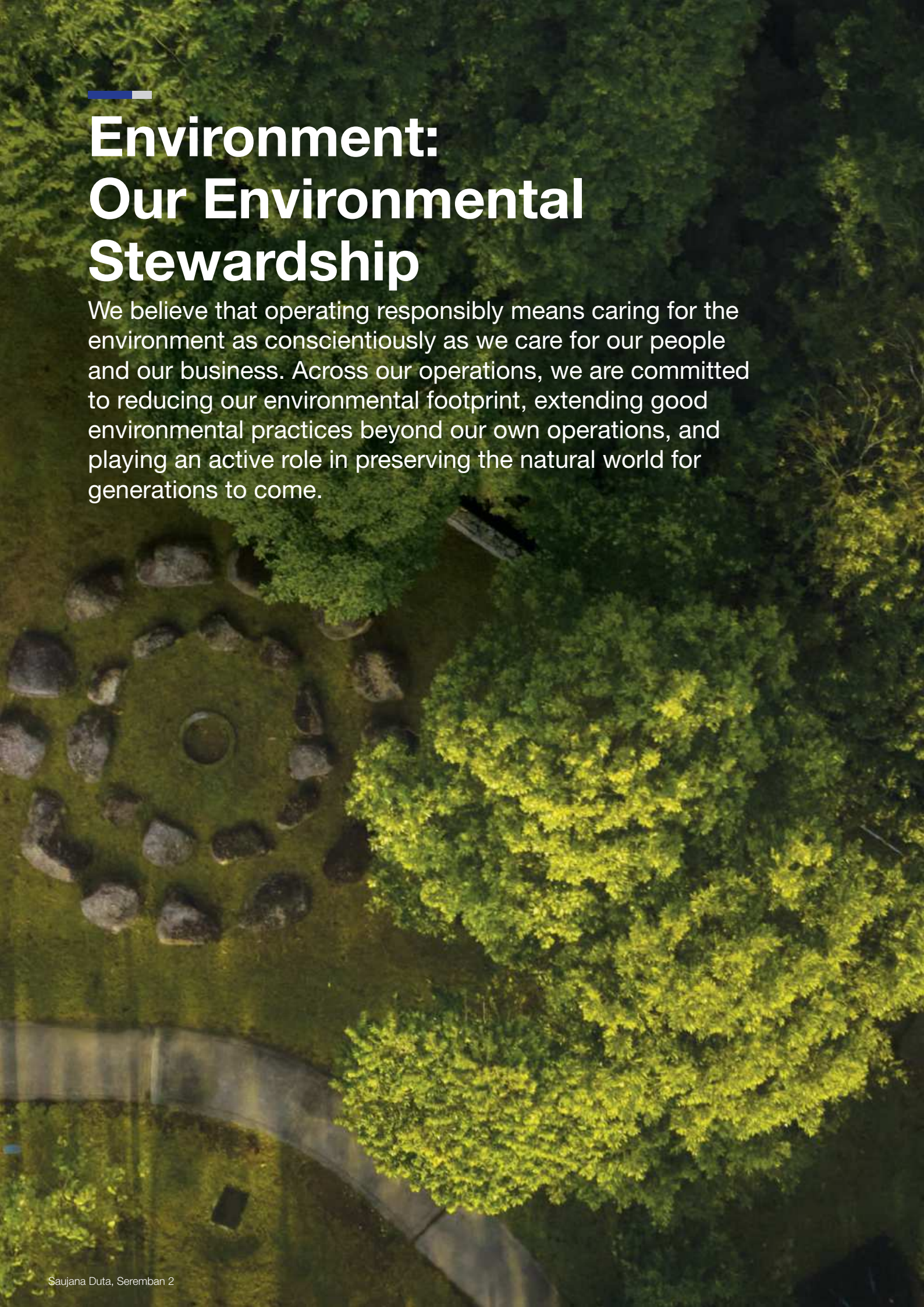
Environment: Our Environmental Stewardship

We believe that operating responsibly means caring for the environment as conscientiously as we care for our people and our business. Across our operations, we are committed to reducing our environmental footprint, extending good environmental practices beyond our own operations, and playing an active role in preserving the natural world for generations to come.



Saujana Duta, Seremban 2

Environment: Our Environmental Stewardship

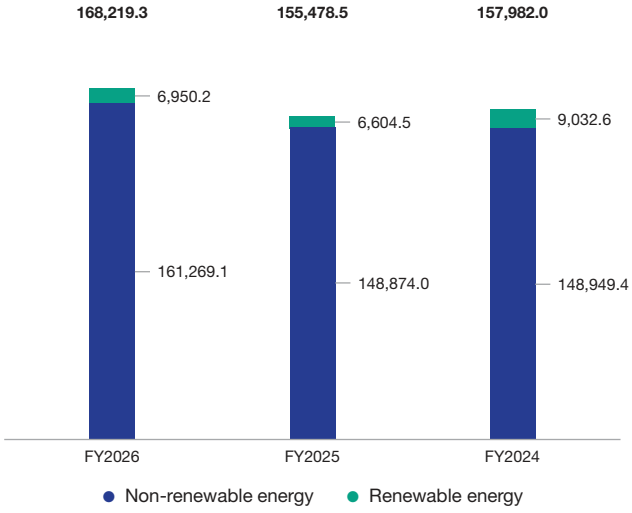
We recognise our fundamental dependency on the environment. Guided by our Environmental Policy, we maintain robust procedures to identify environmental risks and implement effective controls, spanning energy consumption, water use, pollution prevention and waste management. These measures are reinforced through regulatory compliance and industry best practices, ensuring our operations are conducted responsibly and with care for the natural environment.

MANAGING OUR ENVIRONMENTAL IMPACTS

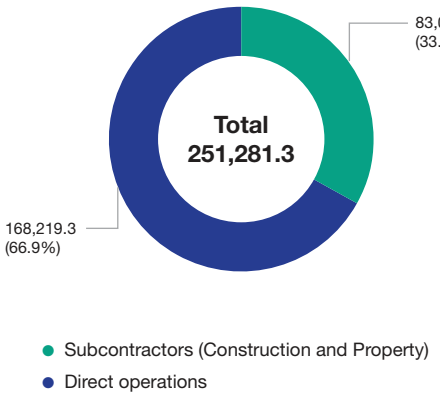
Energy Management

Aligned with our R_2O strategy, we remain committed to advancing energy optimisation by enhancing efficiency and reducing reliance on fossil fuels. In FY2026, our total energy consumption was 168,219.3 MWh, which is an 8.2% increase compared to last year. 83,062.0 MWh was consumed by subcontractors at project sites.

Total Energy Mix (MWh)



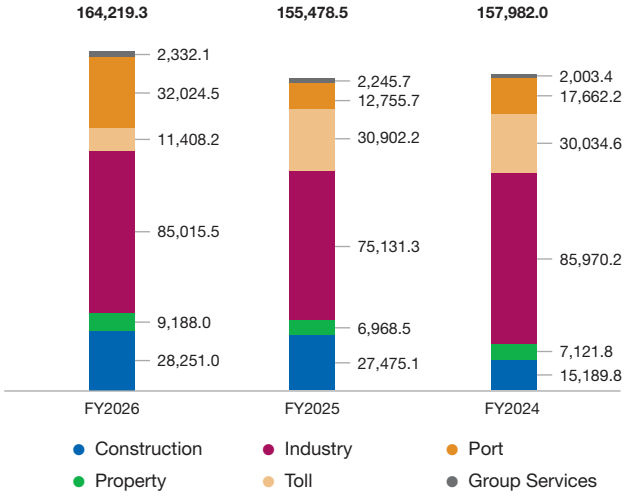
Energy Consumption (Direct Operations vs Subcontractors) (MWh)



Note:

- Renewable energy: Energy consumption from renewable sources generated from own solar PV panels.
- Non-renewable energy: Energy consumption from non-renewable sources such as petrol, diesel, natural gas and conventional electricity purchased from the grid.
- Energy consumption presented in the Total Energy Mix only includes direct operations.

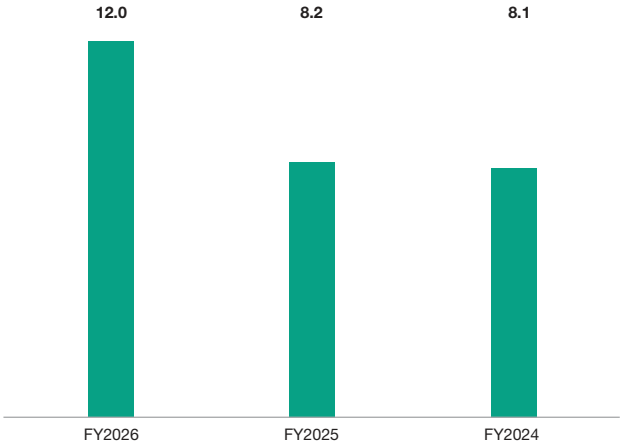
Total Energy Consumption by Division (MWh)



Solar PV panels installed at the Seremban 2 Sales Gallery

Our renewable energy generation capacity has grown to 12.0 MWp through the installation of solar PV systems across project sites, factories and highways, with four newly installed solar PV panels in ICP Bestari Jaya, IBS Factory, IJM Land Centre of Excellence ("ICE") Gallery and Seremban 2 Sales Gallery. Renewable sources accounted for 6,950.2 MWh, or 4.1% of total energy consumption. Having installed solar PV panels on almost all of our rooftops, we are actively exploring complementary mechanisms to reduce our Scope 2 emissions, as discussed in the Sustainability Statement (Part A) on page 152.

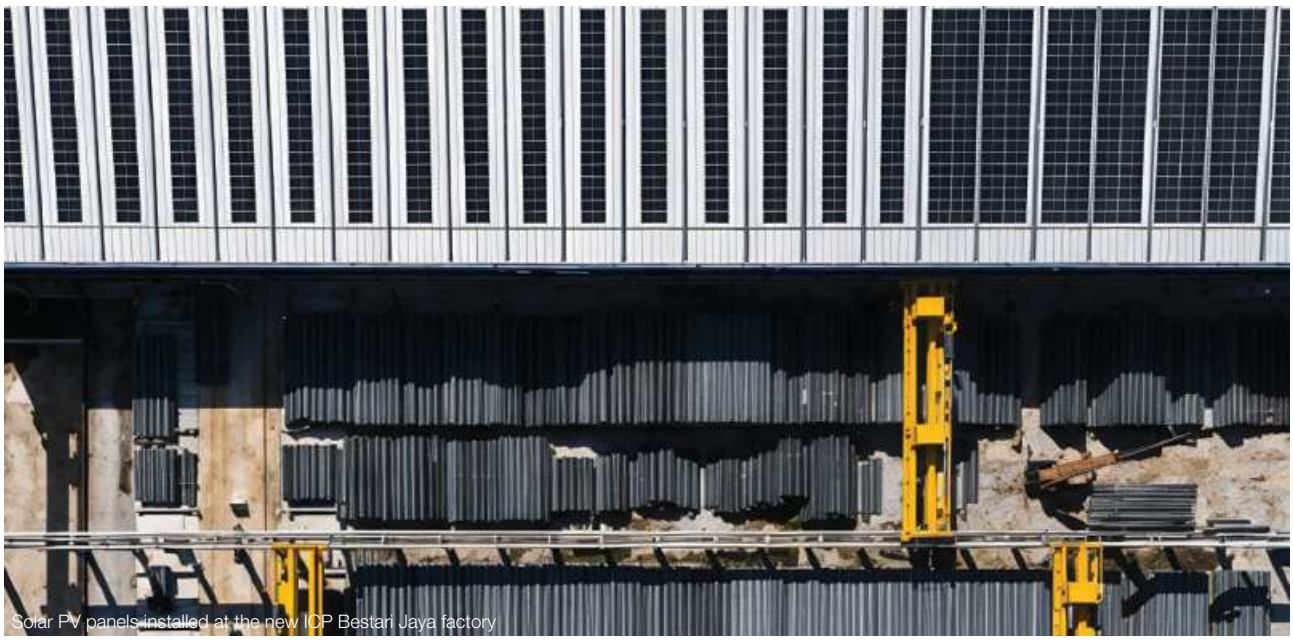
Total Solar Generation Capacity (MWp)



IJM Group Total Energy Consumption by Division (MWh)

	FY2026	FY2025	FY2024
Total Energy Consumption	**168,219.3**	**155,478.5**	**157,982.0**
Construction	28,251.0	27,475.1	15,189.8
Property	9,188.0	6,968.5	7,121.8
Industry	85,015.5	75,131.3	85,970.2
Toll	11,408.2	12,755.7	17,662.2
Port	32,024.5	30,902.2	30,034.6
Group Services	2,332.1	2,245.7	2,003.4

Beyond expanding renewable energy capacity, we continue to strengthen our energy reduction efforts through energy-efficient technologies and passive design strategies across our operations and building designs. In FY2026, these combined efforts have contributed to improved energy performance, lower operational costs and progress toward our broader decarbonisation goals.



Solar PV panels installed at the new ICP Bestari Jaya factory

Environment: Our Environmental Stewardship

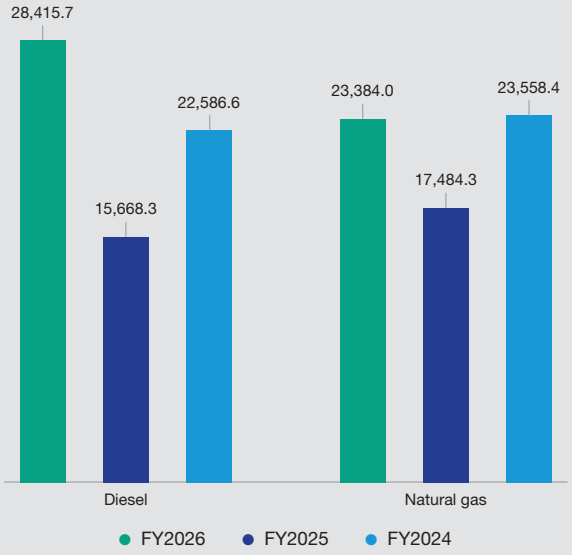
Zero-Steaming Programme to Reduce Reliance on Fossil Fuels

Since FY2024, the Industry Division has made good progress in implementing the zero-steaming programme to reduce reliance on the energy-intensive boiler steaming process in spun pile manufacturing, specifically for diesel-powered boilers. This has contributed to a 12.0% reduction in diesel consumption intensity for boilers in FY2026 compared to FY2025.

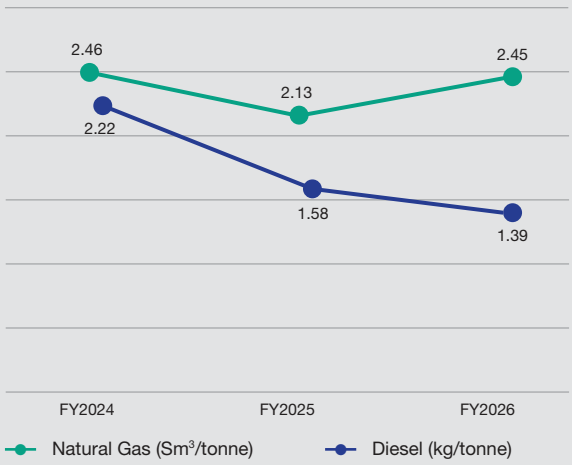
The increase in overall diesel (81.4%) and natural gas (33.7%) consumption in FY2026 compared to FY2025 was primarily driven by higher production output. Natural gas intensity increased over the same period due to urgent production requirements for certain piles, while diesel intensity continued to improve.

Building on this progress, the newly operational ICP Bestari Jaya Factory is designed for zero-steaming of spun pile production and eliminating fossil fuel used in the curing process entirely and setting a new benchmark for sustainable manufacturing. For more information on Zero-Steaming Programme, please refer to Sustainability Statement (Part A), page 152.

Fuel Consumption by Type (MWh)



Fuel Consumption Intensity (Consumption/Production Tonnage)



ICP spun piles produced using zero-steaming method

Water Management

IJM remains committed to using water as efficiently as possible across all operations. In FY2026, the Group's total water withdrawal was 1,325,082.5 m³, which represents an increase of 13.0% compared to the prior year, driven primarily by increase at the Property Division.

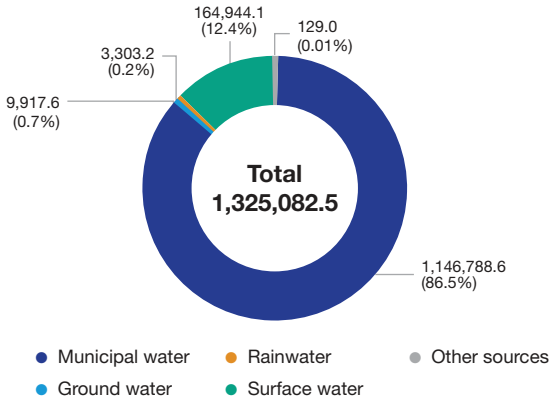
We enforce effective control measures to ensure compliance with applicable water quality and quantity permits, standards and regulations. Notably, in FY2026, there were no recorded instances of non-compliance with water quality standards. Where discharge volumes are significant, water treatment facilities are installed to manage wastewater in adherence to both regulatory and voluntary environmental standards. At sites with lower discharge volumes, conventional methods such as silt traps and sedimentation ponds are employed. Where feasible, treated water is recycled and reused across project sites and manufacturing facilities.

To reduce our reliance on ground, surface and municipal water sources, we continue to collect rainwater across our Property, Industry, Toll and Port Divisions.

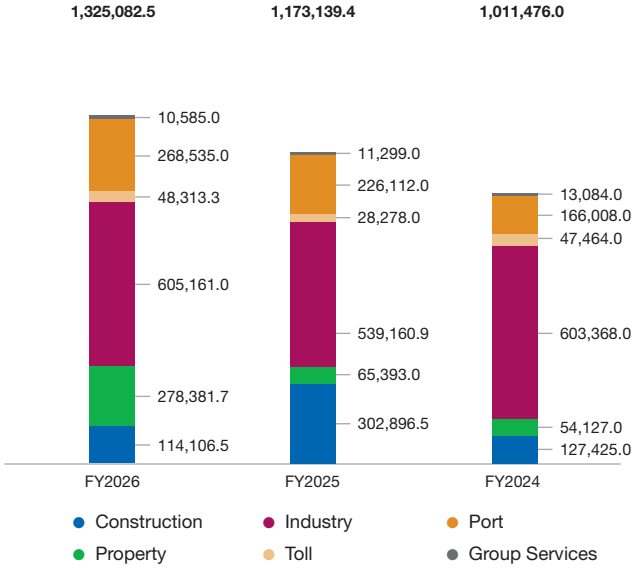
In FY2026, we harvested 3,303.2 m³ of rainwater for non-potable uses. Industry Division continues to thoughtfully integrate water management systems into their sites through installing 2-Star Rated Water Efficient Products Labelling Scheme (WEPLS) water fittings, and dedicated rainwater harvesting systems in certain factories. In ICP Bestari Jaya factory, rainwater harvesting and water-efficient fittings help conserve water and support landscape irrigation, while a water recycling pond collects and treats used water for reuse.

In Toll Division, we continue to implement rainwater harvesting to support non-potable use such as cleaning the New Jersey barrier, watering landscaping areas and general site cleaning. At Kuantan Port, we have continued our collaboration with tenants to enhance water efficiency through the reuse of treated water, where in FY2026, we optimised our consumption by reusing 30,570.0 m³ of water, achieved through the strategic collection of surface water and the recycling of treated water from our tenants.

Total Water Consumed by Type (m³)



Total Water Consumption by Division (m³)

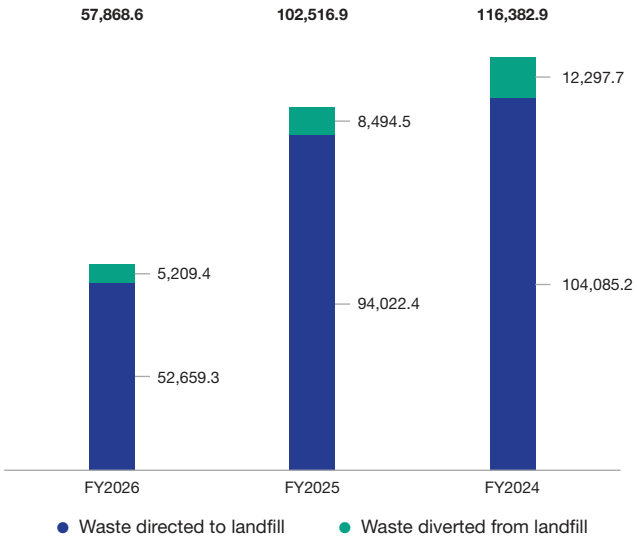


Environment: Our Environmental Stewardship

Material and Waste Management

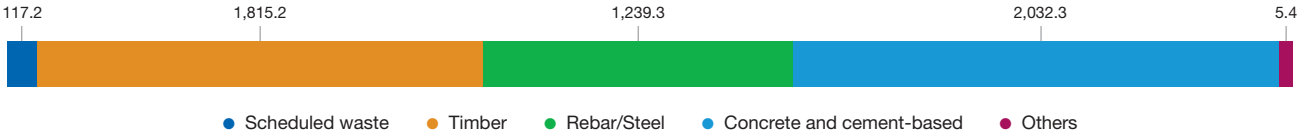
The Group recognises that our operations across our businesses generate a range of waste streams. Managing these responsibly is a core commitment, and we aim to reduce, reuse and recycle waste wherever feasible, while complying with applicable local waste regulations and striving to go beyond minimum compliance thresholds. Waste reduction also forms a key pillar of our climate strategy, directly contributing to our Scope 3 emissions reduction goals, which we pursue through enhanced process efficiency and the progressive adoption of circular economy principles. The waste we generate stems directly from the physical nature of our activities and spans our own operations as well as our broader value chain.

Total Waste Generated (Tonnes)



Across the Group, we implement proactive measures to minimise waste directed to disposal by prioritising recycling and reuse across our operations, where feasible. Non-scheduled waste is segregated at source, with dedicated collection zones established at all sites, and licensed contractors are engaged for disposal and recycling at certified facilities. Where feasible, construction waste is reused on-site. For example, crushed concrete debris is repurposed to reinforce temporary road access at project sites, reducing the need for new materials. In FY2026, a total of 57,868.6 tonnes of waste were generated and 9.0% diverted from disposal through recycling, reuse and on-site and off-site treatment initiatives. The types of waste diverted from disposal include waste reused, recycled, scheduled waste and e-waste sent to licensed treatment facilities by licensed contractors.

Waste Diverted from Landfill by Type (Tonnes)



The Construction Division continues to implement its Waste Reduction Framework that was introduced in FY2023, which systematically guides the management and reduction of solid waste across construction operations. Beyond our own sites, the Division extends this commitment through industry-academia collaboration, engaging the next generation of practitioners on themes of sustainability and recycling in construction.

IJM x ICEUMSC Case Study Competition 2026 under the theme "Sustainability & Recycling in Construction"

BubbleDeck® Technology to Reduce Raw Material Usage

IJM IBS has advanced sustainable construction through the deployment of BubbleDeck®, an innovative voided precast slab system that eliminates non-structural concrete. The system reduces concrete volume by up to 40% and structural weight by up to 35%, while enhancing load-bearing capacity. This results in lower foundation demands, reduced transportation costs and a smaller overall environmental footprint which delivers a lighter, stronger and more resource-efficient alternative to conventional slab construction.

In addition, IJM IBS champions sustainable product stewardship by leveraging Industry 4.0 to achieve a waste level of less than 1%. This efficiency is driven by precision automation and a Digital Factory model, integrating Building Information Modelling (BIM), Enterprise Resource Planning (ERP) and Manufacturing Execution System (MES) software to ensure 100% transparency and optimal resource planning.

BubbleDeck® slab system by IJM IBS

Pollution Management

IJM is committed to preventing air, noise, waste and water pollution across our operations. In FY2026, all divisions have maintained ISO 14001:2015 Environmental Management Systems certification, covering 100% of our operations in Malaysia. Our Group's Health, Safety and Environment (HSE) Management System guides the implementation of Environmental Management Procedures and Operation Specific Plans, enabling us to identify, evaluate and mitigate pollution risks while minimising our impact on the environment and surrounding communities.

To manage erosion and sedimentation, we employ groundcover, turfing, vegetation and hydroseeding, alongside temporary dams, silt traps and fences check to protect water sources. Noise and vibration are continuously monitored on-site, with vibration meters at quarries ensuring compliance with the Environmental Quality Act 1974. Air pollution is managed through ongoing site inspections, dust barriers, fog cannons, washing bays, road sweepers and water trucks at our port and construction sites.

At one of the Industry Division ICP factories, a Zero Liquid Discharge (ZLD) system is utilised to manage wastewater generated from production processes containing highly alkaline water and suspended solids. The closed-loop recycling system treats and recovers wastewater for reuse within the factory, significantly reducing freshwater consumption and eliminating industrial effluent discharge to the environment. This approach helps ensure compliance with the Environmental Quality (Industrial Effluent) Regulations 2009 and reinforces our commitment to safeguarding the quality of surrounding water bodies. In FY2026, there were no major incidents or penalties due to spillage.

Environment: Our Environmental Stewardship

ENVIRONMENTAL STEWARDSHIP IN OUR VALUE CHAIN

Our most significant environmental footprint does not end at our fenceline. It extends across the entire value chain, from the raw materials sourced by our suppliers to the buildings and infrastructure we deliver to our clients and communities. We also recognise that meaningful environmental action cannot be achieved in isolation. Decarbonising our value chain requires collective effort with our suppliers, partners, clients and the broader industry moving in the same direction.

Our R_2O Strategy dedicates a pillar specifically to Supply Chain Advocacy, Industry Engagement and Product Stewardship. Through this pillar, we work to influence and collaborate beyond our operations, embedding sustainability expectations upstream and downstream and driving systemic change across the sectors we operate in. For IJM, this means engaging our supply chain, rethinking material choices and progressively expanding the boundary of our emissions accounting.

Scope 3 Emissions

Scope 1 and Scope 2 emissions are disclosed in Part A of the Sustainability Statement, in accordance with the mandatory ISSB requirements, which can be found on page 160. Disclosure of Scope 3 emissions is voluntary at this stage, as IJM exercises the available transitional relief.

Addressing Scope 3 is increasingly central to credible climate action. Investors, clients, and regulators are placing greater scrutiny on value chain emissions as they recognise that net zero commitments must account for more than what happens within a company's own walls. As such, IJM has set a Scope 3 target to guide our decarbonisation journey across the value chain.

Scope 3 Target	
Category 4, 5 and 6: Net-zero by 2050	Category 1: Engage with supply chain for low-carbon plans by 2027

Emissions under this scope include all other indirect emissions generated across our value chain that accounted for 95.0% of our total emissions. For FY2026, we have collated data for 8 out of the 15 categories under Scope 3 in the table below.

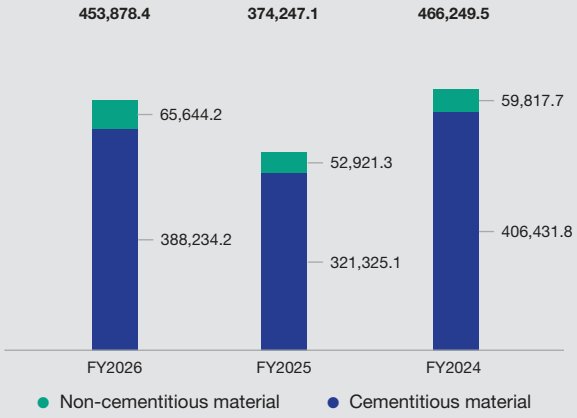
IJM Group Scope 3 GHG Emissions by Categories (tCO_2e)

	FY2026	FY2025	FY2024
Total GHG Emissions Scope 3	**920,077.7**	**1,006,339.7**	**837,683.9**
Category 1 – Purchased Goods and Services	885,941.3	957,053.5	828,064.2
Category 4 – Upstream Transportation and Distribution	6,876.9	5,438.3	1,237.5
Category 5 – Waste Generated in Operations	6,473.7	6,901.6	6,889.9
Category 6 – Business Travel	3,646.1	7,872.0	6,073.1
Category 7 – Employee Commuting	4,532.7	4,535.6	4,817.3
Category 11 – Use of Sold Products	2,247.6	2,394.4	983.3
Category 13 – Downstream Leased Assets	5,909.0	20,244.1	17,781.2
Category 15 – Investments	4,450.4	1,900.4	1,838.4

Reducing Scope 3 Emissions via Cement Substitution

Carbon emissions from cement consumption constituted approximately 47.8% of the Group's total Scope 3 GHG emissions in FY2026. The Industry Division made notable progress by increasing the substitution of cement with non-cementitious alternatives to 14.5%, an increase from 14.1% in FY2025 and 9.1% in FY2023. This initiative led to emissions avoidance of 56,098.6 tCO_2e compared to total emissions without cement replacement. This avoidance is equivalent to approximately 9.2% of the Industry Division's total Scope 3 emissions and 6.0% of the Group's total Scope 3 emissions.

Cement Consumption by Industry Division (Tonnes)



Value Chain and Industry Engagement

To further strengthen the accuracy and transparency of our environmental reporting, we have continued to deepen our engagement with suppliers to obtain product-specific emission factors and pinpoint high-impact opportunities for decarbonisation across the value chain. In FY2026, we have obtained an Environmental Product Declaration (EPD) from one of our main suppliers, enabling us to apply a product-specific emission factor to the corresponding purchased product. Through sustained collaboration with our supply chain partners, we aspire to integrate actual product-specific data into our reporting framework, enhancing data quality, reinforcing the comprehensiveness of our climate-related disclosures, and advancing our broader decarbonisation agenda.

We recognise that embedding responsible supply chain practices requires meaningful collaboration and open dialogue with our suppliers. Building on this commitment, we have incorporated sustainability-related considerations into our supply chain evaluation process, laying the groundwork for a more structured and accountable approach to supplier sustainability over time. In FY2026, 170 new suppliers were screened using environmental criteria.

Product Stewardship

We continue to strengthen our commitment to sustainable building and construction principles, driving environmentally responsible developments and fostering the creation of resilient communities. Across the Group, we are advancing our efforts to minimise the environmental footprint of our developments by embracing green materials, sustainable design solutions and progressive construction methods. The Group's investment property, Menara Prudential retains its LEED Gold certification and continues to demonstrate our commitment to sustainable built environments. The building is equipped with advanced energy-efficient lighting, smart metering and intelligent cooling systems, all integrated within a building management system that enables real-time energy performance monitoring.

In line with this commitment, our divisions have continued to pursue green credentials across their respective businesses. The Property Division ensures that all new developments are certified GreenRE Bronze at a minimum, embedding sustainability considerations from the design stage onwards. The Construction Division has been securing new order book wins that are designed in accordance with green certification requirements, reflecting growing market demand for sustainable construction solutions. Meanwhile, the Industry Division continues to obtain green certification for its products, reinforcing the Group's holistic approach to sustainability across the value chain.

Further information can be found on the Pursuing Green Credential section on pages 187 to 190 of this Statement.

Environment: Our Environmental Stewardship

NATURE STEWARDSHIP

Biodiversity

Our environmental responsibilities extend beyond our operations to the ecosystems and communities around us. In response, we are committed to minimising our ecological footprint by protecting sensitive habitats and integrating biodiversity safeguards into project design and execution.

In FY2026, Industry Division's ICP Lumut Factory collaborated with QUEST International University (QIU) and Majlis Perbandaran Manjung (MPM) to organise the "Seed of Sustainability: Mangrove Tree Planting Drive" Programme at Changkat Keruing, Ayer Tawar, Perak, on 31 January 2026. Through this initiative, a total of 1,000 mangrove saplings were planted to support the restoration of mangrove ecosystems while promoting environmental awareness and encouraging active community participation in conservation efforts.

As part of our commitment to biodiversity conservation and community engagement, Kuantan Port commemorated World Maritime Day through a Biodiversity Conservation Programme at Pantai Chendor, engaging more than 200 volunteers from local universities, community organisations and the port workforce. The initiative included the planting of over 3,000 mangrove trees, a beach clean-up that removed 241.7 kg of marine debris, and the release of approximately 100 turtle hatchlings, helping to restore coastal ecosystems while raising awareness of the importance of biodiversity conservation.

Following the completion of a biodiversity assessment last financial year, which covered terrestrial and aquatic ecosystems adjacent to Sebana Cove Resort and its surrounding areas, the Property Division continued to advance its master plan review with ecological considerations. Where feasible, the assessment's recommendations will be incorporated into planning and design decisions, with fuller integration anticipated upon the master plan's finalisation. This nature-sensitive approach to planning reflects a broader evolution in how Property Division conceives its developments.

Pantai Sentral Park Integrating Community, Wellness and Nature

At Pantai Sentral Park ("PSP"), the master plan has been redrawn to prioritise community-led, mixed-use environments that respond to how people live, including the integration of wellness and green spaces as core components rather than afterthoughts. Bordering the 200-acre Bukit Kerinchi Forest Reserve, the development exemplifies our ambition to create places where the natural environment is not merely preserved at the margins, but integrated into the fabric of the community. In addition, there will be a network of walkways and bike paths connecting every development within PSP, which is called the Ribbon of Life. Enlace Urban Park, which is inspired by a Japanese garden, will be a placemaking venue where community building activities can be held.

This approach underpins the Property Division's broader development philosophy: that long-term value is created by integrating environmental, social and community considerations into the planning and design of our developments from the outset.

The Enlace Urban Park inspired by a Japanese garden linked to the Bukit Kerinchi Forest Reserve