

PM

PESONA METRO

PESONA METRO HOLDINGS BERHAD

(Registration No. 201101029741) (957876-T)



SUSTAINABILITY REPORT 2023

SUSTAINABILITY STATEMENT

OUR SUSTAINABILITY COMMITMENT

At Pesona Metro Holdings Berhad (“PMHB”), we embrace our responsibility as a corporate entity dedicated to sustainable growth. Our goal extends beyond mere financial achievement, we aim to positively impact the communities we engage with and ensure the well-being of our planet for generations to come. Our commitment to sustainability, which is integrated into every facet of our operations, is supported by a strategic model that protects stakeholder interests and enhances operational effectiveness. This approach guarantees the economic, environmental, and social integrity of our operations, affirming PMHB’s comprehensive commitment to sustainable progress and responsible corporate conduct.

COMMITTED TO CREATING SUSTAINABLE VALUE

PMHB is an investment holding entity, listed under the Construction sector of the Main Market of Bursa Malaysia Securities Berhad (“Bursa Securities”). The Group’s expertise spans several key activities including civil engineering, building construction, river rehabilitation and beautification, concessionaire ventures, and the trading of materials related to building construction.

At its core, PMHB is committed to fostering a sustainable future, aiming to create enduring value for its stakeholders. This commitment is pursued through diligent efforts to drive sustainable advancements across Economic, Environmental, and Social (“EES”) dimensions. By adhering to responsible and sustainable management practices, PMHB continually enhances its operational efficiencies. This strategic focus facilitates a consistent growth in business activity across the Group, ensuring long-term stakeholder value and contributing to the Group’s sustained success in the construction industry.





SUSTAINABILITY STATEMENT



SCOPE AND BOUNDARY

This document marks PMHB's eighth Sustainability Statement ("Statement") and covers the significant EES initiatives undertaken in the 2023 financial year. To ensure this Statement upholds the highest standards of transparency and accountability, PMHB has conducted thorough engagements with stakeholders, both within and outside the organisation.

Reporting Period

1 January 2023 – 31 December 2023.

Reporting Cycle

Annually.

Business Entity Covered

This Statement focuses primarily on Pesona Metro Sdn Bhd ("PMSB"), the main subsidiary and Construction Division of the Group, which accounts for 95% of the Group's yearly revenue. It details the significant issues pertinent to PMSB's core operations but does not cover the undertakings of other PMHB subsidiaries. The Group's primary activities include the construction of commercial and residential buildings across Peninsular Malaysia.



Guidelines

This Statement aligns with and complies with Bursa Securities' Sustainability Reporting Guide (3rd edition) and its Enhanced Sustainability Reporting Disclosures.

Contents

The contents of this Sustainability Statement outline key issues of significance to the stakeholders of PMHB and has been prepared in compliance with the regulatory standards of local authorities. It is to be read in conjunction with the rest of the Group's 2023 Annual Report which covers other financial and non-financial aspects of the Group's business. Although not externally assured at this stage, this approach is in line with PMHB's strategy to refine its sustainability data management and oversight processes. Future plans include seeking external verification to further validate our commitment to transparency and accountability in our sustainability efforts.

Methodology

The aspects and issues emphasised in this Statement were put forward by the Group's Executive Committee, adhering to PMHB's customary approach. Following approval from the Board of Directors, the Working Committee has implemented the Statement's recommendations.

PMHB's Sustainability Journey

Since its founding in 1996, PMHB has been dedicated to growth and acting as a responsible corporate entity. In 2016, the Group developed and integrated its Sustainability Framework into its business model in response to Bursa Securities' introduction of Sustainability Reporting. This framework directs PMHB's business practices and operations towards achieving sustainable outcomes, while ensuring the Group's commitment to sustainability and fostering a durable future for its stakeholders.

The Group is focused on strictly adhering to sustainability standards and integrating sustainability aspects into its business models to further contribute to improvements in operational efficiency, cost reduction, revenue growth, and innovation for long-term success.

SUSTAINABILITY STATEMENT


SUSTAINABILITY THEMES

The Group has implemented specific sustainability themes throughout its operations to maintain uniformity in its sustainability initiatives:




HEALTH & SAFETY

The well-being and safety of both our employees and the surrounding communities are of utmost importance to PMHB. We recognise our duty to maintain a safe and healthy environment around our construction sites. To achieve this, we are constantly improving our equipment and practices to meet and exceed safety, health, and environmental standards set by regulatory bodies.



ENVIRONMENT

As a responsible contractor, PMHB is keenly aware of the potential environmental impact of our projects. We hold the environment dear, as our work puts us in direct contact with nature, including soil, vegetation, air, water, and wildlife. Therefore, we see it as our responsibility to conduct our operations with a high level of awareness and care for these finite resources, essential for human survival. As such, the Group is committed to treating all environmental issues with the highest regard, aiming to prevent any adverse effects on both people and the natural world.



LABOUR PRACTICES

PMHB is committed to fostering an inclusive workplace, ensuring fairness and equity for all employees, regardless of their employment status, nationality, race, religion, or gender. Additionally, PMHB champions the importance of a balanced work-life environment, recognising it as essential for the overall well-being of its team members, including their physical, mental, and emotional health.



PROFITABILITY

PMHB is committed to generating profit and creating value in our aim to sustainably expand our ventures as a conscientious corporate entity. Our goal is to uphold our commitment to delivering top-quality products on budget and on schedule, while striving to serve the public to the best of our ability.

SUSTAINABILITY GOVERNANCE

The Group's sustainability reporting is carried out and overseen in compliance with the highest standards of governance. In support of this, PMHB has put in place a governance framework that ensures accuracy, accountability, and transparency are maintained throughout every phase of the reporting process:



The Board of Directors and various committees have specific roles and responsibilities outlined as follows:

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

- The Board prioritises maintaining the highest standards of corporate governance and robust internal controls in its incorporation of sustainability considerations into the Group's strategic planning.
- The Executive Committee oversees the creation and refinement of the sustainability framework for the Group. This includes overseeing the preparation of the Sustainability Statement and Policy.
- The Sustainability Working Committee is responsible for monitoring the Group's progress towards its sustainability goals, reporting its findings during quarterly reviews to address and adjust any discrepancies between set targets and actual outcomes.

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Board of Directors

The Board of Directors at PMHB, comprises of seasoned professionals with a diverse range of expertise and experience, is dedicated to leading the organisation towards robust EES practices. This dedication is directed towards generating sustainable, long-term shareholder value by prioritising investments in initiatives that contribute to the sustainable progression of the Company's ventures.

Moreover, the Board is responsible for the meticulous oversight and successful implementation of EES initiatives throughout the Group. Their responsibilities further encompass the refinement of the Company's strategic orientation, guided by adherence to the principles of corporate governance excellence and the incorporation of critical sustainability considerations into their assessments. The Board also plays a pivotal role in the orchestration of planning processes that enhance PMHB's commitment to transparency, integrity, and accountability within all facets of its operational and managerial activities.



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.

Executive Committee

PMHB's Executive Committee, which includes the Chief Financial Officer ("CFO") and the Chief Operating Officer ("COO"), is in charge of reviewing, creating, and planning the Group's sustainability framework. Led by the Managing Director ("MD"), the committee's task is to update the Board on the progress of the Group's sustainability efforts. In addition to this, they are also responsible for crafting the Sustainability Statement and Policy, ensuring these documents are in line with the Group's sustainability strategy. Their duties encompass setting sustainability goals, identifying key stakeholders, and focusing on the most critical issues related to the EES aspects of sustainability reporting.



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 Statement and Policy.

Sustainability Working Committee

The Sustainability Working Committee of the Group serves to ensure the Group's sustainability targets align with PMHB's adoption of company-wide policies and best practices. Members of the committee are chosen for their roles' relevance to the Group's key sustainability concerns. They convene quarterly to assess progress and adjust any discrepancies between set targets.

PMHB is continuously reviewing and, where necessary, enhancing its sustainability governance framework to improve the efficiency of its strategic planning, execution, and reporting efforts. For further details on the Group's corporate governance and risk management frameworks, please refer to the Statement on Corporate Governance and the Statement on Risk Management and Internal Control within this Annual Report.



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.

STAKEHOLDER ENGAGEMENT

Engaging with stakeholders is a crucial part of PMHB's sustainability approach, especially as our operations and market presence grow. Our focus on building and strengthening relationships with our stakeholders is in line with our aim to position ourselves as a company centred around their interests. By regularly interacting with stakeholders, we address their needs and expectations promptly and accurately, thus ensuring our engagement strategies are in sync with the development phases of our projects throughout their lifecycle.

We methodically evaluate and address the needs of our stakeholders in an efficient and systematic manner. This process involves the identification of stakeholders and their classification according to their influence on, and impact from, our operations and supply chain. Our approach to understanding and responding to stakeholder expectations, as well as our methods of communication with them, are detailed in the Stakeholder Engagement Matrix.

SUSTAINABILITY STATEMENT

Stakeholder Engagement Matrix

Stakeholder	Stakeholder Expectations	Engagement Methods	How We Meet Our Stakeholder's Expectations
Clients	<ul style="list-style-type: none"> Project to be completed on time, within budget and good quality. Full compliance with authorities' rules and regulations with minimal penalties or summons. Zero fatalities. Proper project management and communications. 	<ul style="list-style-type: none"> Progress meeting (fortnightly). Site walk with client (ad hoc). Client satisfaction survey (upon completion of the project). 	<ul style="list-style-type: none"> QLASSIC score of 73% and above. Submission of monthly progress reports on time. Achieve a minimum 80% client satisfaction rate. All correspondence to be answered within 24-48 hours. Always assign a point of contact for clients e.g., Project Manager or Contract Manager.
Authorities & Regulators	<ul style="list-style-type: none"> Compliance with rules and regulations. 	<ul style="list-style-type: none"> Site inspections. Audits. Accreditation. Training sessions. 	<ul style="list-style-type: none"> Weekly internal site meeting and site inspection on HSE issues, 5S methodology, GBI matters to ensure compliance. Regularly attend training sessions/seminars/conferences/discussions to improve work methods and get updates on new regulations.
Employees	<ul style="list-style-type: none"> Attractive pay-out and job security. Career development and progression. Good HSE practices. Fair and equal treatment. 	<ul style="list-style-type: none"> Annual Staff Survey. Annual Appraisal. Staff activities. 	<ul style="list-style-type: none"> Corporate Social Responsibility ("CSR") activities to encourage off-site relationships with stakeholders. The operation of a transparent and fair rewarding mechanism based on merit. Regular updates on Group-related news and progress via the Group intranet. 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.
Business Partners (Suppliers & Sub-contractors)	<ul style="list-style-type: none"> Timely payment. Fair and transparent procurement processes. Safe work sites. 	<ul style="list-style-type: none"> Toolbox meetings. Weekly meetings. Transparent tender processes. Suppliers and sub-contractors evaluation. 	<ul style="list-style-type: none"> Achieve a minimum of 75% in Grade C and above rating for supplier evaluations. Achieve a 75% in Grade B- and above rating for sub-contractor evaluations. Factory/warehouse visits.
Media	<ul style="list-style-type: none"> Timely and transparent financial and corporate information. 	<ul style="list-style-type: none"> Press conferences. Corporate website. Press releases. 	<ul style="list-style-type: none"> Meetings with the Media after the Annual General Meeting. Press releases uploaded on the website for easy access by the Media.

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STAKEHOLDER PRIORITISATION

Every year, PMHB undertakes a stakeholder prioritisation exercise to ensure stakeholder needs are addressed effectively and efficiently. This process allows PMHB to strategically allocate attention and resources among different stakeholder groups. During this assessment, stakeholders are classified into two main groups based on their dependence on the Group and their capacity to influence it. The results from the most recent assessment are summarised in the following table:

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 formulated through the systematic organisation of data gathered during the stakeholder prioritisation process. Stakeholders were assorted based on the level of impact their perspectives and insights have on the Group's forward movement and development. Among these, the top seven stakeholders were identified and classified under High Dependency-High Influence due to their significant impact. Concurrently, other stakeholders were designated under the Low Dependency-High Influence category for the purposes outlined in this Statement.

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	1) Competitors 2) Media		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					

SUSTAINABILITY STATEMENT



MATERIAL MATTERS

PMHB places high importance on topics of materiality because of their potential to affect the Group’s capacity to generate, maintain, or diminish EES value concerning the organisation, its stakeholders, and the community. The Group methodically tackles these significant issues by analysing data and materials that offer in-depth perspectives on EES-related subjects that are most critical to its stakeholders. This analysis is thorough and includes specifics on the most effective ways to engage stakeholders such as through direct meetings, surveys, feedback mechanisms, and reviewing the practices of peers.

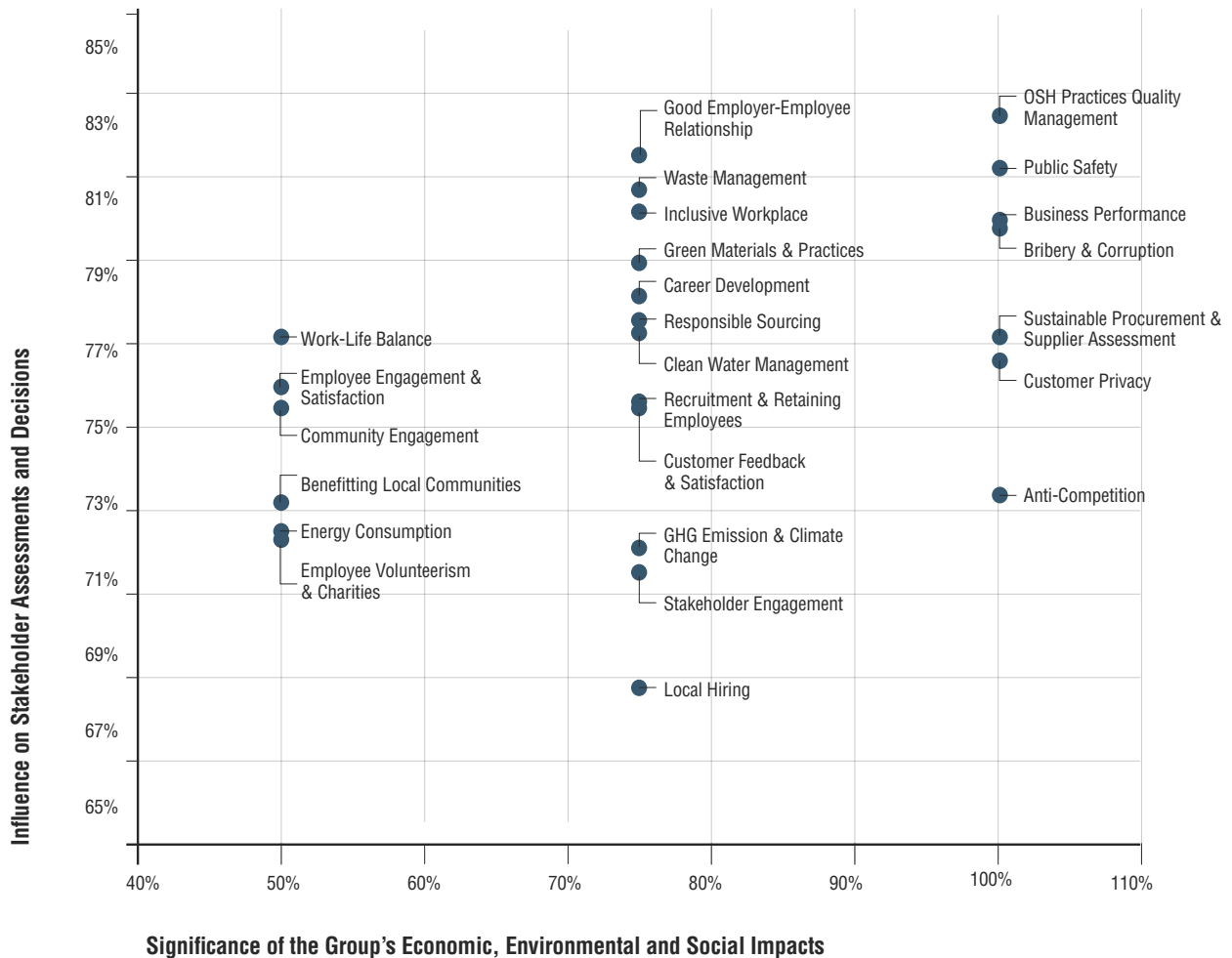
In 2018, two significant material analyses were conducted in February and December. Using Google Forms, surveys were distributed to key stakeholders identified as having High Dependency and High Influence on PMHB. This includes the Group’s employees, customers, suppliers, subcontractors, regulators, consultants, and bankers. The survey’s scope and parameters are detailed as follows:

Stakeholders	Parameters
Clients	Existing and past clients who have engaged the Company in jobs – both private and public organisations.
Authorities and Regulators	Governments, local councils, the Construction Industry Development Authority 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	Product and service providers.
Suppliers and Sub-contractors	Product and service providers.
General Public and 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.

The Group’s current Materiality Matrix below was based on the findings of these analyses. Given that the nature of our business and operational context has not changed much aside from the pandemic, the findings from the previous survey remain relevant and valid. In addition, the matrix was also used as a guide for plotting the 2023 Sustainability Roadmap.

SUSTAINABILITY STATEMENT

EES Materiality Matrix



UPHOLDING GOOD ECONOMIC PRACTICES

Strategic Direction

Our strategic focus is on enhancing our core businesses to secure continued sustainable growth. Through adaptive strategic realignments, we aim to maintain our forward momentum and enhance our agility in navigating the evolving market and economic conditions. For a comprehensive view of our strategic direction and an analysis of our financial and operational performance, please refer to the Management Discussion and Analysis section of our Annual Report.

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2023 Sustainability Roadmap (Targets and Achievements)

Health & Safety		Labour Practices		Environment		Product Quality	
Target	Achievements	Target	Achievements	Target	Achievements	Target	Achievements
Zero Fatality	Achieved	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%	4.19% 2.95% 7.81%	80% Customer Satisfaction	Not Achieved (73.3%)
Zero Stop Work Orders	Achieved	Minimum 14 hour/staff Training	Not Achieved	Zero Environmental Summons/ Notices	Achieved	75% Sub-Contract Grade B	Not Achieved (51.7%)
Zero Dengue Cases	Achieved	4 CSR activities	Achieved			75% Supplier Grade C and above	Achieved
		Internship	Not Achieved				
		i) 10 HQ ii) 25 Site	i) 2 HQ ii) 13 Site				
		8 Scholarships	Not Achieved				

For detailed insights into the sustainability themes highlighted above, kindly refer to the relevant sections within this Sustainability Statement.

Strengthening the Market Ecosystem

PMHB is committed to building meaningful relationships across its supply chain, from suppliers to customers, with a focus on market engagement. As a prominent player in Malaysia's construction industry, PMHB is dedicated to cultivating partnerships that promote sustainable growth and strengthen the sector. The Group aims to positively impact the communities and industries it serves by committing to long-term sustainable projects. Leading these efforts is PMHB's principal subsidiary, PMSB, which remains committed to contributing towards the country's economic development and growth.

Since its foundation in 1996 with just 20 employees, PMHB has become a major player in Malaysia's construction industry, now employing around 400 staff, including both permanent and contract personnel. The Company values employing workers from both local and international backgrounds through its support of cross-border employment and workforce diversity. Its skilled labour force includes specialists like carpenters and electricians, essential for its construction projects.

Moreover, PMHB supports domestic economic sectors by hiring locally and sourcing materials such as cement, steel, and timber from local suppliers alone. This practice not only opens growth opportunities for local producers but also minimises reliance on international suppliers, thus reducing the Group's exposure to global economic fluctuations and contributing more significantly to Malaysia's economy. PMHB's commitment to fair procurement practices and the adoption of new construction methods and technologies further enhances its contribution to the local construction industry.

SUPPLY CHAIN MANAGEMENT	2021 (%)	2022 (%)	2023 (%)
Proportion of spending on local suppliers	100%	100%	100%

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Transparent Marketplace Practices

Given the inherent risks associated with our operations, safeguarding our employees' safety by adhering to Malaysia's stringent construction regulations is a top priority. PMHB operates under the guidelines set by the Construction Industry Development Board ("CIDB") and undergoes audits by SIRIM. As a publicly listed entity, we also comply with the Main Market Listing Requirements ("MMLR") of Bursa Securities and are fully committed to championing transparency and promoting ethical conduct in the industry.

Our firm stance against bribery and corruption is demonstrated through our various practices and policies. The PMHB Induction Programme, introduced in 2019, plays a pivotal role in reinforcing our commitment to transparency among new employees by educating them about our zero-tolerance stance towards white-collar crime. This is supported by the widespread adoption of the Zero Tolerance Policy, detailed in the Group Employee Handbook, which underscores our commitment to combating unethical practices.

The Group has also implemented the following policies in its fight against unethical practices:

- The Group's Code of Conduct outlines our stance on business ethics and the integrity of our employees.
- Our Annual Report includes the Overview Statement on Corporate Governance, detailing the roles of the Board of Directors and its committees, along with other relevant details. The Board Charter is available on our website.
- The Open Tender Policy ensures fairness in subcontractor selections, requiring the presence of three out of five committee members at Tender Box openings, with at least one member from a different department than Tender and Contract to guarantee impartial decisions.
- The Whistleblowing Policy offers a secure way for employees to report concerns about financial irregularities, compliance issues, or other misconduct at an early stage. This policy is detailed in the Employee's Handbook, and accessible to the public on our website at www.pesona.com.my.

To ensure our governance framework remains comprehensive and current, we actively collaborate with regulatory authorities to meet strict compliance standards. The Board is proactive in assessing risks and implementing necessary compliance actions, especially in light of Section 17A of the Malaysian Anti-Corruption Commission ("MACC") Act 2009, which came into effect on 1 June 2020. Beyond this, PMHB has integrated Anti-Corruption and Anti-Bribery Policy and Procedures into its Code of Conduct, aligning with Bursa Securities' MMLR and adhering to the stipulations of MACC's Section 17A.

ANTI-CORRUPTION	UNIT	2021	2022	2023
Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	0%	100%	100%
Executive	Percentage	0%	100%	100%
Non-executive/Technical Staff	Percentage	0%	0%	0%
General Workers	Percentage	0%	0%	0%
Percentage of operations assessed for corruption-related risks	Percentage	0%	0%	0%
Confirmed incidents of corruption and action taken	Number	0	0	0

Our Commitment to Excellence

The Group continues to earn recognition for maintaining high standards in its operations. For a comprehensive overview of the awards and honours PMHB has garnered over the past year, please consult the "Social: Occupational Health and Safety" section of this Statement.

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UPHOLDING GOOD ENVIRONMENTAL PRACTICES

Education and Awareness Programmes

Mitigating the environmental impact of our operations is a fundamental goal at PMHB. As such, we continue to engage in strategic initiatives aimed at bolstering our environmental preservation and sustainability efforts. We are dedicated to cultivating an eco-conscious mindset across all levels of our organisation through implementing targeted training and awareness programmes for our employees, subcontractors, and suppliers. These initiatives are crucial in reinforcing our commitment to continuous environmental stewardship within the Group.

Green 5S Practices

In pursuit of a more sustainable operational model, PMHB distinguished itself within the Malaysian construction sector by being one of the first builders to adopt the 5S methodology. This initiative ensures our project sites maintain high standards of cleanliness and safety, which, in turn, significantly reduces incident rates. Since then, PMHB has subjected each of its projects to rigorous audits by the SIRIM Green 5S team, affirming adherence to Green 5S protocols. A notable achievement in this regard was The Mews project site, which, in 2017, became the first to be awarded a Zero Non-Conformance Report following a SIRIM Green 5S Audit.

Throughout the year in review, PMHB carried out 5S Awareness training at six project sites and held 12 training sessions at its Headquarters. Additionally, the Company organised 161 weekly sessions for 5S Site Coordination and Surveillance, along with a yearly 5S audit at Headquarters.

The formal evaluations by the SIRIM Green 5S Audits serve as a comprehensive record of PMHB's dedication to the 5S principles, tracking our commitment to achieving Zero Non-Conformance at our project sites. Our efforts in this regard have contributed significantly to PMHB's reputation as a dependable construction firm within the 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
2023	MKR, Bon Kiara	0	1

* There were no site audits carried out in 2021 due to the COVID-19-induced operational restrictions.

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Environmental Talks

To support PMHB’s goal of becoming a more environmentally conscious entity, the Group ensures adherence to environmental regulations. This commitment to environmental stewardship is guided by systems designed to maintain the Group’s direction and to underline its dedication to being an exemplary practitioner in this area. These systems are bolstered by quarterly updates and knowledge-sharing sessions with project teams to foster a holistic approach to the Group’s checks and balances.

PMHB’s continued successful Green 5S performance is the result of diligent application of environmental and 5S protocols at project sites. The frequency of environmental education sessions held for staff from 2021 to 2023 is detailed in the accompanying table:

	2021	2022	2023
Environmental Talks during Environmental Management Systems (“EMS”) Internal Audits at Project Sites	14	19	19
Environmental Talks during EMS Internal Audits at HQ	7	12	12
Induction Programme (EMS Session) – introduced in Nov 2018	2	1	1

At PMHB, the orientation programme for new employees features an introduction to our corporate culture which also highlights our dedication to environmental protection and adherence to the principles of Reduce, Reuse, and Recycle. Moreover, we encourage new team members to actively participate in our organisation-wide initiatives, such as the Styrofoam Food Packaging Campaign, which we continued to diligently uphold throughout FY2023. This initiative bans the use of plastic or polystyrene containers for food and beverages at our workplaces and project locations. Our objective is to reduce the accumulation of non-biodegradable waste by promoting the use of reusable containers over single-use plastics among our staff and workers.

Materials Management

Aligned with our commitment to reducing waste, the Group has implemented a materials management programme across all our construction sites. This programme has consistently produced effective results through its minimisation of waste-generating processes. By carefully planning the use of construction materials at every site, we have significantly reduced wastage. This reduction has not only allowed us to better utilise our resources but also resulted in considerable savings by decreasing the amount of waste sent to landfills.

Raw Materials Management

To reinforce its commitment to waste minimisation, the Group prioritises local sourcing of raw materials and aligns its purchasing budgets with the volume of ongoing projects. This Statement concentrates on the three primary construction materials that constitute approximately 80% of the Group’s raw material usage.

	2021	2022	2023
Steel Bar (tonnes)	10,472	10,110	19,310
Concrete (m ³)	114,721	86,597	155,767
Timber (tonnes)	288	553	922

The Group has also established the maximum amount of acceptable wastage in our processes with the aim of maximising the efficient use of construction materials. The table below shows the waste produced from the Group’s current projects in FY2023.

	Target/ Allowed Wastage	Actual Wastage
Steel Bars	7%	4.19%
Concrete	5%	2.95%
Timber (with a 4-time lifecycle)	10%	7.81%

As we continue making significant strides in resource conservation, we plan to keep evaluating and enhancing our materials management programme to achieve even better outcomes. The success of the programme so far is attributed to our constant oversight of construction material waste, the commitment of our site management teams, and efforts to lower the waste management percentage. Looking ahead, we will continue to maintain close collaboration with our teams to take appropriate steps to reduce any further wastage.

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Utilities Management

In aligning with our goal to be more environmentally friendly, the Group prioritises optimising the use of construction materials and utilities like diesel, petrol, water, and electricity at our sites, monitoring them closely to minimise our carbon footprint.

We actively encourage water conservation by implementing rainwater harvesting systems, utilising the harvested water for site cleaning and washing activities. Water consumption is carefully managed based on the number of workers at each site, with a goal to continually reduce usage year over year. While there was a reduction in water consumption at our headquarters, the water usage at our project sites recorded an increase in 2023, mirroring the rise seen in 2023 due to the higher number of construction projects undertaken throughout the year.

Water Usage (Megalitres³)

	2021	2022	2023
Project Sites	127.7	100.3	130.6
HQ	1.7	1.8	1.3

In terms of diesel consumption, the Group utilises this resource as the primary power source for machinery on-site during the early stages of construction until the electricity supply is established. As construction progresses and electricity becomes fully available, the reliance on diesel decreases. In 2023, the Group observed a significant rise in diesel and electricity usage at project sites, directly attributed to the increased number of construction projects undertaken throughout the year.

Diesel Usage (litres)

	2021	2022	2023
Project Sites	108,099	89,571	110,527
HQ	7,669	7,501	7,374

Electricity Usage (kWh)

	2021	2022	2023
Project Sites	3,347,919	1,947,840	2,401,133
HQ	109,515	124,247	120,707

In PMHB, petrol is primarily used for transporting workers and employees between our headquarters and project sites. Its usage is considerably smaller compared to other utilities due to this specific application. Nevertheless, as petrol contributes to our carbon footprint, we have accounted for it in this Statement. For the year in review, the rise in petrol consumption can be attributed to the return of our staff to our headquarters.

Petrol Usage (litres)

	2021	2022	2023
Project Sites	52,123	52,778	46,641
HQ	53,962	71,278	76,574

In 2023, the Group's total energy use marked an increase of 29%. This rise can be primarily attributed to our staff resuming on-site work at our headquarters.

ENERGY MANAGEMENT	UNIT	2021	2022	2023
Total Energy Consumption	Megawatt	129.24	102.14	131.90



SUSTAINABILITY STATEMENT

Waste Management

The Group's initiatives to limit the accumulation of general waste falls under the ambit of a comprehensive waste management programme which covers the general scope of its operations. This 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 programmes below enable us to achieve these targets in a sustainable manner:

Waste Management Targets and Programmes

Minimising Formwork Wastage

To tackle the significant timber waste from traditional framework manufacturing and use, the Group has turned to alternative, recyclable formworks. Currently, we employ table-forms, jump-forms, aluminium forms, and proprietary-type system formworks, all of which offer extended reuse possibilities. However, for project structures with unique requirements that demand more adaptable solutions, PMHB still finds it necessary to use timber formworks.

Optimising Formwork Usage

In 2019, PMHB reached a consistent 90% utilisation rate of system formworks at all its sites, a benchmark we have successfully maintained. This accomplishment is testament to our commitment to minimising the use of timber formwork in our projects by investing in durable system formworks as fixed assets.

Minimising Packaging Waste

As part of our sustainability goals, PMHB prioritises the recycling of waste from protective packaging to notably lessen the volume of waste directed to landfills, which represents around 60% of total construction waste. The majority of this waste, which includes timber pallets and crates, cardboard boxes, plastic wrappers, and metal strips, finds a second life in constructing temporary installations such as wall systems, pathways, fencing, and barriers at our construction sites.



Minimising Rework

PMHB proactively minimises construction rework by conducting thorough reviews during the project planning stages. Utilising cutting-edge technologies such as Building Information Modelling ("BIM") and Virtual Design and Construction ("VDC") enables the Group to identify and address potential errors before breaking ground on projects. This pre-emptive approach significantly reduces risks, reduces unnecessary spending, and conserves both time and resources. These processes are overseen by our BIM team who strive to ensure this critical part of the construction process is effectively managed.

Minimising Instances of Damaged Materials

The implementation of the 5S system at PMHB's construction sites ensures the safe and efficient organisation of materials. This approach also significantly reduces costs by minimising material damage. The system includes specific practices such as:

- Utilising prefabricated steel frames for storing steel bar bundles and protecting them from corrosion by preventing direct contact with moist ground.
- Clearly defining storage areas for scaffolding components such as joint pins, swivel clamps, jack bases, u-heads, cross bracing, catwalk platforms, and frames. To facilitate easy returns and prevent misplacement, boxes for smaller unused components are accessible on every floor.
- Ensuring fragile materials are clearly marked and those with expiry dates are stored in a "first-in, first-out" sequence to manage their use effectively.

Recycling Efforts

Our commitment to being more environmentally friendly, has seen the Group carry our efforts to reduce waste into FY2023. These include maintaining partnerships with NGOs to manage the recyclable waste from our headquarters and our employees' homes. In addition to enabling effective waste management, this project fosters a culture of recycling responsibility among our staff. Moreover, our construction sites persist in implementing sound recycling practices by finding new uses for construction debris and sending recyclable materials to recycling facilities.

SUSTAINABILITY STATEMENT

Results of 2023 Recycling Efforts (kg)

	Headquarters			All Project Sites		
	2021	2022	2023	2021	2022	2023
Carton Boxes/Cardboard	4,080	2,770	741	44,439	30,167	28,902
Plastics & PVC	94	34	55	6,667	2,394	2,130
Metal/Aluminium/Iron	5	3	21	1,363	925	814
Others (shredded paper, glass, unused film)	-	-	-	9,897	3,553	3,198

Pollution Control and Management

Beyond our recycling initiatives, the Group is focused on effectively managing our carbon footprint by estimating the potential carbon emissions for each project before it starts. We work with a sustainability consultant to ensure our projects adhere to the Environmental Management Plan (“EMP”) requirements. This consultant oversees the EMP, which includes a monthly monitoring system for water quality, air quality, noise levels, and vibrations, in line with the Department of Environment Malaysia’s standards.

Additionally, PMHB is committed to enhancing its environmental performance in construction by implementing eco-friendly and contamination-preventing practices. These include using metal drip trays to catch oil leaks, installing grease/oil interceptors in canteens and kitchens, maintaining proper Imhoff tanks for waste management, employing water browsers to cut down on air particles, and cleaning lorries and vehicle tires with water jets and wash troughs.

Our Commitment to Implementing Good Environmental Management Systems

PMHB’s commitment to environmental excellence has seen the Group integrate the ISO 14001:2015 standard into its environmental standards. These efforts, led by its main subsidiary PMSB, focus on integrating the following key environmental management processes to minimise ecological impact while adhering to international sustainability practices:

- **Strategic Environmental Management Planning:** PMSB prioritises strategic planning that centres around risk mitigation and seizing opportunities related to environmental concerns, compliance requirements, and stakeholder expectations driven by the business’ context.
- **Risk-Based Thinking:** Emphasising a risk-based approach enables us to concentrate on reducing our environmental footprint effectively.
- **Leadership:** Designated leaders within PMSB champion our environmental management efforts, ensuring that the leadership team is fully aligned with our EMS goals.
- **Protecting the Environment:** Our commitment to environmental protection includes efforts to prevent pollution and sustainably manage resources.
- **Process Approach:** Our focus extends beyond EMS to achieve comprehensive outcomes and results.
- **Environmental Performance:** Beyond just showcasing our environmental policies and commitments, we aim to incorporate measures like emission, effluent, and carbon footprint reductions.
- **Lifecycle Perspective:** We strive to improve our products and services’ environmental efficiency throughout their lifecycle, including stages like raw material acquisition, design, production, delivery, and disposal.
- **Integration with Business Process:** Our EMS objectives are woven into our business operations, encompassing procurement, subcontract management, construction execution, asset management, and HR activities, aligning with our sustainability goals and regulatory requirements.

This balanced approach demonstrates our dedication to environmental stewardship and sustainable business practices, following globally recognised standards.



SUSTAINABILITY STATEMENT

UPHOLDING GOOD SOCIAL PRACTICES

SOCIAL: LABOUR & DECENT WORKPLACE PRACTICES

PMHB is committed to treating all employees with respect and equality, regardless of their race, background, gender, or age. Our “fair and equal opportunity policy” is a fundamental aspect of our human resource management strategy, as outlined in our Employee Handbook. As a forward-thinking organisation, we strive to remain an employer of choice for individuals from various cultures, religions, races, and nationalities, united by a common dedication.

Composition of the Board

As of 2023, PMHB’s Board of Directors includes Puan Salwa Binti Shamshuddin, who serves as an Independent Non-Executive Director and a member of the Audit Committee. Puan Salwa’s involvement brings a critical balance to boardroom discussions, offering unique perspectives and insights that enhance the decision-making process, thanks to her diverse experiences. Her role on the Board aligns with Bursa Securities’ guidelines, reinforcing our commitment to gender diversity and equality in leadership positions.

PMHB’s Workforce

The Group’s growth is due to the unwavering efforts of our dedicated and skilled workforce. By the end of December 2023, our team expanded to 288 employees, up from 254 at the end of 2022. This increase is part of our commitment to strengthen our team in alignment with our business needs and objectives. In line with our dedication to nurturing our valued employees and adhering to the latest standards set by Bursa Securities, we have further elaborated on the dynamics of our workforce’s composition and its evolution over the last three years, showcasing our proactive approach to workforce management and development.

The composition and changes in our workforce over the past three years are detailed in the table below:

Summary of PMHB’s Workforce

	2021	2022	2023		2021	2022	2023
Total Number of Employees	296	254	288	Skills (Product Quality):			
Gender (Gender Equality):				Technical	77%	77%	79%
Male	73%	74%	73%	Non-technical	23%	23%	21%
Female	27%	26%	27%	Years of Service (Talent Attraction & Retention):			
Age (Inclusivity):				< 1 year	5%	11%	25%
> 50 years old	18%	18%	15%	1 – 3 years	29%	8%	11%
30 – 50 years old	57%	60%	59%	> 3 – 6 years	26%	25%	16%
< 30 years old	25%	22%	26%	> 6 – 10 years	23%	31%	24%
Race (Diversity):				> 10 years	17%	25%	24%
Malay	52%	52%	58%	Staff Turnover Rate	26.67%	27.84%	22.18%
Chinese	38%	38%	34%	Health & Safety:			
Indian	7%	7%	7%	Worked Manhours	8,435,172	5,727,975	7,442,338
Others	2%	2%	1%	Fatal Accidents	0	1	0
Type of Employment (Fair Employment Policy):				Lost Time Injury Accidents	0	0	0
Permanent	48%	49%	39%	Accident Frequency Rate/ Million Hours	0	0	0.214
Contractual	52%	51%	61%				
Nationality (Local Labour Employment):							
Malaysian	100%	100%	100%				
Non-Malaysian	0%	0%	0%				

SUSTAINABILITY STATEMENT

DIVERSITY AT PMHB

	2021		2022		2023	
	Number	Percentage	Number	Percentage	Number	Percentage
Total Number of Employees	296	47%	254	51%	288	41%
Total Number of General Workers	332	53%	244	49%	419	59%
Total	628	100%	498	100%	707	100%
Gender						
Management Male	64	21%	55	21%	59	20%
Management Female	9	3%	9	3%	7	2%
Executive Male	70	23%	52	20%	56	19%
Executive Female	44	15%	30	12%	40	14%
Non-executive/Technical Male	83	28%	81	32%	96	33%
Non-executive/Technical Female	26	9%	27	11%	30	11%
Total	296	99%	254	99%	288	99%
General Workers Male	329	99%	243	99%	418	100%
General Workers Female	3	1%	1	1%	1	0%
Total	332	100%	244	100%	419	100%
Age						
Management Under 30	3	1%	4	2%	3	1%
Management Between 30-50	46	16%	40	16%	42	15%
Management Above 50	24	8%	20	8%	21	7%
Executive Under 30	34	11%	18	7%	24	8%
Executive Between 30-50	69	23%	53	21%	62	22%
Executive Above 50	11	4%	11	4%	10	3%
Non-executive/Technical Under 30	36	12%	34	13%	46	16%
Non-executive/Technical Between 30-50	55	19%	59	23%	65	23%
Non-executive/Technical Above 50	18	6%	15	6%	15	5%
Total	296	100%	254	100%	288	100%
General Workers Under 30	140	42%	82	34%	186	45%
General Workers Between 30-50	191	58%	162	66%	232	55%
General Workers Above 50	1	0%	0	0%	1	0%
Total	332	100%	244	100%	419	100%
Percentage of Directors (Gender & Age)						
Male	5	83%	4	80%	4	80%
Female	1	17%	1	20%	1	20%
Total	6	100%	5	100%	5	100%
Under 30	0	0%	0	0%	0	0%
Between 30-50	2	33%	2	40%	1	20%
Above 50	4	67%	3	60%	4	80%
Total	6	100%	5	100%	5	100%

Committed to forward movement, our organisation is actively promoting female representation within our workforce, confronting the traditionally male-dominated construction industry. Our gender ratio reflects this commitment and underscores our dedication to fostering gender diversity.

SUSTAINABILITY STATEMENT

Racial diversity is also prioritised in our workforce, with Malay and Chinese employees making up the bulk of our team, alongside significant representation from Indians and other racial groups.

Employee Race (Diversity)	2021		2022		2023	
	Number	Percentage	Number	Percentage	Number	Percentage
Malay	158	53%	136	53%	168	58%
Chinese	112	38%	96	38%	97	34%
Indian	21	7%	18	7%	20	7%
Others	5	2%	4	2%	3	1%
Total	296	100%	254	100%	288	100%

In 2023, our staff turnover rate improved, dropping from 28% to 22% compared to the previous year. We see this turnover as a positive force for the Company's sustainability, bringing in new ideas and perspectives. This turnover fosters a culture of innovation and growth, offering younger employees opportunities for advancement and to assume roles vacated by departing senior staff, thereby maintaining a vibrant and evolving workplace.

Total Number of Employees/General Workers that Resigned	2021	2022	2023
Management	8	14	6
Executive	35	37	27
Non-executive/ Technical	45	25	28
Total	88	76	61
General Workers	186	88	25
Total	186	88	25

Employee Type of Employment	2021		2022		2023	
	Number	Percentage	Number	Percentage	Number	Percentage
Permanent	143	48%	125	49%	112	39%
Contractual	153	52%	129	51%	176	61%
Total	296	100%	254	100%	288	100%
Employee Type of Skills						
Technical	228	77%	195	77%	228	79%
Non-Technical	68	23%	59	23%	60	21%
Total	296	100%	254	100%	288	100%
Employee Year of Service						
< 1 year	14	5%	29	11%	72	25%
1 - < 3 years (1-3)	86	29%	20	8%	32	11%
3 - < 6 years (4-6)	78	26%	64	25%	45	16%
6 - < 10 years (7-10)	69	23%	78	31%	69	24%
> 10 years	49	17%	63	25%	70	24%
Total	296	100%	254	100%	288	100%

	2021	2022	2023
	Percentage	Percentage	Percentage
Employee Turnover Rate	27%	28%	23%
General Worker Turnover Rate	48%	31%	8%

SUSTAINABILITY STATEMENT

We are pleased to report that there were no fatalities in 2023. The Group remains diligent in implementing essential safety measures and precautions to avoid accidents and ensure the well-being of our valued team members. For more details on our health and safety efforts, please see the “Occupational Health and Safety” section within the Social segment of this Statement.

Human Rights

PMHB is dedicated to respecting and protecting the rights of all its employees and workers. To this end, the Group stringently implements the following practices to ensure the well-being and effectively safeguard the rights of our on-site workers:

- Ensure separate sanitary facilities for males and females to maintain their privacy.
- Provide a proper cooking area with accessible fire extinguishers and wash areas to uphold cleanliness and hygiene in the cooking and canteen spaces.
- Allocate a designated worship space within the workers’ camp, allowing them to practice their faith in an appropriate setting.
- Set up an entertainment area with a television for use during breaks.
- Make clean, potable water available through a water dispenser.
- Offer resting areas furnished with beds to guarantee adequate rest.
- Ensure a 30-minute break after every 1.5 to 2 hours of work.
- Ensure a 60-minute lunch break.

Aligned with our commitment to human rights protection for our workforce, PMHB firmly opposes any form of slavery and child labour, both universally and within our own operations. We aim to ensure our workers are treated equally and humanely, without discrimination based on nationality, gender, or age. Our hiring process is transparent, and all workers are legally employed, with each possessing a CIDB green card from CIDM.

The fair and equal treatment policies for our office-based staff are detailed in the PMHB Employee Handbook, which also outlines the benefits available to them.

In FY2023, there were zero substantiated complaints concerning human rights violations.

Work-Life Integration

Acknowledging the physically and mentally demanding nature of construction work, we proactively adopt measures to foster a supportive workplace environment. This approach stems from our recognition that our employees’ well-being is vital for the long-term success and operational effectiveness of our business. Through initiatives aimed at enhancing both physical and mental health, we commit to ensuring the well-being of our workforce, understanding it as a cornerstone of sustainable business practice.



Sports for Physical and Mental Wellbeing

Given the challenging nature of construction work, PMHB is committed to promoting the well-being of our workforce. We understand that the physical and mental health of our employees is essential for the ongoing success of both the individuals and our Company. As such, we have introduced several initiatives designed to cultivate a positive and supportive work environment.

We are proponents of a healthy work-life balance and actively encourage our team to maintain both mental and physical wellness. As part of this effort, we arrange recreational sports activities at our headquarters and project sites, offering weekly sessions of futsal, bowling, and badminton. Additionally, our employees can use the facilities at a fitness centre located close to our headquarters, which includes a gym and heated showers, along with the option to participate in group fitness classes.

In FY2023, we organised 166 physical activities for our team, an increase from 156 activities in the previous year. This rise in the number of activities reflects the absence of restrictions on gatherings, allowing for more face-to-face interactions, and is also attributed to the growth in our workforce.

Education and Personal Development

The Group actively contributes to Malaysia’s economic development by facilitating undergraduate internship programmes at both our construction sites and offices. In FY2023, we sustained this initiative, offering students valuable, practical work experience to fulfil their academic training requirements and better prepare them for their future careers.

SUSTAINABILITY STATEMENT

Internship Programme

In FY2023, PMHB welcomed 15 new interns, with two based at our headquarters and the remaining 13 placed across our construction sites. These internships are part of our ongoing sponsorship efforts in collaboration with Universiti Tunku Abdul Rahman (“UTAR”) which provides valuable, practical work experience to students.

	2021	2022	2023
Interns at HQ	3	5	2
Interns at Project Sites	7	9	13
Total	10	14	15

Training and Development

In FY2023, the Group’s employees engaged in an average of 8.23 training hours each, showing an increase from 6.23 hours per employee in the previous year. These training sessions fell under various categories, reflecting our commitment to continuous learning and development.

Training Modules	2021	2022	2023
Health and Safety	1	3	10
Quality and Technical	9	15	34
Environmental	1	2	3
Corporate Governance	0	0	0
Total Training Hours	0.62	6.32	8.26
Total	10	14	15

LABOUR PRACTICES AND STANDARDS	2021	2022	2023
Total Hours of Training per Employee Category			
Management	66	569	1,087
Executive	100	546	814
Non-executive/Technical	16	490	478
Total	182	1,605	2,379
General Workers	0	0	0
Total	0	0	0

HEALTH AND SAFETY	Unit	2021	2022	2023
Lost Time Incident Rate (“LTIR”)	Rate	0	0	0
Number of Employees Trained on Health and Safety Standards	Number	0	65	26

Employee Reward and Recognition Practices

The Group is committed to recognising and rewarding our employees for their strong work ethic and dedication to our organisation. We make it a priority to acknowledge and celebrate the hard work and achievements of standout employees after each fiscal year. These efforts are part of PMHB’s strategy to reinforce its reputation as a preferred employer, thereby attracting and retaining top talent.

Employee Recognition Awards

Over recent years, the Group has established various awards to honour the hard work, loyalty, and outstanding performance of our team members. These are as follows:

- **PMHB’s Good Action Award** celebrates employees or project teams whose extra efforts have improved work efficiency, thereby enhancing productivity and the quality of our customer deliverables.
- **PMHB’s HSE Excellence Award** is given to employees who demonstrate a commitment to health, safety, and environmental practices, aligning with HSE standards.
- **PMHB’s Good Attendance Award** acknowledges employees who have maintained perfect attendance, shown punctuality, and not taken any sick leave throughout the year.
- **10-Year and 20-Year Long Service Awards** are presented to employees who have dedicated 10 or 20 years of service to the Group, highlighting their loyalty and long-term commitment.
- **PMHB’s Green 5S Award** rewards employees and project sites for their efforts in implementing 5S practices, promoting participation through effective communication, and establishing a robust 5S setup at work.

Despite these established programmes, similar to FY2022, no recognition programmes were conducted in FY2023 as operational challenges prevented the collection of necessary data for the programmes’ successful implementation.

SUSTAINABILITY STATEMENT

Annual Appraisal

Beyond simply recognising achievements with awards, the Group is committed to conducting thorough performance reviews that aid our employees in navigating their career paths. At the close of each fiscal year, employees are rewarded based on evaluations of their performance, skills, and personal attributes. This process not only assesses each employee's accomplishments but also identifies areas for improvement and determines the most appropriate training and development programmes. PMHB remains dedicated to continuing these essential evaluations to both support and encourage our employees' professional advancement and ensure their goals align with those of the Group.

Employee Welfare and Benefits

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.

The Group offers standard benefits such as general health insurance, medical claims, paid and special leave, and allowances for travel and outstation duties to all employees. In addition to these, PMHB also extends several welfare benefits which include:

- Providing housing for overseas and outstation employees;
- Offering medical benefits and group health insurance to all employees equally, without regard to job grades;
- Installing sanitary toilet facilities on alternate floors of high-rise construction sites for worker convenience; and
- Equipping all on-site workers with masks and full Personal Protective Equipment ("PPE") to protect them from potential hazards at construction sites.

These benefits are impartially given to every employee, reflecting our commitment to equality regardless of nationality and background. Additionally, we educate new hires about PMHB's work culture, benefits, health and safety practices, quality and environmental practices, and our fair and equal policy through a mandatory Employee Induction Programme within their first month.

Employees are also expected to adhere to the Employee Code of Conduct, detailed in the Employee Handbook along with our work ethics policies and anti-corruption and bribery practices.

In an effort to engage and strengthen our workforce further, PMHB conducted its sixth groupwide employee survey in FY2023, receiving a total of 125 responses from 273 employees.



Employee Engagement

PMHB recognises the crucial role of clear and consistent communication in achieving success. Therefore, we continue to create opportunities that enhance employee engagement. Such activities include CSR events, sports activities, festive celebrations, and the Group's Annual Dinner. These events are key to strengthening management-employee relations by fostering greater trust and communication. Additionally, our agenda for engagement encompasses various initiatives aimed at enriching our workplace culture and enhancing team cohesion.

Annual Employee Survey

In our commitment to bolstering our workforce, PMHB conducted its fifth comprehensive employee survey in FY2023, encompassing all staff registered on the Group's payroll. The survey successfully achieved a response rate that met our minimum target of 25%, receiving a total of 125 responses for the year 2023. This initiative is part of our ongoing effort to engage with our employees and understand their perspectives, ensuring continuous improvement and strengthening of our team.

Greater Use of Technology Platforms

To ensure ongoing communication with our varied stakeholders, the Group utilises modern digital platforms. We provide our employees access to social interaction tools such as WhatsApp for real-time data exchange, which serves to enhance our ability to monitor project progress. Moreover, PMHB uses an intranet platform called eBoard, which serves as a central hub for sharing corporate news, project updates, and information on group-wide initiatives, thus fostering improved communication throughout the Group.



125

Responses from 273 employees via the sixth groupwide Annual Employee Survey



SUSTAINABILITY STATEMENT

SOCIAL: OCCUPATIONAL HEALTH AND SAFETY

Recognised for Good Health and Safety Measures

In 2019, the Group launched its first Monthly Safety Reward and Recognition Programme to commend the efforts of our employees in upholding and enhancing safety at our sites. This initiative aligns with our goal to promote diligence, stewardship, and exemplary conduct in the workplace, driving these objectives through a structured rewards and recognition framework implemented by PMHB.

In terms of observing health and safety at our project sites, we adhere to the Safety and Health Assessment System in Construction (“SHASSIC System”) implemented by CIDB’s Construction Research Institute of Malaysia (“CREAM”). In 2023, we achieved a 4-star rating for one of our project sites, TNB Gold, Bangsar.

Continuing to Uphold Stringent Health and Safety Standards

The Group is dedicated to maintaining the highest standards in occupational health and safety (“OSH”) across all its operations. We adhere to OSH best practices, highlighted by our adoption of the ISO 45001:2018 standard. This standard is recognised internationally for setting a high benchmark in occupational health and safety. A key requirement of this updated standard is the active involvement of our leadership, driving our management teams to integrate effective OSH practices into our procurement processes. This commitment ensures a safer and healthier work environment throughout our organisation.

Our Health and Safety Policy

PMHB prioritises health and safety and constantly strives to create a safer, preventive work environment. We enforce strict health and safety regulations across our operations, requiring all staff to comply. This clarification of rules not only enhances our team’s understanding of their roles but also promotes safer working conditions across the Group.

Furthermore, PMHB has set up a standardised health and safety workflow, ensuring tasks are performed safely and legally. This approach aims to minimise any health and safety risks to our employees and assets, emphasising our commitment to maintaining a secure workplace.

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.

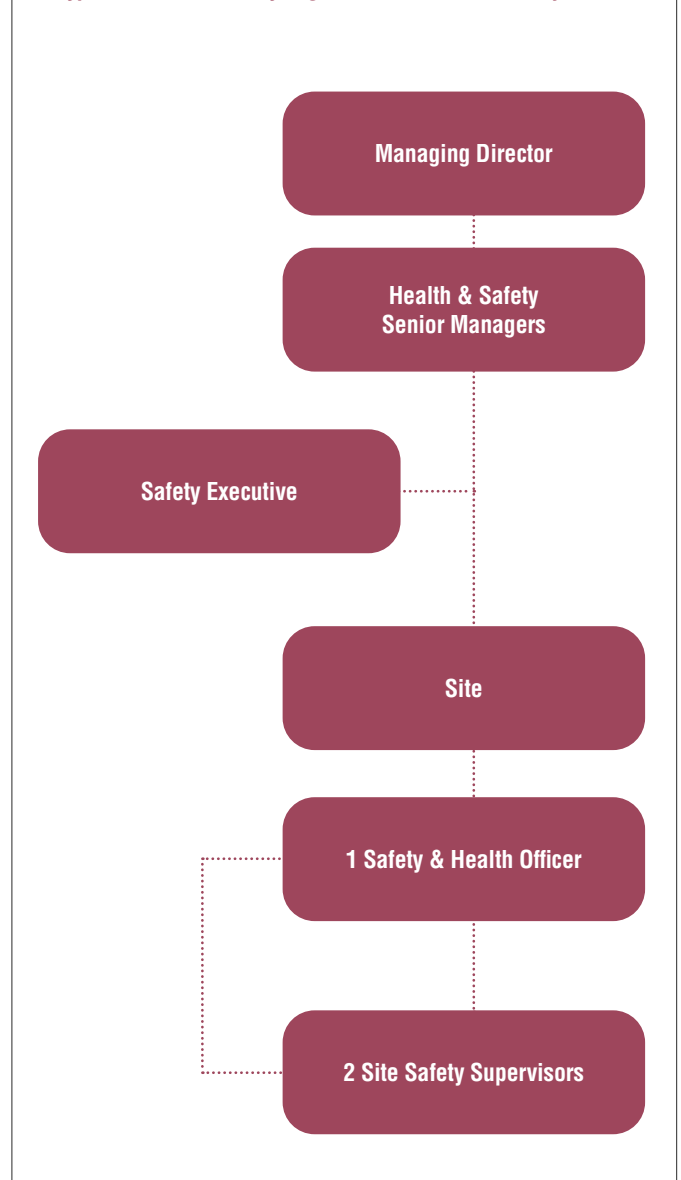


Rewards and Recognition

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.

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

A Typical Health & Safety Organisational Chart for Project Sites



SUSTAINABILITY STATEMENT

Safety Efforts

As part of our efforts to uphold high standards of OSH practices throughout the Group, PMHB continued to implement the following activities at our project sites in FY2023:

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 2023, 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 2023, there were only two medical treatment cases over 7,442,338 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 key performance indicators (“KPIs”) for tasks incorporated into the Occupational Health and Safety Assessment Series	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 drills 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.	60% achieved	In 2023, some 60% of our Site Supervisors passed as compared to the 58% passing rate we achieved in 2022.
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 2023, while SSS attended external courses/training sessions in the same year.
A minimum of two larviciding sessions/week/site	Achieved	
A minimum of one fogging session per week, on every site.	Achieved	



SUSTAINABILITY STATEMENT

Training

Throughout 2023, the Group actively rolled out specialised training sessions designed to meet the precise needs of our workers and the specific requirements of each construction project. These educational efforts aim to bolster safe working practices and lessen the likelihood of accidents caused by human error at the onset and conclusion of each project:

- **On-the-Job Training:** Tailored for employees facing high-risk situations, this training is conducted by specialised safety personnel, including Safety Officers and Site Safety Supervisors, to provide workers with the skills necessary for their specific roles.
- **Internal Training:** Designed to get the safety team and all other employees to familiarise themselves with the organisation's safety procedures, this training is conducted by experts within the management team, including the Senior Safety and Health Manager and the Safety and Health Officer who focus on the organisation's safety standards and HIRARC procedures, respectively.
- **External Training:** Aimed at employees engaged in high-risk tasks, this component of the training programme combines comprehensive theoretical knowledge with practical application, essential for the safety and well-being of our workforce.

Through these comprehensive training programmes, PMHB underscores its dedication to creating a safer, more informed workplace environment for all.

Inspections

Throughout the financial year 2023, our headquarters maintained a routine of weekly site visits to verify that all KPIs were being met at each location. These thorough inspections which spelled out health and safety protocols for every site, covered the usage of all heavy machinery including tower and mobile cranes, passenger hoists, air compressors, oxy-tanks, forklifts, and bob-cats. Additionally, smaller power tools like welding tools, fire extinguishers, and ladders were also reviewed to ensure compliance with our stringent safety standards.

Internal Audit

To ensure compliance with PMHB's safety standards across all construction sites, the Group's Head of Department ("HOD"), specifically the Senior Safety and Health Manager, carries out internal audits at each project site quarterly. These audits meticulously evaluate the safety records, documentation, and practices on-site. These proven training and safety practices are also conducted regularly at headquarters and all PMHB's work locations to maintain the Group's commitment to safety and operational excellence.

Behaviour Based Safety Programme

The Behaviour Based Safety ("BBS") programme is a proactive approach designed to inspire project teams across PMHB to adopt exemplary safety practices and behaviours, regardless of their roles or expertise. Led by the Head of Project at each site, the BBS programme is crafted to motivate frontline supervisors to enhance their oversight in their respective areas, promoting strong teamwork and dedication.



Key practices of the BBS programme include:

- Identifying any lapses in the project team's understanding of safety protocols;
- Holding tailored one-on-one coaching sessions on safety concerns related to specific tasks;
- Providing targeted coaching where gaps are identified;
- Conducting thorough observations of practical training concerning potential hazards;
- Demonstrating correct safety procedures through safety professionals when necessary;
- Rewarding team members who adhere to safety standards; and
- Identifying and correcting behaviours prone to errors with the aim of establishing safer habits.

This initiative highlights PMHB's commitment to cultivating a culture of safety and continuous improvement within the organisation.

Safety Reward and Recognition Programme

In 2019, PMHB launched its inaugural Monthly Safety Reward and Recognition Programme to acknowledge and reward employees who actively contribute to improving safety on site. This initiative reflects our commitment to fostering a culture of diligence, responsibility, and positive behaviour within the workplace through a system of rewards and recognition. However, due to unforeseen circumstances in the year under review, we had to pause this programme temporarily, with plans to resume it when conditions allow. This decision aligns with our dedication to ensuring the well-being of our employees while continuing to promote and uphold high safety standards across all operations.

SUSTAINABILITY STATEMENT

Data Privacy and Security

Data privacy and protection are essential for PMHB, as they secure sensitive information, maintain trust, and comply with legal standards. Upholding these measures help safeguard the Group against unauthorised access and potential threats, ensuring the integrity of client and employee data. This commitment reflects PMHB's dedication to being a responsible and trustworthy entity, emphasising the importance of a security-conscious culture within the organisation for sustainable business practices and stakeholder confidence.

DATA PRIVACY & SECURITY	Unit	2021	2022	2023
Number of Substantiated Complaints Concerning Breaches of Customer Privacy and Losses of Customer Data	Number	0	0	0

SOCIAL: COMMUNITY/SOCIETY

The Group is devoted to improving the well-being of communities within our operational areas and aims to foster a more prosperous Malaysia through impactful CSR initiatives. We are actively involved in organising CSR activities, such as visits to charitable organisations and managing a scholarship programme, to cultivate a culture of continuous care. These efforts encourage our employees to participate in charitable activities, thereby contributing to the enrichment of our communities.

In our commitment to social responsibility, we have initiated several projects, which includes our scholarship grant programme for university students. This saw PMHB invest a total of RM25,000 which benefited three recipients from January to December 2023.

Scholarship Programme			
	2021	2022	2023
Total Annual Scholarship Amount	RM125,000	RM75,000	RM25,000
Number of New Scholars	1	-	-

In the month of March, our engagement with Persatuan Kebajikan Prihatin Daerah Pontian, included a donation of RM20,000, supporting 100 beneficiaries. Furthermore, we awarded the Persatuan Ibu Bapa dan Guru SK Bangsar RM6,000 in May to facilitate the Program Hari Raya SK Bangsar which helped 50 individuals.

PMHB also made a noteworthy contribution to the Ti-RATANA Welfare Society in November, when we donated RM300,000 to assist a children's home, an old folks' home, and a women's shelter. This initiative directly benefited 100 individuals. These focused actions underscore our ongoing commitment to CSR, ensuring meaningful impacts on the communities we support.

Summary of CSR Initiatives in 2023

COMMUNITY/SOCIETY					
Programme/ Initiative	Timeframe	Details	Number of Volunteer Staff/ Hours Spent	Value of Investment in Communities (RM)	Number of Persons that Benefitted from the Investment
Scholarship	Jan'23-Dec'23	Scholarships for university students	3	25,000	3
Persatuan Kebajikan Prihatin Daerah Pontian	08/03/2023	520 Charity	3	20,000	100
Persatuan Ibu Bapa dan Guru SK Bangsar	29/05/2023	Program Hari Raya SK Bangsar	3	6,000	50
Ti-RATANA Welfare Society	07/11/2023	Children's home/old folk's home/women's shelter home	5	300,000	100

PMHB also promotes a culture of compassion among its members by encouraging them to organise their own charitable endeavours. Our goal is to nurture a workforce driven by excellence, dedicated to improving both themselves and the communities they serve.

SUSTAINABILITY STATEMENT

SOCIAL: PRODUCT RESPONSIBILITY

Consistent with PMHB's commitment to fostering sustainable business growth, the high quality of our products and services remains a pivotal element of our value proposition. PMHB is actively engaged in implementing strategies to certify our products and services, underscoring our commitment to delivering enduring value to our stakeholders.

PMHB utilises the QLASSIC system for project assessment to guarantee compliance with both client expectations and industry benchmarks. This system independently evaluates workmanship and finishes, with our Quality Assurance and Control team establishing a minimum QLASSIC score of 73% for all projects, promoting excellence and timely delivery that enhance our brand's reputation.

Our approach to maintaining quality and standards across projects includes:

- Conducting Internal QLASSIC Induction Training;
- Establishing a QLASSIC Corner/Museum at each site for awareness and educational purposes;
- Performing Quarterly QLASSIC Audits on ongoing projects to track progress;
- Completing a Final QLASSIC Audit and conducting a Postmortem upon project completion.

In FY2023, PMHB achieved notable success, particularly with the completion of the TRIA Seputeh project in Kuala Lumpur, which secured an 81% score in the QLASSIC Assessment by CIDB, as evaluated by independent third-party assessors. This achievement exceeds our minimum score requirement, demonstrating our unwavering commitment to quality and excellence.

Customer Satisfaction

When it comes to ensuring customer satisfaction, PMHB takes a thorough approach to evaluating the quality of its offerings and services. Our customer satisfaction standards serve as a reliable measure to uphold the high standards of excellence we strive for. With a targeted Customer Satisfaction score of 80%, derived from valuable customer feedback, we carefully assess various aspects:

- **Overall Project Quality:** We meticulously evaluate the overall quality of each project, ensuring that the results meet our stringent standards.
- **Responsiveness to Customer Needs:** Our commitment to meeting customer needs and requirements is paramount. We aim to address customer concerns promptly and effectively.
- **Expertise and Technical Knowledge:** The expertise and technical proficiency demonstrated by our team are crucial factors in ensuring customer satisfaction. We continuously seek to enhance our knowledge and skills to better serve our clients.

Our regular fortnightly site meetings provide a vital platform for open communication with clients and consultants. These meetings facilitate discussions on work progress, allowing us to promptly address any issues or discrepancies that may arise. Additionally, they ensure that all instructions and decisions are accurately documented, fostering transparency and accountability in our operations.

	2021	2022	2023
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%	Tria Seputeh project: 73.3%
80% and above	Conlay 301 project: 80% Eaton Residences project: 84.4%	-	-

Over the course of FY2023, PMHB achieved a customer satisfaction rating of 73.3% for the Tria Seputeh project.

SUSTAINABILITY STATEMENT

Sub-Contractor Evaluation

In 2023, PMHB remained steadfast in its commitment to high-quality standards, not only within its operations but also among its subcontractors, who are integral to the organisation's success. Recognising the significant value subcontractors bring, PMHB has refined its evaluation process to ensure these partners align with the Company's quality expectations. After each project's conclusion, PMHB evaluates subcontractors based on their performance, assessing all work processes through comprehensive dialogue sessions.

Subcontractors are graded on a letter-based system, with a minimum requirement set at a 'B-' grade. Following the evaluation, decisions are made regarding the need for underperforming subcontractors to undergo induction courses aimed at service enhancement. Specifically, subcontractors receiving a Grade C are given a year to elevate their performance through additional training. PMHB also issues warnings to subcontractors underperforming for the first time, with termination as the consequence for not meeting standards after a warning.

To maintain and uplift quality standards across the board, PMHB continuously seeks to refresh its subcontractor pool, aiming for at least 75% of subcontractors to achieve a Grade B or higher. Enhancements to the subcontractor interview process are also underway to ensure more rigorous assessment of skills and experience. Furthermore, PMHB is set to organise various training sessions, including meetings and induction programmes, to further improve subcontractors' competencies, reinforcing the Group's dedication to quality and collaborative growth.

Sub-Contractor Evaluation Results

	2021	2022	2023
% of Sub-contractors with B-category and Above	99.3%	Lot 15 SJCC: 89.3% Ativo Suites: 100%	Tria Seputeh 51.7%

Supplier Evaluation

PMHB conducts an annual evaluation of its suppliers to measure their performance, focusing on their capacity to meet the Group's expectations for timely delivery and product quality. This process helps PMHB identify and remove suppliers that do not meet these standards, ensuring the products and services provided are of high quality.

Like the evaluation for sub-contractors, this supplier assessment demands that suppliers must attain at least a Grade C to continue their association with PMHB. Suppliers who receive a Grade D will not be part of PMHB's panel in the subsequent year.

	2021	2022	2023
Grade A	1	5%	3%
Grade B	47%	95%	92%
Grade C	53%	0%	5%
Grade D	-	0%	0%

In FY2023, the Group reported that 92% of its suppliers achieved a Grade B rating, 5% were awarded a Grade C rating, and the remaining 3% attained a Grade A rating. The Group is dedicated to supporting its suppliers in their continuous efforts to improve and elevate their standards, aiming for outcomes that are beneficial for all involved parties.

Quality, Environment, and Occupational Health and Safety Management Standards

The Group has fully updated its ISO 9001 and ISO 14001 certifications to meet the 2015 standards and is now in the process of upgrading its OHSAS 18001:2007 to the ISO 45001:2018 standard. This transition is anticipated to be completed within the designated three-year period.

SUSTAINABILITY STATEMENT



MOVING FORWARD INTO 2024

Moving forward, PMHB reaffirms its commitment to fuelling future growth by prioritising the delivery of high-quality products and services. Our dedication to continuous improvement is geared towards sustainability for the environment and responsibility towards our communities. Additionally, we aim to fortify the Group as a whole, enhancing our capabilities and value to benefit our organisation and stakeholders in the long run.

STATEMENT OF ASSURANCE

The Sustainability Statement has not undergone any form of assurance. This decision stems from the Group's concentrated effort on updating its Sustainability Strategic Framework to meet the latest standards set by Bursa Securities. PMHB intends to explore the implementation of an assurance process in its future reports.

SUSTAINABILITY PERFORMANCE DATA TABLE

	MEASUREMENT UNIT	FY 2021	FY 2022	FY 2023
BURSA (ANTI-CORRUPTION)				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Management	Percentage	0.00%	100.00%	100.00%
Executive	Percentage	0.00%	100.00%	100.00%
Non-executive/Technical Staff	Percentage	0.00%	0.00%	0.00%
General Workers	Percentage	0.00%	0.00%	0.00%
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	0.00%	0.00%	0.00%
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0.00	0.00	0.00
BURSA (COMMUNITY/SOCIETY)				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	RM125,000.00	RM75,000.00	RM351,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	13	8	253

SUSTAINABILITY STATEMENT

	MEASUREMENT UNIT	FY 2021	FY 2022	FY 2023
BURSA (DIVERSITY)				
Bursa C3(a) Percentage of employees by gender and age group, for each category				
Age Group by Employee Category				
Management Under 30	Percentage	1.00%	2.00%	1.00%
Management Between 30-50	Percentage	16.00%	16.00%	15.00%
Management Above 50	Percentage	8.00%	8.00%	7.00%
Executive Under 30	Percentage	11.00%	7.00%	8.00%
Executive Between 30-50	Percentage	23.00%	21.00%	22.00%
Executive Above 50	Percentage	4.00%	4.00%	3.00%
Non-executive/Technical Under 30	Percentage	12.00%	13.00%	16.00%
Non-executive/Technical Between 30-50	Percentage	19.00%	23.00%	23.00%
Non-executive/Technical Above 50	Percentage	6.00%	6.00%	5.00%
General Workers Under 30	Percentage	42.00%	34.00%	45.00%
General Workers Between 30-50	Percentage	58.00%	66.00%	55.00%
General Workers Above 50	Percentage	0.00%	0.00%	0.00%
Gender Group by Employee Category				
Management Male	Percentage	21.00%	21.00%	20.00%
Management Female	Percentage	3.00%	3.00%	2.00%
Executive Male	Percentage	23.00%	20.00%	19.00%
Executive Female	Percentage	15.00%	12.00%	14.00%
Non-executive/Technical Male	Percentage	28.00%	32.00%	33.00%
Non-executive/Technical Female	Percentage	9.00%	11.00%	11.00%
General Workers Male	Percentage	99.00%	99.00%	100.00%
General Workers Female	Percentage	1.00%	1.00%	0.00%
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	83.00%	80.00%	80.00%
Female	Percentage	17.00%	20.00%	20.00%
Under 30	Percentage	0.00%	0.00%	0.00%
Between 30-50	Percentage	33.00%	40.00%	20.00%
Above 50	Percentage	67.00%	60.00%	80.00%
BURSA (ENERGY MANAGEMENT)				
Bursa C4(a) Total energy consumption	Megawatt	129.24	102.14	131.90

SUSTAINABILITY STATEMENT

	MEASUREMENT UNIT	FY 2021	FY 2022	FY 2023
BURSA (HEALTH & SAFETY)				
Bursa C5(a) Number of work-related fatalities	Number	0.00	1.00	0.00
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.00	0.00	0.00
Bursa C5(c) Number of employees trained on health and safety standards	Number	0.00	65.00	26.00
BURSA (LABOUR PRACTICES & STANDARDS)				
Bursa C6(a) Total hours of training by employee category				
Management	Hours	66.00	569.00	1087.00
Executive	Hours	100.00	546.00	814.00
Non-executive/Technical	Hours	16.00	490.00	478.00
General Workers	Hours	0.00	0.00	0.00
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	52.00%	51.00%	61.00%
Bursa C6(c) Total number of employee turnover by employee category				
Management	Number	8	14	6
Executive	Number	35	37	27
Non-executive/Technical	Number	45	25	28
General Workers	Number	186	88	25
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
BURSA (SUPPLY CHAIN MANAGEMENT)				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	100.00%	100.00%	100.00%
BURSA (DATA PRIVACY AND SECURITY)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0.00	0.00	0.00
BURSA (WATER)				
Bursa C9(a) Total volume of water used	Megalitres	129.40	102.10	131.90