



Sustainability Statement: Scaling Our Sustainability Impact

The Sustainability Statement is structured into two parts. Part A is ISSB-aligned, covering mandatory sustainability disclosures in line with the International Financial Reporting Standards (IFRS) S1 and S2, developed by the International Sustainability Standards Board (ISSB). Part B encompasses voluntary sustainability disclosures prepared with reference to the Global Reporting Initiatives (GRI) Standards and other sustainability reporting standards and frameworks.



Sustainability Statement

Part A

Basis of Preparation	143
Reporting Boundary	144
Judgements and Measurement Uncertainties	144
Governance	145
Risk Management	146
Business Segments and Strategic Context	147
Climate-related Risks and Opportunities	149
Metrics and Targets	158
BSI External Verification Report	164
Bursa Malaysia Prescribed Table	166

Part B

Commitment to Sustainability	170
Economic: Doing Good Business	185
Environment: Our Environmental Stewardship	198
Social: Empowering Our People and Communities	208
GRI Content Index	232



Sustainability Statement (Part A)

Basis of Preparation

COMPLIANCE WITH THE REGULATORY REQUIREMENTS

The Sustainability Statement (Part A) of IJM Corporation Berhad (the 'Group') has been prepared in accordance with the International Financial Reporting Standard Sustainability Disclosure Standards (IFRS SDS) as issued by the International Sustainability Standards Board (ISSB), in line with Bursa Malaysia's Main Market Listing Requirements (MMLR). It is intended for disclosure alongside the Audited Financial Statement and should be read in tandem with the Sustainability Statement (Part B), which can be found on page 170. The Sustainability Statement (Part A) provides essential context to the audited financial statements by highlighting climate-related factors that may reasonably cause actual or anticipated effect on IJM's financial position, financial performance, and future cash flow.

The Sustainability Statement (Part A) is produced to improve the transparency, comparability, and decision-making utility of climate-related financial data for the Group's investors and capital partners. Where applicable, these disclosures have been structured to align with local regulatory expectations and the overarching governance frameworks of the Group.

FIRST TIME ADOPTION OF IFRS SUSTAINABILITY DISCLOSURE STANDARDS AND TRANSITION RELIEFS

FY2026 marks the inaugural adoption of the IFRS SDS in IJM's Sustainability Statement. In preparing these disclosures, IJM has utilised the transitional reliefs provided by Bursa Malaysia's MMLR to support a phased adoption of the IFRS SDS.

IJM has applied the following transition reliefs:

- Comparative information is not required for new metrics that have not been previously disclosed in prior reporting periods.
- Permitted to disclose information only on climate-related risks and opportunities (in accordance with IFRS S2 Climate-related Disclosures) and consequently apply the requirements of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information only insofar as they relate to the disclosure of information on climate-related risks and opportunities.
- Not disclosing Scope 3 emissions in this period's ISSB-aligned report. Any Scope 3 figures presented this year are provided as voluntary information outside the ISSB report, within the Sustainability Statement (Part B).

RELATIONSHIP WITH SUSTAINABILITY STATEMENT (PART B) AND FINANCIAL STATEMENT

The Sustainability Statement (Part A) has been prepared for the Group and should be read in conjunction with IJM's Audited Financial Statement that is prepared in accordance with the Malaysian Financial Reporting Standards (MFRS), IFRS Accounting Standards and the requirements of the Companies Act 2016 in Malaysia. This report covers the financial year ended 31 March 2026 and is aligned with the reporting period of the related consolidated financial statements.

The Sustainability Statement (Part A) covers the same reporting entity as the related consolidated financial statements. The reporting entity comprises IJM Corporation Berhad and its subsidiaries. In preparing these sustainability-related financial disclosures IJM has assessed its own operations and value chain.

The presentation currency of the sustainability-related financial disclosures is Ringgit Malaysia (RM), which aligns to the presentation currency used in the consolidated financial statements. Unless specified otherwise, all amounts are rounded to the nearest millions.

The time horizons correspond with the time horizons used for both IJM's Enterprise Risk Management (ERM) Framework and strategic decision making. An exercise is undertaken at the end of each reporting period to ascertain the kinds of sustainability-related risks and opportunities that could reasonably be expected to occur.

Short Term	Medium Term	Long Term
FY2027 (0 – 12 months)	FY2028 – FY2031 (2 – 5 years)	FY2032 and beyond (More than 5 years)

STATEMENT OF ASSURANCE

For FY2026, an internal review was done by IJM Group's internal auditors, covering Scope 1, Scope 2 and Scope 3 GHG emissions.

Third-party verification has been performed by BSI Malaysia in accordance with ISO 14064-1:2018 standard over IJM's Scope 1, Scope 2 and Scope 3 GHG emissions disclosures for the reporting period 1 April 2025 to 31 March 2026.

External assurance has not been performed on Scope 1 and Scope 2 GHG emissions. However, the Group has established a roadmap for external assurance, which is to obtain limited assurance for Scope 1 and Scope 2 GHG emissions in FY2027, and transition to reasonable assurance beginning with the FY2028 reporting cycle, aligning with evolving disclosure standards, should it arise.

Reporting Boundary

REPORTING ENTITIES

The entities, assets and operations (collectively referred to as the “reporting entity”) included in IJM’s Sustainability Statement (Part A) are the same as those included in IJM Corporation Berhad’s 31 March 2026 Audited Financial Statements.

Physical Climate-related Risks and Opportunities

Physical climate-related risks and opportunities presented in this report focuses solely on direct impact on IJM’s own operations and have not considered the Group’s broader value chain, other than subcontractors and workers on site. At present, we have only done a physical climate risk assessment on operations within Peninsular Malaysia and have not included East Malaysia.

GHG Emissions

The preparation of IJM’s GHG inventory is in accordance to the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004) (GHG Protocol) to measure its GHG emissions unless otherwise stated by IFRS S2. The Group applies the operational control approach in accordance with GHG Protocol to establish its organisational boundary for the reporting of GHG emissions.

The entities covered within the reporting entity’s boundaries for Scope 1 and 2 include IJM Corporation Berhad and its subsidiaries.

Judgements and Measurement Uncertainties

In preparing the Sustainability Statement (Part A), the Management has applied judgement in the process of identifying Sustainability-related Risks and Opportunities (SRROs), Climate-related Risks and Opportunities (CRROs) and material information to be reported. The preparation of this report requires the use of estimates for certain information which cannot be measured directly.

Estimates have been made whenever the information involves data limitations, relates to an entity in the value chain, or is forward-looking in nature. The details of the critical judgements made by the Management in preparing this report as well as amounts that are subject to a high degree of measurement uncertainty, are as follows:

SIGNIFICANT JUDGEMENTS

Management applied significant judgements for the following:

(a) Materiality Assessment Process

Significant judgement was applied in identifying the CRROs that could reasonably be expected to affect IJM’s prospects as well as the material information related to those risks and opportunities. The process followed by the Management in making the assessment of what information could reasonably impact IJM’s financial prospects and influence decisions of primary users is set out on pages 173 to 179 of this report.

(b) Scenarios Chosen for Climate Scenario Analysis

Significant judgement was applied in selecting the climate scenarios for scenario analysis. IJM has undertaken an assessment of Physical Climate Risk using two reference scenarios developed by the Intergovernmental Panel on Climate Change Fifth Assessment Report (IPCC AR5). The two scenarios are Representative Concentration Pathway (RCP) 4.5, which is the medium emissions scenario and RCP 8.5, which is the highest emissions scenario. Although there is a more recent scenario published by IPCC, which is the Sixth Assessment Report (AR6), AR5 scenarios were selected due to availability of projected data by National Water Research Institute of Malaysia (NAHRIM). More information on the scenarios chosen can be found in page 150 to 151 of this report.

(c) Attribution and Interdependency of Climate Risk

The identification of specific incidents and their associated financial impacts involve significant judgement in attributing causality to climate change. Operational disruptions, safety incidents or equipment failures may result from a complex interplay of multiple factors (e.g. asset age, maintenance cycles, or human error) where climate change acts as one of several contributing drivers rather than the sole cause. Consequently, quantifying the isolated impact of climate risk carries inherent uncertainty, as it is challenging to distinguish the proportion of risk and financial loss directly caused by climate-related events from those stemming from non-climate operational or external variables.

MEASUREMENT UNCERTAINTIES

(a) Anticipated Financial Effects of Climate-related Risks and Opportunities

The identification and measurement of anticipated financial effects for identified CRROs are based on information available at the time of assessment. Therefore, these projections are subject to high measurement uncertainty over the medium term and long term. This includes assumptions on the timing and occurrence or non-occurrence of specific regulations and incidences, as well as the inherent volatility in pricing assumptions for carbon, energy and raw materials. Some climate-related costs are embedded within broader operational expenditures and cannot be separately identified or quantified.

(b) Climate Physical Risk Using Proxy Data

The Group's climate risk assessment and financial quantification is proxied through future temperature, rainfall patterns and sea level rise derived from IPCC and NAHRIM's simulated data, supplemented by

site personnel's judgement on whether the projected conditions are likely to influence the frequency and severity of certain climate incidents. As such, the resulting impact and financial estimates are inherently subject to the same underlying uncertainties as the source data.

(c) Direct Climate Impact Only

This quantification is limited to direct climate impact to the Group, relying on parameters and assumptions within the IPCC and NAHRIM datasets. It does not consider climate change as a risk multiplier, nor does it include broader macro or systemic shifts resulting from the long-term effects of climate change, such as global market volatility, food security and social unrest, large-scale supply chain shifts or the breaching of planetary health boundaries.

The GHG calculation also carries inherent limitations such as reliance on emission factors obtained from multiple sources. All the parameters used are outlined in the Metrics and Targets in pages 158-159.

Governance

The responsibilities for overseeing and managing climate-related risks and opportunities are formally embedded within the Group's governance framework, primarily through the Terms of Reference (TOR) of the Risk Management and Sustainability Committee. To ensure the Board maintains the necessary competencies to oversee these strategies, the Board members participate in regular briefings and training sessions led by external consultants and the internal Group Sustainability Team. These engagements ensure the Board stays abreast of evolving climate-related trends, regulatory requirements and best practices.

OVERSIGHT OF SUSTAINABILITY AND CLIMATE RISKS AND OPPORTUNITIES

Board of Directors

The Board of Directors provides oversight of the sustainability and climate-related risks and opportunities, ensuring strategic alignment with long-term value creation.

Board Governance Committee

Committee	Oversight and Responsibilities	Frequency of Meeting
Risk Management and Sustainability Committee ("RMSC")	- Oversees the identification and management of sustainability-related and climate-related risks, while also staying informed on the related opportunities - Kept informed on sustainability-related and climate-related opportunities	Quarterly
Nomination & Remuneration Committee ("NRC")	Integrates Economic, Environmental and Social (EES) considerations into the board's skills matrix and succession planning, while aligning executive remuneration with EES and climate-related KPIs	Bi-annually
Audit Committee ("AC")	Provides oversight over internal and external sustainability assurance and relevant financial disclosures	At least four times a year

Governance

MANAGEMENT OF SUSTAINABILITY AND CLIMATE RISKS AND OPPORTUNITIES

Management-level Committee

Supporting committees, including the Risk Management Committee reports directly to RMSC, providing risk identification and management input.

Working level

The Group Sustainability Department oversees the delivery of the Group's Sustainability Roadmap, Climate Strategy and Sustainability Statement. At the divisional level, Business Division Sustainability Steering Teams drive and implement sustainability initiatives, supported by Business Division Sustainability Champions. Dedicated task forces have also been established within the Construction and Property Divisions to support the development and implementation of IJM's Climate Strategy and Sustainability Roadmap.

REMUNERATION

The C-suite includes the division heads, each accountable for a scorecard in which 5% to 10% is dedicated to sustainability performance, including climate-related metrics. Over the years, sustainability performance aligned to IJM's three-year roadmap has been progressively embedded into business scorecards. Since FY2023, the Group has been tracking divisional progress on product stewardship through green credentials.

Looking ahead, from FY2027 onwards, the Group has introduced the Scope 2 net-zero 2035 target as a formal scorecard metric, reinforcing IJM's commitment to measurable climate accountability at the leadership level.

Risk Management

IJM's climate risk assessment process is aligned with the Group's Enterprise Risk Management (ERM) framework, ensuring that climate-related risks are identified, assessed and prioritised consistently with the broader risk management approach. For a detailed description of this process, please refer to the Statement on Risk Management and Internal Control (SORMIC) on pages 126 to 139.

Business Segments and Strategic Context

IJM businesses include civil construction, property development and ownership, construction material manufacturing and infrastructure concessions. Together, these core businesses have been instrumental in shaping the Group's growth over the years. The synergy across IJM's diverse divisions forms the backbone of its growth story, with each business complementing and enhancing the other to create a resilient value chain that drives efficiency, innovation, and sustainable growth.

KEY BUSINESS ACTIVITIES

Division	Description and Key Business Activities
Construction	The Construction Division is IJM's core business, with a strong track record in delivering infrastructure and buildings across Malaysia. Its portfolio spans high-rise and low-rise residential and commercial developments, industrial facilities, roads and urban rail infrastructure. Countries Malaysia, India, United Kingdom, Singapore Business Activities Civil works and construction of buildings, townships and infrastructure
Property Development	The Property Division is recognised for delivering quality developments that cater to evolving lifestyle and business needs. Its offerings span townships, integrated developments, residential and commercial properties, as well as industrial parks, each designed to foster vibrant, connected communities. Countries Malaysia, India, United Kingdom Business Activities Property development of townships, integrated developments, residential and commercial properties, as well as industrial parks
Manufacturing and Quarrying	Industry Division is spearheaded by Industrial Concrete Products Sdn Bhd ("ICP"), which is the largest manufacturer of High-Performance Pretensioned Spun High Strength Concrete Piles (ICP Piles) in Southeast Asia. With a long-standing reputation in Malaysia, ICP Piles have become the preferred foundation solution for a wide range of critical infrastructure projects. Countries Malaysia, India Business Activities • Manufacturing of concrete piles, reinforced and precast concrete products, industrial building system (IBS), ready mix concrete, supplier of scaffolding rentals • Quarrying operations and sand mining activities that are leased to third parties
Infrastructure – Toll	The Toll Division manages IJM's portfolio of urban highway concessions in Malaysia and India. The Division is involved in the full lifecycle of toll expressways, from design and construction to operations and maintenance, delivering reliable infrastructure that enhances urban mobility and economic connectivity. Countries Malaysia, India, Argentina Business Activities Toll concessions and/or maintenance services
Infrastructure – Port	Port Division operates along the eastern seaboard of Peninsular Malaysia and comprises Kuantan Port 1 ("KP1") and Kuantan Port 2 ("KP2"). Kuantan Port is equipped with state-of-the-art facilities and services, supported by an extensive market reach and a strong global shipping network. Country Malaysia Business Activities Operates Kuantan Port, handling multi-cargo and containers

Business Segments and Strategic Context

CLIMATE STRATEGY

IJM launched the R₂O Climate Strategy in FY2023, which comprises two pillars: Reduce to Net Zero, focused on a transition towards net-zero emissions, and Resilience in a Net-Zero World, focused on strengthening climate adaptation and long-term resilience.

Reduce to Net Zero

As part of the Group's R₂O Climate Strategy, a comprehensive GHG emissions baseline was established in FY2023 to guide the transition towards net zero. IJM's decarbonisation strategy is designed to evolve in step with market developments, emerging technologies and regulatory requirements, ensuring a resilient and future-ready transition.

		Scope of Emissions Addressed
Energy Optimisation	• Improve energy efficiency • Explore alternative fuels • Electrification • Utilise alternative methods and input materials • Increase renewable energy adoption • Adopt low-carbon transportation	Scope 1, 2 and 3
Supply Chain Advocacy	• Reduce waste via material and operational efficiency • Adopt circular economy approach • Provide complimentary training to major suppliers • Enhance procurement strategies	Scope 3
Industry Engagement	• Work with industry associations and peers to align decarbonisation goals • Advocate whole of industry transition towards low carbon and climate resilience	Scope 3
Product Stewardship	• Incorporate sustainable design principles • Use of current and emerging technologies such as Building Information Modelling (BIM) and Integrated Building Systems (IBS) • Prioritise low-carbon raw material	Scope 3

Resilience in a Net-Zero World

Under the same strategy, IJM has embedded climate adaptation measures to strengthen the Group's resilience against physical and transition risks, guided by insights from the climate risk assessments.

Climate Risk Integration with ERM	Asset and Business Adaptation	IFRS S2 Alignment
• Incorporate climate risk into ERM • Build internal capacity and understanding • Active partnerships with industry associations and like-minded stakeholders, particularly for systemic climate risks	• Continuously assess qualitative physical climate risk, based on available scientific data • Conduct quantitative assessment for projects and assets with higher exposure • Build supply chain resilience	• Perform benchmarking and disclose climate risks and opportunities • Continuous monitoring and reporting

Summary Of Climate-related Risks and Opportunities

TRANSITION RISKS AND OPPORTUNITIES

The transition to a low-carbon economy presents both risks and opportunities for the construction and engineering sector. Evolving regulatory frameworks, shifting market expectations, and the accelerating demand for sustainable built environments are reshaping how the Group operates, competes and grows. The Group recognises that navigating this transition effectively, such as managing its inherent risks while capturing emerging opportunities, is integral to the Group's long-term strategic resilience and value creation.

Climate-related Risks and Opportunities	Description	Time Horizons (Anticipated)
Transition Risk	Inability to Meet Net-Zero Target Increasing climate-related expectations is defined by the strategic necessity to align IJM's operations with the Net Zero 2050 targets expected by the Group's key stakeholders. This alignment is a fundamental shift in the industry's license to operate and continued access to institutional capital.	Short, Medium and Long Term
Transition Opportunity	Rising Demand for Green Building and Green Material The global shift toward a low-carbon economy has catalysed a significant transition opportunity within the Malaysian construction and property development landscape. As corporate tenants and property owners align with national net-zero targets, there is a marked increase in projects seeking green certifications (such as GBI, GreenRE, or LEED).	Short, Medium and Long Term

PHYSICAL RISKS

The Global Risks Report 2026 by the World Economic Forum highlights that while environmental risks are being relatively de-prioritised in the short term, they dominate the long-term risk landscape, with extreme weather events, biodiversity loss and critical changes to Earth systems identified as the most severe existential threats. For the construction and engineering sector, this signals a high probability of systemic failures across aging power, water and transport infrastructure.

Recognising this, the Group prioritises climate risk management as a strategic imperative, given its potential impact on operational continuity, workforce safety, and financial stability. The climate risk assessment completed in FY2026 covers the Group's Malaysia's operation, particularly in Peninsular Malaysia, covering construction sites, manufacturing facilities, property developments, and toll and port concessions, evaluating exposure to four primary climate hazards: extreme heat, rainfall and riverine flooding, landslides and coastal flooding.

Climate-related Risks and Opportunities	Description	Time Horizons (Anticipated)
Physical Risk (Acute or Chronic)	Extreme Heat Extreme heat is a chronic physical risk, where longer-term shifts in climate patterns cause sustained higher temperatures. The frequency and intensity of extreme heat events in Malaysia is projected to increase due to a warming climate. Rainfall/Riverine Flood Rainfall/riverine flooding is an acute physical risk, where longer-term shifts in climate patterns cause higher rainfall intensity and rising sea levels, which in turn increases the risk of flash floods and riverine floods. According to the hourly rainfall data by NAHRIM, the frequency and intensity of rainfall and floods experienced in Malaysia is projected to increase due to the warming climate.	Short, Medium and Long Term

Summary Of Climate-related Risks and Opportunities

Climate-related Risks and Opportunities	Description	Time Horizons (Anticipated)
Physical Risk (Acute or Chronic) (Continued)	Landslide Landslide is an acute physical risk, where longer-term shifts in climate patterns cause higher rainfall intensity, which in turn increases the risk of landslides. The frequency and intensity of rainfall in Malaysia is projected to increase due to a warming climate. Coastal Flooding Coastal flooding can be an acute or chronic physical risk, where longer-term shifts in climate patterns causes the melting of the cryosphere and thermal sea expansion, which in turn increases the risk of sea level rise. Coupled with higher rainfall intensity, these will subsequently lead to coastal floods. Coastal flooding experienced in Malaysia is projected to increase in affected area and intensity due to a warming climate.	Short, Medium and Long Term
Physical Opportunities	Adaptation and Resilience Infrastructure Needs Malaysia's escalating climate risks, particularly flooding and extreme heat, are creating substantial long-term demand for adaptation and resilience infrastructure. Key opportunities span flood mitigation, public infrastructure retrofitting, water security and urban heat resilience, increasingly delivered through public-private partnerships and green financing mechanisms.	Short, Medium and Long Term

SCENARIO ANALYSIS

To assess the anticipated financial effects of climate-related risks, the Group conducted scenario analysis and qualitative screening across the Group's businesses and assets. Physical risks were assessed using two IPCC scenarios, while transition risks were evaluated against decarbonisation pathways established by the International Energy Agency (IEA) and the Network for Greening the Financial System (NGFS). The scenarios considered are summarised in table below:

Type	Scenario	Warming Level	Time Horizons
Transition	Announced Pledges Scenario (APS) ¹ – Base Scenario	1.7°C	Medium and Long Term (2030 and 2050)
	Divergent Net Zero (DNZ) Scenario ²	1.5°C	
Physical ³	RCP 4.5 – Base Scenario	2°C – 3°C	Short, Medium and Long Term (Aligning to ERM Framework)
	RCP 8.5	4°C	

Source:

¹ World Energy Outlook 2022, IEA

² Scenarios for Central Banks and Supervisors, NGFS

³ IPCC 5th Assessment Report, Working Group

Climate-related Risks and Opportunities

Building on the governance framework and technical parameters previously outlined, the Group has conducted a climate risk assessment aligning to the ERM framework to identify the direct physical and transition climate impacts to IJM's operations. Based on these findings, IJM has identified the following material climate-related risks and opportunities that may influence IJM's strategic planning and operational resilience.

As a civil infrastructure and property developer, all projects undergo rigorous assessments that incorporate climate considerations from the onset, with mitigation and adaptation costs factored into project budgets as

standard practice. The Group has the financial flexibility and access to credit facilities should timely interventions to emerging climate-related risks be required.

In terms of asset management, the Group does not anticipate the need to redeploy, repurpose or decommission existing assets as a result of climate impacts; any planned asset upgrades are addressed in the relevant sections below. Details of the Group's current and planned investments in climate-related mitigation, adaptation and resilience opportunities are similarly discussed in the sections that follow.

TRANSITION OPPORTUNITY: RISING DEMAND FOR GREEN BUILDING AND GREEN MATERIAL IN MALAYSIA

In response to the growing demand for green products, the Group implemented the Product Stewardship pillar under IJM's Reduce to Net Zero strategy. This focuses on incorporating sustainable design principles, leveraging current and emerging technologies such as BIM and IBS, and prioritising the use of low-carbon raw materials across the Group's operations.

Transition Opportunities	Impact to Business and Value Chain	IJM's Responses
Rising Demand for Green Building and Green Material	Current Year Opportunities There is a growing demand for green-certified assets driven by ESG requirements, green financing frameworks, and increasingly stringent standards from international clients. This is reflected with 81% of new construction projects secured being green-certified. Demand for low-carbon construction materials continues to grow alongside the accelerating adoption of green-certified developments. Green building requirements now increasingly extend to the materials themselves, with some international clients preferring products that carry a recognised green mark or certification. Potential Opportunities Under the Divergent Net Zero (DNZ) scenario, this opportunity is assessed as high in the medium term and very high in the long term. Under the Announced Policies Scenario (APS), it is assessed as low in the medium term and high in the long term. According to World Bank's <i>Malaysia Country Climate and Development Report 2026</i>, Malaysia's climate transition offers substantial opportunities across the entire value chain. The construction and manufacturing sectors are expected to be primary beneficiaries of the low-carbon transition, with construction output projected to increase by 5.4% by 2050 compared to business-as-usual as the economy moves toward more capital-intensive production.	84.3% of Construction's revenue in FY2026 were derived from the delivery of green-certified projects¹. Additionally, the Property Division has set a minimum target of GreenRE Bronze for all newly launched development since FY2024. In FY2026, 63.9% of Property's revenue were derived from the sale of GreenRE-certified developments. Pioneering low-carbon manufacturing with reduced cementitious material usage, Industry Division holds the SIRIM Eco Label, MyHijau, and Green Mark (Singapore) certifications, from which it derived 74.8% of its total revenue.

¹ Green-certified projects for the Construction Division are defined as projects designed and executed with the aim of achieving LEED, GBI, Sustainable INFRASTAR, or GreenRE certification.

Climate-related Risks and Opportunities

TRANSITION RISK: INABILITY TO MEET NET-ZERO TARGET

To align with the expectations of key stakeholders, the Group has established reduction targets with reference to the criteria and recommendations of the Science Based Targets initiative (SBTi). To support this, IJM has implemented the Energy Optimisation pillar under the Reduce to Net Zero strategy, focusing on improving energy efficiency, increasing renewable energy adoption and transitioning towards lower-carbon methods of construction.

Scope 1	Scope 2	Scope 3
Net Zero by 2050	Net Zero by 2035 via 100% renewable electricity	Category 4, 5 and 6: Net Zero by 2050 Category 1: Engage with supply chain for low carbon plans by 2027, covering at least 67% of Scope 3 emissions

Transition Risk	Impact to Business and Value Chain	IJM's Responses
Inability to Meet Net-Zero Target	Current Year Impacts As one of the most carbon-intensive activities within the Scope 1 emissions profile, the boiler steaming process in spun pile manufacturing has been a key focus of IJM's decarbonisation efforts. Over the past two years, the Industry Division has invested in zero-steaming initiatives targeting this process, and in FY2026, these efforts have contributed to a reduction of 7,487.4 tCO₂e in Scope 1 emissions against FY2023 baseline, with further reductions targeted at the Ulu Choh, Senai and Kuantan factories in the coming years. To address Scope 2 emissions, the Divisions have installed new solar PV systems in FY2026 at ICP Bestari Jaya (3.2 MWp), IJM IBS (409.0 kWp), ICE Sales Gallery (56.8 kWp) and the Seremban 2 Sales Gallery (128.3 kWp). Anticipated Impacts Exposure to regulatory risks is high under both DNZ and APS scenarios in the near term and long term across all divisions. This mainly relates to enhanced emissions reporting obligations, carbon pricing, and mandates and regulations on products and services. Notwithstanding the progress made through initiatives mentioned above, the Group recognises that current measures alone are insufficient to achieve net zero. Based on internal estimates, even with the full implementation of initiatives identified to date, a residual Scope 1 emissions gap is expected to remain. To offset this gap, the Group anticipates spending approximately between RM2.5 million to RM3.1 million per annum on carbon credits² by 2050. The use of carbon credits, however, would equate to carbon neutrality, and not constitute net zero. To achieve net zero, the SBTi requires an organisation to reduce its emissions by at least 90% from its baseline, with carbon credits used only to offset the remaining unavoidable residual emissions. This underscores the need to continuously identify and scale up additional decarbonisation measures beyond those currently in place or revising the ambition to carbon neutral. As such, significant capital expenditure may be required to fund the broader transition towards low-carbon operations. To address Scope 2 emissions, an increase in operational expenditure may be required, driven by the adoption of renewable energy procurement such as PPAs, Green Electricity Tariff (GET) or RECs, to keep pace with SBTi's reduction trajectory.	IJM utilises the Marginal Abatement Cost Curve (MAC Curve) as a tool to inform, prioritise and monitor future emission reduction initiatives across the Group's R₂O strategy. At present, IJM's analysis focuses on energy efficiency, alternative fuel and EV options under IJM's 'Reduce to Net Zero' pillar, and IJM has identified the associated costs related to implementing these options. In FY2026, the Group deployed approximately RM23.17 million towards solar PV installation and the implementation of the Zero Steaming programme. To ensure delivery, IJM has established internal Key Performance Indicators (KPIs) directly linked to these chosen initiatives. As IJM matures in implementing the sustainability roadmap, the MAC Curve will expand to evaluate high-impact, capital-intensive investments and emerging technologies, ensuring effective allocation of capital and operational expenditure towards the Group's long-term targets.

² Based on the highest price offset (Malaysia Nature-Based Plus Carbon Contract, Product Code: MNC+v21) as listed in the Bursa Carbon Exchange Last Done Price (As of 31st January 2026).

PHYSICAL OPPORTUNITIES: ADAPTATION AND RESILIENCE INFRASTRUCTURE NEEDS

In response to the growing demand for green products, the Group implemented the Product Stewardship pillar under IJM's Reduce to Net Zero strategy. This focuses on incorporating sustainable design principles, leveraging current and emerging technologies such as BIM and IBS, and prioritising the use of low-carbon raw materials across the Group's operations.

Physical Opportunities	Impact to Business and Value Chain
Adaptation and Resilience Infrastructure Opportunities in Malaysia	Potential Opportunities According to the World Bank's <i>Malaysia Country Climate and Development 2026 Report</i>, Malaysia faces an estimated USD356.2 billion to USD501.2 billion in adaptation and resilience infrastructure investment needs between 2025 and 2050, presenting substantial opportunities across several key segments. The largest share, up to USD269.0 billion, lies in upgrading and climate-proofing existing public infrastructure such as roads, railways, healthcare facilities, and utilities. Flood mitigation represents a USD15.9 billion opportunity, reflecting the reality that 85% of Malaysia's disasters since 2000 have been flood-related, with demand spanning high-tech drainage systems, nature-based solutions and coastal protection. Water security infrastructure covering supply, irrigation and smart reservoir modernisation further adds up to USD69.8 billion in opportunity. Urban heat resilience, private asset upgrades, and the development of eco-industrial parks round out a broad and growing pipeline, with delivery increasingly structured through Public-Private Partnerships, green bonds, and performance-based contracts that create favourable conditions for conglomerates with integrated construction, engineering and technology capabilities.

PHYSICAL RISK: EXPOSURE TO CLIMATE HAZARDS

The Group recognises that climate change is a critical planetary boundary, creating systemic instabilities that demand an urgent transition to a regenerative economy. As these environmental thresholds are exceeded, the Group faces heightened physical climate risks affecting operational continuity and the value chain. Acute risks, such as more frequent extreme weather events, threaten physical assets and operations, while chronic risks like sustained temperature increases may raise energy demand and reduce productivity.

Aligned with the Resilience in a Net-Zero World pillar of the Group's R₂O strategy, four key physical climate risks have been integrated into the Group's ERM Framework. Regular climate risk assessments now draw on both qualitative and quantitative data, including localised insights from NAHRIM, to enhance asset resilience and embed climate considerations into long-term capital expenditure planning, ensuring the Group's infrastructure remains robust amid changing environmental conditions. While the Group acknowledges that the full spectrum of physical climate hazards extends beyond these four risks, they represent the most material to IJM operations and serve as the foundation upon which climate risk management will continue to evolve.

Climate-related Risks and Opportunities

Physical Risks	Impact to Business and Value Chain	IJM's Responses
Extreme Heat	Extreme heat risk is widespread across all operational regions in Malaysia, with NAHRIM data indicating increasing dry-bulb temperature nationwide. The risk is particularly concentrated in urban areas, where the urban heat island effect further intensifies ambient temperatures. Anticipated Impacts According to both RCP 4.5 and RCP 8.5 scenarios, increased frequency and intensity of extreme heat events pose operational risks to the Group, particularly to workforce health and labour productivity in the short, medium and long term. Although temperatures reaching 37°C have been observed across IJM's construction sites on multiple occasions over the past year, its impact has been minimal and is not financially material to the Group. Beyond safety, extreme heat may accelerate machinery degradation and elevate cooling-related energy costs. IJM continue to monitor these trends to mitigate potential maintenance and insurance cost volatility across the short, medium, and long term.	The Group mitigates extreme heat risks through comprehensive physical and procedural controls, including the provision of shaded rest areas and hydration stations, the implementation of adjusted work schedules to avoid peak temperature hours, and the enforcement of appropriate heat-resilient clothing. The operational and capital cost³ of these measures across the Group amounted to RM0.45 million and RM0.96 million in FY2026 respectively, with expenditure anticipated at RM0.19 million per annum in the short term, RM0.09 million per annum in the medium term, and RM0.09 million per annum in the long term. These measures are formalised through a dedicated SOP for heat stress management, supported by continuous employee training and the deployment of water spray trucks to lower ambient air temperatures at some operational sites. Based on current performance data and the absence of significant heat-related incidents, these existing practices are deemed sufficient to manage the present level of risk effectively. However, in recognition of increasingly severe heat conditions, the Group acknowledges that ambient dry-bulb temperature alone is an incomplete measure of intensifying heat. Particularly in Malaysia's humid tropical climate, elevated humidity significantly compounds physiological heat strain on workers. In line with best practices recommended under the Department of Occupational Safety and Health (DOSH) <i>Heat Stress Management Guideline</i>, the Group is committed to progressively strengthening its heat stress management practices, including the deployment of Wet Bulb Globe Temperature (WBGT) monitoring equipment at operational sites to enable a more comprehensive and accurate assessment of actual heat exposure.

³ These figures reflect costs directly identified. The total expenditure attributable to climate mitigation may be higher, as for some divisions, certain costs are embedded within broader operational expenditure and are not separately itemised.

Physical Risks	Impact to Business and Value Chain	IJM's Responses
Rainfall/ Riverine Flood	Extreme rainfall and riverine flooding are more prevalent within IJM's operations in the Klang Valley and Kuantan. Current Year Impact In FY2026, these risks materialised through multiple flooding events in areas adjacent to the New Pantai Expressway (NPE) and recurring incidents at Kuantan Port during the monsoon season. At the NPE, these events resulted in temporary road closures with a temporary but immaterial impact on toll revenue. At Kuantan Port, the flooding incidents incurred response costs of approximately RM1.12 million, covering manpower deployment for site clearance, pothole repairs and the handling of flooded containers. Across both sites, the aggregate financial impact was assessed to be immaterial to the Group. Anticipated Impacts Under both RCP 4.5 and 8.5 scenarios, in the medium and long term, these events may cause operational disruptions in IJM's sites, including work stoppages, blocked site access, and road closures, which may lead to project delays and stakeholder concerns. Beyond physical asset damage and infrastructure degradation, flooding poses critical worker health and safety risks.	Following the flooding events at Kuantan Port in FY2026, a detailed flood risk assessment was initiated, incorporating guidance from <i>Manual Saliran Mesra Alam (MSMA)</i> with an applied climate change factor. The findings have informed a multi-year phased drainage upgrading programme, with capital expenditure of RM0.85 million incurred in FY2026 as the first phase of works commences, and further capital expenditure of RM0.70 million anticipated in the short term, RM7.71 million anticipated in the medium term and RM4.71 million anticipated in the long term for the structural upgrading of the drainage infrastructure. For NPE, toll operations team remains in ongoing engagement with the relevant authorities and stakeholders, as the areas most affected are typically due to adjacent developments. Infrastructure upgrading along the affected corridor is also being considered over the medium term, which is estimated to amount to RM2.75 million. Flood protection is embedded within project planning and design processes, with periodical drainage maintenance conducted to mitigate operational and site disruption. The operational cost⁴ of drainage maintenance across the Group amounted to RM0.30 million in FY2026, with expenditure anticipated at RM0.60 million per annum in the short term, RM0.56 million per annum in the medium term and RM0.60 million per annum in the long term. It should be noted that these figures reflect costs that are directly identified while the total expenditure attributable to flood protection may be higher. For some divisions, certain costs are embedded within broader operational expenditure and are not separately itemised.

⁴ These figures reflect costs directly identified. The total expenditure attributable to climate adaptation may be higher, as for some divisions, certain costs are embedded within broader operational expenditure and are not separately itemised.

Climate-related Risks and Opportunities

Physical Risks	Impact to Business and Value Chain	IJM's Responses
Coastal Flood	Anticipated Impacts Coastal flooding may impact IJM through potential asset damage, work stoppages and worker safety hazards. In the short to medium term, this risk remains manageable as all active coastal sites are designed with adequate elevation clearance above mean sea level. However, in the long term, medium risk under RCP 4.5 and high risk under 8.5, the Group identifies one of its developments in the Southern Region as requiring attention, with parts of the development sitting on average 2-3 metres above mean sea level, potentially requiring an estimated allocation of RM4.70 million in the medium term and RM4.94 million in the long term, subject to the overall masterplan.	Sea level rise remains one of the most consequential climate risks for low-lying infrastructure, with exposure compounded by storm surges and extreme tidal events that can amplify coastal flood impacts well beyond baseline projections. To maintain this resilience, the Group's long-term strategy for all future sites mandates a minimum elevation of 3 meters above mean sea level, in alignment with the IEM's (Institution of Engineers Malaysia) recommendations. While this threshold is considered adequately resilient under current recommendations, emerging science points to the need for continued assessment. The IPCC's Sixth Assessment Report (AR6) presents higher sea level rise projections than the AR5, particularly under high-emissions scenarios, and more recent findings on the accelerating pace of ice sheet and glacier melt suggest that these projections may themselves be conservative. As the science evolves, the Group recognise the need to integrate the most current data into the climate risk assessments, ensuring that the Group's standards keep pace with the latest understanding rather than anchoring to thresholds that may no longer reflect the full range of plausible futures.
Landslide	While assessment was conducted at all relevant locations, landslide risk poses operational challenges primarily to IJM's quarry operations, where the nature of excavation activities and terrain exposure elevates susceptibility to slope failure. Current Year Impact In FY2026, a landslide incident occurred at a quarry operated by a lessee of the Group, resulting in one fatality, minor injuries to the operator's workers and damage to the operator's machinery. There was no material financial impact to the Group, as the remediation and liabilities cost were borne by the operator. Anticipated Impacts Under both RCP 4.5 and 8.5, materialisation of this risk may result in project delays, asset damage, work stoppages, and access blockages, alongside critical worker health and safety risks and broader stakeholder concerns. However, while landslide risk may be exacerbated by intensifying rainfall, it is recognised that slope instability is not solely attributable to climate-related factors.	The Group has implemented slope stabilisation measures alongside regular drainage and slope monitoring, supported by systematic rainfall data tracking. The operational and capital cost of these measures across the Group amounted to RM0.43 million and RM0.07 million in FY2026 respectively, with expenditure anticipated at RM0.08 million per annum in the short term, RM0.01 million per annum in the medium term and long term. Control measures include fortnightly monitoring, inspections and vegetation maintenance, complemented by annual condition reports. Cascade drain capacities are also being upgraded to accommodate higher water volumes in anticipation of more intense rainfall events.

FINANCIAL EFFECTS

The following table presents the costs incurred and anticipated by the Group in responding to the identified climate-related risks and opportunities, and their expected effects on IJM's financial performance and cash flows over the current, short, medium and long term. Outlined in table below are financial impacts arising from CRROs that have been assessed to be material to IJM.

Financial Effects of Climate-related Risks and Opportunities (RM)

Climate-related Risks and Opportunities	FY2026	Short	Medium	Long
Revenue from green projects/products	4,659.38 mil			
• Revenue from projects with green certifications ¹ – Construction (% Green Revenue/Total Construction Revenue)	2,949.89 mil (84.3%)	Nil ²	Nil ²	Nil ²
• Revenue from GreenRE-certified development – Property (% Green Revenue/Total Property Revenue)	781.78 mil (63.9%)	Nil ²	Nil ²	Nil ²
• Revenue from Green Mark/SIRIM Eco-Label products – Industry (% Green Revenue/Total Industry Revenue)	927.71 mil (74.8%)	Nil ²	Nil ²	Nil ²
Reducing Scope 1 and Scope 2 GHG emissions	23.17 mil			
• Capital expenditure for the installation of Solar PV – Referencing ASEAN Taxonomy ³ – CCM 68[004]: Renewable Technologies	5.59 mil	Nil ²	Nil ²	Nil ²
• Capital expenditure for the EV passenger cars and bikes – Referencing ASEAN Taxonomy ³ – CCM 492[002]: Transport by motorbikes, passenger cars and light commercial vehicles	Nil	0.14 mil	Nil ²	Nil ²
• Capital expenditure for EV trucks	Nil	0.93 mil	Nil ²	Nil ²
• Capital expenditure for the implementation of zero steaming programme	17.58 mil	Nil ²	Nil ²	Nil ²
Managing and responding to physical climate risks	6.26 mil			
• Capital expenditure to mitigate current and future physical climate risks	2.03 mil ⁴	0.72 mil ⁴	10.71 mil ⁴	12.68 mil ⁴
• Operational expenditure to manage physical climate risks	3.14 mil ⁴	4.20 mil ⁴	4.32 mil p.a. ⁴	4.60 mil p.a. ⁴
• Property development cost to manage physical climate risks	1.09 mil ⁴	1.10 mil ⁴	11.68 mil ⁴	10.19 mil ⁴

Note:

¹ Green certifications include GBI, LEED, GreenRE, MyGHI and Sustainable INFRASTAR.

² Currently there are none planned/budgeted for this time horizon.

³ Expenditure classified under the ASEAN Taxonomy for Sustainable Finance Version 4 references to the relevant Environmental Objectives only. Essential Criteria have not yet been assessed.

⁴ These figures reflect costs directly identified. The total expenditure attributable to climate adaptation may be higher, as for some divisions, certain costs are embedded within broader operational expenditure and are not separately itemised.

Metrics and Targets

EMISSIONS-RELATED METRICS

Calculation Methodology, Assumptions and Inputs

GHG emissions assessment has been carried out in line with the principles and guidelines provided by the GHG Protocol Corporate Accounting and Reporting Standard. The Group applies the operational control approach in defining its organisational boundary, whereby 100% of emissions are accounted for from operations over which IJM exercises operational control. This includes wholly-owned subsidiaries and operations where IJM has the authority to introduce and implement operating policies.

Scope 1

Calculation Boundary

Scope 1 emissions are accounted for all divisions including IJM Corporation. The direct emissions from IJM's businesses mainly contributed by company-owned or controlled combustion emission sources, including both stationary and mobile combustion sources.

The mobile combustion sources are on-road vehicles and mobile equipment owned or controlled by IJM. These include company vehicles, mobile gensets, forklifts and other machineries used on site. Examples of stationary combustion sources are the natural gas, and diesel-fired boilers at ICP factories, the diesel-fired emergency generators, cranes, cargo handling equipment, harbour vessels and other petrol-based equipment owned or controlled by IJM.

Air conditioning units commonly used at IJM's offices, buildings and site cabins are sources of fugitive emission due to refrigerant leaks. Additionally, industrial gases (carbon dioxide, CO₂ and acetylene gas, C₂H₂) used for processes such as welding as well as from carbon dioxide fire extinguishers are also sources of fugitive emissions, where emissions may occur through leakage or discharge.

Exclusions

Emission arising from employee-owned vehicles, e-hailing services, vehicle rentals are excluded and shall be reported under Scope 3 Category 6 (Business Travel) or Category 7 (Employee Commuting) if deemed necessary. Process emissions from production in Industry Division are insignificant. Refrigerated containers ("reefers") at Kuantan Port are not owned by the company, and as such the associated emission is excluded from Scope 1. Exclusions apply to fuel usage by third parties operating at sites owned by IJM. Production activities for quarries and sand mining sites under Industry Division are not accounted as these activities are leased to third parties. Instead, the emissions will be reported under Scope 3 Category 13 (Downstream Leased Assets), if reliable data

is obtainable. At project sites, Construction and Property Divisions do not account for fuel used and paid for by sub-contractors. Emissions by sub-contractors will be reported under Scope 3 Category 1 (Purchased Goods and Services) using the combustion (tank-to-wheel) emission factor.

Calculation Methodology

Where the actual record of fuel consumed is available, the emissions are calculated using the fuel-specific emission factors (e.g. petrol, diesel and natural gas).

The emission from company vehicles is calculated based on the amount of fuel purchased using the corresponding emission factors by fuel-specific calculation approach.

Sources of Activity Data

For company-owned vehicles, the raw data is sourced from fuel cards and employees' claims as company expenses. These data are extracted from IJM's internal systems, such as the Accounts Department.

Diesel fuel tanks at the respective sites under Construction, Property, Industry, Toll and Port Divisions are manually monitored for tank levels on monthly basis. The diesel consumption is obtained from the fuel delivery record minus the amount of fuel dispensed from the tanks.

Monthly natural gas supply data is reported by certain ICP factories of the Industry Division, based on the actual billing by the gas provider.

Where actual maintenance record of refrigerant top-up amount (in kg) is available, then this measured data will be used to calculate the fugitive emissions. In the absence of maintenance record, this emission might be estimated based on the rule of thumb of 0.3 kg of refrigerant per horsepower (hp) of air conditioning system, and assumed 10% refrigerant leaks on annual basis. For CO₂ fire extinguisher stored, the emissions from the leaks annually are assumed to be 3.5% of the total capacity of the units.

Sources of Emission Factors

The emission factors of fuel-based calculation approaches are sourced from the *GHG Conversion Factors for Company Reporting ver. 2.0*, published by UK Department for Environment, Food & Rural Affairs (DEFRA) in 2025. The emission factors of global warming factors and common refrigerants are sourced from *IPCC's Sixth Assessment Report 2021 (AR6)*.

Scope 2

Calculation Boundary

Scope 2 emissions are accounted for all divisions. The electricity consumption of business operation offices of Construction, Property and Industry Divisions at Main and Annexe Buildings of Wisma IJM are reported under Group Services. Electricity purchased by IJM's business in Peninsular Malaysia is supplied by Tenaga Nasional Berhad (TNB), while in Sabah and Sarawak, the electricity suppliers are Sabah Electricity Sdn Bhd and Sarawak Energy respectively.

There is no other form of energy purchased by IJM, such as chilled water or steam. Apart from electricity consumption for office buildings and factories, other equipment owned or controlled by IJM that consumes electricity, including cargo handling equipment such as container cranes, rubber tyre gantry (RTG) cranes at Kuantan Port are reported under Scope 2. For Toll Division, the electricity consumption includes lighting systems at toll plazas, rest and services area (RSA), lay-bys and operation of Traffic Control System equipment (VMS, ET).

For Construction and Property Divisions, the electricity consumption should be reported on project-by-project basis and consolidated accordingly. At each project site, the electricity used at site offices and consumed by site machineries that are controlled by IJM should be directly reported. In some instances, where sub-metering is not available, this should be estimated based on the area space occupied by IJM workforce, unless the data is deemed to be insignificant.

Exclusions

Electricity consumed by tenants of IJM should not be accounted for under Scope 2 emissions. For example, tenants at the rest and service areas along the highways managed by Toll Division, tenants at Kuantan Port, and tenants occupying the leased units under Property Division and IJM Corporation (i.e., Menara Prudential). Exclusions apply to electricity used by third parties operating at sites owned or controlled by IJM. At project sites, Construction and Property Divisions do not account for electricity used and paid for by sub-contractors. Emissions by sub-contractors will be reported under Scope 3 Category 1 (Purchased Goods and Services).

Calculation Methodology

The emission associated with electricity purchased (location-based) is calculated based on the electricity consumption (in kWh) and the corresponding emission factors in Peninsular Malaysia, Sabah, Sarawak and India.

Sources of Activity Data

Monthly electricity consumption data is obtained from electricity bills by the person-in-charge of each division. Where sub-metering is available, the electricity consumption by building, zone or equipment/ system are provided. For example, at Kuantan Port, the separate electricity billing is available for KP1 and KP2 New Deep Water Terminal (NDWT); while at the Toll Division, there are sub-metering for the office buildings, RSAs, streetlights and other remote electrical-powered systems.

Where sub-metering is not available, the estimated data and basis of estimation shall be reported based on proportion of gross floor area occupied.

Sources of Emission Factors

The emission factors of electricity grids for Peninsular Malaysia, Sabah and Sarawak are sourced from the Energy Commission Malaysia's *Grid Emission Factor (GEF) in Malaysia, 2022-2024 (Provisional)* published in 2026.

For entities in India, the corresponding emission factor is sourced from the India Central Electricity Authority (2025). The same emission factors are used to calculate the emissions avoidance in lieu of the solar energy harvested by the rooftop solar PV.

Scope 1 and 2 Emissions

Emissions are reported on an absolute basis, with Scope 2 currently disclosed using both the location-based and market-based methodologies, which are currently equivalent as no renewable energy instruments have been procured to date. Market-based methodology will be updated to reflect the impact of contractual instruments in future reporting periods as IJM starts to procure renewable energy.

Metrics and Targets

In FY2024, the Group strengthened its data collection and reporting processes, enabling emissions from construction activities undertaken by subcontractors to be separately identified and reported under Scope 3 Category 1 (Purchased Goods and Services). In FY2023, these emissions were reported under Scope 1 and Scope 2, contributing to the significant reduction in Scope 1 emissions from FY2024 onwards. Compared to the FY2023 baseline year, Industry Scope 1 emissions decreased by approximately 38%, driven by zero-steaming initiatives at ICP factories and ongoing energy efficiency improvements. Industry Scope 2 emissions also declined by approximately 27% compared to our baseline year FY2023, primarily due to the expansion of solar energy generation and utilisation across our plants.

IJM Scope 1 and 2 GHG Emissions by Division (tCO₂e)

GHG Emissions	FY2026	FY2025	FY2024	FY2023 (Baseline)
Scope 1				
Consolidated accounting group¹	24,042.2	21,444.7	20,820.2	39,681.4
Construction	5,621.9	4,919.5	2,691.7	14,830.5
Property	684.7	588.8	602.7	531.5
Industry	12,295.1	10,742.7	12,501.0	19,782.5
Toll	4,868.4	4,613.4	4,362.8	3,872.9
Port	315.0	381.5	359.8	452.6
Group Services	257.1	198.8	302.2	211.5
Other investees¹	Nil²	Nil²	Nil²	Nil²
Scope 2 – Market-based				
Consolidated accounting group¹	47,609.6	49,471.8	51,429.5	54,201.9
Construction	4,715.1	7,124.8	4,140.4	2,563.7
Property	4,543.1	3,441.4	2,977.9	3,471.7
Industry	20,201.3	20,073.6	21,623.6	27,487.5
Toll	7,340.8	7,363.4	10,635.9	9,724.4
Port	9,386.8	9,971.2	10,811.7	9,446.3
Group Services	1,422.5	1,497.4	1,240.0	1,508.5
Other investees¹	Nil²	Nil²	Nil²	Nil²
Scope 2 – Location-based				
Consolidated accounting group¹	47,609.6	49,471.8	51,429.5	54,201.9
Construction	4,715.1	7,124.8	4,140.4	2,563.7
Property	4,543.1	3,441.4	2,977.9	3,471.7
Industry	20,201.3	20,073.6	21,623.6	27,487.5
Toll	7,340.8	7,363.4	10,635.9	9,724.4
Port	9,386.8	9,971.2	10,811.7	9,446.3
Group Services	1,422.5	1,497.4	1,240.0	1,508.5
Other investees¹	Nil²	Nil²	Nil²	Nil²

Note:

¹ Consolidated Accounting Group = Consolidated subsidiaries of IJM Corporation Berhad, Other Investees = Associates, joint ventures and other unconsolidated subsidiaries.

² IJM utilises the operational control approach for GHG emissions consolidation. Accordingly, emissions from all consolidated entities are fully included in our Scope 1 and 2 emissions under our operational control, while emissions from other investees, including Joint Operation are accounted for under Scope 3 Category 15 (Investments).

IJM Scope 1 and 2 GHG Emissions by Country (tCO₂e)

GHG Emissions	FY2026	FY2025	FY2024	FY2023 (Baseline)
Scope 1	24,042.2	21,444.7	20,820.2	39,681.4
Malaysia	21,275.6	20,772.8	19,159.8	36,856.1
India	2,766.6	671.9	1,660.4	2,825.3
Scope 2 – Market-based	47,609.6	49,471.8	51,429.5	54,201.9
Malaysia	39,344.3	44,183.6	44,075.0	46,462.1
India	8,265.3	5,288.2	7,354.5	7,739.8
Scope 2 – Location-based	47,609.6	49,471.8	51,429.5	54,201.9
Malaysia	39,344.3	44,183.6	44,075.0	46,462.1
India	8,265.3	5,288.2	7,354.5	7,739.8

OTHER CLIMATE-RELATED METRICS

Climate-related Metrics	FY2026
Amount and percentage of assets or business activities vulnerable to climate-related transition risk	Nil (0.0%) ¹
Amount and percentage of assets or business activities vulnerable to climate-related physical risk	Nil (0.0%) ²
Amount and percentage of business activities ³ aligned with climate-related opportunities	RM4,659.38 million (69.0% of total revenue)

Note:

¹ The Group reports nil vulnerable assets or business activities for FY2026, as current initiatives remain within a manageable trajectory. Vulnerability is anticipated to increase in the medium to long term as remaining decarbonisation actions involve higher-capital, low-carbon technology transitions.

² The Group reports nil vulnerable assets or business activities for FY2026 on a net risk basis. Certain assets carry high or very high gross risk exposure; however, these are assessed as manageable under existing mitigation and adaptation measures, resulting in no assets remaining at high or very high risk on a net basis.

³ 'Business activities' is defined as revenue generated.

INTERNAL CARBON PRICES

IJM has not implemented an internal carbon pricing mechanism, as IJM continues to monitor the development of Malaysia's carbon tax framework. In the interim, the Group has conducted an internal Marginal Abatement Cost (MAC) Curve analysis to identify and prioritise cost-effective emissions reduction opportunities across our operations.

SASB INDUSTRY-BASED DISCLOSURE

Construction and Engineering

The following SASB metrics for Construction and Engineering only covers data from Construction Division.

Topic	Metrics	FY2026
Climate Impacts of Business Mix	Amount of backlog for (1) hydrocarbon related projects and (2) renewable energy projects	Nil
	Amount of backlog cancellations associated with hydrocarbon-related projects	Nil
	Amount of backlog for non-energy projects associated with climate change mitigation	Nil
	Activity Metrics	FY2026
	Number of active projects	27
	Number of commissioned projects	14
	Total backlog (RM)	14,653.7 million

Metrics and Targets

Home Builders

The following SASB metrics for Home Builders only covers data from Property Division.

Topic	Metrics	FY2026
Land Use and Ecological Impact	Number of lots and homes delivered on redevelopment sites	1 lot
	Number of lots and homes delivered in regions with High or Extremely High Baseline Water Stress	0
	Total amount of monetary losses as a result of legal proceedings associated with environmental regulation	Nil
	Discussion of process to integrate environmental considerations into site selection, site design and site development and construction	Environmental considerations are integrated throughout site selection, design, and construction in accordance with Malaysia regulatory standards and GreenRE requirements, prioritising low-impact site selection, minimising ecological and biodiversity disturbance. During construction, environmental management practices are implemented to control erosion, pollution, waste and hazardous materials.
Design for Resource Efficiency	(1) Number of homes that obtained certified residential energy efficiency rating	17 projects obtained certified energy efficiency rating. Average rating of 54%.
	(2) Average rating	
	Number of homes delivered certified to a third-party multi-attribute green building standard	17 residential projects certified by GreenRE.
	Description of risks and opportunities related to incorporating resource efficiency into home design, and how benefits are communicated to customers	• Risks: - Falling behind industry peers in sustainable design may reduce market competitiveness. - Insufficient buyer education on green benefits may limit willingness to pay a premium. • Opportunities: <i>GreenRE-certified developments</i> - Energy and water-efficient features reduce long-term homeownership costs, strengthening the buyer value proposition. - Enhanced property value and market appeal as buyers increasingly prioritise sustainability, lower maintenance costs and environmentally responsible living. - Improved living comfort through better thermal performance, natural lighting, and ventilation. - Green-certified homes enhance property value and attract environmentally conscious buyers. • Communication to Customers: - Green features and GreenRE ratings are highlighted in sales galleries and show units. - Sales consultants communicate projected utility cost savings and certification benefits to prospective buyers. - Incorporation into marketing collaterals such as product brochures, advertisements, emails, phone calls, website, etc.

Topic	Metrics	FY2026
Climate Change Adaptation	Number of lots located in 100-year flood zones	4
	Description of climate risk exposure analysis, degree of systematic portfolio exposure, and strategies for mitigating risks	Climate Risk Assessment was done across the Group's Peninsular Malaysia development portfolio. The assessment covers key physical climate risks, including extreme heat, pluvial flooding, landslides and coastal flooding. The analysis considers asset-level and portfolio-level exposure to identify developments located in high-risk geographies, including the site sensitivity to climate hazards, infrastructure resilience, and etc. Climate risk indicators are mapped against the Group's landbank and the ongoing developments, enabling identification of clusters of assets with elevated exposure. To manage and mitigate these risks, climate resilience measures are integrated into the planning, design and construction stages. These include sustainable drainage systems, elevation planning, heat-reducing landscape design, energy efficiency measures and green building standards, which are progressively embedded into project specifications.

Construction Materials

The following SASB metrics for Construction Materials only covers data from Industry Division.

SASB Metrics		FY2026
Greenhouse gas emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	0
	Discussion of long- and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	Initial implementation will commence with selected ICP factories. The focus will be on Scope 1 emissions reduction through boiler fuel optimisation initiatives, including zero steaming practices. A structured roadmap will subsequently be developed to scale these efforts across medium-term and long-term horizons.
Air Quality	Air emissions of the following pollutants: (1) NOx (2) SOx (3) Particulate matter (PM ¹⁰) (4) Dioxins/Furans (5) Volatile Organic Compounds (VOCs) (6) Polycyclic aromatic hydrocarbons (PAHs) (7) Heavy metals	Air emissions monitoring across IJM Industry operations demonstrates compliance with the Environmental Quality (Clean Air) Regulations 2014, with all measured parameters consistently maintained within the prescribed regulatory limits.
Energy Management	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage alternative (4) Percentage renewable	(1) 306,055.7 GJ (2) 32.4% (3) 0.0% (4) 6.0%
Waste Management	(1) Amount of waste generated, percentage hazardous and percentage recycled	9,112.6 tonnes, 0.8% and 0.3%

BSI External Verification Report



Verification Opinion



Verified as Satisfactory	
Based on the process and procedures conducted, there is no evidence that the GHG statement contained in the following report "IJM Corporation Berhad Greenhouse Gas (GHG) FY2026 Report Version 1.2" produced by IJM Corporation Berhad	is not materially correct and is not a fair representation of GHG data and information.
	has not been prepared in accordance with ISO14064-1 and its principles.
The verification was conducted in accordance with the GHG Statement's intended use	
Lead Verifier	Salmiah Hasbullah
Verifier	Nurulashida Mohd Saad
Independent Reviewer	Vo Hong Kiet
Signed on behalf of BSI	Evelyn Chye - Managing Director, Malaysia 
Issue Date	30 June 2026
BSI Malaysia Suite 29.01, Level 29, The Gardens North Tower, Mid Valley City, Lingkaran Syed Putra, 59200 Kuala Lumpur, Malaysia.	
NOTE: BSI Malaysia is independent to and has no financial interest in IJM Corporation Berhad. This 3 rd party Verification Opinion has been prepared for IJM Corporation Berhad only for the purposes of verifying its statement relating to its GHG emissions more particularly described in the scope above. It was not prepared for any other purpose. In making this Statement, BSI Malaysia has assumed that all information provided to it by IJM Corporation Berhad is true, accurate and complete. BSI Malaysia accepts no liability to any third party who places reliance on this statement.	

Verification Opinion Reference CFV 845196 30062026



Note:

The full Verification Opinion Statement can be found on www.ijm.com/sustainability/environment.



Verification Engagement

Organization	IJM Corporation Berhad
Responsible party	IJM Corporation Berhad
Verification Objectives	To express an opinion on whether the organizational GHG Statement which is historical in nature: - Is accurate, materially correct and is a fair representation of GHG data and information - Has been prepared in accordance with ISO14064-1: 2018 the criteria used by BSI to verify the GHG Organizational Statement
Materiality Level	5 %
Level of Assurance	Limited
Intended Use	The intended use of the GHG Statement and Verification Opinion is to communicate IJM Corporation Berhad's FY2026 emissions to internal stakeholders. The results and details of the report shall be communicated externally through the Group's external communication channels, including but not limited to, annual reports, press releases, social media publications, public engagements, etc.
Verification evidence gathering procedures	- Evaluation of the monitoring and controls systems through interviewing employees observation & inquiry - Verification of the data through sampling recalculation, retracing, cross checking and reconciliation
The verification activities applied in a limited level of assurance verification are less extensive in nature, timing and extent than in a reasonable level of assurance verification	
Verification Standards	The verification was carried out in accordance with ISO 14064-3: 2019, ISO 14065: 2020 and ISO 17029:2019
Note: IJM Corporation Berhad is responsible for the preparation and fair presentation of the GHG statement and report in accordance with the agreed criteria. BSI is responsible for expressing an opinion on the GHG statement based on the verification.	

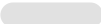
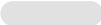
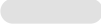
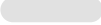
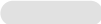
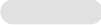
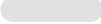
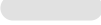
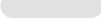
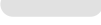
Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
N/A	N/A	N/A	N/A	N/A	N/A		N/A

IJM CORPORATION BHD

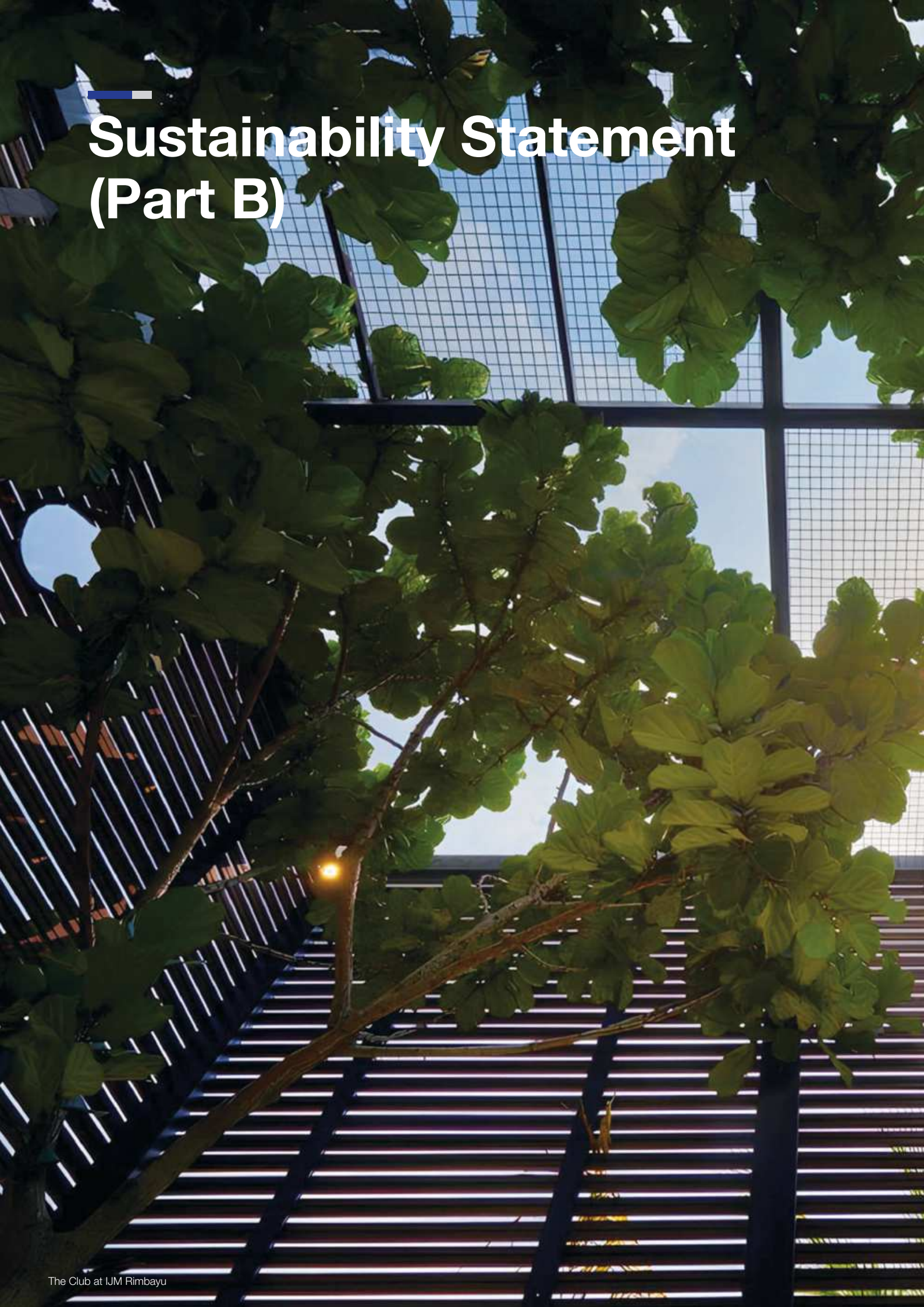
IFRS S2

Date & Time: 2026-07-22_16:37:18

Main Market | Group 1 | FYE 31/03/2026

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
GHG emissions	Scope 1	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	21,444.7	24,042.2	Net-zero by 2050		Independent verification in accordance with the ISO14064-1:2018 standard
GHG emissions	Scope 2 Location-based	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	49,471.8	47,609.6	Net-zero by 2035 via 100% renewable electricity		Independent verification in accordance with the ISO14064-1:2018 standard
GHG emissions	Scope 2 Market-based	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	49,471.8	47,609.6	Net-zero by 2035 via 100% renewable electricity		Independent verification in accordance with the ISO14064-1:2018 standard
GHG emissions	Scope 3 Cat.1: Purchased goods and services	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	957,053.3	* 885,941.3	Engage with supply chain for low-carbon plans by 2027		Independent verification in accordance with the ISO14064-1:2018 standard
GHG emissions	Scope 3 Cat.4: Upstream transportation and distribution	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	5,438.3	6,876.9	Net-zero by 2050		Independent verification in accordance with the ISO14064-1:2018 standard
GHG emissions	Scope 3 Cat.5: Waste generated in operations	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	6,901.6	6,473.7	Net-zero by 2050		Independent verification in accordance with the ISO14064-1:2018 standard
GHG emissions	Scope 3 Cat.6: Business travel	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	7,872.0	3,646.1	Net-zero by 2050		Independent verification in accordance with the ISO14064-1:2018 standard
GHG emissions	Scope 3 Cat.7: Employee commuting	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	4,535.6	4,532.7	—		Independent verification in accordance with the ISO14064-1:2018 standard
GHG emissions	Scope 3 Cat.11: Use of sold products	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	2,394.4	2,247.6	—		Independent verification in accordance with the ISO14064-1:2018 standard
GHG emissions	Scope 3 Cat.13: Downstream leased assets	Metric tonnes of carbon dioxide equivalents (tCO ₂ e)	20,244.1	5,909.0	—		Independent verification in accordance with the ISO14064-1:2018 standard

Sustainability Matter	Metric	Measurement Unit	2025	2026	Target	Assurance	Remarks
GHG emissions	Scope 3 Cat.15: Investments	Metric tonnes of carbon dioxide equivalents (tCO2e)	1,900.4	4,450.4	—		Independent verification in accordance with the ISO14064-1:2018 standard



Sustainability Statement (Part B)

Commitment to Sustainability

At IJM, sustainability has always been at the core of our business and forms an important part of our long-term strategy. In the pursuit of creating sustainable value for our stakeholders, we continue to ensure that Economic, Environment and Social principles are accounted for in our business model and decisions made. These three principles are a culmination of all the material matters most relevant to our business and stakeholders. IJM's sustainability priorities and initiatives are aligned with the United Nations Sustainable Development Goals (UN SDGs) which supports the national and global sustainability movement. Our commitment to transparent, balanced and meaningful sustainability reporting has never changed. In FY2026, IJM has embarked on our IFRS S1 and S2-aligned reporting journey, and is committed to enhance the quality of our sustainability disclosures in the coming years.

STATEMENT OVERVIEW

Reporting Standards, Frameworks and Principles

The Sustainability Statement (Part B) comprises IJM's voluntary sustainability disclosures, prepared with reference to the sustainability reporting standards and frameworks below:

- Global Reporting Initiative (GRI)
- FTSE4Good Bursa Malaysia (F4GBM) – FTSE Russell ESG Ratings
- UN Sustainable Development Goals (UN SDGs)
- MSCI ESG Ratings
- S&P Global Corporate Sustainability Assessment (CSA)
- CDP

IJM has been a participating member of the United Nations Global Compact (UNGC) since 2021. The disclosures in the Sustainability Statement is supplemented by our annual Communication on Progress (CoP) that outlines our unwavering commitment to The Ten Principles of UNGC, covering human rights, labour, environment and anti-corruption dimensions.

The Global Reporting Initiative (GRI) principles of reporting, namely completeness of information, balance, comparability, accuracy, timeliness, reliability and clarity, guided the development of this Sustainability Statement.



The GRI Content Index can be found on pages 232 to 235 of this Statement.

Reporting Period, Scope and Boundary

The Sustainability Statement (Part B) covers IJM Group's sustainability performance data for the financial year 1 April 2025 to 31 March 2026 (FY2026), unless otherwise stated. Historical data from the preceding years have been included for comparison, where applicable.

The Sustainability Statement (Part B) covers the Group's sustainability performance on all of our material matters except for those material matters that have been covered in the ISSB-aligned Sustainability Statement (Part A). Hence, the Sustainability Statement (Part B) should be read alongside the Sustainability Statement (Part A), other sections of the Integrated Annual Report 2026 and other sustainability disclosures available on our website.



The ISSB-aligned Sustainability Statement (Part A) can be found on pages 143 to 168 of this Statement.

The boundary of the Sustainability Statement (Part B) includes all of IJM's subsidiaries in Malaysia and India, collectively accounting for 99.8% of the Group's total operating revenue. The Sustainability Statement (Part B) excludes data from associates and joint ventures outside management control. We also intend to incorporate IJM UK into the Group's reporting boundary by FY2027, providing a more comprehensive review of our sustainability performance.

Industry Associations

We actively participate in industry associations and collaborate with stakeholders to learn, develop and contribute to a collective voice towards best practices for the industries we serve, including sustainability-related aspects. The table below lists out the associations where our Group and divisions are active members and partners.

Division	Association Membership and Stakeholder Collaboration
Group	• Institute of Internal Auditors (IIA) Malaysia • Malaysian Indian Business Council (MIBC) • Malaysia South-South Association (MASSA) • Malaysia-Japan Economic Association (MAJECA) • Perdana Leadership Foundation (PLF) • The Malaysian Institute of Certified Public Accountants (MICPA)
Construction	• Master Builders Association Malaysia (MBAM) • Malaysia Rail Industry Corporation (MARIC)
Property	• International Real Estate Federation (FIABCI) Malaysia • Real Estate and Housing Developers' Association Malaysia (REHDA) • REHDA Johor • REHDA Negeri Sembilan • REHDA Penang • REHDA Selangor • REHDA Wilayah Persekutuan • Sabah Housing and Real Estate Developers Association (SHARED A) • Sarawak Housing and Real Estate Developers' Association (SHEDA)
Industry	• Federation of Malaysian Manufacturers (FMM) • Malaysian Employers Federation (MEF) • Malaysian Institute of Human Resource Management (MIHRM) • Malaysian Institute of Management (MIM) • Malaysia Quarries Association (MQA) • National Ready-Mixed Concrete Association of Malaysia (NRMCA)
Toll	• Persatuan Syarikat-Syarikat Konsesi Lebuhraya Malaysia (PSKLM) • Chartered Institution of Highways and Transportation (CIHT)
Port	• Malaysian Employers Federation (MEF) • ASEAN Ports Association Malaysia (MAPA) • Gebeng Emergency Mutual Aid (GEMA) • University Malaysia Terengganu (UMT)
IJM India	• Construction Industry Development Council (CIDC) • Rotary Club • International Road Federation (IRF) • Delhi Wheelchair Cricket Association (DWCA)

Commitment to Sustainability

Assurance

IJM is committed to continuously enhance the quality of our Sustainability Statement. To uphold the integrity of the data and information of the Sustainability Statement (Part B), thorough internal reviews have been carried out by the Group's Internal Audit Department to ensure its reliability and credibility. This Sustainability Statement is made in accordance with a resolution of the Board of Directors dated 10 July 2026.

Restatements of Information

During the reporting year, IJM restated previously reported sustainability information under the Community Investment as well as Health and Safety material matters, covering FY2024 and FY2025. The restatements were made due to correction of error.

The affected indicators are (i) total amount (RM) invested for Community Investment, (ii) Lost Time Injury Frequency Rate and (iii) Lost Time Injury Severity Rate. The restatements resulted in an increase to the figures reported under those affected indicators. Comparative figures have been updated accordingly to ensure consistency and comparability with the current reporting period.

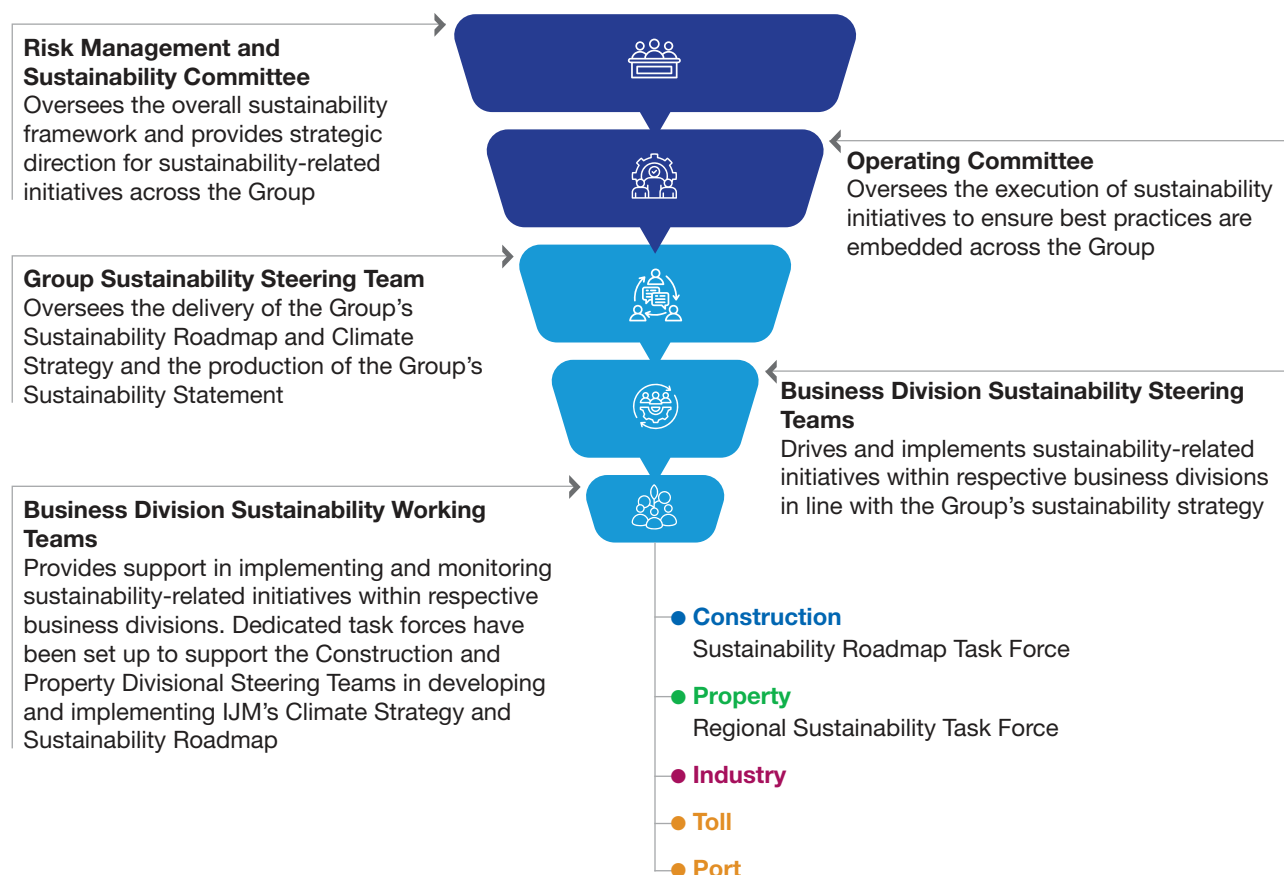
The restated information is indicated in the respective sections of the Statement.

Feedback

We value our stakeholders' feedback as it is essential for us in enhancing our reporting disclosures and addressing their expectations. Your feedback ensures that we remain steadfast to our sustainability commitments. Any queries and feedback can be submitted to sustainability@ijm.com.

SUSTAINABILITY GOVERNANCE

IJM has a robust sustainability governance structure that ensures the integration of sustainability into all facets of our business and decision making. Our sustainability governance is driven by a top-down approach with the Group Risk Management and Sustainability Committee ("RMSC") overseeing sustainability implementation throughout the Group, supported by the Operating Committee ("OpCo"), Group Sustainability Steering Team and Divisional Sustainability Steering Teams.

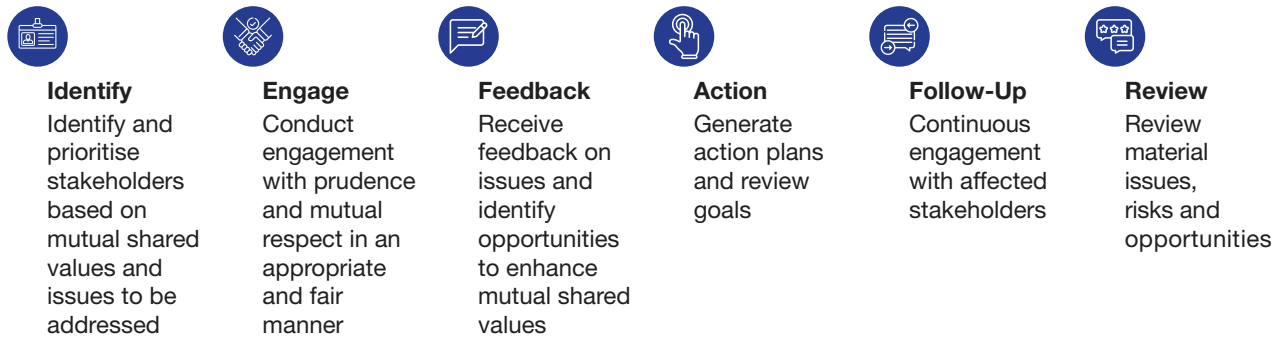


 Further information on IJM's Sustainability Governance can be found in the ISSB-aligned Sustainability Statement (Part A) on pages 145 to 146 of this Statement.

STAKEHOLDER ENGAGEMENT

Engaging Our Stakeholders

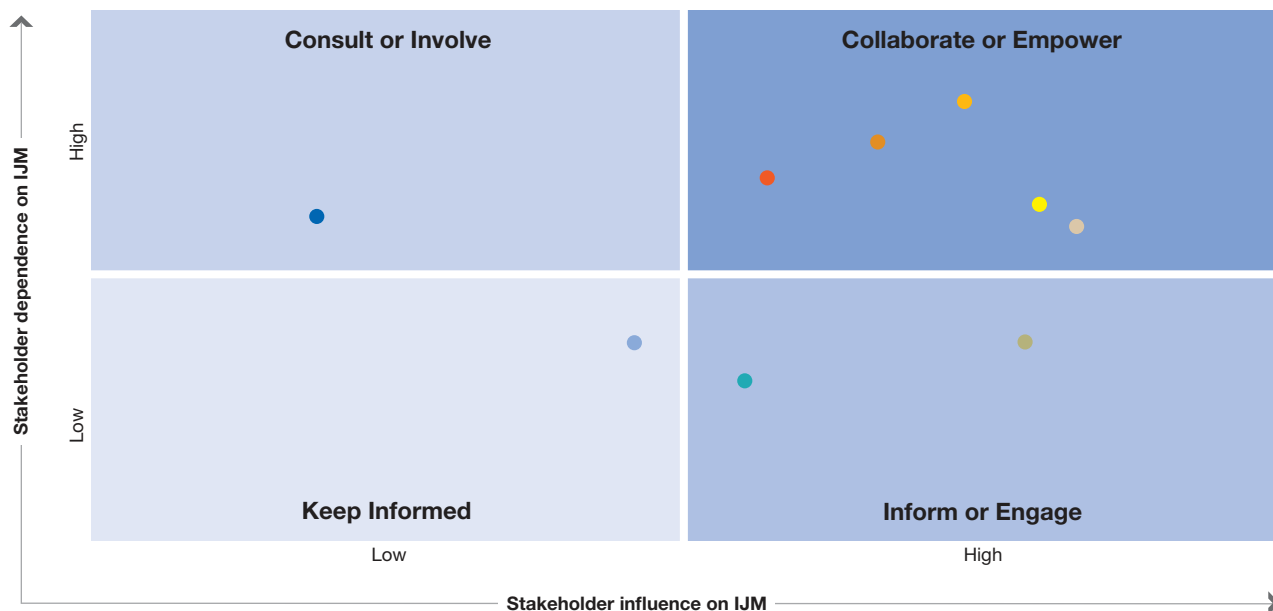
At IJM, we believe in building long-term, purposeful and transparent relationships with our stakeholders. Through proactive engagements with our stakeholders, we gain valuable understanding of their expectations, gather market insights and subsequently deliver on our sustainability goals. We are guided by our six-step approach in engaging and establishing strong connections with our stakeholders.



Stakeholder Matrix

The list of our stakeholders was last reviewed and validated in FY2025 and no changes were made to the stakeholder list in FY2026. The broad coverage of different stakeholder groups ensures that the multi-faceted views of our stakeholders are considered in the planning and execution of our sustainability initiatives and targets.

Stakeholder groups are prioritised based on their impact and interest in the Group's business activities. Our stakeholder prioritisation matrix below outlines the relative significance of each stakeholder group to IJM, which informs our engagement approach for each stakeholder group.



Consult or Involve

- Industry Associations and Academia

Keep Informed

- Local Community and NGOs

Inform or Engage

- Media
- Regulators and Government Authorities

Collaborate or Empower

- Employees
- Business Partners
- Subcontractors and Suppliers
- Clients/Customers
- Shareholders, Investors and Lenders

Commitment to Sustainability

Stakeholder Group	Why We Engage	Key Concerns and Areas of Interest	Strategic Responses	Engagement Channels
Shareholders, Investors and Lenders 	Shareholders, investors and lenders provide us with the financial capacity to sustain growth. We work to ensure they have a strong understanding of our strategy, performance and business fundamentals.	• Business outlook and strategy • Financial and operational performance • Impact of government policies and regulations • Sustainability practices and commitments • Risk management	• Ensure transparent and timely disclosure to build investor confidence • Drive consistent business performance and sustainability outcomes • Uphold strong corporate governance and accountability • Adhere to regulatory and corporate reporting requirements	• Annual general meetings • Bi-annual analyst briefings • Investor conferences • One-on-one/Small group meetings • Site visits • Emails/Phone communication • Corporate website • Integrated annual reports
Clients/Customers 	Focusing on customers' needs is a core value. We engage with our customers to understand their needs and identify opportunities to improve our products and services.	• Product/Service quality and support • Customer service and experience • Customer satisfaction and engagement • Project management • Sustainability practices and commitments • Dissemination of information • Facilities provided	• Deliver high-quality solutions aligned with international/ local standards • Provide distinctive value propositions across diverse customer segments • Ensure rigorous adherence to budget, timeline and performance requirements • Embed sustainability and product stewardship in our offerings	• Customer satisfaction surveys • Dedicated customer services teams • Customer satisfaction platforms, e.g. phone calls, emails and social media • Events and site visits • Emails/Phone communication
Subcontractors and Suppliers 	Our broad range of subcontractors and suppliers support many aspects of our business. We encourage them to adhere to high standards of professionalism and collaborate with us to ensure we can continually improve our operations and deliver mutual benefits.	• Legal compliance and contractual commitments • New equipment/ technology reliability and performance • Product/Service quality and delivery • Sustainability practices and commitments • Subcontractors/ Suppliers performance • Management assessment	• Enforce ethical conduct and anti-bribery compliance • Promote fair labour and human rights practices • Uphold HSE standards • Strengthen accountability through clear compliance expectations	• Annual subcontractor and vendor HSE performance evaluations • Briefings, e.g. product and technology briefings • Events and trainings • Tender sessions • Emails/Phone communication

Stakeholder Group	Why We Engage	Key Concerns and Areas of Interest	Strategic Responses	Engagement Channels
Regulators and Government 	Regulators and the government set the legal framework for our business operations. We engage with them to ensure we comply with existing legislations.	• Certifications and awards • Compliance with laws and regulations • Corporate governance • Sustainability practices and commitments • Industry updates and best practices, e.g. Construction Industry Transformation Programme, visits by officials • Prompt resolution of issues • Highway operations and maintenance	• Ensure full compliance with all legal and regulatory requirements • Maintain transparent and constructive communication with authorities • Proactively manage governance and compliance risks across business units • Active engagements in industry committees for policy advocacy	• Integrated annual reports • Company representations at industrial association initiatives and technical working groups • Compliance, certification exercises and policies • Consultations, briefings and trainings • Site visits, engagements, collaborations and audits • Forums and meetings
Media 	The media is our primary channel of communication across a wide variety of key stakeholders. They disseminate information such as our Group's financial performance and provide us with valuable feedback and insights about our business environment.	• Group's financial and non-financial performance • Group's strategy for growth and value creation • Transparency and timely information • Customer-inspired thought leadership	• Foster open, accurate and timely communication with media stakeholders • Respond promptly to media enquiries and information requests • Build and maintain positive relationships through regular engagements • Promote transparency in sharing business developments and corporate milestones	• Corporate events • Integrated annual reports • Corporate website • Media relations, e.g. press releases, press statements, emails, phone calls and interviews • Site visits

Commitment to Sustainability

Stakeholder Group	Why We Engage	Key Concerns and Areas of Interest	Strategic Responses	Engagement Channels
Employees 	We work to create a diverse and inclusive workplace where every employee is encouraged to reach their full potential. This enables us to retain and develop best talents.	• Employee engagement and development opportunities • Regular health and safety practices • Sustainability practices and commitments • Health management • Human capital competency and capabilities • Information sharing by Management • Promoting teamwork	• Provide fair and competitive remuneration and benefits • Foster a diverse, inclusive and respectful workplace culture • Ensure a safe and healthy work environment through stringent OSH practices • Promote continuous learning and professional development opportunities • Uphold ethical conduct and compliance with the Code of Conduct and Ethics • Support employee wellbeing, including mental health initiatives	• Annual performance appraisals • Employees' wellness initiatives • Regional forums, committee meetings and webinars • Social programmes via <i>Kelab Sukan IJM</i> and <i>IJM Toastmasters Club</i> • Training and development workshops and knowledge sharing sessions • Workvivo and intranet
Local Community and Non-Governmental Organisations (NGOs) 	We engage with local communities and NGOs to foster positive change by addressing social, economic and environmental challenges as we understand the crucial role that community initiatives play in advancing sustainable development. Through our engagements with local communities, we address social, economic and environmental challenges while fostering positive change.	• Community investment programmes and partnerships • Sustainability practices and commitments, including climate action commitments • The Group's branding and reputation • Industry-related issues of concern, developments, research and knowledge sharing • Governance system • Matters pertaining to highway alignment near residential areas	• Empower communities through initiatives that promote social cohesion, entrepreneurship and support networks • Enhance access to education via scholarships, resources and partnerships that support youth development and lifelong learning • Improve community infrastructure by developing safe, inclusive and sustainable public spaces in collaboration with local stakeholders	• Integrated annual reports • Community engagements, e.g. partnerships, dialogues, seminars and conferences • Community outreach and development programmes • Corporate website • Events

Stakeholder Group	Why We Engage	Key Concerns and Areas of Interest	Strategic Responses	Engagement Channels
Industry Associations and Academia 	We actively participate in industry association activities to learn, develop and contribute to a collective voice towards best practices for the industries we serve continuously and successfully.	Industry-related issues of concern, developments, research and knowledge sharing	- Collaborate with industry peers to support a collective transition towards industry best practices - Participate in sector-wide dialogues, workshops and policy discussions to promote progressive industry standards - Establish partnerships with academic institutions for research, innovation and talent development aligned with our business goals	- Integrated annual reports - Industry association engagements, e.g. partnerships, dialogues, seminars and conferences - Committee meetings - Corporate website and advertisements
Business Partners 	We collaborate with business partners in a business venture to achieve mutual goals, by sharing resources, responsibilities, risks and profits.	- Governance and decision making - Financial arrangements - Risk management and liability - Intellectual property and confidentiality - Operational performance - Legal and regulatory compliance - Exit strategy and duration - Strategic alignment and long-term value	- Establish clear governance structures - Develop a robust financial framework - Implement comprehensive risk management - Protect intellectual property and data - Align operational plans and KPIs - Ensure regulatory and legal compliance - Define exit and contingency plans - Maintain strategic alignment and communication milestones	- Emails - Video conferencing - Phone calls - In-person meetings - Collaborative platforms, e.g. Microsoft Teams - Joint steering committees - Integrated annual reports - Site visits

Commitment to Sustainability

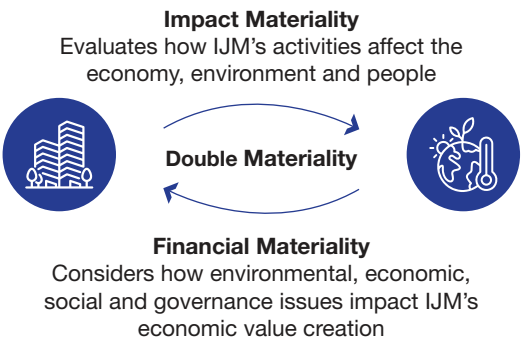
MATERIALITY AND MATERIAL MATTERS

Managing Our Material Matters

As a company operating in the Construction, Property, Industry and Infrastructure sectors, we are cognisant that our businesses can have significant impacts on the economy, environment and society. Therefore, as a responsible corporate entity, materiality becomes our guiding principle when it comes to managing our sustainability-related impacts, risks and opportunities. We prioritise the management of material matters that hold the greatest significance and relevance to our business and stakeholders. This ensures that stronger emphasis is placed on material matters that are of IJM's and our stakeholders' utmost interest while creating sustainable value.

We last conducted our materiality assessment in FY2025, guided by the principles of double materiality, which considers both impact and financial materiality, aligned to international standards, and considered the

evolving stakeholder expectations. Internal and external stakeholders were engaged to gather insights on their expectations and views. Aligning with best practices, we will be reviewing our material matters in FY2027 through a refreshed materiality assessment.



Double Materiality Assessment Approach

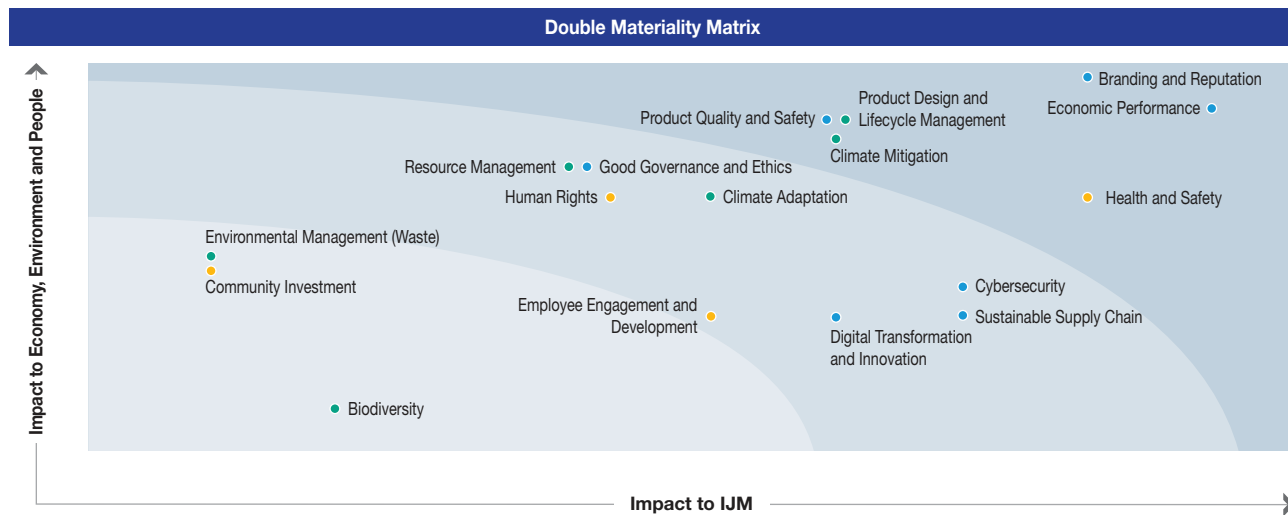
Our materiality assessment consists of five steps: material matter identification, stakeholder engagement, stakeholder prioritisation, material matter prioritisation as well as materiality matrix validation and approval. This process assesses the actual and potential impacts, risks and opportunities arising from each identified material matter on our business performance, the environment and society.

The outcome of this assessment then informs our strategy development, risk management and sustainability reporting processes. They also form the foundation of our sustainability initiatives and disclosures outlined in this Statement, to clearly highlight the linkages between our initiatives and progress to the material matters identified.

1 Identification of Material Matters	2 Stakeholder Engagement	3 Prioritisation of Stakeholders	4 Prioritisation of Material Matters	5 Validation and Approval
Identified preliminary stakeholder groups and material topics for IJM by: - Reviewing local and global reporting requirements (e.g. Bursa Malaysia, GRI, SASB) - Benchmarking against industry peers - Analysing emerging sustainability trends, risks and opportunities	Collected internal and external stakeholders' input through engagement methods such as online surveys and workshops	Identified and prioritised IJM's key stakeholder groups by assessing their influence and dependence	Financial Materiality Assessed the likelihood and potential impact of issues on business operations, as well as their significance to stakeholders Impact Materiality Assessed topics based on their effect on the economy, environment and people and their importance to stakeholders	Validated the outcome of the materiality matrix with senior management and approved by the Board of Directors

Double Materiality Matrix

The materiality matrix below, endorsed by the Board, shows the 17 material matters mapped based on their relative materiality, reflecting both the material matters' impact to IJM (financial materiality) and its impact to the economy, environment and society (impact materiality). This matrix forms the basis for sustainability considerations to be embedded within the Group's integrated decision-making processes, resource allocation and long-term value creation.



Economic	Environment	Social
- Economic Performance - Good Governance and Ethics - Sustainable Supply Chain - Digital Transformation and Innovation - Cybersecurity - Product Quality and Safety - Branding and Reputation	- Climate Mitigation - Climate Adaptation - Resource Management - Environmental Management (Waste) - Biodiversity - Product Design and Lifecycle Management	- Employee Engagement and Development - Human Rights - Health and Safety - Community Investment



Commitment to Sustainability

Material Matter Definition

Material Matter	Definition
Economic	
Economic Performance 	Economic performance reflects the economic value generated and distributed by IJM, encompassing revenues and costs incurred through our operations. This aligns with our mission to deliver sustainable value to stakeholders and supports our commitment to maximising stakeholder returns as outlined in the IJM Charter.
Good Governance and Ethics 	Good governance and ethics reflect IJM's commitment to integrity, transparency and accountability, fostering trust and ensuring compliance. This aligns with our core value of integrity and the IJM Charter principles of ethical conduct and good corporate governance.
Sustainable Supply Chain 	A sustainable supply chain at IJM involves managing processes from sourcing raw materials to delivering final products or services by prioritising responsible procurement, efficient material use and evaluating suppliers' environmental and social performance. This approach aligns with the IJM Charter principles of social responsibility and good corporate governance and reflects our core value of integrity. Poor supply chain management can disrupt operations, increase sourcing costs, delay production and compromise efficiency and customer satisfaction.
Digital Transformation and Innovation 	Digital transformation and innovation involve integrating cutting-edge technologies into IJM's operations to enhance value delivery, stakeholder engagement and efficiency. By embracing innovation, we drive growth and deliver significant value, reflecting our core value of innovation and supporting our mission to deliver sustainable value to stakeholders with the IJM Mark of Excellence.
Cybersecurity 	Cybersecurity focuses on safeguarding IJM's digital systems, data and stakeholder information from unauthorised access, breaches and cyber threats. By ensuring data privacy, robust security protocols and regulatory compliance, we protect stakeholder trust, aligning with the IJM Charter principles of safety, health and environment, while upholding our core value of integrity.
Product Quality and Safety 	Product quality and safety assess the excellence, reliability and safety of IJM's offerings, ensuring they meet or exceed customer expectations, industry standards and safety requirements. This aligns with our customer focus core value and the IJM Charter principles of quality products and services.
Branding and Reputation 	Branding and reputation focus on building stakeholder trust by shaping IJM's identity, enhancing our industry standing and reflecting our commitment to trusted client relationships, as outlined in the IJM Charter. This supports our mission to deliver sustainable value with the IJM Mark of Excellence.

Material Matter	Definition
Environment	
Climate Mitigation 	Reducing our Scope 1, 2 and 3 GHG emissions through energy optimisation and supply chain decarbonisation efforts. Through innovation, IJM continuously explores cutting-edge technologies to optimise energy use and achieve decarbonisation.
Climate Adaptation 	Building resilience to both physical and transition risks and leveraging associated opportunities. Physical risks include impacts from global weather changes, rising temperatures, extreme weather events and sea level rise. Transition risks and opportunities stem from evolving policies, markets, regulations, technologies and reputational dynamics as the economy shifts towards a low-carbon reality and net-zero emissions.
Resource Management 	Minimising environmental impacts by managing energy consumption and raw materials or minerals used is central to our approach. This includes optimising resource efficiency, promoting the use of renewable energy and reducing reliance on non-renewable materials. In line with IJM's Charter, we focus on maximising stakeholder returns through sustainable resource management and adherence to safety, health and environment principles. By embracing innovation, we explore new technologies to improve efficiency. Inefficient use of raw materials can lead to financial consequences, such as increased procurement costs, supply chain disruptions due to resource scarcity and higher expenses for waste management and disposal.
Environmental Management (Waste) 	IJM aims to reduce pollutants generated by organisational activities, focusing on minimising air, water and soil contamination. This involves adherence to environmental standards, sustainable resource use, proper waste management and mitigation of environmental impacts during project development. Aligned with IJM's Charter, these efforts reflect safety, health and environment, social responsibility, good corporate governance and reflecting our core value of integrity to ensure strict compliance with environmental regulations and ethical practices.
Biodiversity 	Protecting and enhancing local ecosystems by recognising the impact of IJM's operations on flora and fauna. IJM strives to minimise ecological impacts, preserve biodiversity and support sustainable development through responsible practices that protect natural ecosystems. In accordance with IJM's Charter, we prioritise social responsibility and safety, health and environment to protect biodiversity.

Commitment to Sustainability

Material Matter	Definition
Environment	
Product Design and Lifecycle Management 	Focusing on the entire lifecycle of IJM's projects and infrastructure, from design to end-of-life. This includes integrating resource efficiency, using sustainable materials to minimise climate impacts and addressing community effects of new developments, while ensuring responsible and sustainable management at every stage of the project lifecycle. IJM Construction (SASB: Engineering and Construction Services) IJM Construction encompasses the evaluation and mitigation of environmental impacts throughout the lifecycle of buildings and infrastructure projects by integrating sustainable practices in design, construction and operational phases to reduce resource consumption and emissions. Aligned with IJM's Charter of quality products and services, safety, health and environment and social responsibility, this approach addresses climate-related challenges and promotes resilient, environmentally conscious development. By leveraging innovation to set new sustainability benchmarks, integrity to uphold ethical practices. IJM Property Development (SASB: Home Builders) The designing of homes and communities for resource efficiency, minimising or improving the environmental and social impacts of IJM's new developments. Optimising energy and water consumption while considering the long-term impacts on surrounding communities is central to our approach. This aligns with IJM's Charter by focusing on social responsibility and quality products and services. By embracing our core value of innovation, we deliver sustainable, resource-efficient homes that exceed customer expectations. IJM Manufacturing and Quarrying (SASB: Construction Materials) Focuses on advancing product innovation to support sustainable construction by developing materials that are resource-efficient, minimise health impacts and reduce emissions during manufacturing. By creating building materials that use recycled inputs, require less energy to produce, or reduce water consumption, IJM ensures long-term growth and competitiveness while aligning with consumer and regulatory trends. This approach reflects IJM's Charter of quality products and services and reflecting our core value through innovation, we drive continuous improvement in sustainable manufacturing practices.
Social	
Employee Engagement and Development 	Fostering an inclusive and supportive workplace where employees feel valued and motivated. It focuses on enhancing wellbeing, developing skills and providing continuous learning to prepare employees for current and future roles within IJM.
Human Rights 	Upholding the highest standards of human rights to ensure a safe, ethical and respectful environment. This includes promoting diversity, preventing discrimination and maintaining zero tolerance for child and forced labour across our operations, especially in our foreign labour workforce.
Health and Safety 	Protecting the wellbeing of IJM's employees, workers and stakeholders by ensuring safe working conditions, preventing harm through robust measures and continually improving safety practices.
Community Investment 	IJM is committed to positively impacting local communities by driving economic growth, enhancing livelihoods and supporting sustainable development, reflecting IJM's dedication to social responsibility.

SUSTAINABILITY FRAMEWORK

IJM Group Sustainability Framework acts as our north star for sustainability principles to be operationalised throughout all facets of the Group's operations. It aligns the Group's strategic direction and performance management mechanisms to ensure sustainability is weaved into IJM's business model. The Framework is aligned with internationally recognised standards and benchmarks, including the UN SDGs, The Ten Principles of the UNGC, the IFRS S1 & S2 and Malaysia's national climate agenda.

IJM has always been a trusted partner in nation-building, especially on the infrastructure development front. As such, we believe that our business success is intricately related to the overall wellbeing of the environment, people and markets where we are present. The Sustainability

Framework guides us in balancing both financial and sustainability performances by ensuring sustainability aspects are considered in our decision-making, risk management and stakeholder engagement processes. It also empowers our divisions to identify emerging sustainability-related impacts, risks and opportunities while remaining accountable to sustainability targets and requirements.

Our sustainability performance and progress are tracked via an internal sustainability scorecard, which is reviewed annually to ensure strategic alignment with the Group's direction. Our climate performance, particularly our GHG reduction targets, are monitored through a joint KPI system. Each division will deploy tailored GHG reduction initiatives and improve green credentials within their respective operations to meet IJM's GHG reduction targets.



Further details on IJM's sustainability governance framework can be found in our Risk Management and Sustainability Committee Terms of Reference on our corporate website.