



PESONA METRO HOLDINGS BERHAD
(Registration No. 201101029741) (957876-T)



SUSTAINABILITY REPORT 2022

OUR SUSTAINABILITY COMMITMENT



Being a responsible and conscientious corporate citizen, Pesona Metro Holdings Berhad (“PMHB” or “the Group”) is committed to delivering holistic, long-term value to its diverse stakeholders including the communities in which it operates, while safeguarding the environment. To this end, the Group continues to embed sustainable practices throughout the length and breadth of its organisation. Today, the Group’s sustainability agenda continues to be upheld via a sustainable business model that enables PMHB to preserve the interests of its internal and external stakeholders as well as implement efficient operations across the Group as a whole.



OUR SUSTAINABILITY COMMITMENT



COMMITTED TO CREATING SUSTAINABLE VALUE



PMHB is an investment holding company listed under the Construction sector on the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”). The Group specialises in diverse activities including civil engineering, building construction, river rehabilitation and beautification, concessionaire activities, as well as the trading of building-related materials.

The Group’s primary commitment is rooted in developing a sustainable future for itself through the creation of long-term value for its stakeholders. This value is developed and achieved through PMHB’s consistent effort in creating sustainable progress on the Economic, Environmental and Social (“EES”) fronts. The implementation of responsible and sustainable management practices has enabled PMHB’s operational efficiencies to continually be enhanced, allowing for the steady increase in business momentum across the Group.

SUSTAINABILITY REPORT



SCOPE AND BOUNDARY OF THIS REPORT

This is PMHB's seventh Sustainability Report ("Report") to date. It encompasses the key material EES activities that the Group carried out in financial year 2022 ("FY2022") through engagement with both its internal and external stakeholders. The Group has ensured that the highest levels of transparency and accountability have been observed in the process of crafting this Report.

Reporting Period

1 January 2022 – 31 December 2022.

Reporting Cycle

Annually.

Business Entity Covered

The scope of this Report is confined to the activities of Pesona Metro Sdn Bhd ("PMSB"), the Group's Construction Division and its main subsidiary which contributes the majority (93%) of the Group's annual turnover. It specifically reports on the material issues related to PMSB's principal business activities and excludes coverage of the activities of PMHB's other subsidiaries. The Group's primary business ventures centre predominantly on the construction of commercial and residential buildings in Peninsular Malaysia.

Guidelines

This Report aligns with and complies with Bursa Securities' Sustainability Reporting Guide (3rd edition).

Report Content

The contents of this Report describe the significant material matters which are material or of importance to PMHB's stakeholders. This Report complies with the rules and regulations of the relevant local authorities and is to be read in conjunction with the rest of the Group's 2022 Annual Report which covers other financial and non-financial aspects of the Group's business. While this Report has not been subjected to external assurance, it aligns with PMHB's aim to first streamline its sustainability data collection and monitor its activities before seeking external assurance.

Methodology

The Group's Executive Committee has proposed the various aspects and concerns highlighted in this Report in line with PMHB's regular practice. This Report has been approved by the Board of Directors as well as executed by the Working Committee.

PMHB's Sustainability Journey

Established in 1996, PMHB remains steadfast in its commitment to grow and operate as a responsible corporate citizen. The Group first incorporated its Sustainability Framework in its processes following Bursa Securities' introduction of Sustainability Reporting in 2016. This Sustainability Framework acts as guide to PMHB's business activities and operations, ensuring that the Group's efforts are consistently directed towards building a sustainable business and future for its stakeholders.

The Group's efforts to rigorously comply with sustainability standards and embed the relevant sustainability components into its businesses are helping to enhance its focus on operational efficiencies, cost savings, enhanced revenue generation and innovation for the long-term.

SUSTAINABILITY THEMES

The Group has applied the following sustainability themes across its operations to ensure that its sustainability efforts remain congruent:




HEALTH & SAFETY

The health and safety of the Group’s employees and the public remain a top priority to PMHB. We believe that ensuring the good health and safety of our employees and the people within the vicinity of our project sites is our responsibility. To this end, we are continuously upgrading our equipment to ensure that our safety, health and environmental practices comply with regulatory requirements.



ENVIRONMENT

Being a conscientious contractor, PMHB is highly aware of the impact our projects may have on the environment. We view the environment as being “close to our hearts” as we have direct contact with the soil, plants, air, water bodies and animals. Hence, we regard it as our duty to perform our daily operations with great awareness and sensitivity towards these exhaustible resources which are crucial to the survival of mankind. The Group is determined to approach all environmental matters with the utmost care and respect so as to mitigate any imbalance in the scheme of things that may negatively affect people or the environment.



LABOUR PRACTICES

The Group inclusive human resource practices ensure that all employees and workers, whether contractual or permanent, are treated fairly and justly, within our highly diverse demography of nationality, race, religion and gender. PMHB also advocates the practice of having a good work-life balance that ensures the physical, mental and emotional wellbeing of all our people.



PROFITABILITY

PMHB exists to generate profits and value as well as to ensure the long-term, sustainable growth of our businesses in our stead as a responsible corporate entity. We are determined to keep to our promise of delivering excellent products within the stipulated budgets and timeframes while catering to the public as best as we can.

SUSTAINABILITY GOVERNANCE

The Group’s sustainability reporting process is conducted and supervised in accordance with the highest governance standards. The following governance structure enables PMHB to ensure the tenets of accuracy, accountability and transparency are evident at every stage of the reporting process:



The roles and responsibilities of the Board of Directors and the various committees are as follows:

Governance Body	Roles and Responsibilities
Board of Directors	Guide and Support
Executive Committee	Strategise and Standardise
Sustainability Working Committee	Plan and Execute

SUSTAINABILITY REPORT (CONT'D)



The Board is committed to upholding corporate governance best practices and sound internal controls in its evaluation and incorporation of relevant sustainable material matters into the Group's business strategy.



The Executive Committee has oversight for the processes related to studying, formulating and strategising the sustainability framework for the Group. It is also responsible for the development of the Sustainability Report and Policy.



The Sustainability Working Committee is tasked with closely monitoring and achieving the Group's sustainability targets. Its findings are shared at quarterly reviews where any gaps between the targets and the results are subsequently finetuned.



Board of Directors

PMHB's Board of Directors ("the Board"), comprising an efficient and knowledgeable team of professionals with a broad and diverse range of experiences and expertise, is dedicated to implementing an agenda that upholds good and consistent EES practices. The agenda also serves to promote long-term value creation for shareholders through ensuring the Group invests in measures that promote the sustainable growth of its businesses.

PMHB's Board is also tasked with overseeing, supporting and promoting the smooth implementation of EES efforts within the Group. The Board's mandate is to enhance the Group's business strategy through upholding corporate governance best practices and incorporating the relevant sustainable material matters in the evaluation processes. On top of this, the Board is responsible for implementing planning activities that serve to enhance transparency, integrity and accountability within all areas of PMHB's operations and management activities.

Executive Committee

PMHB's Executive Committee, comprising the Chief Financial Officer ("CFO") as well as the Chief Operating Officer ("COO"), has oversight for the processes related to studying, formulating and strategising the sustainability framework for the Group. The committee is led by the MD, whose role is to report the findings and progress of the Group's sustainability development efforts to the Board. The committee is also responsible for the development of the Sustainability Report and Policy which are strategically aligned to the abovementioned processes. These responsibilities include setting sustainability objectives and targets, identifying internal and external stakeholders, as well as prioritising all material matters in relation to the EES aspects of sustainability reporting.

Sustainability Working Committee

The Group's Sustainability Working Committee is tasked with closely monitoring and ensuring that the efforts to achieve sustainability targets are aligned with PMHB's implementation of group-wide policies and best practices. The committee's members are strategically selected based on the relevance of their roles to the Group's sustainability material matters. The committee meets on a quarterly basis to review findings as well as to finetune any potential gaps between targets.

The Group continues to evaluate its sustainability governance structure as well as strengthen and restructure it where necessary to enhance the efficiency of PMHB's planning, implementation and reporting processes. For more detailed information on the Group's overall corporate governance and risk management structures, please refer to the Corporate Governance Overview Statement as well as the Statement on Risk Management and Internal Control in this Annual Report.



SUSTAINABILITY REPORT (CONT'D)

STAKEHOLDER ENGAGEMENT

Stakeholder engagement remains an integral aspect of the Group's sustainability strategy, more so as the Group's businesses and markets continue to evolve and expand. PMHB directs its efforts towards developing and reinforcing ties with its stakeholders to achieve a strengthened position as a stakeholder-centric organisation. The Group ensures that the interests and expectations of its stakeholders are addressed in an accurate and timely manner through frequently interacting with its stakeholders. This enables us to ensure stakeholder engagement within the Group is continuously aligned with the project development process that runs throughout the project life cycle.

In addition, the Group evaluates the needs of its stakeholders, ensuring they are met in a manner that is timely and efficient, on a regular basis. This practice is achieved through first identifying, then categorising our stakeholders into specific groups based on their direct and indirect impact on the Group's business and supply chain and vice versa. The Group's stakeholders' expectations and the methods by which we engage with them and meet their expectations are outlined in the Stakeholder Engagement Matrix below:

Stakeholder Engagement Matrix

Stakeholder	Stakeholder Expectations	Engagement Methods	How We Meet Our Stakeholder's Expectations
Clients	<p>Project to be completed on time, within budget and good quality.</p> <p>Full compliance with authorities' rules and regulations with minimal penalties or summons.</p> <p>Zero fatalities.</p> <p>Proper project management and communications.</p>	<p>Progress meeting (fortnightly).</p> <p>Site walk with client (ad hoc).</p> <p>Client satisfaction survey (upon completion of the project).</p>	<p>QLASSIC score of 73% and above.</p> <p>Submission of monthly progress reports on time.</p> <p>Achieve a minimum 80% client satisfaction rate.</p> <p>All correspondence to be answered within 24-48 hours.</p> <p>Always assign a point of contact for clients e.g., Project Manager or Contract Manager.</p>
Authorities & Regulators	<p>Compliance with rules and regulations.</p>	<p>Site inspections.</p> <p>Audits.</p> <p>Accreditation.</p> <p>Training sessions.</p>	<p>Weekly internal site meeting and site inspection on HSE issues, 5S methodology, GBI matters to ensure compliance.</p> <p>Regularly attend training sessions/seminars/conferences/discussions to improve work methods and get updates on new regulations.</p>
Employees	<p>Attractive pay-out and job security.</p> <p>Career development and progression.</p> <p>Good HSE practices.</p> <p>Fair and equal treatment.</p>	<p>Annual Staff Survey.</p> <p>Annual Appraisal.</p> <p>Staff activities.</p>	<p>Corporate Social Responsibilities ("CSR") activities to encourage off-site relationships with stakeholders.</p> <p>The operation of a transparent and fair rewarding mechanism based on merit.</p> <p>Regular updates on Group-related news and progress via the Group intranet.</p> <p>Feedback on the matters raised by staff via all the engagement activities to assure them that the Group cares and will act upon the requests / concerns which are deemed right for the Group.</p>



SUSTAINABILITY REPORT (CONT'D)

Stakeholder Engagement Matrix (Cont'd)

Stakeholder	Stakeholder Expectations	Engagement Methods	How We Meet Our Stakeholder's Expectations
Business Partners (Suppliers & Sub-contractors)	Timely payment.	Toolbox meetings.	Achieve a minimum of 75% in Grade C and above rating for supplier evaluations.
	Fair and transparent procurement processes.	Weekly meetings. Transparent tender processes.	Achieve a 75% in Grade B- and above rating for sub-contractor evaluations.
	Safe work sites.	Suppliers and sub-contractors evaluation.	Factory/warehouse visits.
Media	Timely and transparent financial and corporate information.	Press conferences. Corporate website. Press releases.	Meetings with the Media after the Annual General Meeting. Press releases uploaded on the website for easy access by the Media.

STAKEHOLDER PRIORITISATION

A stakeholder prioritisation exercise is conducted annually to ensure that our stakeholders' needs are met in a timely and efficient manner. This practice enables PMHB to strategically prioritise how it specifically handles various stakeholder groups. Under this exercise, stakeholders are divided into two categories, with the determining factors being the level of dependency on the Group and how these stakeholders influence the Group. The findings from the last exercise undertaken are tabulated below:

Stakeholder Group	Dependency on the Company 1 = lowest dependency 4 = highest dependency	Influence on the Company 1 = least influence 4 = strong influence
Employees	4	4
Sub-contractors	4	4
Consultants	2	4
Clients	2	4
Government/local authorities	2	4
Suppliers	2	2
Competitors	1	4
Bankers	1	2
Media	1	1
Community	1	1

PMHB's Stakeholder Prioritisation Matrix was developed by organising the analysed data collected throughout the stakeholder prioritisation exercise. The Group's stakeholders were categorised according to the extent of influence that their opinions and views carry for the advancement and development of the Group. The seven top stakeholders have been categorised in terms of their High Dependency-High Influence. At the same time, the remaining stakeholders are categorised into the Low Dependency-High Influence category for the purpose of this Report.

SUSTAINABILITY REPORT (CONT'D)

Stakeholder Prioritisation Matrix

Stakeholder dependency on the organisation	High Dependency	CONSULT/INVOLVE		COLLABORATE/EMPOWER (Maximum Attention)	
	Low Dependency	KEEP INFORMED (Minimal Effort)		INFORM/ENGAGE	
	Community	Competitors Media			1) Employees 2) Sub-contractors 3) Consultants 4) Clients 5) Government/ Local Authorities 6) Bankers 7) Suppliers
	No Influence	Low Influence	Some Influence		Formal Power/High Influence
Stakeholder influence on the organisation					

MATERIAL MATTERS

PMHB values materiality topics and deems them as issues of high importance as they have the power to impact the Group's ability to create, preserve or erode EES value in relation to the Group, its stakeholders and the community. PMHB strategically addresses these material topics through analysing material and data which provides detailed insights into the EES-related topics that the Group's stakeholders deem as most important. These analyses include specific details on effective engagement methods which includes face-to-face meetings, surveys, feedback and a brief analysis of peer practices.

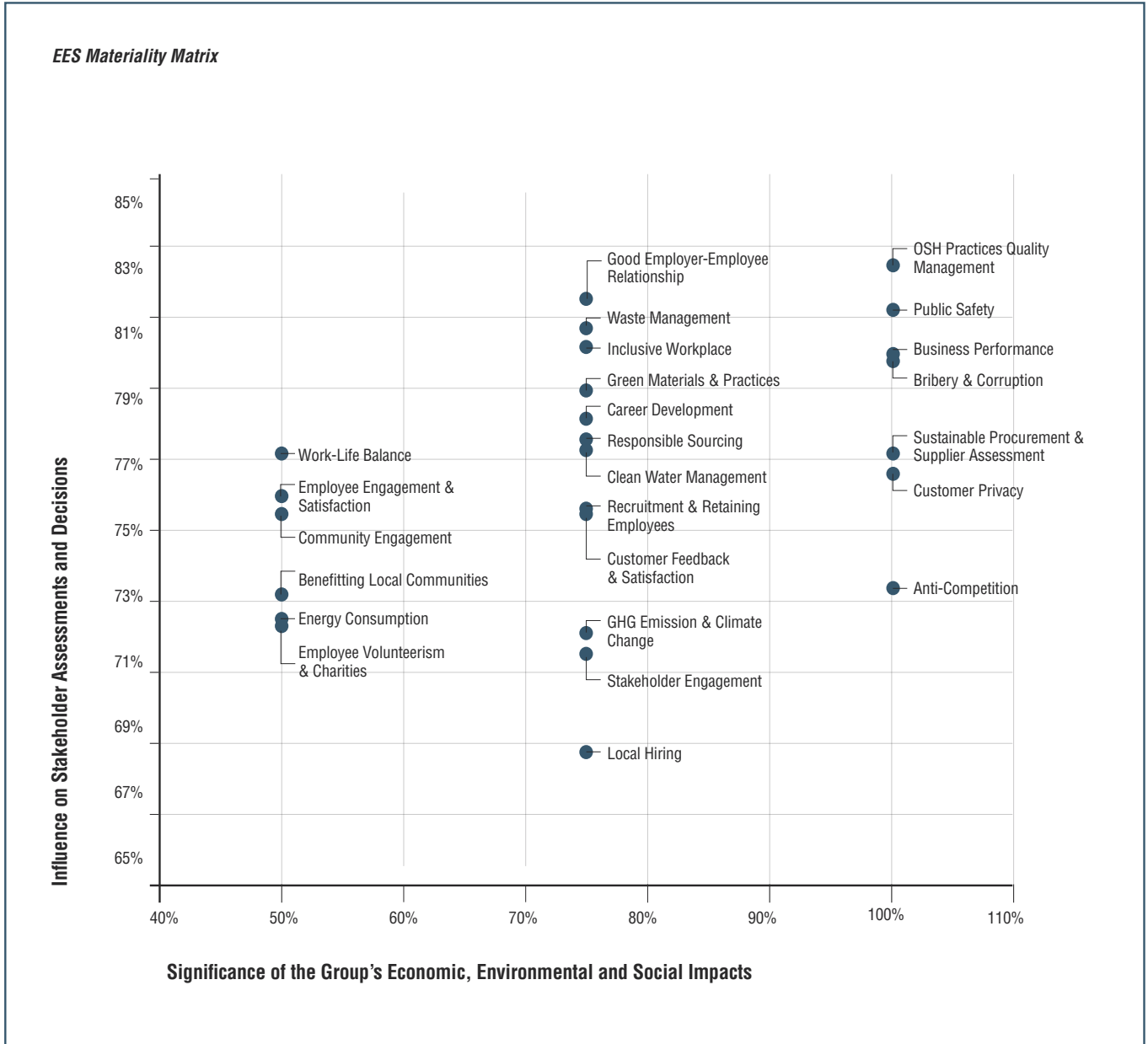
Two of these material analyses were conducted back in February and December 2018. Through the utilisation of Google Forms, a survey was sent out to our stakeholders within the High Dependency and High Influence category, namely PMHB's employees, customers, suppliers, sub-contractors, regulators and authorities, consultants and bankers. The parameters of the survey are outlined below:

Stakeholders	Parameters
Clients	Existing and past clients who have engaged the Company in jobs - both private and public organisations.
Authorities & Regulators	Governments, local councils, the Construction Industry Development Board or CIDB, SIRIM, the Fire Department, and the regulators for Green Building Index or GBI certification.
Consultants	Professionals who have a direct influence on the Company's operations including architectural, structural, electrical, mechanical, and landscaping professionals.
Employees	Permanent, contractual and interns; locals and foreign workers.
Business Partners (Suppliers & Sub-contractors)	Product and service providers.
General Public & Community	People living/working within a 5 km radius of our workplaces; Other non-governmental organisations (NGOs) with influence.
Bankers/Financiers	Financing bodies that conduct monetary transactions with the Company.



SUSTAINABILITY REPORT (CONT'D)

PMHB's current Materiality Matrix below was based on the findings of these analyses. In addition, the matrix was also used as a guide for plotting the 2022 Sustainability Roadmap.



UPHOLDING GOOD ECONOMIC PRACTICES

Strategic Direction

In terms of the Group's strategic direction, we are directing our efforts towards strengthening our core businesses to ensure further sustainable growth. By implementing strategic changes where necessary, we are able to maintain good momentum as well as to adapt to everchanging market and economic conditions. For more detailed insights into the Group's overall strategic direction plus its financial and operational performance, please refer to the Management Discussion and Analysis section within this Annual Report.

SUSTAINABILITY REPORT (CONT'D)

2022 Sustainability Roadmap (Targets and Achievements)

Health & Safety		Labour Practices		Environment		Product Quality	
Target	Achievements	Target	Achievements	Target	Achievements	Target	Achievements
Zero Fatality	Not Achieved (Due to a fatality at a project site)	Annual Staff Survey	Achieved	Allowable Construction Waste	Achieved	QLASSIC 73%	Achieved
Zero Lost Time	Achieved	3 Major Festive Celebrations	Achieved	i) Steel 7% ii) Concrete 5% iii) Timber 10%	1.58% 1.00% 3.17%	80% Customer Satisfaction	Not Achieved (Average score for 3 projects - 74.1%)
Zero Stop Work Orders	Achieved	Minimum 14 hour/staff Training	6.32 Training Hours / Employee (COVID-19)	Zero Environmental Summons/ Notices	Achieved	75% Sub-Contract Grade B	Achieved
Zero Dengue Cases	Achieved	4 CSR activities	Not Achieved - COVID-19 pandemic			75% Supplier Grade C and above	Achieved
		Internship	Not Achieved				
		i) 10 HQ ii) 25 Site	i) 5 HQ ii) 9 Site				
		8 Scholarships	Not Achieved				

The finer details for all the abovementioned sustainability themes are spelt out in the respective sections of this Sustainability Report.

Strengthening the Market Ecosystem

To establish meaningful connections at every level of the supply chain, from our suppliers to our customers, we remain committed to prioritising our marketplace engagement activities. As an active member of the construction industry in Malaysia, PMHB's aim is to cultivate synergistic and strategic relationships that will generate sustainable growth for the long term, thereby strengthening the industry as a whole. The Group also remains committed to enriching the diverse social and industrial circles in which it operates, through investing its resources in initiatives that will help to create sustainable value over the long run. PMHB's main subsidiary, PMSB, continues to spearhead the Group's marketplace efforts within the industry. With construction having significant impact in the nation's economic cycle, the Group looks forward to playing a part in the projected growth and recovery of the economy throughout the course of 2023.

PMHB's humble beginnings go back to its inception in 1996 when it began with just 20 employees. Since then, PMHB has grown from strength to strength and is today a key player within the construction industry of Malaysia with a steady workforce of approximately 400 employees comprising both permanent and contract workers. The Group is committed to employing both local and foreign workers at its construction sites in line with its vision of strengthening trans-border employment and diversity. In addition, its diverse workforce also consists of general workers with various special skills in specific trades including carpenters, bar benders, electricians and special trade workers to assist with the construction work at its sites.

Aside from this, the Group also has a role in supporting specific sectors of the domestic economy through providing jobs within its project sites, as well as prioritising local companies for the purchase of raw materials such as cement, steel and timber. This regular practice enables more avenues of opportunity and growth to be opened for our local producers. In addition, it also reduces the Group's dependency on foreign suppliers which decreases the risk of external macroeconomic factors in its dealings, thereby resulting in a more significant contribution towards the growth of the Malaysian economy. In line with the Group's aim to encourage healthy market competition, its efforts are further complemented by its commitment to engage in prudent procurement practices. The Group also continues to contribute to the domestic construction industry through its utilisation of new methodologies and technologies in its projects.



SUSTAINABILITY REPORT (CONT'D)

Transparent Marketplace Practices

Due to the potential dangers that stem from the hazardous nature of our work, we prioritise the safety of our people through upholding the strict regulations that govern Malaysia's construction industry. The Group's activities are governed by the rules and regulations of the CIDB, of which we are a member, and are subject to audits by SIRIM. Moreover, being a public listed company, PMHB is governed by the Main Market Listing Requirements ("MMLR") of Bursa Securities.

Being a company that prioritises transparency, PMHB is consistently directing its efforts towards the advocacy of good industry and marketplace behaviour within its operations. As such, the Group exemplifies its zero-tolerance stance towards bribery and corruption through upholding and implementing various practices, values and policies. One of these examples include the PMHB Induction Programme which was first introduced to the Group in 2019. This programme enables us to strengthen transparency across our workforce via acquainting all our new employees with the Group's firm stand against white-collar crime. This initiative is further supported by the group-wide introduction and implementation of the Zero Tolerance Policy, which can be found in the Group Employee Handbook.

PMHB has also implemented these policies in its fight against unethical practices:

- A Code of Conduct underlining the Group's approach towards business ethics and employee integrity;
- The Overview Statement on Corporate Governance which explains the functions of the Board of Directors and various Board committees, including other additional information. This is published in the Group's Annual Report, while the Board Charter is published on its website;
- The Open Tender Policy which is applied to all sub-contractor awards where the attendance of three out of five committee members is required at the opening of the Tender Box. One of the three committees must be from a department other than the Tender and Contract Department to ensure non-biased decisions are made; and
- The Whistleblowing Policy that provides employees a safe mechanism for raising genuine concerns on potential improprieties in matters of financial reporting, compliance and other malpractices, in an appropriate manner at the earliest opportunity, the Whistleblowing Policy is further explained in our Employee's Handbook while the general public can access this on our website at www.pesona.com.my

To make sure that our governance framework consistently remains comprehensive and up-to-date, we work closely with the relevant regulatory bodies to ensure stringent compliance with regulatory requirements. Today, the Board continues to evaluate potential risks and introduce the necessary compliance measures in response to Section 17A of The Malaysian Anti-Corruption Commission ("MACC") Act 2009 which came into effect on 1 June 2020. In addition to this legislation, PMHB has also incorporated its Anti-Corruption Anti-Bribery Policy and Procedures into its Code of Conduct, in accordance with Bursa Securities' MMLR and in compliance with the MACC's Section 17A ruling.

Our Commitment to Excellence

The Group continues to be recognised for its commitment to upholding excellence throughout its operations. The Group did not participate in any safety events last year. Due to the reasons that were unique to 2022, physical gatherings were not encouraged in this specific area. For the details of the awards and accolades that PMHB received during the year in review, please refer to the Social: Occupational Health and Safety section of this Report.



SUSTAINABILITY REPORT (CONT'D)

UPHOLDING GOOD ENVIRONMENTAL PRACTICES

Education and Awareness Programmes

One of our key goals is to mitigate the negative impact of our operations and businesses upon the environment. To this end, the Group puts into practice various strategic initiatives that allow us to bolster our protection and preservation of the environment in a sustainable manner. To ensure environmental awareness is inculcated throughout every level of the Group, we continue to roll out educational and awareness programmes to our valued employees, workers, sub-contractors and suppliers. This is helping us ensure that environmental conservation is continuously advocated across the Group.

Green 5S Practices

In line with our ambition of cultivating a “greener” organisation, PMHB was one of the first builders in Malaysia to subscribe to the 5S methodology. The 5S methodology enables our project sites to continually remain organised, clean and incident-free. All of the Group’s projects have been audited by the SIRIM Green 5S team for their relevant Green 5S practices. PMHB’s The Mews project site was the first of our sites to achieve a Zero Non-Conformance Report under SIRIM’s Green 5S Audit back in 2017.

Upon Malaysia entering the endemic stage and pandemic restrictions being lifted, the Group was able to conduct 5S Awareness training sessions at six project sites and three 5S Awareness training sessions at Headquarters (HQ), during the year in review. In addition, the Group also organised 46 weekly 5S Site Coordination and Surveillance sessions as well as three HQ 5S Monthly Audit sessions.

The SIRIM Green 5S Audits provide a formal track record of the Group’s 5S efforts. These audits enable us to track our progress in relation to our Zero Non-Conformance commitment at our project sites. PMHB’s accomplishments in this area have helped establish the Group as a trusted builder in the construction industry.

7-Year SIRIM 5S External Audit Results

Year of Audit	Project Sites	Number of Non-Conformance Reports	Number of Issues Under Observation
2015	UNIMAP, Perlis	3	23
	The Mews, Kuala Lumpur	3	24
	Third Avenue, Cyberjaya	4	35
2016	The Mews, Kuala Lumpur	0	13
	Third Avenue, Cyberjaya	2	11
	KPJ Bandar Dato’ Onn Specialist Hospital, Johor	5	13
2017	Residensi Gen, Kuala Lumpur	0	3
	Central Plaza i-City Mall, Selangor	0	6
	Gua Musang Seksyen 3E2, Pahang	3	9
2018	UniSZA, Terengganu	0	5
2019	Eaton Residences, Kuala Lumpur	0	10
	Lot 15 SJCC, Selangor	3	17
	Conlay 301, Kuala Lumpur	0	18
2020	Conlay 301, Kuala Lumpur	0	3
2021*	-	0	0
2022	TNB Gold, Bangsar	0	2

* Back in 2021, due to the COVID-19-induced operational restrictions, we did not conduct any auditing exercises at our sites.



SUSTAINABILITY REPORT (CONT'D)

Environmental Talks

As part of PMHB's aim to cultivate a greener organisation, the Group remains compliant with regulatory requirements. The Group's environmental preservation efforts are regulated by systems that keep it on course as part of its efforts to be a good practitioner. These regulatory systems are complemented by quarterly refresher courses and sharing sessions with project teams, enabling the Group to adopt a more comprehensive approach in relation to its check-and-balance efforts.

The successful maintenance of PMHB's Green 5S performance can be attributed to its effective on-site implementation of environmental and 5S practices. The number of in-house environmental talks that the Group conducted for its employees between 2018 and 2022 can be seen in the following table:

	2018	2019	2020	2021	2022
Environmental Talks during EMS Internal Audits at Project Sites	5	7	7	14	19
Environmental Talks during EMS Internal Audits at Headquarters	1	4	5	7	12
Induction Programme (EMS Session) – introduced in Nov 2018	1	5	2	2	1

The Group's new employees are required to undergo an introduction to PMHB's culture and our commitment to environmental conservation and 3R activities as part of their induction process. In addition, new employees are also encouraged to uphold group-wide campaigns such as the Styrofoam Food Packaging Campaign which we continued to implement throughout FY2022. The campaign strictly prohibits the use of plastic/polystyrene food and beverage packaging at our offices and project sites. We aim to minimise the use of non-biodegradable waste by encouraging our workers and employees to utilise reusable containers in lieu of single-use plastic.

Materials Management

In line with the Group's goal to minimise waste, PMHB has implemented a materials management programme at all its project sites. Our materials management programme continues to deliver stable and effective results by mitigating processes that may lead to waste at the Group's project sites. This is done by meticulously budgeting construction materials across all project sites. The decrease in wastage has enabled the Group to consolidate its resources as well as garner more savings from the decreased landfill input.

Raw Materials Management

The Group also sources raw materials locally as well as sets budgets for its purchases in accordance with the number of projects being carried out to support its agenda to minimise waste. For the purpose of this Report, we focus on the three main construction materials which make up some 80% of the Group's raw materials.

	2019	2020	2021	2022
Steel Bar (tonnes)	18,487	10,557	10,472	10,110
Concrete (m ³)	188,944	95,222	114,721	86,597
Timber (tonnes)	1,159	506	288	553

PMHB has set a limit for the maximum amount of acceptable wastage in our operations to ensure the efficiency of the utilisation of construction materials. The following table portrays the amount of waste generated from the Group's ongoing projects in FY2022.

	Target/Allowed Wastage	Actual Wastage
Steel Bars	7%	1.58%
Concrete	5%	1.00%
Timber (with a 4-time lifecycle)	10%	3.17%

SUSTAINABILITY REPORT (CONT'D)

Raw Materials Management (cont'd)

As we make good progress forward in our conservation of resources, we will continue to further review and strengthen the Group's materials management programme for better results. Through the continuous monitoring of the construction materials wastage output, the dedication of our site management teams, and the reduction of the materials management percentage, the programme has proven successful thus far. Moving forward, we will continue to work closely with our teams to take the necessary actions to mitigate any potential wastage.

Utilities Management

In line with our aspiration of becoming more eco-friendly, the Group practices resource consolidation, particularly in the area of construction materials and the consumption of utilities across its project sites. The consumption of essential utilities such as diesel, petrol, water and electricity at our construction sites is closely monitored to further reduce the Group's carbon footprint.

In addition, the Group also advocates the importance of the conservation of water through the utilisation of rain-water harvesting methods. This sees recycled water being used to supply water for cleaning purposes at sites as well as to wash tyres and other objects. The amount of potable water used is also monitored and determined by the number of workers residing at each site. The Group's water usage at our project sites have been decreasing significantly from year to year. However, in 2022, there was an increase in water usage at HQ due to all staff returning physically to the office.

Water Usage (m³)

	2019	2020	2021	2022
Project Sites	94,728	90,614	127,532	100,351
Headquarters	1,754	1,735	1,711	1,793

The on-site use of diesel often peaks in the beginning of the construction cycle, when it is used to power machinery before the electricity supply is established. Consequently, the amount of diesel usage on-site tends to downtrend once electricity is made available on site and fully utilised. In 2021, the Group's total amount of diesel utilisation significantly decreased as all construction projects came to a halt as various movement control orders were reinstated by the government throughout the year, due to the COVID-19 pandemic. In 2022, diesel utilisation decreased even further due to the completion of three construction projects during the year.

Diesel Usage (litres)

	2019	2020	2021	2022
Project Sites	656,640	473,248	108,099	89,571
Headquarters	9,120	8,610	7,669	7,501

Electricity Usage (kWh)²

	2019	2020	2021	2022
Project Sites	2,464,521	2,892,113	3,347,919	1,947,840
Headquarters	142,885	139,412	109,515	124,247

The primary use of petrol within PMHB is limited to fuelling the vehicles that ferry workers and employees to and from the Group's sites. Because of its limited use, the amount used is significantly smaller than other utilities. Since petrol remains a contributor to the Group's carbon footprint, we have included it in this Report. The increase in petrol usage in 2022 was attributable to the return of our staff to the Group's sites.

Petrol Usage (litres)

	2019	2020	2021	2022
Project Sites	67,726	68,655	52,123	52,778
Headquarters	89,616	70,300	53,962	71,278



SUSTAINABILITY REPORT (CONT'D)

Waste Management

PMHB's initiatives to limit the generation of general waste falls under the ambit of a comprehensive waste management programme which covers the general scope of its operations. The programme comprises the following targets:

- To minimise formwork wastage (by recycling formworks or using alternative non-traditional formworks which are recyclable);
- To minimise packaging waste resulting from products purchased;
- To minimise rework and thus reduce the cost, materials, time and effort spent;
- To minimise materials damage due to negligence; and
- To minimise the quantity of unused materials and wrongly-ordered materials which cannot be returned/reused due to their specifications.

The following programmes enable us to achieve these targets in a sustainable manner:

Waste Management Targets and Programmes

Minimising Formwork Wastage

In order to reduce the high percentage of timber wastage that is involved in the manufacturing and temporal usage of conventional frameworks, the Group utilises non-conventional recyclable formworks. The recyclable formworks that are currently in use include table-forms, jump-forms, aluminium forms, as well as proprietary-type system formworks which can be reused for extended periods. Despite the usage of these reusable formworks, PMHB still requires timber formworks for project structures that are not identical which require more flexible formwork.

Optimising Formwork Usage

We first achieved a stable 90% rate of system formworks usage at all our sites in 2019 and we continue to maintain this milestone today. This achievement reflects our efforts to reduce the usage of timber formworks at project sites through the long-term investment in fixed assets such as system formworks.

Minimising Packaging Waste

In line with our sustainability agenda, PMHB recycles the generated waste from protective packaging as often as possible to decrease the amount of waste that is disposed in landfills, amounting to approximately 60% of all construction waste. The waste which predominantly comprises timber pallets, timber crates, cardboard boxes, plastic wrappers as well as metal strips, is later on re-purposed to be used in features such as temporary walling systems, walkways, temporary low-fencing and road barriers at the Group's project sites.

Minimising Rework

PMHB addresses waste management in our projects through reducing the level of rework in the construction process by carefully inspecting projects while they are still in the blueprint phase. By employing



innovative technologies such as Building Information Modelling ("BIM") and Virtual Design and Construction ("VDC"), the Group is able to locate potential errors that may occur prior to the construction phase of our projects. Bringing correction and alignment to these errors during the planning phase of a project reduces risk as it allows for the mitigation of additional expenses as well as the potential loss of resources and time. PMHB's BIM team continues to oversee this vital aspect of the construction process.

Minimising Instances of Damaged Materials

PMHB's implementation of the 5S system ensures the presence of safe and proper storage of materials at our construction sites. This further reduces unnecessary expenses incurred by the Group as it lowers the risk of materials being damaged. The system outlines the following undertakings:

- Prefabricated steel frames are used to store steel bar bundles which helps prevent corrosion when the bundles encounter moisture from the ground;
- Proper designation of boxes/areas for the storing of scaffolding components such as joint pins, swivel clamps, jack bases, u-heads, cross bracing, catwalk platforms and frames. Boxes are also placed on every floor to enable workers to return the unused smaller components in a convenient manner so that they do not get misplaced; and
- Fragile materials are appropriately tagged and materials with expiry dates are organised according to their dates in a "first-in, first-out" order.

Recycling Efforts

In line with our agenda to become more eco-friendly, we continue with our efforts to minimise waste in other areas too. In FY2022, we continued to partner with NGOs to process the recyclable waste collected from our HQ as well as the homes of our employees. This practice serves to instil a sense of responsibility amongst our employees when recycling. In addition to this, our project sites also continue to uphold proper recycling practices by repurposing construction waste where possible as well as transporting recyclable waste to recycling centres.

SUSTAINABILITY REPORT (CONT'D)

Results of 2022 Recycling Efforts (kg)

	Headquarters					All Project Sites				
	2018	2019	2020	2021	2022	2018	2019	2020	2021	2022
Carton Boxes/Cardboard	6,687	4,222	6,458	4,080	2,770	9,333	13,974	51,950	44,439	30,167
Plastics & PVC	883	343	343	94	34	2,297	8,812	26,398	6,667	2,394
Metal/Aluminium/Iron	0	20	25	5	3	547	624	1,763	1,363	925
Others (shredded paper, glass, unused film)	1,699	2,852	3,613	-	-	116	1,705	9,780	9,897	3,553

Pollution Control and Management

Aside from our recycling efforts, the Group also aims to strategically manage its carbon footprint significantly through estimating the potential carbon output of every project prior to the commencement of each project. With the trusted help of a sustainability consultant, the Group's projects are developed in compliance with regulatory requirements known as the Environmental Management Plan ("EMP"). The sustainability consultant is responsible for overseeing the EMP which covers the monthly monitoring system for water quality, air quality, noise levels and vibrations, ensuring that the activities carried out comply with Department of Environment Malaysia's requirements.

In addition to measuring its carbon output, PMHB also continues to uphold the reinforcement of its environmental performance in its construction activities through several measures which are not only friendly to the environment, but also deter contamination. These measures include metal drip trays for oil leakage protection, grease/oil interceptors at all canteen and kitchen facilities, proper Imhoff tanks for toilets, water browsers to reduce air particulate, and the use of water jets and wash troughs to clean lorries and the tyres of other vehicles.

Our Commitment to Implementing Good Environmental Management Systems

PMHB's environmental initiatives are aligned with the latest International Standard for Environmental Management Systems ("EMS"), ISO14001:2015. The initiatives are carried out by our main subsidiary, PMSB, which remains committed to implementation of the following EMS formulation processes which are in line with the new standard:

- **Strategic Environmental Management Planning:** PMSB's enhanced strategic planning process prioritises the actions that revolve around mitigating risk and capitalising on opportunities. The process enables the identification of risks and opportunities related to environmental matters, compliance obligations and other issues that are driven by the business context, including the needs and expectations of internal and external stakeholders;
- **Risk-Based Thinking:** PMSB's application of risk-based thinking supports the Group's aim to identify and focus on actions that can reduce its environmental impact;
- **Leadership:** PMSB has appointed key people to take the lead role in advocating environmental management within its organisation. The Group's top management and senior managers are committed to advocating greater leadership to ensure all action plans across the board are in line with the Group's EMS objectives and requirements;
- **Protecting the Environment:** PMSB's goal to further expound on the organisation's environmental protection goals comes under the ambit of this initiative which includes the prevention of pollution and the proper use of sustainable resources;
- **Process Approach:** PMSB is redirecting its sole focus on EMS to include other outcomes as well as results;
- **Environmental Performance:** PMSB aims to redirect its focus from solely highlighting the organisation's policy, commitment and continuous environmental performance to include other measures such as the reduction of emissions, effluents and carbon footprint;
- **Lifecycle Perspective:** The Group aims to enhance the entire lifecycle of its products and services to be more environmentally efficient for the long term. This will include lifecycle stages such as the acquisition of raw materials, design, production, transportation/ delivery, end of life treatment and final disposal in addition to onsite activities;
- **Integration with Business Process:** The Group's EMS objectives have been integrated as part of its business processes so that it now incorporates procurement, subcontract management, construction implementation, asset management and human resource activities. This integration is in line with the Group's objectives and Bursa Securities' requirements for sustainable development on the EES fronts.



SUSTAINABILITY REPORT (CONT'D)

UPHOLDING GOOD SOCIAL PRACTICES

SOCIAL: LABOUR & DECENT WORKPLACE PRACTICES

The Group remains committed to treating all members of its workforce respectfully and equally, regardless of race, background, gender and age. PMHB's "fair and equal opportunity policy" acts as a guide in our approach to human resources as outlined in our Employee Handbook. As a forward-thinking organisation, the Group will continue to uphold its role as a preferred employer of committed individuals who originate from different backgrounds, cultures, religions, races and nationalities.

Composition of the Board

PMHB's Board of Directors currently comprises one female Director, namely Pn. Salwa Binti Shamshuddin, an Independent Non-Executive Director, who also serves as a member of the Audit Committee. A valued member of the Board, Pn. Salwa's input enables the Group to uphold a more balanced, well-rounded sharing of views and opinions between the genders through her diverse experiences and insightful perspectives. Moreover, her appointment to the Board is compliant with Bursa Securities' recommendations to foster gender equality on the Board.



PMHB's Workforce

PMHB's success can be attributed to the tremendous and continuous efforts of the hard-working, ever committed, and talented individuals who form our valued workforce. As of December 2022, the Group registered a total count of 254 employees (end 2021: 296 employees). The following table details the composition of the Group's workforce over the past three years:

	2020	2021	2022
Total Number of Employees	367	296	254
Gender (Gender Equality):			
Male	77%	73%	74%
Female	23%	27%	26%
Age (Inclusivity):			
> 50 years old	17%	18%	18%
30 – 50 years old	55%	57%	60%
< 30 years old	28%	25%	22%
Race (Diversity):			
Malay	56%	52%	52%
Chinese	35%	38%	38%
Indian	7%	7%	7%
Others	2%	2%	2%
Type of Employment (Fair Employment Policy):			
Permanent	45%	48%	49%
Contractual	55%	52%	51%
Nationality (Local Labour Employment):			
Malaysian	100%	100%	100%
Non-Malaysian	0%	0%	0%
Skills (Product Quality):			
Technical	79%	77%	77%
Non-technical	21%	23%	23%
Years of Service (Talent Attraction & Retention):			
< 1 year	23%	5%	11%
1 – 3 years	22%	29%	8%
> 3 – 6 years	27%	26%	25%
> 6 – 10 years	17%	23%	31%
> 10 years	11%	17%	25%
Staff Turnover Rate	20%	26.67%	27.84%
Health & Safety:			
Worked Manhours	11,400,772	8,435,172	5,727,975
Fatal Accidents	0	0	1
Lost Time Injury Accidents	0	0	0
Accident Frequency Rate/Million Hours	0	0	0

SUSTAINABILITY REPORT (CONT'D)

As a progressive organisation, the Group focuses its efforts on further developing the demographic of our female employees in the construction industry where male-domination is evident. This growth is reflected in PMHB's current workforce gender ratio and will remain a top priority for the Group.

With regard to racial diversity, the Group's Malay and Chinese employees continue to form the majority of our valued workforce, followed by Indians and other races.

In FY2022, PMHB's staff turnover rate increased to 28% from 26% compared to the year prior. The Group optimistically views the staff turnover cycle as a healthy contributor to operational sustainability as the stream of new recruits into PMHB allows for the cultivation of new ideas, fresh perspectives and approaches to take place on an annual basis. In addition to all this, younger employees are also motivated to gain more experience by climbing up the corporate ladder while filling in the roles left vacant by their former seniors in the company.

We regret to report that in May 2022, a valued member of our workforce lost his life due to electrocution while installing a gondola at the Tria9 project site in Seputeh. We wish to extend our deepest condolences to all those who were affected by this incident. The Group has taken all the necessary measures to investigate the incident and has put in place the necessary precautions to prevent such a recurrence while upholding the safety and protection of our valued team. For information on our health and safety initiatives, please refer to the "Occupational Health and Safety" sub-section within this Social segment.

Human Rights

PMHB continues to implement practices that uphold the rights of all its employees and workers. With regard to our general on-site workers (blue-collar workers), the Group has established the following standards to ensure that their wellbeing and rights remain protected and prioritised:

- Separate sanitary areas (i.e., shower areas and toilets) for both males and females, ensuring their privacy;
- Proper cooking area which includes easily accessible fire extinguishers as well as a proper wash area to ensure cleanliness and good hygiene at the cooking and canteen area;
- A designated worship area in the worker's camp, ensuring workers are able to exercise their faith in a suitable environment;
- An entertainment area equipped with television, that workers can utilise during interval breaks;
- A clean water dispenser where potable water is readily made available;
- Resting areas equipped with beds to ensure that workers get appropriate rest;
- A 30-minute break given during an interval of 1.5 to 2 hours of work; and
- A 60-minute lunch break.

In line with our agenda to ensure the protection of human rights for our employees, the Group holds strong views against the enslavement of individuals and child labour both as a practice in general and especially within our operations. We believe in striving to ensure that

the equal and humane treatment of our workers remains free of any kind of discrimination, be it in nationality, gender or age. In addition to our transparent practices, all the Group's workers are employed via legal means, ensuring the ownership of CIDB green cards issued by the Construction Industry Development Board of Malaysia.

Our employee policies on the fair and equal treatment of our white-collar employees are communicated to all personnel via the PMHB Employee Handbook. This handbook also highlights the various benefits that our employees are entitled to.

Work-Life Integration

The nature of work in the construction industry often requires our employees and workers to undertake lengthy periods of strenuous activity. To offset the potential constraints of a demanding construction work-cycle and ensure the wellbeing of our workforce, we continue to take up measures that will help us to create a supportive and beneficial workplace. These initiatives are in line with our understanding that the physical and mental health of our employees are crucial to the sustainable success of our business and operational endeavours.

Sports for Physical and Mental Wellbeing

PMHB highly encourages its members to prioritise a healthy work-life balance in line with our belief that all members of the Group should remain healthy in both mind and body. This belief has led to the organisation of after-work sports activities held at both its HQ and construction sites for members of its workforce. These engaging activities include various sports such as futsal, bowling and badminton which are held on a weekly basis. In addition to these activities, the Group's staff have also been given access to the fitness centre located near its HQ where fully functional facilities including a gymnasium and heated showers are available for utilisation. The option of participating in group fitness classes is also available to staff based at HQ.

In total, the Group organised 156 physical activities for its members in FY2022 compared to the 55 physical activities organised in the year prior. This significant increase was due to the fact that COVID-19 related restrictions for face-to-face gatherings finally came to an end upon the nation's transition to the endemic stage in April 2022.



SUSTAINABILITY REPORT (CONT'D)

Education and Personal Development

PMHB is committed to contributing to the nation's economic development through offering undergraduate internship programmes at both its construction sites and offices. In FY2022, the Group continued the implementation of this programme which provides practical work experience at its construction sites and offices to students who need to fulfil practical training as per their academic requirements.

Internship Programme

In FY2022, the Group accepted a total of 14 brand new interns with nine interns at HQ and an additional five interns at its construction sites during the year in review. These internship placements are the results of the sponsorship initiatives which PMHB continues to carry out in conjunction with the Universiti Tunku Abdul Rahman ("UTAR").

	2019	2020	2021	2022
Interns at HQ	10	11	3	5
Interns at Project Sites	46	29	7	9
Total	56	40	10	14

Training & Development

In FY2022, the Group's employees underwent a total of 6.32 training hours in comparison to 0.62 training hours per employee in the year prior. Training and development took place as per the training categories listed below:

	2019	2020	2021	2022
Health & Safety	25	10	1	3
Quality & Technical	29	13	9	15
Environmental	9	4	1	2
Corporate Governance	5	1	0	0

The increase in the number training hours over FY2022 can be attributed to the reduction in gathering restrictions as we transitioned to the endemic phase.

Employee Reward and Recognition Practices

The Group strongly believes in recognising our employees for their good work ethic and the commitment shown towards our organisation. As such, we continue to reward the hard work and efforts of those employees who specifically stand out during each operational year in review. These activities are part of PMHB's initiative to strengthen its position as an employer of choice.

Employee Recognition Awards

The Group has organised the following recognition programmes over the past few years in recognition of the diligent, loyal and exceptionally high-performing individuals within our organisation:

- **PMHB's Good Action Award** recognises the additional contributions/efforts by employees or project teams that increase the efficiency of working methods, leading to enhanced productivity and effectiveness in the delivery of quality products to our customers.
- **PMHB's HSE Excellence Award** recognises employees who prioritise good HSE practices while fully complying with HSE requirements.
- **PMHB's Good Attendance Award** recognises employees who have achieved full attendance, prioritise punctuality and have not taken any sick leave during the year.
- **The Group's 10-Year and 20-Year Long Service Awards** honours long-serving employees who are loyal and have served the Group over a period of 10 or 20 years.
- **PMHB's Green 5S Award** recognises employees and project sites that have contributed to organising and implementing 5S practices at the workplace through team effort; carried out good communications to motivate other colleagues to join in the 5S efforts via posters, notices and labels; as well as implemented a good 5S setup at the workplace.

However, similar to the situation in FY2021, we did not carry out any recognition programmes in FY2022, as operational restrictions made it difficult to gather the data necessary for the efficient execution of the programme.



SUSTAINABILITY REPORT (CONT'D)

Annual Appraisal

In addition to our recognition awards, the Group is also committed to practicing an appraisal exercise that serves to help our employees shape and frame their career paths. In this exercise, our employees are rewarded at the end of every financial year following an evaluation and appraisal of their performance, competency and personal attributes. This process also further enables the Group to examine each employee's performance, highlighting areas for improvement and identifying the appropriate training and development activities that will best benefit the employee. PMHB will continue to uphold the implementation of these necessary measures to assist and inspire our employees to continuously aim higher and achieve their career goals while meeting the Group's requirements.

Employee Welfare and Benefits

The Group provides standard employee benefits such as general group health insurance, medical claims, paid and special leave, as well as travel and outstation allowances to members of our workforce. On top of these benefits, PMHB also provides the following employee welfare benefits:

- Staff housing for overseas and outstation employees;
- Medical benefits and group health insurance are provided to each and every employee fairly and equally without discrimination to their job grades;
- Sanitary toilet facilities are prepared for worker convenience on all alternate floors at high-rise building construction sites; and
- All on site workers are provided with masks and full Personal Protective Equipment ("PPE") to ensure that they are well protected from potential hazards at construction sites.

These benefits are provided equally to each and every employee of the Group, regardless of nationality and background. Aside from these benefits, education on PMHB's Work Culture, Employee Benefits, Health and Safety Practices, Quality and Environment Practices as well as PMHB's Fair and Equal Policy is also accorded to all new employees via the Employee Induction Programme. Every new employee to the Group is required to attend this mandatory induction programme within a month of assuming their roles within the organisation.

As representatives of the Group, our employees are also required to uphold the Employee Code of Conduct. The code is highlighted in the Employee Handbook which also includes an outline of the Group's policies on work ethics as well as anti-corruption and bribery practices.



As part of the Group's employee engagement efforts, PMHB carried out its fifth groupwide employee survey in FY2022 to further strengthen our workforce. PMHB garnered a total of 82 responses to the 2022 survey, thus meeting the Group's target of reaching a minimum response rate of 25%.

Employee Engagement

PMHB understands and acknowledges that clear and consistent communication plays a key role in an organisation's success. As such, we continue to organise opportunities to further enhance healthy employee engagement. These beneficial engagement activities include events such as corporate social responsibility initiatives, sport activities, festive celebrations and the Group's Annual Dinner. These events assist in the strengthening and cultivation of management-employee relationships, through developing better levels of trust and communication. The following initiatives are also part of the Group's agenda for engagement:

Annual Employee Survey

As part of the Group's employee engagement initiative, PMHB carried out its fifth groupwide employee survey in FY2022 to further strengthen our workforce. The term "employees" refers to all staff members who are registered under the Group's payroll. PMHB garnered a total of 82 responses to the 2022 survey, thus meeting the Group's target of reaching a minimum response rate of 25%.

Greater Use of Technology Platforms

In order to maintain a steady line of communication with our diverse stakeholders, the Group leverages advanced digital communication platforms. By according our employees easy access to social interaction platforms such as WhatsApp which facilitates seamless data communication on a real time basis. we are enabling our teams to more effectively track project progress. In addition, PMHB also employs its intranet platform, eBoard, which enables the dissemination of corporate information, project updates and group-wide activities to all employees on a common platform, resulting in better communication across the Group.



SUSTAINABILITY REPORT (CONT'D)



SOCIAL: OCCUPATIONAL HEALTH AND SAFETY

Recognised for Good Health and Safety Measures

Due to events that were unique to 2022, the Group did not participate in any safety award events last year as physical gatherings were discouraged in this specific area.

Continuing to Uphold Stringent Health and Safety Standards

PMHB is deeply committed to upholding the highest occupational health and safety ("OSH") standards throughout our operations. We continue to subscribe to OSH best practices through the most recent upgrade of ISO 45001:2018, a system under the renowned international standards for occupational health and safety. The mandatory participation of leadership within this new standard propels our management teams to commit to continuously being intentional when it comes to embedding good OSH practices within the purchase-decision-making process, thereby resulting in a healthier and safer working environment across the organisation.

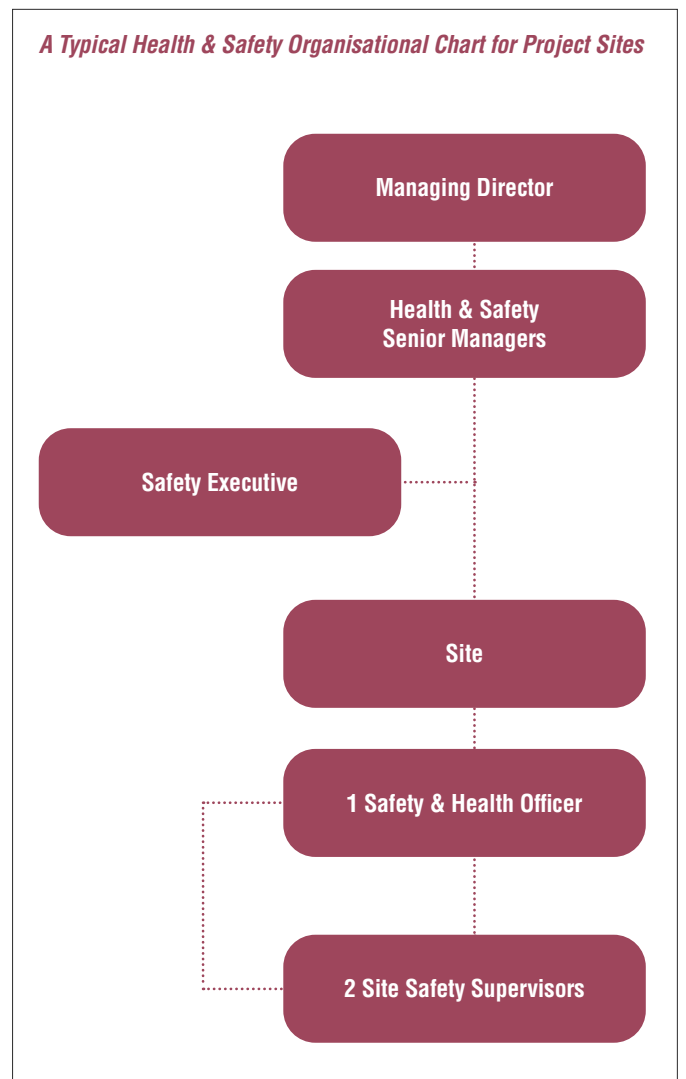
Our Health and Safety Policy

In line with our agenda to uphold health and safety as a fundamental priority within our organisation, the Group continues to direct its efforts towards establishing a more coherent and preventative working environment. PMHB has embedded strict regulations within our operational facilities which requires all personnel to fully comply with these mandatory regulations. Establishing a comprehensible definition of rules and regulations within our operational workflows has not only equipped our workforce to be more insightful with their roles and responsibilities but has also resulted in the development of safe working practices across the Group.

In addition to the initiatives above, PMHB has established a standard organisational flow for health and safety measures, ensuring that all work procedures are carried out safely and in accordance with the law. These measures aim to mitigate, eliminate and avoid all potential health and safety risks towards our valued employees, co-workers and assets across our organisation.

The following chart highlights the typical organisational flow for health and safety matters:

A Typical Health & Safety Organisational Chart for Project Sites



SUSTAINABILITY REPORT (CONT'D)

Safety Efforts

As part of our efforts to uphold high standards of OSH practices throughout the Group, we continued to implement the following activities at our project sites in FY2022:

Target	Actual	Remarks/Reasons
A minimum of one Safety Health Officer (“SHO”) and two Site Safety Supervisors (“SSS”) at each project site.	Achieved	All sites complied with the minimum requirements.
A minimum of one on-the-job coaching session for workers every week.	Achieved	On-the-job training was conducted every Wednesday with the aim of educating workers on how to deal with high-risk situations in their work. The coaching conducted sought to train employees to reduce the possibility of a situation by avoiding potential hazards. All project sites have complied with this requirement since 2018.
A minimum of one OSH training session on a half-yearly basis for employees and a minimum of one OSH training session per annum for sub-contractor staff.	Achieved	In 2022, all the employees and sub-contractors complied with COVID-19 preventive measures.
Not more than two medical treatment cases for every 1,000,000 man-hours worked.	Achieved	In 2022, there were only six medical treatment cases over the 5,727,975 man-hours worked.
A minimum of one recordable audit per month per site.	Achieved	Every site-walk was followed by a meeting where all matters raised from the audit were discussed and rectified immediately to make the workplace safer for employees.
Set KPIs for tasks incorporated into the Occupational Health and Safety Assessment Series (“OHSAS”) and POSH planning.	Achieved	Monthly KPIs were set in line with the OHSAS 18001 and POSH Plan. On top of this, the HSE team was tasked with adhering to a daily To-Do List.
Emergency Response Planning drill on a quarterly basis.	Achieved	-
Safety inspections and maintenance on plant, accessories and equipment per week per site.	Achieved	Safety inspections were carried out as scheduled on a weekly basis at all sites. These inspections covered welding sets, power tools, air compressors, mobile and tower cranes.
Achieve 100% passes for CIDB credential programme for Site Supervisors.	58% achieved	In 2022, some 58% of our Site Supervisors passed as compared to the 60% passing rate we achieved in 2021.
A minimum of two training sessions per annum under the Continuous Education Programme for safety staff by an external training provider.	Achieved	All SHOs attended external courses/training sessions in 2022, while SSS attended external courses/training sessions in the same year.



SUSTAINABILITY REPORT (CONT'D)



Training

Throughout the year, the Group proactively conducts various training sessions which specifically cater to the individual needs of each project site as well as the workers therein. These sessions serve to promote safe work practices while reducing any incidents that may potentially occur due to human error. The sessions are typically divided into three types of training as follows:

- **On-the-Job Training:** PMHB's on-the-job training module serves to equip our workers specifically for the various high-risk jobs that they will undertake. It is conducted by safety personnel such as Safety Officers or professional Site Safety Supervisors.
- **Internal Training:** Our internal training aims to educate our safety staff and all our personnel on the Group's standard operating procedures pertaining to safety. The training is led by professional practitioners and trainers who form part of the management team. Team members include the Senior Safety and Health Manager who communicates the Group's safe work practices standards, while our Safety and Health officer trains other staff on HIRARC procedures.
- **External Training:** This training further educates those in the workforce who conduct high-risk jobs. Considering the high-risk nature of their jobs, the training offers detailed theoretical information and practical on-the-job training which are absolutely crucial in ensuring the safety of our valued workers and staff members.

Inspections

Throughout FY2022, HQ continued to schedule weekly site inspections to ensure the relevant KPIs were fulfilled at each site. These comprehensive inspections which spell out the health and safety requirements for each site also cover the requirements for all heavy machinery in use such as tower cranes, mobile cranes, passenger hoists, air compressors, oxy-tanks, forklifts, bob-cats, as well as small power tools such as welding tools, fire extinguishers and even ladders.

Internal Audit

In order to ensure that all construction sites are operating in compliance with PMHB's safety standards, the Group's Head of Department ("HOD") Senior Safety and Health Manager conducts internal audits at each project site on a quarterly basis to assess each site's safety records, documentation and site practices. To date, the Group continues to undertake these tested and proven training practices at its HQ and all its work sites.

Behaviour Based Safety Programme

Behaviour Based Safety ("BBS") is a strategic coaching programme that inspires project teams to adopt the best safety frameworks and habits, irrespective of their positions and trades. The BBS programme is implemented and led by each site's respective Head of Project. This programme aims to encourage our frontline supervisors to further strengthen their responsibilities in the respective areas under their jurisdiction as well as to foster values such as good teamwork and commitment.

The programme focuses on the following best practices:

- Look for and identify the gaps in the project team's understanding of safety requirements;
- Facilitate comfortable one-on-one intervention sessions on individual task-related safety matters;
- Coach the team/personnel in areas where they are found to be deficient;
- Undertake stringent observation of on-field training on exposed hazards;
- Demonstrate safe operations by safety professionals when required;
- Reward outstanding personnel who comply with good safety practices; and
- Recognise tendencies for error and replace them by encouraging good habits for improvement.

Safety Reward and Recognition Programme

The Group's first Monthly Safety Reward and Recognition Programme was initiated in 2019 to celebrate and honour the efforts of our employees who maintain and improvise site safety. In line with our agenda to cultivate diligence, stewardship and overall good behaviour at the workplace, PMHB implemented a rewards and recognition system to drive this goal. Due to the unfortunate circumstances of the year in review, this programme has been put on hold for another consecutive year until further notice.



In line with our agenda to cultivate diligence, stewardship and overall good behaviour at the workplace, PMHB implemented a rewards and recognition system to drive this goal.

SUSTAINABILITY REPORT (CONT'D)

SOCIAL: COMMUNITY/SOCIETY

The Group is committed to enhancing the livelihood of the communities that we operate in and to developing a better Malaysia by undertaking effective corporate social responsibility (“CSR”) initiatives. To this end, we continue to organise CSR activities which include visits to charitable organisations as well as maintain a scholarship programme. Through a culture of continuously caring, we aim to inspire our employees to engage in charitable activities that enrich the communities that we operate in.

In previous years, PMHB’s visits to charitable homes were a regular practice which formed a significant portion of our community-based activities. The continued circumstances of the COVID-19 pandemic, however, have increased the health risks of running these events, making them both unsafe and impractical for the time being. Despite the reduced COVID-19 restrictions in FY2022, the Group did not venture forth to undertake any CSR activities.

Number of New Scholars			
2019	2020	2021	2022
9	-	1	-

Total Annual Scholarship Amount			
2019	2020	2021	2022
RM 215,000	RM 210,581	RM 125,000	RM 75,000

Members of PMHB are also encouraged to cultivate a culture of caring in their lifestyles through organising their own personal charitable initiatives. Our aim is to develop a workforce that is inspired to achieve excellence for the betterment of themselves and the communities around them.

SOCIAL: PRODUCT RESPONSIBILITY

In line with PMHB’s focus on maintaining sustainable business growth, the delivery of high quality products and services remains an integral part of its value proposition. To carry this out, PMHB continues to implement the appropriate measures to ensure the certification of the quality of its products and services as part of its commitment to deliver long-term value to its stakeholders.

The Group utilises the QLASSIC system to assess its projects as well as to guarantee that the quality of our projects meets the requirements set by our clients and the industry for the long term. The Quality Assessment System in Construction or QLASSIC is an independent method or system that measures and evaluates the level of quality of workmanship and finishes of building construction works. The Group’s Quality Assurance and Control team has set a QLASSIC score of 73% as the minimum score to be achieved in all our projects upon completion. Establishing a minimum score encourages the Group to further maintain consistent levels of excellence in all its projects comprising high quality results that are delivered on time, enabling the name of our brand to be strengthened.

The following roadmap enables PMHB to align its projects in terms of quality and standards:

- Internal QLASSIC Induction Training;
- QLASSIC Corner/Museum at every site for awareness and educational purpose;
- Quarterly QLASSIC Audit for ongoing projects to monitor their pace and guide their progress; and
- Final QLASSIC Audit and Post Mortem upon project completion.

Over the course of FY2022, PMHB successfully completed three construction projects, namely Lot 15 SJCC in Subang, Ativo Suites in Damansara Avenue, as well as MCT LakeFront Residence in Cyberjaya. The Group scored above and beyond the minimum required score for another consecutive year with all three of our projects. The Lot 15 SJCC and MCT LakeFront Residence projects achieved a Quality Assessment System in Construction or QLASSIC score of 79% while the Ativo Suites project scored an impressive 80.2%. This assessment was carried out in an unbiased manner according to the QLASSIC criteria by third-party assessors from the CIDB.

In addition, the Ativo Suites project located in Damansara Avenue as well as the Lot 15 SJCC project located in Subang also underwent a BuildQAS assessment (Singapore Standards), whereby they achieved a total score of 80% and 80.2% respectively. The BuildQAS Assessment from BuildQAS Consulting Singapore is an established third-party assessment system that bridges the quality expectations between developers and contractors, ensuring safe and responsible construction processes on every operational level. These scores serve to strengthen the Group’s foothold as a reputable and reliable developer within the industry.

Customer Satisfaction

When it comes to customer satisfaction, the Group assesses the quality of its offerings and services through our customer satisfaction standards. These standards serve as a gauge enabling us to ensure the maintenance of the standard of excellence within our organisation. In order to achieve this, the Group has established a Customer Satisfaction Target of 80%. Based on customer feedback, our evaluation of customer satisfaction comprises the following criteria:

- The overall project and the quality of the result;
- The Group’s responsiveness towards the needs and requirements of customers; and
- The Group’s expertise and technical knowledge.

In addition to these assessments, the Group also organises fortnightly site meetings for the purpose of communicating with clients and consultants. These meetings provide a platform for the discussion of work progress as well as the resolving of discrepancies as well as the accurate transcribing of all instructions and decisions.



SUSTAINABILITY REPORT (CONT'D)

Customer Satisfaction Rating

	2018	2019	2020	2021	2022
Less than 50%	-	-	-	-	-
50% to less than 80%	-	-	-	-	Lot 15 SJCC project: 75.6% MCT LakeFront Residence project: 68.9% Ativo Suites project: 77.8%
80% and above	Gua Musang Seksyen 3E2 project: 98% Third Avenue project: 80%	Central Plaza i-City Mall project: 89% Residensi Gen, Kuala Lumpur project: 84.4%	-	Conlay 301 project: 80% Eaton Residences project: 84.4%	0%

Over the course of FY2022, the Group achieved a customer satisfaction rating of 68.9% for its MCT LakeFront Residence project, 75.6% for its Lot 15 SJCC project, and 77.8% for its Ativo Suites, Damansara Avenue project.

Sub-Contractor Evaluation

The Group is committed to upholding high standards of quality and believes it is crucial that our sub-contractors also do the same. PMHB's sub-contractors add significant value to our organisation as they play a vital role in our operations. In line with this commitment, PMHB conducts an evaluation exercise for each sub-contractor based on their performance following the completion of each project. All work processes are assessed and discussed via dialogue sessions throughout the course of this evaluation.

Following a letter grading system, this assessment requires all sub-contractors to achieve a minimum score of 'B-'. After the completion of the assessment, the Group makes an executive decision to determine if these sub-contractors need to participate in induction courses to assist them in the strengthening their services. All Grade C sub-contractors will receive the opportunity to improve themselves and enhance their performances through additional training within the span of a single year. Part of the Group's practice includes issuing a notice of warning to all sub-contractors who have underperformed for the first time. If these sub-contractors fail to meet the Group's requirements after the first warning, they will be terminated accordingly in order to maintain high levels of quality across the Group.

In line with our agenda to maintain quality across the Group, we will continue to source for and replace those sub-contractors who have been terminated in order to achieve a minimum of 75% Grade B- sub-contractors in its pool. In addition to this process, the Group is also committed to enhancing the procedures within our sub-contractor interview process so as to facilitate more stringent inspections of a sub-contractor's skills and experience. The Group will organise various training sessions which will include meetings and induction programme, further enhancing the skills of our sub-contractors.

Sub-Contractor Evaluation Results

	2018	2019	2020	2021	2022
% of Sub-contractors with B-category and above	75%	71%	-	99.3%	Lot 15 SJCC: 89.3% Ativo Suites: 100%

SUSTAINABILITY REPORT (CONT'D)

Supplier Evaluation

PMHB's annual supplier evaluation serves to assess the capability of the Group's suppliers as well as their ability to deliver against the Group's standards of timeliness and product quality. This assessment enables PMHB to filter out non-performing suppliers, ensuring that the standard of products and services that the Group delivers are of high quality.

Similar to the format as the sub-contractor's evaluation, the supplier evaluation requires suppliers to achieve a minimum Grade C rating in their evaluations if they aim to remain on the Group's panel. In addition, suppliers who receive a Grade D rating will be dismissed from the panel in the following year.

Supplier Evaluation Results

	2017	2018	2019	2020	2021	2022
Grade A	-	-	-	-	-	5%
Grade B	75%	100%	100%	65%	47%	95%
Grade C	24%	-	-	35%	53%	0%
Grade D	1%	-	-	-	-	0%

In FY2022, some 95% of the Group's suppliers received a Grade B rating while the remaining 5% received a Grade A rating. PMHB remains committed to helping its suppliers to gradually develop and enhance their standards in a manner that is mutually beneficial for all parties.

Quality, Environment, and Occupational Health and Safety Management Standards

PMHB has completely upgraded its ISO 9001 and ISO 14001 standards to the 2015 requirements and is currently in the active process of upgrading its OHSAS 18001:2007 to the ISO45001:2018 standard. This upgrade is expected to be completed within the allocated three-year timeframe.

MOVING FORWARD INTO 2023

Moving forward, PMHB will continue to support future business growth by prioritising the delivery and provision of high quality products and services. We will endeavour to continuously strive for excellence in a manner that is both sustainable and responsible. In addition, we will also continue to focus on strengthening and enhancing the Group as a whole while adding significant value to the organisation and stakeholders for the long term.

