

# MARKETPLACE

DOING GOOD BUSINESS







# MARKETPLACE: DOING GOOD BUSINESS

We continue to uphold our shared purpose of responsible and sustainable conduct. Our commitment to create continuous stakeholder value drives us to lead with differentiated quality products and services that strengthen trust in the IJM brand.

“Our Group Sustainability Roadmap was formulated with invaluable inputs from our stakeholders. Their perspectives and insights, added to our own, is empowering because it fosters a shared purpose to deliver a sustainable future that looks beyond the business-as-usual scenario from various angles.”

**Dato' Edward Chong Sin Kiat**  
Chief Financial Officer,  
IJM Group

## GOOD GOVERNANCE AND ETHICS

[GRI 2-9, GRI 2-24, GRI 2-25, GRI 2-26, GRI 2-27]

Aligned with the principles of the Malaysian Code on Corporate Governance (MCCG) we remain dedicated to upholding ethical conduct and integrating it into our corporate strategy, risk management and business operations. Our commitment to sound corporate governance practices is outlined in detail in the Corporate Governance Overview Statement, on pages 108 to 118.

With a strong focus on effective controls, responsible behaviour and transparency, the Board actively works at safeguarding the interests of stakeholders and mitigate risks, ensuring that IJM consistently delivers sustainable value while combating corruption and mismanagement. IJM's Code of Conduct, 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. Our Anti-Bribery and Corruption System (“ABCS”) reaffirms our compliance to local laws and regulations including the Malaysian Anti-Corruption Commission (Amendment) (“MACC”) Act 2018 for operations in Malaysia and the National Prevention of Corruption Act 1988 for operations in India.

We have in place an ABCS Governance Structure to ensure effective implementation and enforcement of ABCS programmes and measures to achieve a smooth dissemination and escalation process of ABCS-related matters across the Group.





### ABCS Awareness Session at India Operations

In July 2022, the Risk Management & Integrity (“RMI”) department conducted an awareness session on ABCS and MACC Act at the India operations headquarters in Hyderabad. Attended by 88 colleagues, both in person and virtually, it emphasised the significance of regular training in fostering an ethical workplace and building trust with our customers, employees, and the wider community. The aim was to enhance employees’ knowledge and understanding of corruption, including its various forms, the consequences of engaging in corrupt activities, the risks involved, procedures for reporting offenses, and the crucial role each person plays in preventing corruption.



Compliance with the Group’s Anti-Bribery and Corruption Policy is mandatory for all employees, ensuring that our engagements with government authorities, investors, suppliers, contractors, and business partners adhere to high ethical standards. Rigorous due diligence is

conducted during major investments to identify and assess any risks related to bribery and corruption. Third parties working with IJM must acknowledge compliance with the Code of Business Conduct for Third Parties and adhere to applicable laws and our ABCS manual.

We have robust procedures and internal controls in place, including verification and audit processes, to address corruption across our operations. Further details on our anti-corruption measures can be found in the Statement on Risk Management and Internal Control. We foster a culture of integrity through regular communication, training, and awareness campaigns, with all relevant policies accessible on our corporate website and intranet platform. Updates to the policy are effectively communicated through these channels to employees and third parties.

Refer to our Corporate Governance Overview Statement on page 108 and the Statement on Risk Management and Internal Control on page 125 for more information.

All employees are required to understand and strictly comply with the Anti-Bribery and Corruption Policy when carrying out their duties. Mandatory ABCS e-learning and integrity pledge modules are rolled out annually to be completed by all employees. These modules are developed internally in line with best practices. The Group’s Whistleblowing Policy governs the reporting and escalation of suspected misconduct, for both internal and external stakeholders. A total of 177 posters in both English and Bahasa Malaysia have been put up for display by respective divisions to improve employees’ awareness on the need to report ethical issues which include amongst others, bribery and corruption, fraud and physical and verbal harassments.

The RMI Department has digitalised the third-party due diligence questionnaire, for better monitoring and record safekeeping, in line with the compliance requirements under ABCS Adequate Procedures. The due diligence manual was developed, and seven training sessions were conducted by the RMI Department between February to June 2022 for the Purchasing and Contracts Departments across the Group to improve the employees’ proficiency in using the digital software.

In FY2023, the Port Division conducted an Anti-Bribery Management System (“ABMS”) Introduction and Awareness Training Programme as part of the Group’s on-going efforts to inculcate a zero-tolerance culture against any forms of bribery and corruption. The training programme was designed to provide greater understanding of the procedures and risk management measures to be complied with, in accordance with regulatory requirements and to align with stakeholder expectations.

In FY2023, the RMI Department, entrusted to oversee the implementation of ethics and integrity in the Group, carried out the following activities:



There were zero confirmed incidences of corruption across IJM’s business operations and zero monetary losses arising from legal proceedings associated with charges of bribery or corruption in FY2023.

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

## MARKETPLACE: DOING GOOD BUSINESS

### DIFFERENTIATION THROUGH QUALITY

We have implemented several processes to ensure *Excellence through Quality* in all products and services we deliver. The Group's Quality Policy and Quality Management System Framework guide the processes, management, monitoring and verification of quality in our entire operations. 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.

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

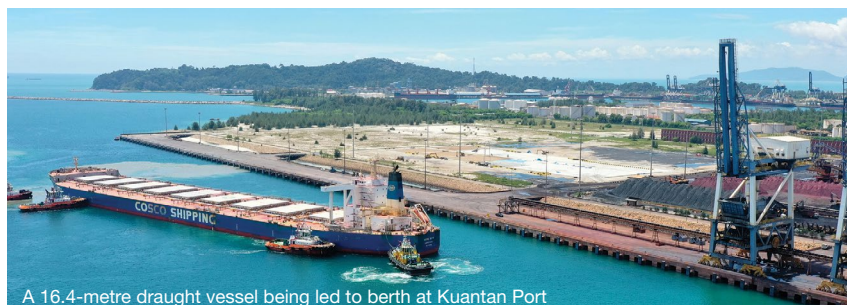
The Property Division utilises the Quality Assessment System in Construction ("QLASSIC") scoring mechanism established by Construction Industry Development Board ("CIDB") Malaysia. QLASSIC measures and evaluates the workmanship quality of a building construction work based on Construction Industry Standard (CIS 7:2021). All residential projects under the Property Division are required to achieve a minimum QLASSIC score of 80%. In FY2023, seven out of ten projects successfully scored 80% and above, whereas the remaining three projects achieved 78% and above, which is higher than the industry mean of 73%.

Reinforcing our commitment to provide sustainable solutions to our customers, products manufactured by Industry Division's IBS factory received an Eco-Label Mark in FY2023, certifying their compliance with SIRIM ECO 033:021. The certification covers all prefabricated concrete products for architectural, building and civil structural use.

This year, the Port Division welcomed one of the deepest and heaviest vessels to berth at Kuantan Port. Led by our internal chief pilot and operations team, the 16.4-metre draught vessel with a capacity of 180,000 deadweight tonnage ("DWT") successfully berthed at Kuantan Port's New Deep Water Terminal. The division recently revised the New Deep Water Terminal draft from 14.5 metres to 16.5 metres, which allows the handling of vessels up to 180,000 DWT.



Eco Label certification for IBS products manufactured by Industry Division



A 16.4-metre draught vessel being led to berth at Kuantan Port

The Toll Division supports the Government's initiative for an open payment system for toll collection as one of the key efforts to transition towards the multi-lane fast flow system. This system gives highway users the option of making toll payments using debit and credit cards in addition to existing payment methods. The Lebuhraya Sungai Besi ("BESRAYA") and Lebuhraya Baru Pantai ("NPE") highways have started work on the necessary infrastructure required for this system, with full implementation by September 2023.

In India, the Solapur-Bijapur section of the new National Highway 52, connecting southern and northern India with bypasses and six flyovers has been completed in FY2023. For this project, IJM received the Achievement Award for the Best Professionally Managed Company in Construction and the Achievement Award for Best Project by the Construction Industry Development Council India at the 13<sup>th</sup> CIDC Vishwakarma Awards held in March 2022.



Solapur-Bijapur section of National Highway 52: IJM received dual honours at the 13<sup>th</sup> CIDC Vishwakarma Awards



## MEETING OUR CUSTOMERS' NEEDS

Aligned with our commitment to *Customer Focus*, we actively connect with our valued customers to provide unparalleled services. Across all our business divisions, we diligently conduct surveys to gain valuable insights into customer satisfaction, enabling us to better comprehend their unique requirements.

Customer Satisfaction Survey Results by Division					
	Construction	Property	Industry	Port	Toll
Type	Customer satisfaction survey	Customer satisfaction index	Customer satisfaction survey	Customer satisfaction survey	Highway user satisfaction survey
Performance target	80%	75%	80%	80%	85%
Actual performance	86%	77%	86%	98%	89%

In FY2023, the Property Division saw the customer satisfaction score rise to 77% from the previous year's score of 74% and above its targeted 75%. The Division's Net Promoter Score ("NPS") also increased to +17. The improvement in customer sentiment was related to multiple factors, including the Division's diligence in responding to customer insight gained in previous surveys, where they implemented effective solutions to address identified issues.

For example, the Division introduced an e-billing feature, which allowed customers to receive their progressive billing via email, in addition to the required hard copy by registered post. Customers in the regions of Sandakan and Seremban were one of the first to experience the e-billing feature, resulting in higher satisfaction levels. The Property Division is committed to enhancing customer satisfaction and continuously improving their services based on customer insights and feedback.

The key driver of the division's customer satisfaction centres around employee interaction with customers, with frequent customer mentions on employee professionalism and friendliness. The Property Division's Moment of Truth Programme helps identify employee mentions in customer compliments. The division's management then presents a medal and a gift voucher as a token of recognition and appreciation to the employee.



The Property Division partnered with RHB Bank to introduce *SWITCH*, a buy-back scheme that promotes accessible homeownership. The partnership introduced an innovative solution that offers protection against involuntary unemployment of customers during a specified coverage period. The division will carry out pilot projects on two of our developments, namely Savvy, Riana Dutamas in Kuala Lumpur and Duta Perintis Apartments in Bandar Alam Suria, Selangor, to evaluate the scheme's reception and effectiveness. This initiative reflects the division's commitment to developing inspired solutions that support customers.

## BRANDING AND REPUTATION

At IJM, our brand promise is *Delivering Inspired Solutions* to our stakeholders. We leverage on our 40 years of experience and reputation to provide innovative and quality solutions that meet customer needs and attract top talent. The Property Division focuses on creating value through brand loyalty, emphasising innovation, quality, customer service, and sustainability. Our developments prioritise customer satisfaction, accessibility, connectivity, and amenities.

More details on our awards and accolades that showcases our commitment to excellence can be found on pages 22 and 23.

## MARKETPLACE: DOING GOOD BUSINESS



Property Division ranked among Top 10 Developers at BCI Asia Awards Malaysia 2022

### BCI Asia Awards Malaysia 2022

The Property Division was recognised as one of the Top 10 Developers at the BCI Asia Awards Malaysia 2022. The award acknowledges IJM's commitment to embrace nature during planning and design of our property developments. This award is given to developers and architectural firms that have built and designed the greatest number of buildings with impressive interiors and are ecologically sensitive.

### Inaugural Sustainability-linked Sukuk

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 refinance the existing borrowings that was used to fund the development of the Group's Menara Prudential.

Marking IJM's first sustainable finance programme, the sukuk incorporates sustainability-linked features with pre-agreed targets set for the building's energy and water efficiency performance. The building is also LEED Gold-certified and a MSC-status office tower.

In its first year of review, Menara Prudential achieved all sustainability

performance targets, securing us interest rebates and hence lowering overall cost of borrowing. Among its key achievements in FY2023 were fulfilling requirements of building energy intensity and water efficiency intensity. Menara Prudential also purchased renewable energy certificates that covered 100% of its electricity consumption.



Property Division received awards at the StarProperty Awards 2022

### StarProperty Awards 2022

Our Property Division won several awards at the Star Property Awards 2022. They were:

- All-Stars Award
- Excellence in the Starter Home Award - Best Primary Home Development (High-Rise) for Residensi Suria Pantai at Pantai Sentral Park

- Excellence in the Neighbourhood Award - Best Comprehensive Township (500 - 2,000 acres) for Bandar Rimbayu
- Honours in the Neighbourhood Award - Best Comprehensive Township (Above 2,000 acres) for Seremban 2

The awards affirm our commitment to quality excellence, continuous improvements and confidence of purchasers in our product offerings.



## Digitalising Our Business

### Digitalising on-site operation procedures

IJM Construction embraced a new era of project site management with the introduction of an in-house developed mobile app, *MyIJM*. The integrated app was created to streamline and digitalise IJM's daily site operations. In July 2022, the division ran a pilot test on three on-going projects. The app was fine-tuned and in May 2023, the app was subsequently rolled out to all projects. *MyIJM* serves as a central hub for construction updates, consolidating vital data on safety, inspections, site productivity, work logs, and defect management into a user-friendly digital dashboard. With the ability to consolidate data from various projects across different geographical sites in real-time, the app ensures prompt attention to potential risks while enhancing overall site operations and management. *MyIJM* represents a significant advancement for the Construction Division, empowering us to effectively navigate the challenges of construction projects in today's landscape.



Launch of *MyIJM* by Construction Division at Wisma IJM

At our India operations, a cloud-based application was developed to streamline the review, submission and approval process and reduce the amount of paper used during the design development, conceptual, approval and shop drawing development stages of a project. The application enables designated external stakeholders such as consultants and vendors, as well as internal design and project teams, to review and approve drawings instantaneously. This limits the number of printings done by project teams hence reduces waste produced at the early stage of a project.

### Digitalising sustainability reporting and disclosure

The updated requirements of the MCCG 2021 emphasise the importance of regularly updating the company's sustainability performance at the Board and Management levels. Moving forward, the digitalisation of sustainability data is important to ensure meaningful and insightful reporting. By transitioning from traditional manual processes to digital systems, the Group has adopted the digitalisation approach strategically by streamlining the sustainability data collection, analysis and reporting, for more accurate and timely insights.

Our sustainability data digitalisation covers three main objectives:

1

#### Objective

Streamline and automate the sustainability data collection process

#### Milestones achieved

- Conducted current state assessment to understand the sustainability data collection process and requirements across business divisions
- Streamlined sustainability data collection process and mechanism with a standardised data collection protocol, master data template and sustainability data calculation methodology
- Created automated workflows for sustainability data collection process to enable seamless data flow and efficient collaboration

2

#### Objective

Establish a sustainability performance dashboard with business intelligence ("BI") tool for monitoring, analysis and reporting

#### Milestones achieved

- Established data connectivity of sustainability data sources to create unified datasets
- Structured and shaped data to suit the sustainability data analytical needs
- Established compelling and interactive sustainability performance reports and dashboards for monitoring, analysis and reporting

3

#### Objective

Interface with sustainability reporting software for alignment with global sustainability standards

#### Milestones achieved

- Interfaced unified datasets with a globally recognised sustainability reporting software for alignment with global sustainability framework such as Sustainable Development Goals and Global Reporting Initiative

By leveraging digital tools and technologies, we can enhance our ability to track, measure, and report on sustainability performance, ultimately driving positive change and creating a more sustainable future.



## MARKETPLACE: DOING GOOD BUSINESS

### BUILDING BETTER AND SMARTER

We embrace technological disruptions that empower us to rethink our processes and yield the benefits of building more efficiently and sustainably. The Group has been in the forefront of advancing sustainable building solutions such as Building Information Modelling ("BIM") and Industrial Building Systems ("IBS").

#### Digitalising Construction Processes

The Construction Division adopted BIM to enhance project management and collaboration. With several projects already utilising BIM, the division has experienced its benefits, primarily the realistic and immersive representations of buildings. The implementation of a robust Common Data Environment ("CDE") facilitates efficient information management and collaboration among stakeholders. Additionally, the division leverages 4D and 5D BIM to incorporate time and cost elements into project planning, allowing for visual simulation of construction sequences, conflict detection, and accurate cost estimation. These advancements improve project efficiency and optimise resource allocation.

The Construction Division has also embraced augmented reality ("AR") and virtual reality ("VR") technologies to enhance project site audits and worker training. AR allows on-site visualisation of BIM models, facilitating effective site audits, while VR enables the practice of on-site tasks in a virtual setting, improving worker training. The division is committed to further exploring other BIM dimensions and integrating elements such as building energy efficiency, water conservation, and waste management. To enhance capabilities, training workshops are conducted for the BIM department and operational teams at project sites. These initiatives ensure continuous improvements and development of professional expertise for BIM implementation throughout the division.

#### Sustainable Building Solutions

The Industry Division's IBS business has implemented the innovative 'BubbleDeck' biaxial suspended floor slab system in a 6-storey building project in Penang. This system replaces solid concrete with strategically placed plastic void formers, reducing unnecessary dead weight and maintaining strength and durability. The system's reliability has been thoroughly tested, making it suitable for various building types. The 'BubbleDeck' system minimises material usage, reduces resources and energy consumption during construction, and enhances construction speed and efficiency. Additionally, the voided slab design allows for easy installation of services, saving time and costs. This sustainable solution also reduces on-site energy consumption and greenhouse gas emissions, contributing to a more environmentally friendly construction process.



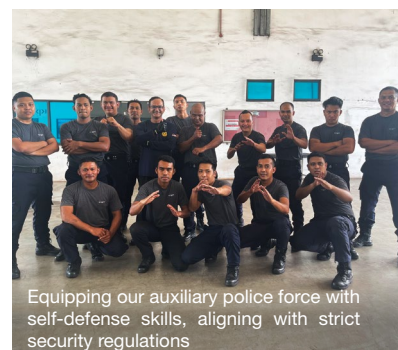
Implementation of the innovative 'BubbleDeck' biaxial suspended floor slab system in a 6-storey building project in Penang by Industry Division's IBS business

### SECURITY

Throughout the Group, security remained a material topic in FY2023. The Property Division focused on Crime Prevention by Environmental Design ("CPTED"), employing natural surveillance and security measures.

The Industry Division continues to prioritise the protection of dangerous materials during transportation, storage, handling, and disposal. The Toll Division implements security measures on highways to monitor movements and ensure the safety of toll collectors and staff.

In FY2023, the Port Division enhanced security monitoring through the implementation of a new Vessel Traffic Management & Information System ("VTMIS") at the Marine Traffic Control Tower. The division also provided training to 80 auxiliary policemen, equipping them with self-defence skills and knowledge in compliance with international security standards. These efforts are aligned with relevant security codes and regulations, ensuring the safety and protection of the Group's operations and personnel.



Equipping our auxiliary police force with self-defense skills, aligning with strict security regulations

## Managing Cybersecurity

In response to the growing cybersecurity risks worldwide, we have prioritised investments under our comprehensive cybersecurity strategy that includes employee education and training. We are committed to strengthening our defences against online threats and ensuring that our employees are equipped with the knowledge to identify and mitigate such risks.

In FY2023, our Information Systems Department conducted a series of security awareness and phishing assessment exercises targeting high-profile users and all employees. These exercises aimed to proactively identify vulnerabilities, safeguard sensitive information, and foster a culture of security awareness. During the year, we conducted 12 phishing assessment simulations involving 105 high-profile users, while also providing mandatory cybersecurity awareness training and phishing campaigns for all employees. These initiatives were crucial in raising awareness about the evolving cyberthreats landscape and emphasising the importance of cybersecurity practices throughout our organisation.

## Data Privacy and Protection

[GRI 418-1]

We have implemented a comprehensive Privacy Policy in compliance with the Personal Data Protection Act 2010 (PDPA). The policy outlines our guidelines for collecting, recording, and storing customers' personal data and is available on our Corporate website, in both English and Bahasa Malaysia.

As part of our commitment to data security, we hold certifications for ISO/IEC 27001:2013 Information Security Management System ("ISMS") and ISO/IEC 20000-1:2011 Information Technology Service Management System ("ITSMS"). Our Privacy Policy undergoes regular reviews to ensure compliance with the PDPA. Throughout FY2023, we had no substantiated complaints or cases of customer data breaches, leaks, thefts, or loss. All divisions remain dedicated to protecting our customers' data privacy.

## 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 have implemented a Responsible Supply Chain Policy to ensure the alignment of our values and principles throughout our supply chain, fostering trust and long-term benefits for all stakeholders. Our Code of Business Conduct for Third Parties establishes fundamental principles and standards that all third parties conducting business with the Group must adhere to. This includes vendors, suppliers, service providers, contractors, subcontractors, consultants, agents, representatives, and other entities associated with the Group.

Violations or non-compliance with this Code will be treated seriously and may result in the termination of contracts with the non-compliant parties. Both the Code of Business Conduct for Third Parties and the Responsible Supply Chain Policy can be accessed on our Corporate website.

### Responsible Supply Chain Policy [GRI 409-1]

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.

## Encouraging Supply Chain Participation

In March 2023, the first cohort of the five-month pilot Action Centre for Sustainable SMEs ("ACCESS") programme, graduated. The ACCESS programme aims to strengthen the Group's supply chain understanding of fundamental sustainability principles, equip them with practical tools to integrate sustainability into their daily business operation and support the development and implementation of enterprise sustainability plans. This programme marks our commitment to foster sustainable practices among small and medium enterprises, driving positive change in the business community.



Fostering sustainable practices in SMEs: ACCESS programme graduation ceremony