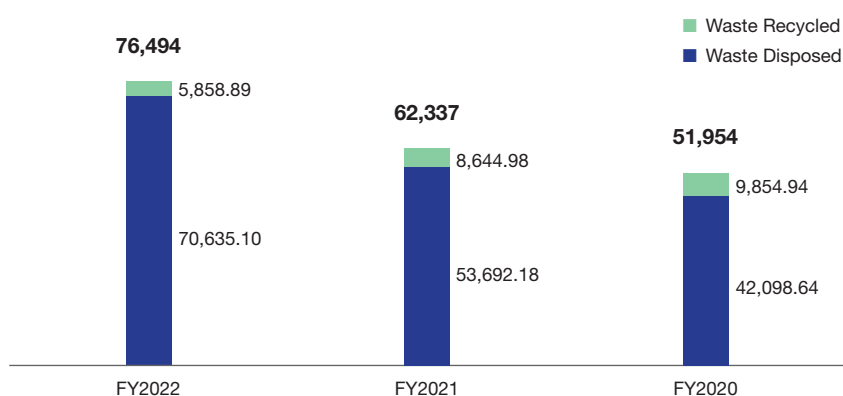
We continue to manage our waste responsibly and reduce waste disposed at landfills. We comply with the minimum requirements of local waste regulations and continue to work towards managing our wastes beyond this minimum threshold.

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)



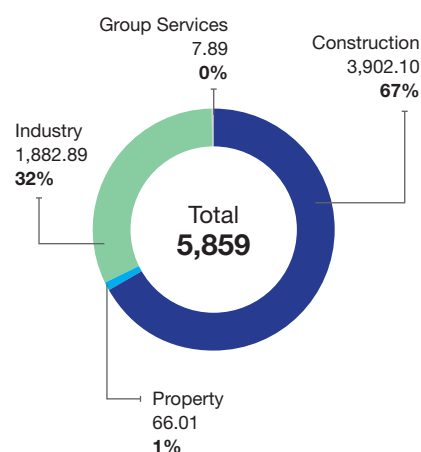
Recycling and Reusing Our Waste

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.

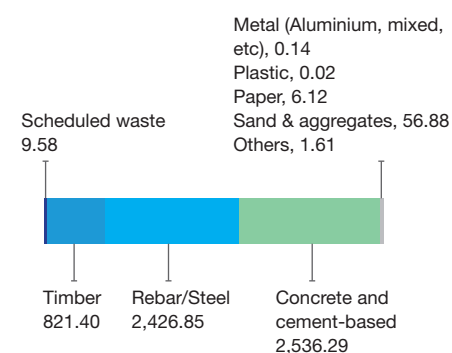
Waste management practices are implemented by the Construction Division as required by law and industry certifications such as the Green Building Index. Construction wastes is segregated at project sites into concrete, timber and steel, to be either reused or disposed by a licensed contractor. In FY2022,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



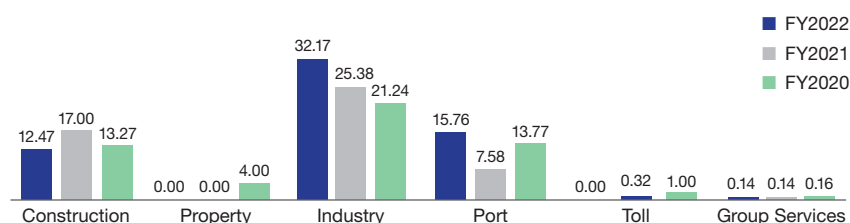
A recycling programme was also rolled out by the Toll Division. The '3R Programme - Go Green Campaign' aims to enhance awareness and encourage the reduce, reuse and recycle ("3R") habit among employees. The Group is continuously identifying waste reduction measures across all operations and exploring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

WORKPLACE

CHAMPIONING EMPLOYEES AS OUR GREATEST ASSET



OBJECTIVE

The health and well-being of our workforce is of fundamental importance to the Group. We ensure a thriving workplace that promotes a culture of performance, meritocracy and professional development.

As an organisation, we are fortunate to have a workforce that represents a diversity of talent, demographics, educational and cultural backgrounds. During the lockdowns, our employees have been proactive and dedicated to performing their jobs, ensuring business continuity. We are proud of the commitment of our workforce.

Tham Tsu San
Human Resources



HIGHLIGHTS

- IJM Group supports the Employee Provident Fund Workers Wellbeing Issues Policy
- IJM won several employer of choice awards in FY2022
- IJM achieved zero fatality cases at all site operations
- All 26 active projects of Construction Division, nine ICP factories of Industry Division and Port Division are ISO 45001:2018 certified, and their safety and health data are audited and verified by SIRIM
- A total of 152 safety and health meetings were conducted, covering all 26 active projects at various stages in line with SDG 3: *Good Health and Well-Being*
- About 67 employees were honoured the 20-year Long Service Award
- IJM Group continues to ensure full and effective participation of women in our workforce, with equal opportunities for leadership and all levels of decision making, in line with SDG 5: *Gender Equality*
- A total of RM702,624 was spent on training programmes where employees clocked over 28,000 training hours
- All employees returned to the office in December 2021 with 99% of our employees fully vaccinated



GRI STANDARDS SPECIFIC TOPICS

- GRI 401: Employment 2016
- GRI 403: Occupational Health and Safety 2018
- GRI 404: Training and Education 2016
- GRI 405: Diversity and Equal Opportunity 2016
- GRI 409: Forced or Compulsory Labor 2016

SDGs



WORKPLACE: CHAMPIONING EMPLOYEES AS OUR GREATEST ASSET

The International Labour Standards (“ILS”) regards health and safety at work as the responsibility of employers and workers. As an employer, IJM protects our workforce by providing a safe and healthy working environment. In turn, employees are obligated to follow guidelines and standards required of them in the workplace. During the COVID-19 crisis, our diverse workforce demonstrated their knowledge and commitment to workplace safety and health, and helped the IJM Group emerge from the pandemic as a resilient, strong organisation. In FY2022, we continued with our unwavering goal to attract, empower and retain quality employees while building a resilient workforce through various professional development and training programmes.

SAFETY PAYS FOR EVERYONE

(GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-8, GRI 403-9)

Safe Return to Work

In 2021, Malaysia introduced the National Recovery Plan as the country moved towards COVID-19 endemicity. During this transition, the health and safety of our workforce remained a priority.

IJM Group decided to have all employees return to the office with effect from December 2021, when 99% of our employees had been fully vaccinated. Employees were given a 1-day vaccination medical leave for their appointments to facilitate the COVID-19 vaccination. Employees who faced difficulties in securing appointments were supported by IJM’s Mobile Vaccination Programme, which involved the sponsorship of 1,000 vaccination slots, worth RM90,000. Conducted in the Klang Valley, it was open to employees and family members, general workers and our supply chain.

The Group adhered to all guidelines issued by relevant authorities to ensure a healthy and safe return of employees to the workplace. This involved strict conformance to social distancing and other health protocols. Among the measures taken were for employees to be screened by security at all entry points with their *MySejahtera* mobile application,

followed by routine thermal scanner check-ins. Only those with a ‘low-risk’ status were permitted to enter the Group’s premises. COVID-19 saliva test kits and a set of face masks were also provided to employees on a weekly basis.

In addition, virtual meetings were recommended and meeting rooms were allocated for meetings with visitors. Visitors were only received upon proof of vaccination and the submission of Visitor’s Health Declaration Form.

Health and Safety at Work

The Group has in place an Occupational Safety and Health Policy that is endorsed by the Group CEO and Managing Director. There are HSE Committees in all Divisions and at all locations. In addition, joint management-worker health and safety committees are established at the project sites to facilitate the participation of workers from all levels at the Occupational Safety and Health (“OSH”) spectrum to discuss OSH matters with the management.

All 26 active projects of Construction Division, nine ICP factories of Industry Division and the Port Division are ISO 45001:2018 certified, and their safety and health data are audited and verified by SIRIM. The certification does not apply to our Property Division as incidences are accounted for under the Construction Division. In FY2022, the Port Division

received two non-conformance reports under ISO 45001:2018, which have been rectified and the subject closed. No other non-conformance reports were received from the SIRIM audits.

Our OSH management system proactively manages our safety risks and opportunities, and determine the Organisation Context, Risk and Opportunities Register, which covers all existing projects and new potential projects. Specific risk management processes, addressing OSH hazards, environmental aspects as well as operational risk and opportunities, are implemented during the life cycle of a project, including the design and pre-construction stage.

The Hazard Identification, Risk Assessment and Risk Control (“HIRARC”) process is regularly reviewed and assessed to ensure they remain relevant to the changing work environment where accidents may occur. In addition, we ensure workers are not exposed to health risks when managing hazardous chemicals at our various work sites. The Construction, Industry and Port Divisions conduct a Chemical Health Risk Assessment (“CHRA”) for ongoing and new project sites, quarries and port facilities in accordance to the OSH (Use and Standard of Exposure of Chemicals Hazardous to Health) Regulation 2000.

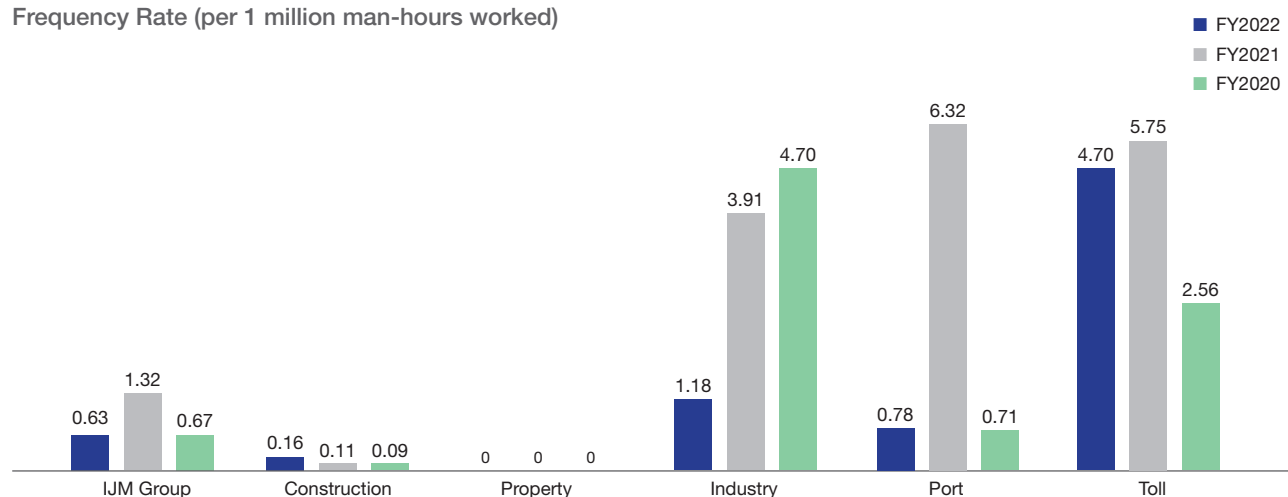
In FY2022, our Toll Division initiated a safety and health gap analysis and conducted a Management briefing on the development of an OSH Management System, in their pursuit for ISO 45001:2018 certification. Three new procedures were introduced to support the establishment of their OSH Management System, namely the Hazard Identification, Risk Assessment and Determining Control (“HIRADC”) procedure; Emergency Response Plan procedure; and an Incident Management procedure.

Preventing Workplace Accidents

In FY2022, the Group recorded a Lost Time Injury (“LTI”) frequency rate of 0.63; which reflects the number of LTI incidents occurring every 1 million working hours. The severity rate, which measures the number of lost workdays due to work-related injuries occurring for every 1 million working hours, was 25.54.

The Group’s target is to achieve zero accidents through continuous safety and health monitoring and corrective actions. Zero fatality and zero accident targets are key performance indicators included in the incentive packages for all project directors. In FY2022, IJM achieved zero fatality cases at all site operations.

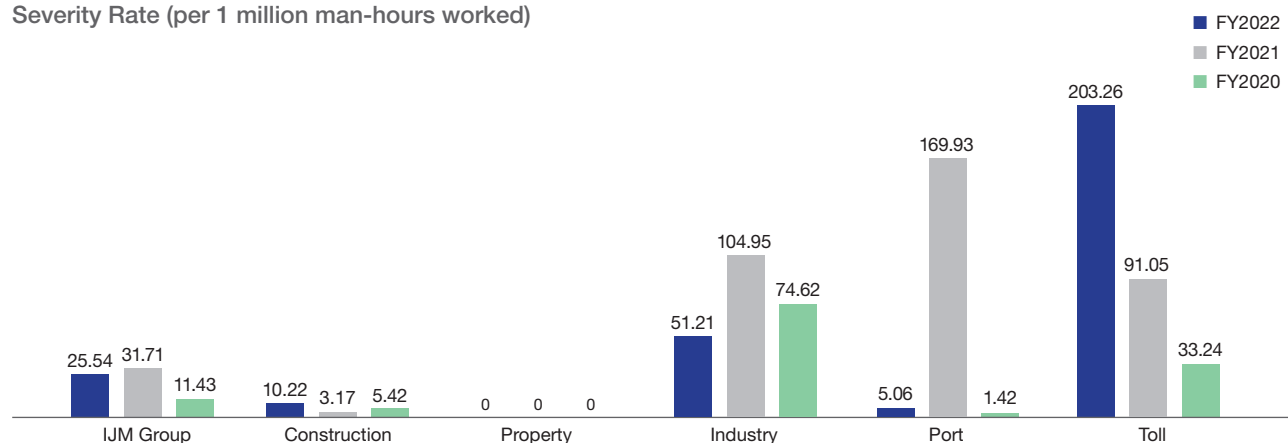
Frequency Rate (per 1 million man-hours worked)



Note:

Property Division incidences are accounted for by its contractors

Severity Rate (per 1 million man-hours worked)



Note:

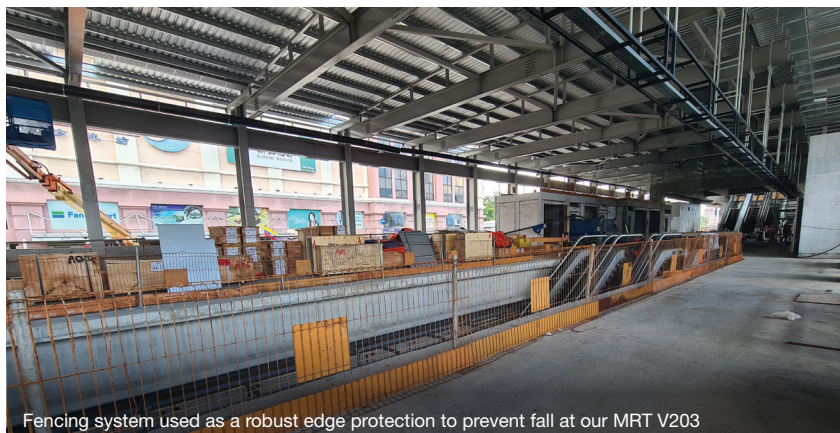
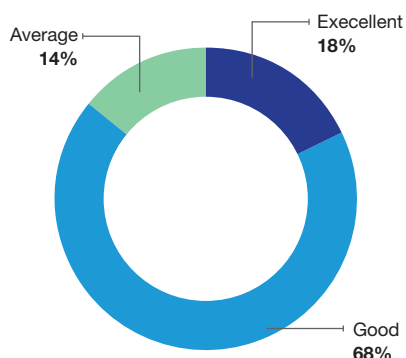
Property Division incidences are accounted for by its contractors

WORKPLACE: CHAMPIONING EMPLOYEES AS OUR GREATEST ASSET

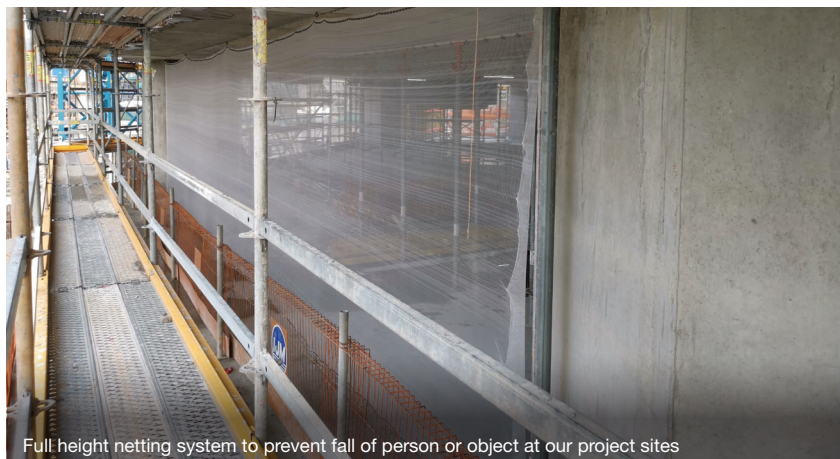
At IJM, safety campaigns are conducted on an annual basis to ensure a safe and healthy environment is well maintained and is everyone's responsibility within our operations. In line with our main guiding principle of Protecting Lives and in accordance with SDG 3: *Good Health and Well-Being*, we conducted a total of 152 safety and health meetings during the year, covering all 26 active projects at various stages. HSE training and awareness programmes and toolbox sessions were also conducted for our supply chain.

As a standard practice, our in-house Safety and Health Officers conduct internal audits and inspections periodically to ensure safety programmes are implemented and in compliance with legislative requirements. When a subcontractor is engaged for a project, the tender and contract documents include all safety requirements and they are kept informed of new or updated safety and health regulations and standards.

HSE Consultation Programmes in FY2022



Fencing system used as a robust edge protection to prevent fall at our MRT V203



Full height netting system to prevent fall of person or object at our project sites

For the Construction Division, several processes to monitor and enforce requirements at workplaces are implemented at project sites. The effectiveness of HSE management system at the project sites and project performance is evaluated via regular site consultations and internal audit programmes. In FY2022, a total of 22 HSE Consultation Programmes and nine HSE Internal Audits were carried out.

The Industry Division carries out workplace inspections regularly to prevent unsafe acts and work conditions. Accident prevention measures are implemented to avoid machinery hazards. OSH committee meetings are conducted once every three months to discuss health and safety matters and improve on communication between management and employees. All quarry personnel are required to be

equipped with personal protection equipment ("PPE") such as protective eyewear, safety helmet, and shoes. All blasting activities are controlled and require permits from relevant authorities. All quarry visits are supervised and limited to reduce risks of accidents. The Division measures vibration readings from every blast and requires quarry employees to undergo an annual health screening in accordance with its Medical Surveillance Report checklist.

The Port Division conducted Management and HSE Department walkabouts with representatives from Port users, to inspect and identify hazards and safety issues during cargo handling operations.

A SUPPORTIVE AND INCLUSIVE WORKPLACE

(GRI 2-7, GRI 2-8, GRI 401-1, GRI 401-3, GRI 404-1, GRI 404-2, GRI 405-1)

A Dynamic Workforce

IJM Group continues to be driven by a motivated and diverse workforce. In FY2022, the Group had 2,878 employees. There is a decrease compared to FY2021, mainly due to the divestment of our Plantation Division in September 2021.



As at 31 March 2022,
IJM Group had

2,878 employees



Permanent full-time

83% employees



Contract full-time

17% employees

IJM's Workforce by Ethnicity



64% Bumiputera



27% Chinese



8% Indian

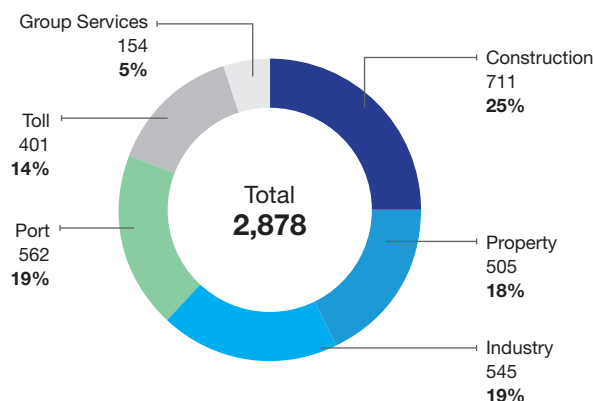


<1% Others

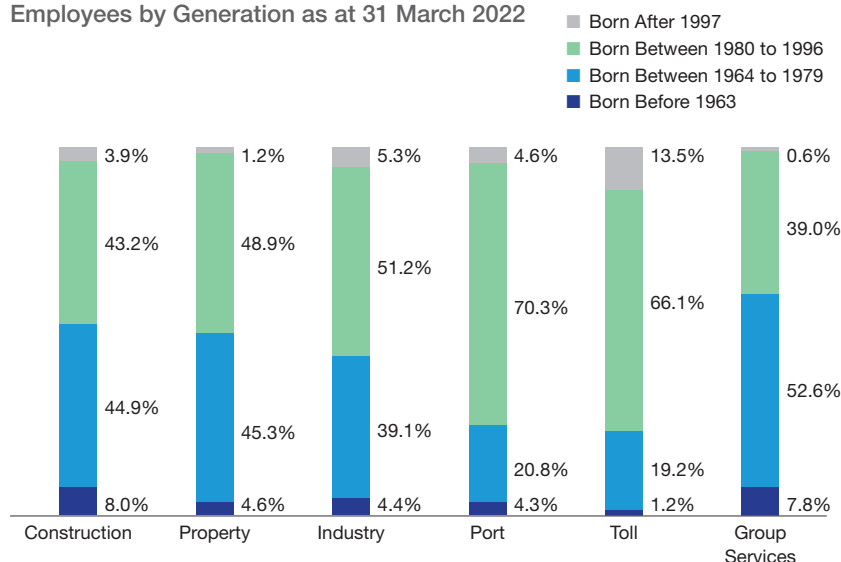


<1% Non-Malaysians:
Indians and Chinese

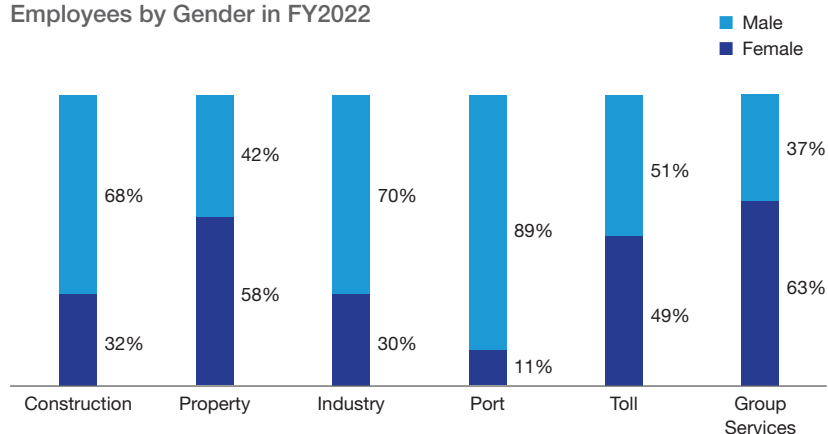
Employees by Division in FY2022



Employees by Generation as at 31 March 2022



Employees by Gender in FY2022



WORKPLACE: CHAMPIONING EMPLOYEES AS OUR GREATEST ASSET

We also recognise the benefits of having a multi-generation perspective that will contribute to the growth of our short and long-term business objectives. As at 31 March 2022, 59% of our workforce were between the ages of 25 to 42.

In FY2022, 67 employees were honoured the 20-year Long Service Award ceremony for being a significant part of the workforce at IJM. The award recognises the determination and effort employees have demonstrated during their time with us and encourages them to look forward to more accomplishments in the upcoming years. 76% of our employees have been with IJM for more than five years and 542 employees have been with the company for more than 20 years, affirming our ability to retain our talent pool and being a good place to work.

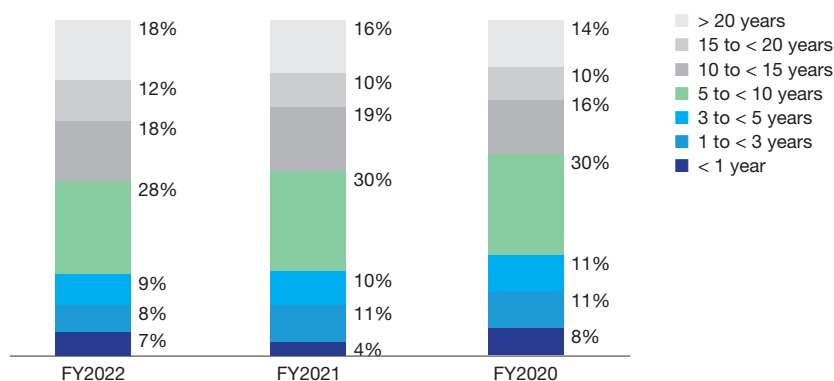
Women at Work

In line with SDG 5: *Gender Equality*, IJM continues to ensure full and effective participation of women in our workforce, with equal opportunities for leadership and all levels of decision making. In FY2022, 36% of our workforce were women - 34% in management roles, 45% in executive roles and 30% in non-executive roles.

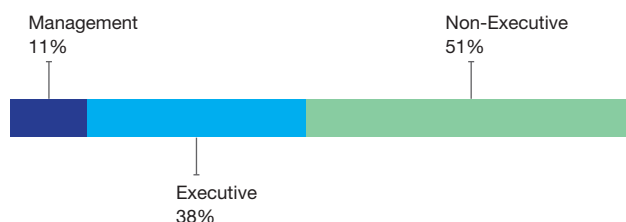
In FY2022, 57 female employees went on maternity leave and 95% of them returned to work. IJM has been offering 90 days of maternity benefits since 2015, to enable mothers to spend more time with their new born.

Gender	Female	Male
Total employees who went on maternity or paternity leave	57	95
Return to work rate	95%	100%

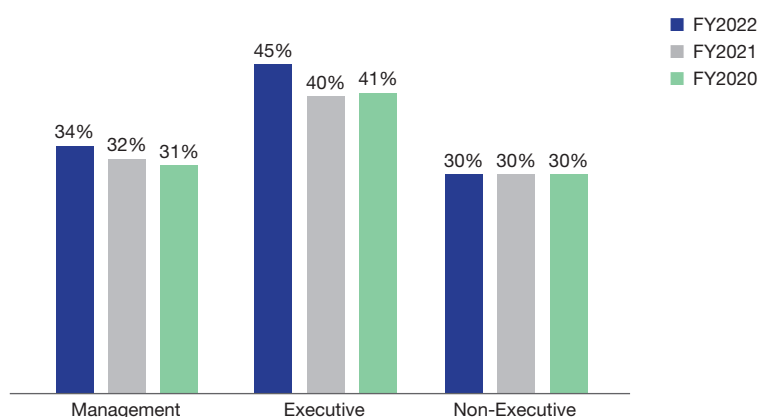
Workforce by Length of Service



New Employee Hires by Employee Category in FY2022



Women Representation by Employment Category





Employees honoured at the 20-year Long Service Award ceremony in FY2022

Strengthening Our Talent Pipeline

The development of our talent pipeline and succession planning was a material topic in FY2022. This financial year, IJM's key emphasis was to strengthen our senior leadership team by conducting a rigorous search and selection process to assess high-calibre internal and external candidates. The lens that we adopted in evaluating the candidates focused on the

Group's strategic priorities and the key characteristics required to achieve them. With that in mind, we have hired external talents for key senior management positions for the Property and Port Divisions.

For the next three years, we will enhance and sharpen our leadership capabilities among the middle and younger talent pools. We will strengthen our talent framework and develop the talent pool by

leveraging on our strong brand name as a desired graduate employer in the Construction and Property sectors.

We have worked hard to build our reputation as a leading player in the industry and a responsible corporate citizen, creating a professional work environment that motivates and rewards employees. IJM Groups employee turnover rate, at 10.5%, remains lower than the national average of 11%.

Workplace of Choice



Malaysia's 100 Leading Graduate Employers 2021

Voted by 32,180 students and graduates in Malaysia's longest-running annual national careers survey, IJM Group continues to be among Malaysia's 100 most desired graduate employers for 2021.



Graduate Choice Award for Construction and Property Sector

In the 2022 Graduates Choice Award organised by Talentbank, IJM was voted the 2nd runner-up and Top 5 for the 'Most Attractive Graduate Employers to Work For in 2022' in the Construction and Property Developer categories, respectively.

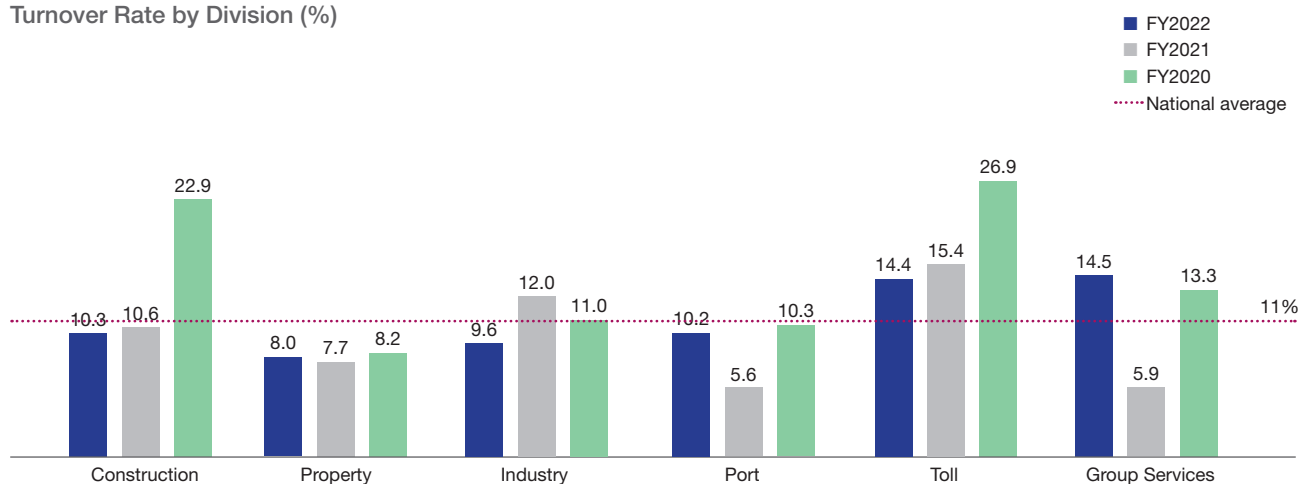


GRADUAN Brand Awards

IJM Group obtained the title of *Malaysia's Most Preferred Employer* in the Construction and Property industry.

WORKPLACE: CHAMPIONING EMPLOYEES AS OUR GREATEST ASSET

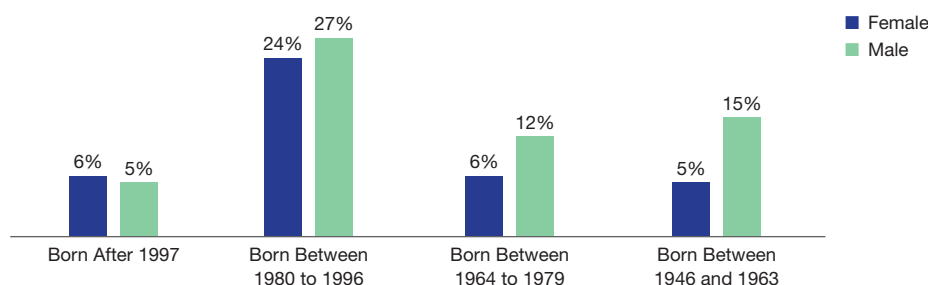
Turnover Rate by Division (%)



Note:

National average turnover rate is as published in the Korn Ferry's Compensation and Benefits Report 2020

Employee Turnover by Generation and Gender as at 31 March 2022



Ensuring Employees' Well-being

We implement various measures to safeguard the well-being of our employees. We have established the IJM Wellness Resource Centre, a platform to support and educate all employees on healthy lifestyle habits. The platform sustains engagement with employees through regular webinars and talks that focuses on three areas - physical, mental and financial well-being.

During the year, IJM Group contributed a RM500 one-off cash aid donation, totalling RM380,000, to assist employees facing financial difficulties due to the COVID-19 pandemic. Called the IJM Financial Assistance for Employees Hardship Initiative-Malaysia Prihatin Initiative, it was introduced in conjunction with the National Day and Malaysia Day celebrations.

Promoting Learning and Development

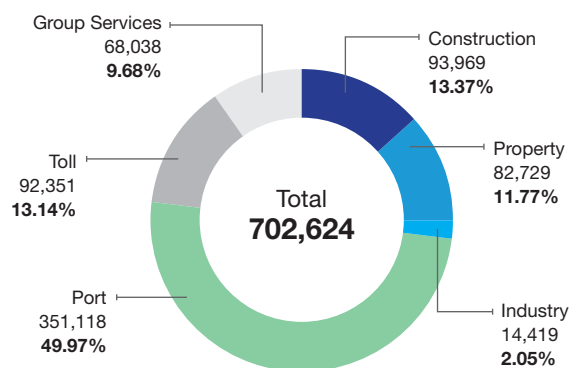
The Group remains committed to providing continuous professional and personal growth for all employees to achieve the Group's goals. Our employees were supported with new learnings while working from home in FY2022. Throughout FY2022, the majority of training sessions were conducted virtually; while physical trainings were selectively deployed, and were conducted in strict to adherence to the Government's COVID-19 SOPs.

Our learning and development programmes covered a broad range of topics to enhance the knowledge and skills of our employees. We included programmes such as leading effective teams, performance management, employee well-being,

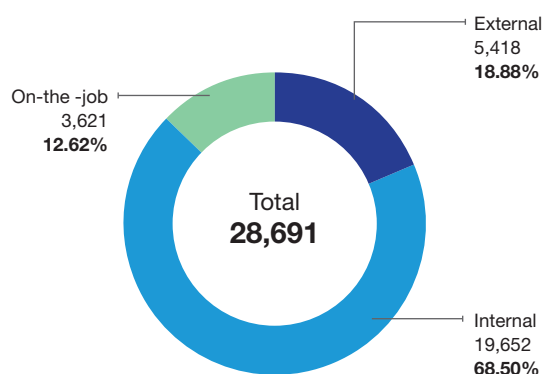
critical conversations, cybersecurity and effective communication skills. In addition, employees were encouraged to pursue industry specific programmes such as specialist and technical courses.

In FY2022, a majority of our training were conducted online. Only selected training was conducted physically with stringent COVID-19 procedures. A total of RM702,624 was spent on training programmes, and employees clocked over 28,000 training hours in FY2022.

Learning and Development Spending by Division in FY2022 (RM)



Training Hours by Type in FY2022



HUMAN RIGHTS AND WORKERS WELL-BEING (GRI 2-30, GRI 409-1)

“Everyone has the right to life, liberty and security of person, to work... to just and favourable conditions of work... Everyone has the right to a standard of living adequate for the health and well-being of himself and of his family.”

Universal Declaration on Human Rights, UN, 1948

Upholding Human and Labour Rights

The Group is committed to protecting the rights of its people and treating them with dignity, in line with the UNGC Ten Principles and other relevant legal requirements and regulations. We take a proactive approach to ensuring that human rights and workplace standards are upheld across all our operations.

Our commitments are enshrined in the IJM Group Human Rights Policy, which is available on our Corporate website.

In addition, we support the Employee Provident Fund (“EPF”) Workers Wellbeing Issues Policy, launched in March 2022. This EPF Policy is aligned to internationally recognised principles and standards, including United Nations’ Principles for

Responsible Investing (“UNPRI”), SDG, SASB Materiality Map, GRI, UNGC, UN Guiding Principles on Business and Human Rights, and the International Labour Organisation Standards (“ILO”).

We have a zero-tolerance for child labour and any form of forced labour in our direct operations. The legal working age in Malaysia is 18 years. We respect the rights of our employees’ freedom of association and collective bargaining in accordance with national laws. Our labour union represent 3% of the Group’s workforce, all of whom are in the Port Division.

We also comply with all applicable labour laws in the jurisdictions where we operate. In May 2022, Malaysia’s minimum wage was increased to RM1,500 per month in accordance with the gazetted Minimum Wages Order 2022. We will be complying with amendments to the Employment Act that will take effect on 1 September 2022.

The nature of our businesses is labour intensive and many foreign workers are hired by our subcontractors. We require our subcontractors to uphold foreign labour rights and ensure that they receive fair treatment with regard to wages, working hours, holidays, terminations, non-discrimination practices, freedom of association, access to complaint mechanisms and other established protection policies. All these requirements are outlined in our Responsible Supply Chain Policy, which can be found on our Corporate website.

In FY2022, there were zero incidents of human rights violations and zero labour standards non-compliance at IJM.



COMMUNITY

BUILDING AND ENABLING BETTER COMMUNITIES



OBJECTIVE

IJM believes in creating a positive social and economic impact on our communities for our mutual benefit.



It occurred to us that if a single family is struggling during this time of uncertainty, what more of a household with more than 30 individuals? With employee volunteering made almost impossible during the pandemic lockdown, we wanted to extend immediate and sustained financial relief to these identified homes from each of our regions. Through this initiative, we assisted more than 3,000 beneficiaries to sustain their livelihoods. We believe nobody should be left behind.



Mandy Chen
Corporate Communications

KUANTAN
PORT



HIGHLIGHTS

- IJM Group made a community investment of RM4.5 million or 1.4% of the Group's pre-tax profit
- IJM Group provided immediate financial relief of RM1,068,000 for a duration of three months, to 49 underfunded homes across Malaysia and India
- IJM Group contributed RM200,000 to MERCY Malaysia's appeal for critically-needed medical supplies
- IJM Group provided RM104,000 in cash and food vouchers to more than 255 low-income families under the Program Perumahan Rakyat
- In our collaboration with SESO, IJM Group sponsored a total of 1,200 hot meals for 300 individuals
- Kuantan Port's Welfare and Recreation Club launched the *Project Orang Port*, raising more than RM129,000
- The Property Division rehabilitated the home of a family of seven in Seremban through its signature MyHome Programme
- Ten undergraduates benefitted from the IJM Scholarship Programme
- The Property Division continued to support the Asia Young Designer Award 2021, that attracted 1,276 submissions from students of architecture and interior designing categories
- The Property Division provided financial support to 16 preschools over a period of six months, improving access to education for 50 preschool children from single-parent households



GRI STANDARDS SPECIFIC TOPICS

- GRI 203: Indirect Economic Impacts 2016
- GRI 413: Local Communities 2016

SDGs



COMMUNITY: BUILDING AND ENABLING BETTER COMMUNITIES

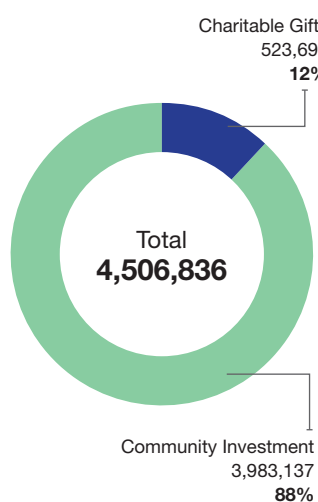
The World Economic Forum's Global Risk Report 2022 highlights societal concerns such as the erosion of social cohesion, livelihood crises, and health deterioration as areas that having worsened since the COVID-19 pandemic began in early 2020. Coupled with this are recent natural disasters, and expectations of more such occurrences in the future. Against this scenario, we were driven to step up our community outreach this year and will be refining our Community Investment ("CI") framework and strategy for a greater beneficial impact on the community.

IJM's current CI Policy guides us to make a positive impact on the communities where we operate through philanthropic and strategic initiatives in the areas of community development, sports and education. The refinement of the IJM CI framework and strategy in FY2023 will enhance current structures on employee involvement and build a stronger connection between IJM employees with the many charitable partners we work with and the community, in line with SDG 17: *Partnerships for the Goals*.

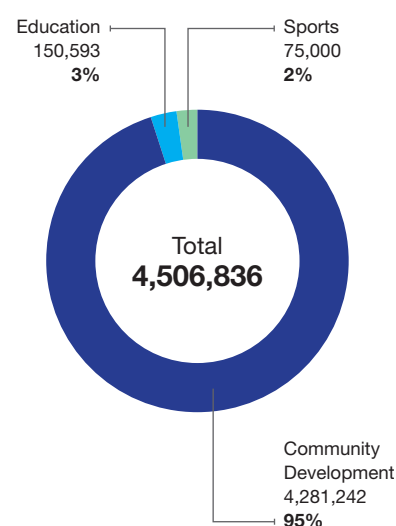
TOWARDS A SAFE, HEALTHY AND RESILIENT COMMUNITY (GRI 203-1, GRI 203-2)

Guided by the Business for Societal Impact ("B4SI") Framework, a global standard for measuring corporate community investment, IJM Group contributed a total of RM4.5 million for community initiatives; this accounted for 1.4% of the Group's pre-tax profit in FY2022. Our efforts consist of 88% strategic community investment initiatives, which involves long-term community partnerships aligned with our corporate interests, while the remaining 12% were for charitable initiatives aimed at providing short-term relief. During the financial year, we focused 95% of our efforts on the Community Development pillar, while the Sports and Education pillars accounted for 2% and 3% of our CI expenditure respectively.

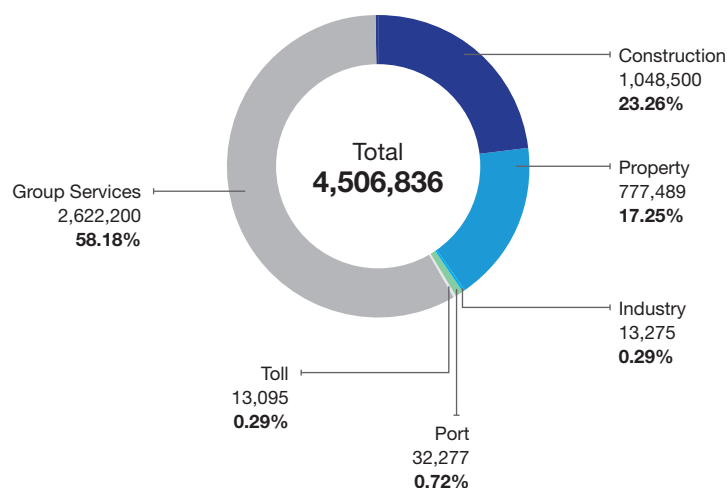
Motive for Contribution in FY2022 (RM)



Supporting Causes by Community Investment Pillar in FY2022



Expenditure by Division in FY2022 (RM)



COMMUNITY DEVELOPMENT: COVID-19 COMMUNITY INVESTMENT PROGRAMMES (GRI 413-1)

In FY2022, the wider community was still in the shadows of the COVID-19 pandemic. In the light of hardships faced by the community, IJM developed a COVID-19 Response Programme to assist affected communities.

COVID-19 Response Programme



Focus Area 1: Shelter Homes for the Underprivileged

Financial aid and additional in-kind support to homes for children, the elderly and differently-abled in communities surrounding IJM's operations that were experiencing a shortage of operating funds during the pandemic.

IJM Group's Flagship Initiative - Helping Hands Homes Initiative

The Helping Hands Homes Initiative was launched as one of the flagship initiatives under IJM Group's COVID-19 Community Investment Programme. We provided immediate financial relief amounting to RM1,068,000 for a duration of three months, from October 2021 – December 2021, to 49 underfunded homes across Malaysia and India. The homes' funds were dwindling while trying to continue to provide food, education and the basic necessities.

The homes comprised 24 orphanages, 12 old folks' homes and 13 homes for the differently-abled with more than 3,000 beneficiaries across the Klang Valley, Penang, Seremban, Johor and Sabah, as well as six other regions in IJM's India operations. Each home received a cash assistance of between RM2,500 to RM17,500 a month to help them cope with the effects of the COVID-19 pandemic. The quantum of monthly cash assistance was based on the number of residents and monthly financial commitments of each home.

We believe the sustained financial aid helped alleviate the homes' cost of caring for the many orphans, old folks and special needs individuals that they look after.



The Helping Hands Homes Initiative provided financial relief to 49 underfunded homes across Malaysia and India

COMMUNITY: BUILDING AND ENABLING BETTER COMMUNITIES



Focus Area 2: Medical Support

Donation of funds and medical supplies/equipment to communities, medical relief foundations and critical services to give medical front liners the protection and equipment they need to help fight the COVID-19 pandemic.

Solidarity During a Global Crisis



As a member of the Malaysia India Business Council (“MIBC”), IJM Group contributed RM200,000 to MERCY Malaysia’s appeal for critically-needed medical supplies such as respiratory and health equipment, medication, PPE, food supplies and hygiene kits to hospitals in India. The MERCY Malaysia India COVID-19 Fund was set up with the aim of raising RM1 million to deliver life-saving aid and help ease the burden on India’s health infrastructure. This initiative was especially meaningful for IJM because of our business footprint in India.



In June 2021, the Malaysian Ministry of Health announced that hospitals were experiencing an acute shortage of hospital beds for its patients due to the surge in COVID-19 cases since May. IJM Group donated 42 hospital beds to the Cheras Rehabilitation

Hospital (“HRC”) and Kuala Lumpur Hospital (“HKL”). Our contributions replaced temporary platform beds used for COVID-19 patients at the hospitals, providing much-needed comfort to patients. We also donated 20 hospital beds including two ICU beds to the Penang Hospital during the COVID-19 pandemic, increasing its ward capacity when cases were at an all-time high. The Property Division also contributed 30 beds to Banting Hospital in collaboration with *Pejabat Tanah Kuala Langat*. The combined contribution of 92 beds totalled RM288,000.



In addition, IJM Group handed over 80 units of hospital ward screens worth RM36,800 to HKL for the additional temporary wards created to cope with the influx of patients and to prepare for spikes in COVID-19 hospitalisation. The screens were used as essential partitions between beds to give patients privacy.

In continuous support of the national vaccination and immunisation programme, IJM Group donated RM26,000 worth of non-medical equipment such as wheelchairs, tents, chairs for medical officers, N95 masks, aprons and a laptop to ease the vaccination process at Klinik Kesihatan Port Dickson. As one of Negeri Sembilan’s vaccination centres, the clinic was in dire need of the non-medical items to cope with accelerated vaccination during the immunisation programme.

The Property Division donated a total of RM500,000 to the Tunku Laksamana Johor Cancer Foundation to assist with care services and essential needs for cancer patients. This contribution will also fund the Foundation’s community outreach programmes such as early detection screening programmes.

In June 2021, our Toll Division identified and coordinated the supply of 10 sets of Powered Air Purifying Respirators (“PAPR”) and 10 units of Continuous Positive Airway Pressure (“CPAP”) emergency kits to Hospital Ampang, worth more than RM86,000. PAPR is used by healthcare staff as protection from the risk of acute respiratory infections while administering healthcare procedures. Meanwhile, CPAP helps to keep the lungs open and improve oxygenation in COVID-19 patients.

IJM Mobile Vaccination Programme

As part of the IJM Mobile Vaccination Programme mentioned on page 168, the Group also sponsored 200 vaccination slots worth RM40,000 for the community. The initiative was supported by 40 IJM employee volunteers from various Divisions, in collaboration with JKG Land Berhad and Ops Harapan, a relief aid organisation run by volunteers to render assistance in times of crisis.





Focus Area 3: Food Security

Contributions in the form of funds, food supplies and cash voucher to food banks, soup kitchens, non-profit organisations and directly to recipients to help low-income families, vulnerable and underserved communities affected by the socio-economic impact of COVID-19.

IJM's COVID-19 Food and Essential Items Assistance

During the lockdown, IJM provided welfare support to deserving families in the form of cash, food and essential items. We partnered with government welfare agencies, local residents' representative councils and NGOs in carrying out these initiatives as our employees were unable to physically participate due to the pandemic's mobility restrictions.

The Group also contributed RM100,000 towards the Ministry of Home Affairs' OpBantu Food Aid Programme, where food baskets were distributed by the Royal Malaysian Police personnel as well as the People's Volunteer Corps ("RELA").

Aside from that, RM104,000 in cash and food vouchers were distributed to more than 255 low-income families under the *Program Perumahan Rakyat* ("PPR") that targets single mothers and people who had lost their jobs or were struggling with their small businesses.

IJM also conducted a programme called *Baucar Sara Hidup* in collaboration with the Property Division, where RM58,000 worth of RM100 vouchers from 99 Speedmart were distributed to needy families and households over a 5-month period. This form of contactless food aid support gave beneficiaries the dignity of choice when purchasing essentials they require.



Port Division distributing essential items to the community affected by flood



The Toll Division assisted communities through food banks across its operations

The Property Division coordinated a monthly food voucher donation to both the Sarawak Society for the Blind and Society for the Deaf in addition to supporting their operational and training expenses. This initiative totalled RM44,000 and benefitted 119 individuals.

The Toll Division set up three food banks at their main administration buildings of its highways from July to September 2021. This initiative helped communities in the surrounding areas who were affected economically from the COVID-19 pandemic. It saw community pantries being stocked up with essential items such as rice, flour, cooking oil, canned food, sugar, beverages, eggs, biscuits and cleaning products, among other things.

COMMUNITY: BUILDING AND ENABLING BETTER COMMUNITIES

IJM's Boxes of Kindness

IJM Group collaborated with SESO Malaysia, a non-profit enterprise that combats food waste and food poverty, by contributing RM40,000 worth of 'Boxes of Kindness' weekly to 200 B40 families and charity homes affected by the pandemic. Each 'Boxes of Kindness' contained essential food and household supplies sufficient to last a family of five for at least a week.

In our collaboration with SESO, we also sponsored a total of 1,200 hot meals, worth RM3,000. SESO assisted by serving 300 hot meals every weekend for a month at Pusat Khidmat Gelandangan Medan Tuanku,

a homeless shelter and soup kitchen in Chow Kit. At least 300 people from the marginalised and homeless communities in that area received a hot meal and a drink each week.

The meals were prepared by single mothers from the B40 community, who in turn, were empowered and provided with a source of income.



Project Orang Port Fundraising Initiative

In July 2021, Kuantan Port's Welfare and Recreation Club ("KKRKPC") launched the *Project Orang Port* fundraising initiative, with an aim to raise RM10,000 to help alleviate the burden of Kuantan

Port's surrounding underserved communities affected by COVID-19.

It was conducted in three phases, and successfully raised more than RM129,000 from IJM Group, Kuantan Port employees and members of the public. More than 300 families received aid through this initiative,

with 60 Port employees volunteering for the initiative. Funds raised were utilised to purchase groceries and test kits for affected families within the Division's area of operation and to bring cheer to old folks' homes and children's homes during the Chinese New Year festivity.



Project Orang Port successfully raised more than RM129,000, providing aid to 300 families

IJM's Flood Relief Efforts

MERCY Malaysia and Malaysian Red Crescent Donation

In December 2021, heavy rainfall occurred across eight states in Peninsular Malaysia due to a tropical depression. It caused one of the worst floods Malaysia has seen in decades where over 18,000 families were affected. IJM Group responded to the emergency by donating RM200,000 to the MERCY Malaysia Flood Relief fund to provide humanitarian aid to the affected communities and address their immediate needs. The funds were used for providing ready-to-eat meals, drinking water and personal hygiene kits to the affected communities in the Klang Valley. Some funds were also channelled towards post flood recovery and rebuilding efforts in the flood hit areas.

We also contributed RM100,000 to the Selangor Malaysian Red Crescent Flood Donation Drive for its disaster relief efforts, first aid and eventual recovery support. With our donation, 150 families received flood recovery necessities such as rice cookers, stoves, kettles, pillows, mattresses and blankets.

In addition, IJM Group donated RM48,000 worth of dried food, face masks, personal care and clean-up tools to the various flood evacuation centres housing more than 800 flood victims. We also sent 60 mattresses to the Sultan Sulaiman Royal Mosque, which was converted to a flood evacuation centre in Klang.

The Construction Division collaborated with subcontractors and the local authority for flood clean-up operations at the Shah Alam and Hulu Langat community areas. The Division provided backhoes and lorries for the excavation of debris caused by the flood. In addition,



10 IJM employee volunteers spent 800 hours over 10 days helping in this crucial mission.

The Port Division collaborated with MyFundAuction Malaysia, a non-profit organisation, donating close to RM21,000 to flood victims in Pahang.

IJM Group provided financial relief of RM168,000 to 74 employees whose homes were affected by the flood. In addition, members of the IJM's Sports Club, also known as Kelab Sukan IJM ("KSIJM"), sprung into action for various pandemic and flood crisis. In FY2022, the club fund-raised a total of RM39,000, of which RM28,000 was channelled to 18 employees, while RM11,000 was donated to the Selangor Malaysian Red Crescent Society. Apart from that, employees also donated essential food items in support of the KSIJM flood relief effort.

Home Rehabilitation (MyHome) Programme

In collaboration with our subcontractors, partners and suppliers, the Property Division's flagship Home Rehabilitation Programme is in its 12th year and upgraded the homes of more than 10 underprivileged families since 2010. This year, the home of an underprivileged family of seven in Seremban was identified, and essential repairs were carried out. The Division spent more than RM33,000 on additional items such as study tables for the children and groceries for the family. The Division plans to expand the programme to assist more families in the future.



COMMUNITY: BUILDING AND ENABLING BETTER COMMUNITIES

Affordable Homes

In FY2022, we launched 304 affordable housing units under the Rimbun Aman project in Seremban. With a starting price of RM350,000, we believe our affordable housing initiative will improve housing affordability for Malaysians. In addition, we have developed 350 housing units at our Bandar Rimbayu and Shah Alam 2 townships under the Rumah Selangorku scheme.



Owners of the Rumah Selangorku programme in Taman Alam Suria, Selangor receiving keys to their completed units

PROMOTING SPORTS DEVELOPMENT (GRI 413-1)

COBRATS Rugby Programme



The COBRATS Rugby programme has 300 children participating in local and international tournaments

IJM has been a firm supporter of sports as a self-development tool for the youth in communities where we operate. In FY2022, we continued to support the COBRA Rugby Club with a contribution of RM75,000 to their COBRATS Rugby programme. The programme was initiated by the club to introduce rugby to children aged 4 to 16 years. Staffed entirely by volunteers and supporters, the programme has 300 children and youths participating in local and international tournaments. Our sponsorship for this programme

involves the purchase of training equipment, children's sportswear, and basic operating expenditure for training coaches and facilitators.

In spite of the pandemic, the IJM Allianz Duo Highway Challenge was conducted virtually in FY2022. The event received a response of more than 2,000 participants. It represents IJM's staunch commitment to sports and the community.

EMPOWERING YOUTH THROUGH EDUCATION (GRI 413-1)

IJM Scholarship Award Programme

We believe that investing in quality education provides a strong foundation and opportunity for the youth to find decent jobs. In FY2022, 10 undergraduates were selected for our IJM Scholarship Award programme, valued at RM444,000. This scholarship will give students the opportunity to pursue their tertiary studies, while IJM supports them with mentors, monitors their progress, offers internships and jobs. In addition, IJM also awarded 47 recipients the IJM Academic Excellence Award totalling RM58,400 during the financial year. Established in 1994, this scholarship has benefitted more than 350 students to date.



Students have the opportunity to pursue their tertiary studies with the IJM Scholarship programme

IJM Scholarship: Paving the Way Towards a Fulfilling Career

*Goh Su Yin, 46 years old
General Manager, Accounts and Finance
Northern Region, Property Division*



I was honoured to have been selected as a recipient of the IJM scholarship back in 1994, when I was studying at the International College of Penang. The scholarship

allowed me to lighten the financial burden of my parents who were, at the time, paying for my sister's tertiary education overseas. I completed the final two years of my study programme in Australia just before the Asian financial crisis in 1997 so the scholarship was a blessing as I did not have to worry about securing a job upon returning to Malaysia. I was placed at the IJM Penang office, Property Division, and was exposed to juggling various job scopes beyond my accountancy

degree, while picking up interpersonal skills along the way. Celebrating my 26th year with IJM, I have come to realise the importance of who you work for. I am grateful for the opportunity to work with superiors who have empowered me and for supportive colleagues through the years, enabling me to rise up the ranks to where I am today.

*Muhammad Afiq Ammar bin
Muhammad Hijaz, 25 years old
Engineering (BIM & Design),
IJM IBS, Industry Division*



I was selected as a recipient of the IJM scholarship in 2016. One of the scholarship requirements was having passion in what we do, and it matched with who I am as a person. My passion in engineering

has led to my being awarded the Vice Chancellor Award and Gold FYP Award, among other awards, from my alma mater, Universiti Teknologi Petronas. Upon completion of my studies, I joined the IJM IBS team in September 2020. My learning curve has been steep but it has helped me mature and develop experience and skills where I am able to better support and lead my team to success. I am grateful to work with like-minded colleagues and superiors who have a go-getter mindset within an environment where the learning opportunities are endless and cannot

be easily found elsewhere. With the scholarship, I am one step closer to reaching my goals of becoming a professional engineer. I intend to give back to IJM by working on adding new value to IBS products via modern contemporary design, which is another passion of mine, contributing to the overall built-environment of our country. I am truly grateful for the scholarship and would like to take this opportunity to thank IJM for the encouragement, resources and exposure provided to us scholars!

The Property Division has been an official partner of the Nippon Paint Malaysia's Asia Young Designer Award ("AYDA") programme since 2014. Now into its eighth year, AYDA attracted 1,276 submissions from students of architecture and interior design categories.

In FY2022, classes at public universities were conducted virtually due to COVID-19 restrictions, and laptops became an essential for students to attend classes and complete assignments. In collaboration with *Universiti Kebangsaan Malaysia* ("UKM") via

its *Persatuan Kasih Mahasiswa* ("KASISWA"), IJM Group donated 20 laptops worth RM42,000 to undergraduates from low-income families.



In collaboration with *Persatuan Guru Tadika Swasta* and *Pertubuhan Tadika Swasta*, Negeri Sembilan, the Property Division provided financial support to 16 preschools over a period of six months, valued at more than RM45,000. This Preschool Subsidy Programme aimed to improve access to education for 50 preschool children aged four to six, from single-parent households affected by the pandemic. The school fee subsidy and face masks were distributed between October 2021 to March 2022, to enable the children to continue receiving basic education despite the pandemic.

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SASB ENGINEERING & CONSTRUCTION: SECTOR DISCLOSURE

SASB Sustainability Disclosure Topics	SASB Code	Accounting Metric	Section of Sustainability Statement & Page Reference
Environmental Impacts of Project Development	IF-EN-160a.1	Number of incidents of non-compliance with environmental permits, standards, and regulations	Please refer to <i>"Reducing and Managing Waste"</i> , page 164
	IF-EN-160a.2	Discussion of processes to assess and manage environmental risks associated with project design, siting, and construction	IJM's projects undergo the Environmental Impact Assessment ("EIA") prior to project approval and implementation. Disclosure can be found under <i>"Conserving Biodiversity"</i> , page 165
Structural Integrity & Safety	IF-EN-250a.1	Amount of defect and safety-related rework costs	To be included in subsequent Sustainability Statements
	IF-EN-250a.2	Total amount of monetary losses as a result of legal proceedings associated with defect and safety-related incidents ¹	To be included in subsequent Sustainability Statements
Workforce Health & Safety	IF-EN-320a.1	Total recordable incident rate (TRIR) for direct employees	TRIR is disclosed based on total man-hours worked which include direct and contract employees. Please refer to <i>"Preventing Workplace Accidents"</i> , page 169
		Total recordable incident rate (TRIR) for contract employees	
		Fatality rate for direct employees	There was zero case of fatality for direct employees in FY2022. Disclosure can be found under <i>"Preventing Workplace Accidents"</i> , page 169
		Fatality rate for contract employees	There was zero case of fatality for contract employees in FY2022. Disclosure can be found under <i>"Preventing Workplace Accidents"</i> , page 169
Lifecycle Impacts of Buildings & Infrastructure	IF-EN-410a.1	Number of commissioned projects certified to a third-party multi-attribute sustainability standard	Please refer to <i>"Sustainable Buildings and Infrastructure"</i> , page 159
		Number of projects seeking such certification	2 ongoing projects
	IF-EN-410a.2	Discussion of process to incorporate operational-phase energy and water efficiency considerations into project planning and design	In line with SDG 9: <i>Industry, Innovation and Infrastructure</i> , IJM works with clients and incorporates green and sustainable elements which 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. Disclosure can be found under <i>"Sustainable Buildings and Infrastructure"</i> , page 159
Climate Impacts of Business Mix	IF-EN-410b.1	Amount of backlog for hydrocarbon-related projects	None
		Amount of backlog for energy projects	None
	IF-EN-410b.2	Amount of backlog cancellations associated with hydrocarbon-related projects	None
	IF-EN-410b.3	Amount of backlog for non-energy projects associated with climate change mitigation	None
Business Ethics	IF-EN-510a.1	Number of active projects	There were 26 active projects during FY2022
		Backlog in countries that have the 20 lowest rankings in Transparency International's Corruption Perception Index ²	None

¹ Note to IF-EN-250a.2 – The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses.

² Note to IF-EN-510a.1 – The entity shall provide a brief description of its approach to managing ethical risks specific to the countries with low rankings in the index where the entity has active projects and/or backlog.

SASB ENGINEERING & CONSTRUCTION: SECTOR DISCLOSURE

SASB Sustainability Disclosure Topics	SASB Code	Accounting Metric	Section of Sustainability Statement & Page Reference
	IF-EN-510a.2	Total amount of monetary losses as a result of legal proceedings associated with charges of bribery or corruption	There was zero monetary losses as a result of legal proceedings associated with charges of bribery or corruption in FY2022. Disclosure can be found under “ <i>Anti-Bribery and Corruption System</i> ”, page 138
		Total amount of monetary losses as a result of legal proceedings associated with charges of anti-competitive practices ³	None
	IF-EN-510a.3	Description of policies and practices for prevention of bribery and corruption	IJM has in place the Anti-Bribery and Corruption System (“ABCS”) that reaffirms our adherence to local laws and regulations including the Malaysian Anti-Corruption Commission (Amendment) Act 2018, which took effect on 1 June 2020. Disclosure can be found under “ <i>Ethics and Integrity</i> ”, page 117 and “ <i>Anti-Bribery and Corruption System</i> ”, page 138
		Description of policies and practices for prevention of anti-competitive behavior in the project bidding processes	IJM has the “ <i>Code of Business Conduct for Third Parties</i> ” in place that sets out the principles and standards that the Company expects its third parties to conform to in its business with the Company. Disclosure can be found under “ <i>Responsible Procurement Practices</i> ”, page 149

SASB ENGINEERING & CONSTRUCTION: ACTIVITY METRIC

Activity Metric	SASB Code	FY2022
Number of active projects ⁴	IF-EN-000.A	26 ongoing projects
Number of commissioned projects ⁵	IF-EN-000.B	7 projects
Total backlog ⁶	IF-EN-000.C	4.3 billion

³ Note to IF-EN-510a.2 – The entity shall briefly describe the nature, context, and any corrective actions taken as a result of the monetary losses.

⁴ Note to IF-EN-000.A – Active projects are defined as buildings and infrastructure projects under development that the entity was actively providing services to as of the close of the reporting period, including, but not limited to, both the design and construction stages. Active projects exclude projects that were commissioned during the reporting period.

⁵ Note to IF-EN-000.B – Commissioned projects are defined as projects that were completed and deemed ready for service during the reporting period. The scope of commissioned projects shall only include projects that the entity provided construction services to.

⁶ Note to IF-EN-000.C – Backlog is defined as the value of projects not completed as of the close of the reporting period (i.e., revenue contractually expected in the future but that has not been recognized), or is defined by the entity, consistent with its existing disclosure of backlog. Backlog may also be referred to as revenue backlog or unsatisfied performance obligations. The scope of disclosure is limited to buildings and infrastructure projects where the entity provides engineering, construction, architecture, design, installation, planning, consulting, repair, and/or maintenance services, or other similar services.

UNGC TEN PRINCIPLES

Principle	IJM Commitment Alignment	References that Underscore IJM's Commitment	GRI Standards & SASB Alignment
Human Rights			
Principle 1	<p>The Group supports and respects the protection of internationally proclaimed human rights.</p> <p>We protect the rights of our people and to treat them with dignity in line with all relevant legal requirements and regulations. We had taken a proactive approach to ensure that human rights and workplace standards are upheld across all our operations.</p>	<ul style="list-style-type: none"> • Sustainability Statement FY2022 • Human Rights Policy • Policy Statement for Occupational Safety and Health • Code of Conduct and Ethics for Employees • Code of Business Conduct for Third Parties • Diversity and Inclusion Policy • Whistleblowing Policy • Privacy Policy • Community Investment Policy 	<p>GRI Standards</p> <ul style="list-style-type: none"> • GRI 401: Employment 2016 • GRI 403: Occupational Health and Safety 2018 • GRI 404: Training and Education 2016 • GRI 413: Local Communities 2016 <p>SASB</p> <ul style="list-style-type: none"> • Workforce Health & Safety: IF-EN-320a.1
Principle 2	<p>The Group ensures that we are not complicit in human rights abuses.</p> <p>We also comply with all applicable labour laws, including working hours and overtime, in the jurisdictions where we operate. We will be complying with the amendments to the Employment Act that will take effect on 1 September 2022.</p>	<ul style="list-style-type: none"> • Sustainability Statement FY2022 • Code of Business Conduct for Third Parties • Human Rights Policy • Responsible Supply Chain Policy • Quality Policy 	<p>SASB</p> <ul style="list-style-type: none"> • Workforce Health & Safety: IF-EN-320a.1
Labour			
Principle 3	<p>The Group upholds the freedom of association and the effective recognition of the right to collective bargaining.</p> <p>We respect the rights of our employees' freedom of association and collective bargaining in accordance with national laws. Our labour union represent 3% of the Group's workforce, all of whom are in the Port Division.</p>	<ul style="list-style-type: none"> • Sustainability Statement FY2022 	<p>GRI Standards</p> <ul style="list-style-type: none"> • GRI 2-30: Collective bargaining agreements • GRI 401: Employment 2016 • GRI 403: Occupational Health and Safety 2018 • GRI 405: Diversity and Equal Opportunity 2016 • GRI 409: Forced or Compulsory Labor 2016
Principle 4	<p>The Group supports the elimination of all forms of forced and compulsory labour.</p> <p>The nature of our businesses is labour intensive where many foreign workers are hired by our subcontractors. We require our subcontractors to uphold foreign labour rights and ensure that they receive fair treatment with regard to wages, working hours, holidays, terminations, non-discrimination practices, freedom of association, access to complaint mechanisms and other established protection policies. All these requirements are outlined in our Responsible Supply Chain Policy, which can be found on our Corporate website.</p>	<ul style="list-style-type: none"> • Sustainability Statement FY2022 • Human Rights Policy • Policy Statement for Occupational Safety and Health • Code of Conduct and Ethics for Employees • Code of Business Conduct for Third Parties • Diversity and Inclusion Policy • Whistleblowing Policy • Privacy Policy 	<p>SASB</p> <ul style="list-style-type: none"> • Workforce Health & Safety: IF-EN-320a.1
Principle 5	<p>The Group supports the effective abolition of child labour.</p> <p>We have a zero-tolerance against child labour and any form of forced labour in our direct operations. The legal working age in Malaysia is 18 years.</p>	<ul style="list-style-type: none"> • Sustainability Statement FY2022 • Human Rights Policy • Policy Statement for Occupational Safety and Health • Code of Conduct and Ethics for Employees • Code of Business Conduct for Third Parties • Diversity and Inclusion Policy • Whistleblowing Policy • Privacy Policy 	
Principle 6	<p>The Group supports the elimination of discrimination in respect of employment and occupation.</p> <p>We recognise the benefits of having a multi-generation perspective that will contribute to the growth of our short and long-term business objectives.</p>	<ul style="list-style-type: none"> • Sustainability Statement FY2022 • Human Rights Policy • Code of Conduct and Ethics for Employees • Code of Business Conduct for Third Parties • Diversity and Inclusion Policy • Whistleblowing Policy • Privacy Policy 	

UNGC TEN PRINCIPLES

Principle	IJM Commitment Alignment	References that Underscore IJM's Commitment	GRI Standards & SASB Alignment
Environment			
Principle 7	<p>The Group keeps a precautionary approach to environmental challenges.</p> <p>We have in place an Environmental Management System ("EMS") to integrate environmental best practices across the Group.</p>	<ul style="list-style-type: none"> • Sustainability Statement FY2022 • Policy Statement for Environment • Statement on Risk Management and Internal Controls 	<p>GRI Standards</p> <ul style="list-style-type: none"> • GRI 302: Energy 2016 • GRI 303: Water and Effluents 2018 • GRI 304: Biodiversity 2016 • GRI 305: Emissions 2016 • GRI 306: Waste 2020
Principle 8	<p>The Group undertakes initiatives to promote greater environmental responsibility.</p> <p>We work toward establishing proactive climate-related actions by reducing our carbon emissions and introducing strategic interventions to build greater resilience in the face of increasing climate change challenges, from limited resources to evolving regulations. 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.</p>	<ul style="list-style-type: none"> • Sustainability Statement FY2022 • Policy Statement for Environment • Code of Business Conduct for Third Parties 	<p>SASB</p> <ul style="list-style-type: none"> • Environmental Impacts of Project Development: <ul style="list-style-type: none"> - IF-EN-160a.1 - IF-EN-160a.2 • Lifecycle Impacts of Buildings & Infrastructure: <ul style="list-style-type: none"> - IF-EN-410a.1 - IF-EN-410a.2 • Climate Impacts of Business Mix: <ul style="list-style-type: none"> - IF-EN-410b.1 - IF-EN-410b.2 - IF-EN-410b.3
Principle 9	<p>The Group encourages the development and diffusion of environmentally friendly technologies.</p> <p>We embrace the National Construction 4.0 Strategic Plan (2021-2025) by the Ministry of Works and the global movement in addressing the challenges of the construction industry through our investment in robotic assisted smart precast manufacturing system, or better known as SMART IBS.</p>	<ul style="list-style-type: none"> • Sustainability Statement FY2022 • Policy Statement for Environment 	
Anti-corruption			
Principle 10	<p>The Group works against all forms of corruption, including extortion and bribery, in our area of influence.</p> <p>We practice zero-tolerance against all forms of bribery and corruption. We are guided by our Anti-Bribery and Corruption System ("ABCS"), that iterates our adherence to local laws and regulations including the Malaysian Anti-Corruption Commission (Amendment) Act 2018, which took effect from 1 June 2020.</p>	<ul style="list-style-type: none"> • Sustainability Statement FY2022 • Anti-Bribery and Corruption Policy • Code of Conduct and Ethics for Employees • Code of Business Conduct for Third Parties 	<p>GRI Standards</p> <ul style="list-style-type: none"> • GRI 205: Anti-corruption 2016 <p>SASB</p> <ul style="list-style-type: none"> • Business Ethics: <ul style="list-style-type: none"> - IF-EN-510a.1 - IF-EN-510a.2 - IF-EN-510a.3