

Sustainability Statement

to provide **ECO-FRIENDLY** Solution that contributes towards a **SAFE, COMFORTABLE** and **SUSTAINABLE** living environment

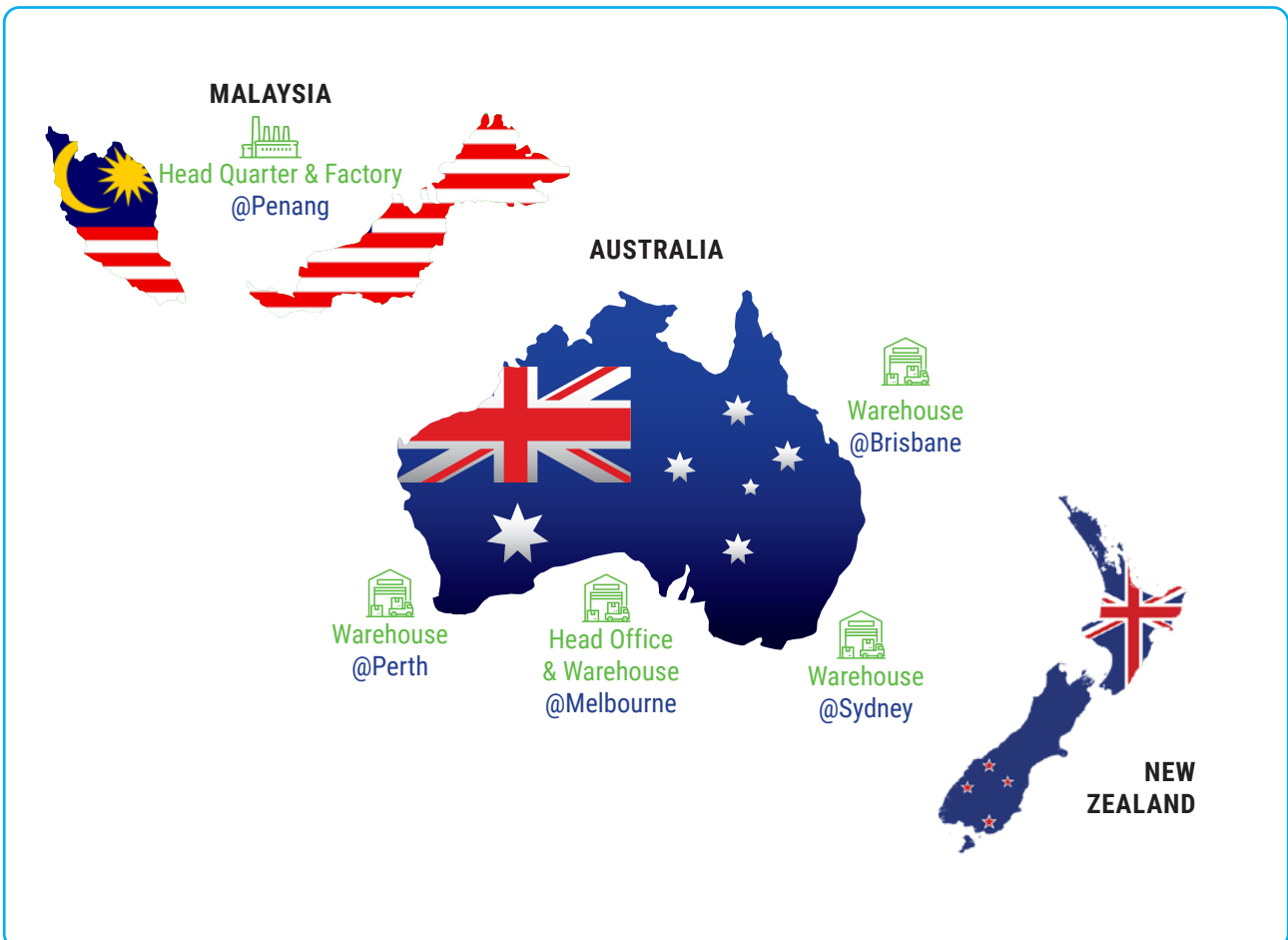
OUR SUSTAINABILITY COMMITMENT is to encapsulate the key aspects of **Environmental, Economic** and balancing **Social** interests while ensuring the well-being of future generations. Effective resource management, social equity, environmental protection, economic development, and community engagement are indeed crucial components in the design and implementation of sustainable communities.

ABOUT PGF

Operating commercially in 1984, Public Listed on Bursa Malaysia in 1990.

Celebrating 40th anniversary in 2024 is a moment of genuine pride and gratitude. From our roots as a mineral wool manufacturer, we've evolved into a leading insulation producer in Southeast Asia and Oceania.

Looking ahead, PGF is dedicated to a future marked by resiliency and sustainability, with a particular emphasis on promoting glass mineral wool as the forefront of sustainable insulation solutions. We pledge to innovate, specifically catering to the needs of building owners and designers, ensuring a comfortable and sustainable world.



Sustainability Statement (Cont'd)

ABOUT PGF's SUSTAINABILITY STATEMENTS

Our EESG Framework is dedicated to promoting sustainability by setting clear goals, implementing key initiatives, and executing strategic action plans across economic, environmental, social, and governance dimensions.

Sustainability stands as a central pillar of our business priorities. We are continuously addressing ongoing challenges, engaging with our stakeholders to understand their perspectives, and staying abreast of the latest legislative and regulatory updates.

Goal Setting:

Establishing ambitious yet achievable targets to drive sustainable practices.

Key Initiatives:

Identifying and prioritizing projects that have a significant impact on our ESG objectives.

Strategic Plans:

Developing detailed plans to ensure the successful implementation of these initiatives.

Sustainability Targets:

Setting specific goals for reducing carbon emissions, waste, and resource consumption.

Community Engagement:

Building strong relationships with local communities and stakeholders.

Employee Diversity:

Ensuring the well-being, safety, promoting a diverse and inclusive workplace, and professional growth of our employees.

Compliance and Ethical Standards:

Ensuring adherence to all relevant laws, regulations, internal policies, and upholding the standards of ethics and integrity

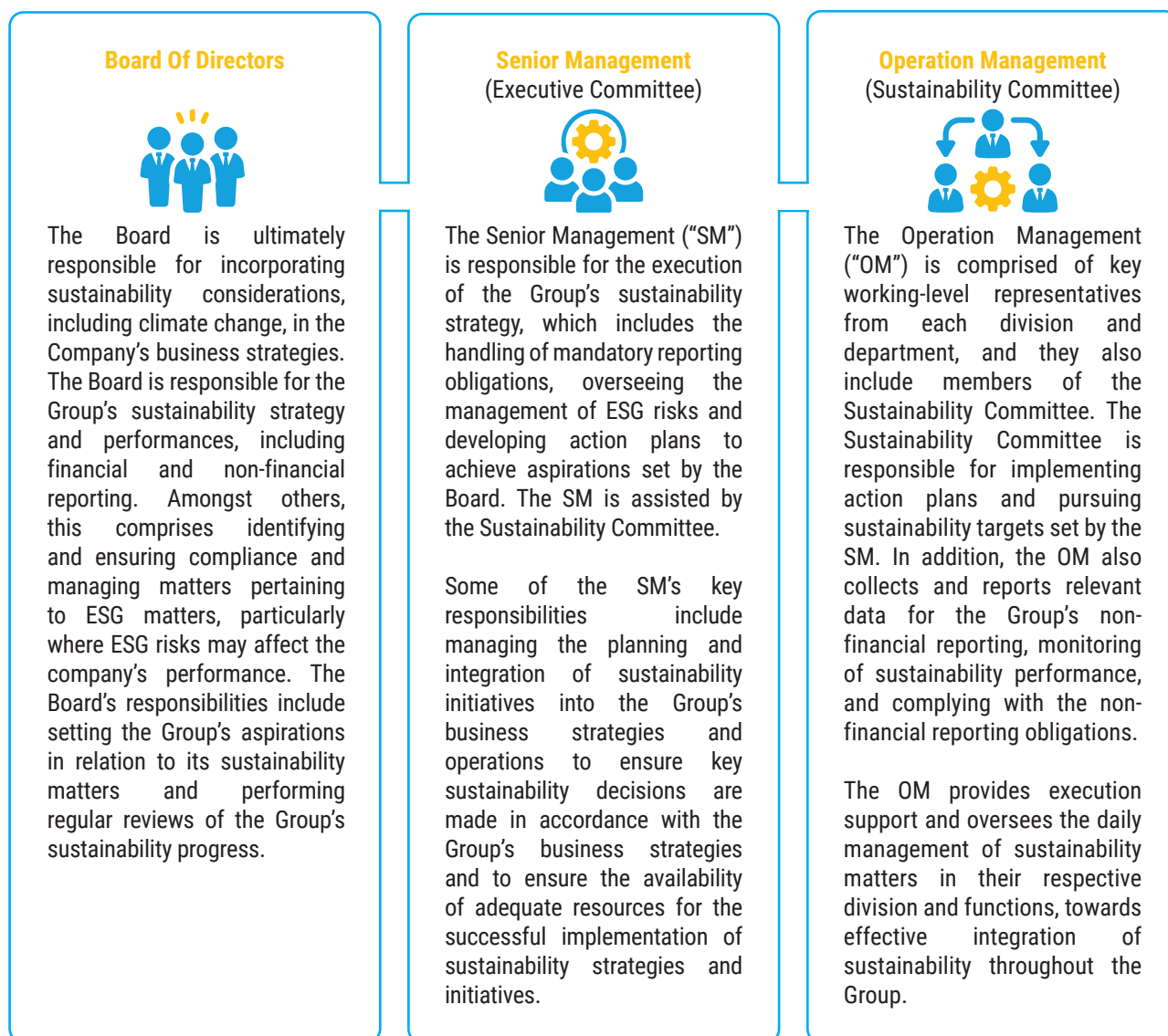
Overcoming Obstacles: Developing and implementing solutions to overcome challenges, ensuring ongoing progress toward our ESG goals



Sustainability Statement (Cont'd)

PGF's GOVERNANCE STRUCTURE

The Group has established an effective governance structure to oversee and manage the Group's sustainability management, including clear definitions of accountability, roles, and responsibilities of those involved, and this is important for PGF to ensure that progress is made in line with our sustainability goal to support the Group's long-term value creation. Our sustainability governance structure is summarised as follows:



PGF's STAKEHOLDER ENGAGEMENT








Engagement with key stakeholders plays a vital role in our sustainability journey. We believe that stakeholder engagement is crucial for identifying room for improvement, setting our sustainability expectations, and communicating our sustainability priorities, targets, and performance. We continue to form, strengthen and maintain valuable connections with stakeholders through various engagement channels.

Should any of our stakeholders have questions, suggestions, or concerns related to sustainability matters, we encourage them to reach out to us via email at mail@pgfcapital.com.my. Our aim is to facilitate a platform where all relevant parties have ample time and opportunity to partake in meaningful discussions, gain insights, and integrate each project milestone or process improvement step into their understanding. This inclusive approach underscores our dedication to fostering collaboration and ensuring that the perspectives and input of all stakeholders are valued and considered in our decision-making processes.

Sustainability Statement (Cont'd)

PGF's STAKEHOLDER ENGAGEMENT (CONT'D)

Our key engagement mechanisms is to ensure our business continue to be relevant and add value for each stakeholder during FY2024 are summarised in the table below.

Stakeholder	Engagement	Areas of Expectations
EMPLOYEE  By Annually/ and/or as and when needed	<ul style="list-style-type: none"> Performance reviews Educational/ Training programmes Conferences/ Seminars/ Workshops Safety inspections Code of Ethics Community development programmes Interviews Face-to-face meetings PGF's Library 	<ul style="list-style-type: none"> Knowledge and skill enhancement Career development Occupational Health & safety Environment, Health & Safety Health (EHS) practices Fair & competitive remuneration benefit Employee wellbeing and a conducive work environment Employee engagement Job security Equal opportunity
CUSTOMER  As and when needed	<ul style="list-style-type: none"> Customer satisfaction survey Suggestion box Social media 	<ul style="list-style-type: none"> Pricing Quality, Green & Sustainable products and services Timely project delivery Customer service and experience Property design Defect rectification EHS practices
VENDOR  As and when needed	<ul style="list-style-type: none"> Supplier assessment Surveys Face-to-face meetings 	<ul style="list-style-type: none"> Supply chain management Legal compliance and contractual commitments Product, service quality and delivery Fair and transparent procurement process Cost effectiveness ESH practices Payment schedule
MEDIA  As and when needed	<ul style="list-style-type: none"> Interviews Press releases Advertising 	<ul style="list-style-type: none"> Corporate news Industry outlook Brand image Reputation
REGULATOR BODIES  As and when needed	<ul style="list-style-type: none"> Audit Presentations Site visit Survey 	<ul style="list-style-type: none"> Certifications Corporate governance Regulatory compliance Anti Bribery & Corruption compliance Environmental management and compliance
INVESTOR / SHAREHOLDER  As and when needed	<ul style="list-style-type: none"> Company's website Bursa Announcement Annual report Annual General Meeting Fund/analyst briefing Press releases Face-to-face meetings Site visits Survey 	<ul style="list-style-type: none"> Financial performance Corporate developments Growth plans ESG practices Risk management Corporate governance Transparent disclosure Dividend policy
COMMUNITY  As and when needed	<ul style="list-style-type: none"> Community programme Internships Press releases Social media 	<ul style="list-style-type: none"> Community engagement Job creation and internship opportunities Local welfare Social Contribution

Sustainability Statement (Cont'd)

PGF'S MATERIALITY MATRIX ASSESSMENT

We conduct an annual assessment of our material issues, aiming to continuously enhance and advance our approach in managing sustainability risks and opportunities affecting our business. This process ensures the prioritization of issues that hold the greatest impact on the economy, society, and the environment. The outcome of the survey is plotted into a materiality matrix to illustrate the relative importance of each material matter based on the importance to our Group and the importance to our stakeholders, as shown below:

PGF'S Sustainability Pillars

ENVIRONMENT

Input GREEN output GREEN
 Managing & reducing Chemical Substances
 Energy and emissions management
 Water and waste management



ECONOMIC

Innovation
 Product quality & certifications
 Customer satisfaction
 Supply chain management



SOCIAL

Labour practices & standards
 Workplace diversity
 Promoting conducive working environment
 Developing talents
 Environmental, Health & Safety
 Corporate Social Responsibility

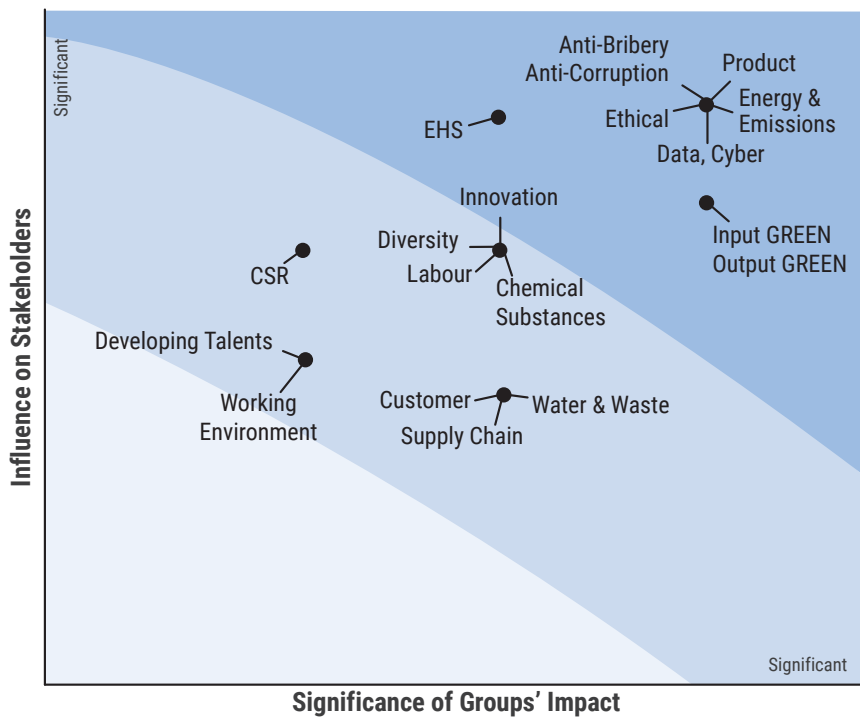


GOVERNANCE

Ethical Business Practice
 Anti-Bribery
 Anti-Corruption
 Data Privacy
 Cybersecurity



PGF'S Material Matrix



ENVIRONMENTAL

Green Energy for Green Products - Redefining Sustainability in Our Manufacturing



Sustainability Statement (Cont'd)

One of our most significant environmental initiatives is increasing the use of recycled glass as a raw material. We demonstrate our recycling efforts by collecting industrial glass waste needed to produce Ecowool glass mineral wool insulation. Reducing waste, Saving energy, and Protecting the Planet - this is what our insulation product is all about: transforming waste into impact.

PGF has also set itself a goals which are linked to the sustainability and efficiency of our operations, driving operational efficiency, resource efficiency, and cost management. These efforts are in addition to **Environmental, Economic, Social and Governance** compliance which we view as fundamental and basic for our business. Our goals and their performance for FY2024 are as follows:

Input GREEN, Output GREEN

Using recycled materials in production is a significant step towards sustainability and reducing environmental impact. By incorporating recycled glass, we are not only reducing the need for raw materials but also minimizing waste and lowering the energy consumption associated with production processes.

Ecowool's contents are made up of more than 80% recycled glass. The glass cullet is melted to form lava-like molten glass. This molten glass is then converted into fibers through a rotary process that combines centrifugal drawing through a rotating device drilled with thousands of tiny holes and is further attenuated by high-temperature gas jet streams.

By using 20,000 metric tons of recycled glass to produce 25,000 metric tons of new glass wool products per month, PGF is making a substantial contribution to environmental sustainability. This practice not only benefits the environment but can also enhance company's reputation as a responsible and eco-friendly business.



Managing and Reducing Chemical Substances

Did you know that volatile organic compounds (VOCs) are synthetic chemicals produced during the manufacturing of products like paint, adhesives, and furniture? In the construction world, the materials we choose not only for structural integrity but also for the quality of indoor air, given the extensive time people spend indoors.

Ecowool insulation sets itself apart with its commitment to environmental responsibility and occupant well-being. With impressively low VOC content, recognized by international certifications, Ecowool goes beyond providing excellent thermal performance. It ensures the resilience of your building designs while prioritizing both your health and the planet's well-being.

Sustainability Statement (Cont'd)

Managing and Reducing Chemical Substances (Cont'd)

Better Indoor Air Quality: Building materials including Ecowool insulation that has ultra-low VOC emission significantly reduce the release of potential chemical particles into indoor spaces, leading to cleaner and healthier air for occupants.

Optimal Comfort: Ecowool insulation is completely odourless, guaranteeing a pollutant-free environment.

Sustainable Building: Using low VOC materials aligns with environmentally-conscious building practices and reduces the overall environmental impact of construction.

Regulatory Compliance: Shifting towards a greener building practices, green building certifications around the world encourages or require the use of low VOC materials to meet indoor air quality standards.

Energy and Emission Management

Our alignment with the United Nations Sustainable Development Goals (SDGs) is a testament to our deep-rooted company values, and we couldn't be more thrilled to be driving positive change in line with these global objectives.

With the adoption of EV forklifts in our manufacturing plant last year, we proudly showcase our unwavering commitment to reducing our carbon footprint and actively shaping a greener future. We have replaced 2 units of petrol cars with 2 pure electric company cars, which produce no carbon dioxide emissions. With the recent government announcement on the reduction of diesel subsidies and the subsequent initial price surge, businesses are expected to face significant cost increases. As of 29 February 2024, a diesel cost saving of RM56k is anticipated, which will result in substantial savings following this implementation.

This transition not only significantly lowers emissions, fostering improved air quality and a healthier work environment for our dedicated employees, but also eliminates the use of fossil fuels, making a profound impact in our fight against climate change.

In our efforts to minimise our environmental footprint, we also estimate our impact in relation to greenhouse gas ("GHG") emissions. For FY2024, our GHG emissions based on our energy sources, i.e. natural gas, diesel, and purchased electricity, which are also sources of our Scope 1 (Direct) and Scope 2 (Indirect) emissions for the Manufacturing segment are as follows:

GHG Emissions – Manufacturing Segment (tCO2e)



	FY2024	FY2023
Scope 1	12,693.20	13,879.04
Scope 2	8,795.52	9,216.56

Alongside our energy management efforts, we will continue to identify ways to enhance the emissions efficiency of our operations, towards a lower carbon footprint operation in the future.

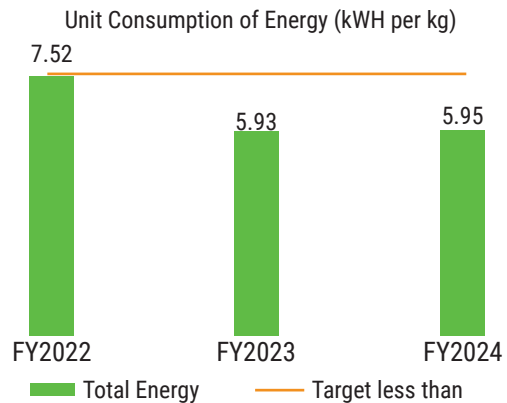
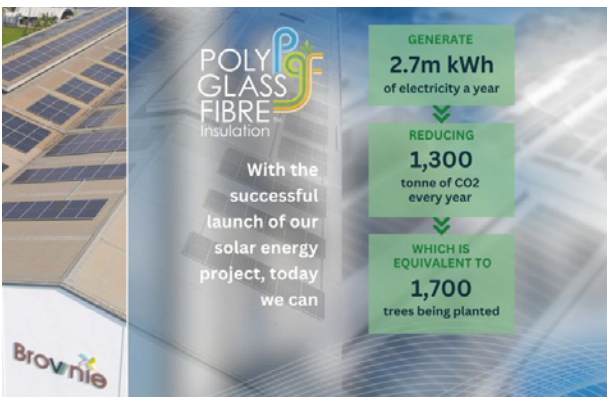
Sustainability Statement (Cont'd)

Energy and Emission Management (Cont'd)

ENERGY CONSERVATION

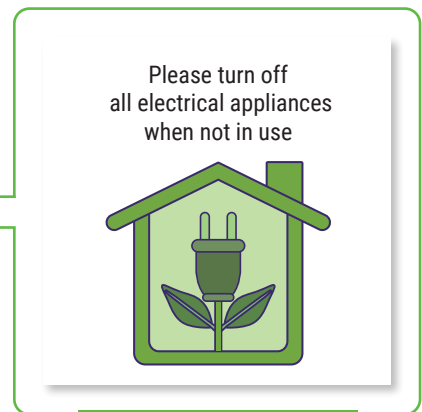
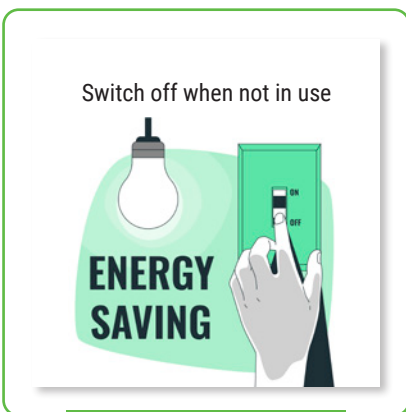
With the successful commissioning of our solar energy project, PGF is taking a significant step towards advancing our mission to manufacture sustainable insulation. This initiative aligns seamlessly with our commitment to environmental principles. As a result, we managed to save over RM392k worth in electricity consumption in FYE2024.

By harnessing renewable energy sources, we're not just reducing our carbon footprint; we're reaffirming our dedication to fostering a more sustainable and responsible future. Our unwavering support for energy efficiency (EE) and renewable energy (RE) initiatives further solidifies this commitment.



With energy efficiency as a vital part of the roadmap for a carbon neutral economy, our innovative insulation solutions are built to offer significant energy savings while attaining thermal and acoustic comfort at the same time. Our commitment in quality gives us the confidence to provide 70 years of product warranty on the glass mineral wool that we offer. The energy savings offered by Ecowool insulation products throughout its warranted 70 years performance is so significant, that they easily outweigh the energy needed for their production, transportation and installation.

We are currently developing a process to collect data and analyze the impact of our energy management efficiency, including the contribution of our solar panel system and its effect on our overall energy and emission footprint. This information will be disclosed in greater detail in the annual report for the next financial year, following the completion of phase 2 in September 2023 and commissioning in November 2023. Our initiatives in energy & emission management include the following etiquette:



Sustainability Statement (Cont'd)

Waste Management

PGF Manufacturing operations generate both hazardous and non-hazardous waste. We have strict processes to ensure hazardous waste is managed and handled in accordance with the applicable environmental laws and regulations, including ensuring that they are managed by licensed contractors. On the other hand, non-scheduled waste mainly comprises reject fibres which cannot be further re-used. Industrial scraps and salvageable materials are either sold to licensed scrap vendors, recycled, or reused in the production line to minimize environmental waste.

In FY2024, our company observed a significant increase in scheduled waste generation, rising by 120% from 7.26 MT to 16.04 MT per year. This substantial growth was primarily attributed to the more comprehensive identification of scheduled waste, particularly involving chemical storage containers that had previously not been classified as such. Additionally, there was a notable increase in the disposal of expired chemicals that were no longer required for research and development activities. These chemicals were appropriately categorized and disposed of as scheduled waste, further contributing to the overall increase.

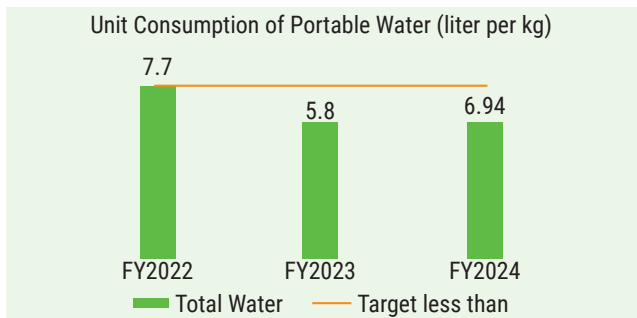
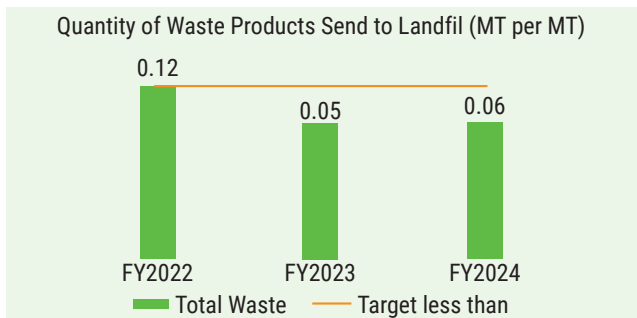
In response to these developments, we established a robust Waste Management System during the financial year. This system has been instrumental in streamlining and reorganizing the handling and disposal processes for both scheduled and non-scheduled waste. The implementation of this system is a critical step towards our goal of achieving ISO 14001:2015 certification, demonstrating our commitment to environmental sustainability and regulatory compliance.

By enhancing our waste management practices, we are ensuring that we not only meet regulatory requirements but also contribute to a more sustainable and environmentally responsible future.

PGF goal is to maximize resource efficiency, minimize waste generation, and promote recycling and reuse, contributing to a circular economy and sustainable development. Our initiatives in energy & emission management include the following etiquette:



- Reduce printing and photocopying, and optimize paper usage.
- Reused with recycle paper
- Replace with promoting a paperless environment by encouraging employees to use electronic methods for sharing and storing documents
- Provide Recycling bins and guidelines to encourage employees to actively participate in workplace recycling efforts.



Water Management

Effective water management practices aim to optimize water usage, minimize waste, prevent pollution, and mitigate the risks of water-related challenges such as scarcity, contamination, and flooding. During the financial year under review, we consumed approximately 90,310m³ of water in our operations. Processes are currently being developed to further analyse water consumption in our operations.

During the recent water interruption in January 2024, caused by valve replacement at the Sungai Dua Water Treatment Plant by the Penang Water Supply Corporation, which affected water supply to PGF's factory in Perai, we implemented proactive measures. These measures included stockpiling water reserves and implementing strict water conservation practices across our factory. Additionally, operational employees were reminded to use water wisely during the interruption period, while office employees were encouraged to work from home. The successful implementation of these preparedness measures effectively managed the water shortage, minimizing its impact on productivity and operational continuity.

Other initiatives in water management include promoting water-saving habits among employees and consistently raising awareness at the office and factory premises through the following etiquette:



In conclusion, the total cost in environmental fines and penalties is **ZERO**.

ECONOMIC



Sustainability Statement (Cont'd)

INNOVATION

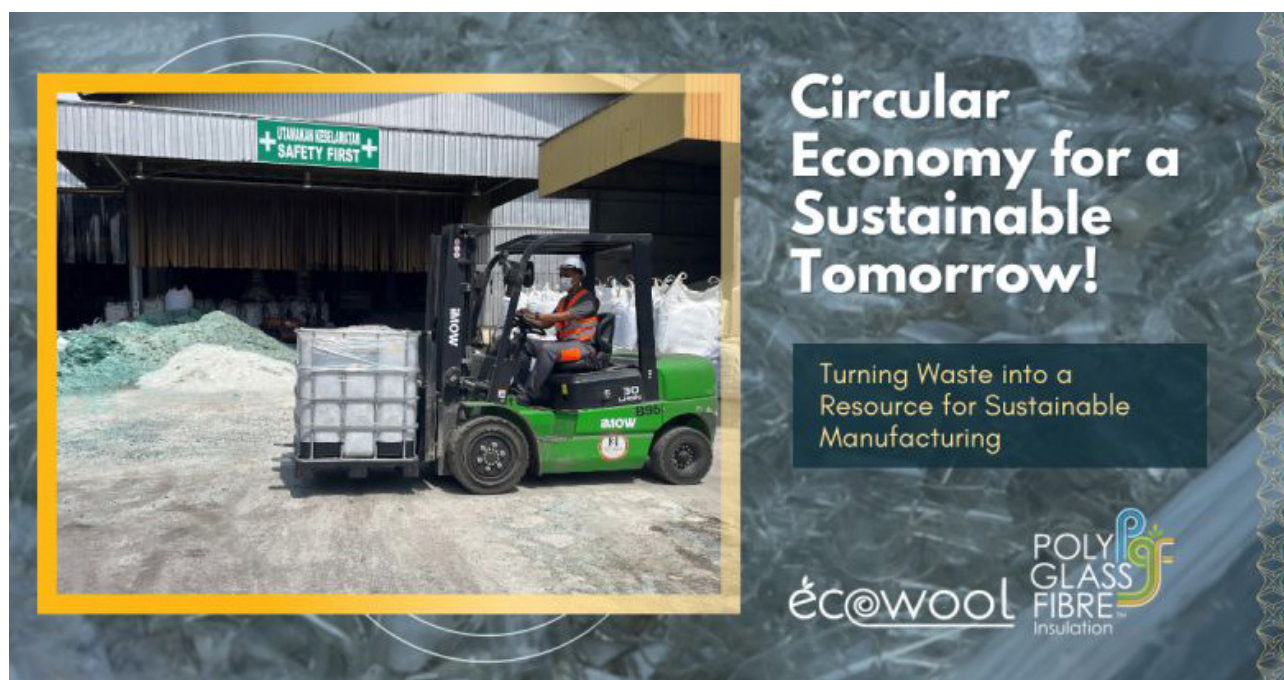
The principal products of the Group's Manufacturing segment are insulation products made from glass mineral wool. They provide thermal and acoustic insulation benefits. In Malaysia, over 30% of the energy consumption of buildings is used to cool down human-occupied spaces. Glasswool can retard heat flow when installed on building envelopes and thereby reducing the use of energy. Glasswool, which is a key material for our products, is also a sustainable material.

We're thrilled to highlight our collaboration with Karex, one of the largest condom manufacturers globally, which recently provided their glass formers for PGF to repurpose into raw materials for our glasswool. This partnership not only benefits the environment but also fosters innovation in manufacturing. Working together encourages circularity, as their glass, once a manufacturing tool, now finds new life as Ecowool's raw material. Looking ahead, we're excited to continue these collaborations, making waste contribution the norm and shaping a greener future.

Through sustainable manufacturing practices, the Company strives to develop and bring to the market products and solutions in supporting the construction sector to deliver a low-energy and sustainable built environment. A sustainable built environment is designed for longevity, flexibility, adaptability, reuse and recoverability, and considers future climate risks. It uses low-carbon, low-impact, non-toxic materials and it recovers used resources.

We offer a wide product range with different specifications to suit the different requirements of our customers. We also continuously monitor the market needs and develop new products, such as **Permeable Membrane (CLIMAWRAP)**- Durable, 3-layer and a highly vapour-permeable membrane designed to minimise condensation risk in buildings. Protected on both faces by non-woven structures against corrosive environment and engineered to meet the demands of the Australian climate conditions.

Project Highlight: PGF Insulation's Climawrap CW. This innovative triple-layer wrap is built for excellent durability and is your go-to solution for addressing condensation concerns. With its Class 4 Vapour Permeable technology, it functions as a powerful water, air, and vapor control membrane, putting an end to moisture issues. This building wrap is further enhanced with the superior sealing of EcoSeal 201 Cloth Tape, designed to withstand a wide range of temperatures across Australia.



Sustainability Statement (Cont'd)

INNOVATION (CONT'D)

By applying both products together, Climawrap CW and EcoSeal 201 Cloth Tape work harmoniously to improve overall building performance, ensuring long-lasting results and fostering a healthy living or working environment.

Our newly launched CozyRoll ceiling insulation can be easily installed on existing ceiling structures to combat rising temperatures at home due to climate change. By acting as a shield against external heat penetration, homeowners can enjoy lower TNB bills and a naturally cooler home.



Product Quality and Certifications

From the manufacturing floor to your building, PGF Ecowool insulation is engineered to be safe for everyone involved. Our commitment to excellence goes beyond delivering top-notch thermal and acoustic performance; it extends to ensuring the well-being of our manufacturing workers, insulation installers, and ultimately, the building's occupants.

Addressing health and safety misconceptions is crucial to providing accurate information and ensuring customers make informed decisions about their building materials. The safety of our products is reinforced by the International Agency for Research on Cancer (IARC)'s classification of our mineral wool as Group 3, confirming its non-carcinogenic nature. Ecowool has also been thoroughly tested for bio solubility, meaning that if glass wool dust is inhaled, it can be naturally digested by the biological system.

We are dedicated to achieving ISO9001 and ISO14001 certifications to ensure the highest quality standards for our products. ISO9001 certification demonstrates our commitment to consistent quality management and continuous improvement in our processes, ensuring that we meet customer expectations effectively. ISO14001 certification reflects our dedication to environmental management, focusing on minimizing our environmental impact and promoting sustainable practices throughout our operations. Achieving these certifications underscores our commitment to excellence, sustainability, and customer satisfaction.



ISO9001 & ISO14001 Certification

Sustainability Statement (Cont'd)

Product Quality and Certifications (Cont'd)

Fibre glass insulation materials can last as long as the life of a property when installed according to the recommended method and is maintained well. The Group offers a product warranty of 70 years as we take our product quality seriously. We are also providing sustainable products with ultra-low formaldehyde range under our own brand product- Brownie.

PROJECT HIGHLIGHT:

Unisem site in Gopeng, Ecowool Brownie V2 insulation is installed for efficient roof and building performance.

PROFILE Ecowool Brownie V2 EWBL2.30

UNISEM BERHAD, GOPENG

38,000M² OF INSTALLATION AREA

Thermal Resistance

Acoustic performance

Transforming
Indoor Experience

Ecowool Acoustic Ceiling Panel at Penang Bowling Centre

PROJECT HIGHLIGHT:

Ecowool Acoustic Ceiling Panels have revolutionized the Penang Bowling Centre by minimizing heat transfer and maximizing comfort for bowlers.

PROJECT HIGHLIGHT:

Presenting a sneak peek into our Ecowool insulation installed by Precision Interior Walls and Ceilings at Quay Waterfront Newstead by Mirvac. Ecowool Acoustic Partition Wall Batts provide exceptional sound-absorbing qualities, allowing occupants to enjoy the luxury of peaceful privacy. This thoughtful selection of wall insulation maintains consistent indoor temperatures, reduces energy consumption, and aligns perfectly with the sustainable ethos of the apartment.

QUAY
APARTMENTS

BRISBANE CITY

Developer : Mirvac
Builder : Mirvac Construction
Contractor : Precision Interior Walls & Ceilings
Architect : Mirvac Design
Products : Ecowool Acoustic Partition Wall Batts

ecowool

Sustainability Statement (Cont'd)

CUSTOMER SATISFACTION

Customer satisfaction is a measure of how well a company's products or services. It reflects the overall contentment of customers with their purchasing experience and the quality of the goods or services received. Customer satisfaction typically result in customer loyalty, repeat business, and positive word-of-mouth, while low levels can lead to customer churn and negative reviews.

We are committed to building enduring relationships with our customers by enhancing our product quality and services that fully meet the expectations of interested parties through a balanced approach and with on-time, defect-free delivery. To achieve this, we will commit to the continuous implementation of the ISO9001 Quality Management System and adhere to applicable requirements.

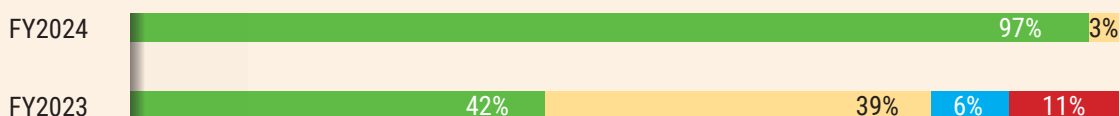
In the current financial year, PGF achieved total customer satisfaction, and we will continue to strive to Exceed Customers' Expectations through Continuous Improvement plan.

Supply Chain Management

Supply chain management involves overseeing the flow of goods, services, information, and finances as they move from suppliers to manufacturers to wholesalers to retailers and finally to consumers. It encompasses planning, procurement, production, inventory management, logistics, and distribution.

One of the key measures to safeguard our product quality is ensuring the quality of our input materials. we use uncontaminated, non-tinted glass as input materials, and we work together with selected suppliers to provide consistent supplies which meet our specifications. These supplies are largely industrial glass waste and through our purchases, we also play a part in enabling a circular economy. Hence, 100% of our trade expenses are from local suppliers in FY2024.

TRADING ANALYSE



	FY2023	FY2024
Local-Trade	42%	97%
Local-non-Trade	39%	3%
Import-Trade	6%	0%
Import-non-Trade	11%	0%

PGF Supplier's Code of Conduct outlines the expectations and standards that a company expects its suppliers to adhere to when conducting business. No code can be all inclusive, but PGF expects its Suppliers to act reasonably in all respects and to ensure that no abusive exploitative or illegal conditions exist at their workplaces.

Sustainability Statement (Cont'd)

Supply Chain Management (Cont'd)

Compliance with Laws and Regulations:

Suppliers must comply with all applicable laws and regulations related to their business operations, including those concerning bribery, corruption, and antitrust practices.

Business Ethical:

Suppliers are expected to conduct their business ethically, with integrity, honesty, and fairness in all dealings. Suppliers should encourage their own suppliers to adhere to similar standards and promote responsible practices throughout their supply chain.

Health, Safety, and Environment:

Suppliers should comply with applicable health, safety, and environmental laws and regulations, strive to minimize their environmental impact, and promote sustainability.

Confidentiality and Intellectual Property:

Suppliers should respect the confidentiality of proprietary information and intellectual property rights.

Continuous Improvement:

PGF & Suppliers are encouraged to continuously improve their practices and collaborate with the company to address any areas of concern.

In addition to the Supplier Code of Conduct, PGF expects continuous improvement from its suppliers in terms of economic, environmental, social, and corporate governance performance. To ensure supplier commitment, PGF conducts annual Supplier Assessments aimed at increasing awareness, improving transparency, and ensuring integrity throughout the supply chain. As a result, PGF has achieved 100% written commitment from its third-party service providers regarding adherence to the Supplier Code of Conduct. This commitment underscores PGF's dedication to upholding high standards in economic, environmental, social, and corporate governance practices across its supply chain.

SOCIAL



Sustainability Statement (Cont'd)

Labour Practices and Standards

Labor practices and standards refer to the principles and guidelines that govern the treatment of workers within an organization or supply chain. These practices are essential for ensuring fair and ethical treatment of employees and contractors, promoting safe working conditions, and upholding fundamental human rights. Our labor practices and standards include:

Non-Discrimination:

Ensuring equal opportunities and fair treatment for all employees and job applicants regardless of race, color, gender, religion, nationality, age, disability, or other characteristics protected by law.

Ethical and Workplace Respect

To maintaining a workplace environment free from harsh and inhumane treatment, including sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, and verbal abuse of workers. We prohibit the threat of such treatment and have implemented a clearly defined disciplinary policy to uphold these standards.

Child Labor:

Prohibiting the use of child labor, which refers to any work performed by children under the legal minimum age, as defined by national laws or international standards such as the International Labour Organization (ILO) conventions.

Forced Labor:

Prohibiting any form of forced or compulsory labor, including slavery, bonded labor, or human trafficking.

Working Hours and Compensation:

Setting limits on working hours, ensuring compliance with legal overtime requirements, and providing fair compensation that meets or exceeds minimum wage standards and industry norms.

Health and Safety:

Providing a safe and healthy work environment, implementing measures to prevent accidents and occupational hazards, and providing appropriate training and protective equipment for employees.

Training and Development:

Providing opportunities for skills development, training, and career advancement to enhance employee capabilities and job satisfaction.

Grievance Mechanisms:

Establishing procedures for handling employee grievances fairly and promptly, ensuring transparency in disciplinary actions, and protecting whistleblowers from retaliation. PGF grievance mechanism is formalized in our Employee Handbook, which is provided to all employees and accessible via intranet.

Labor practices and standards not only promote ethical behavior and social responsibility but also enhance employee morale, productivity, and retention. It helps build trust and credibility with stakeholders, including employees, customers, investors, and communities, contributing to sustainable business growth and positive social impact. In FYE2024, 100% written commitment from its employees & directors regarding the adherence on PGF's Code of Conduct, ZERO complaints concerning human rights violations (forced or child labour, discrimination, harassment or other breach of human and labour rights).

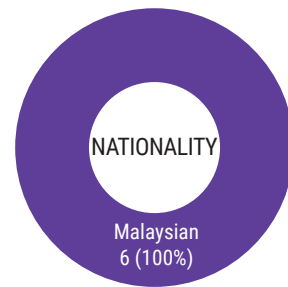
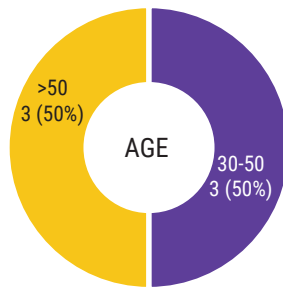
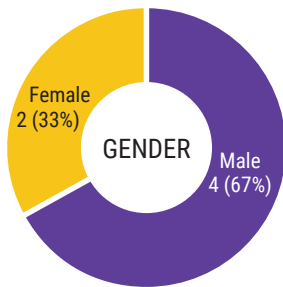
Sustainability Statement (Cont'd)

Workplace Diversity

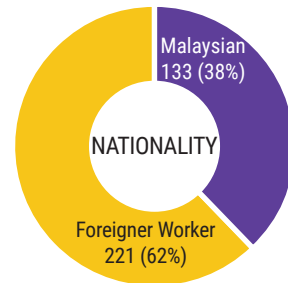
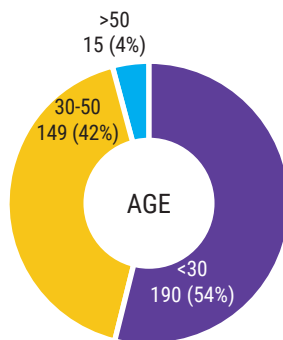
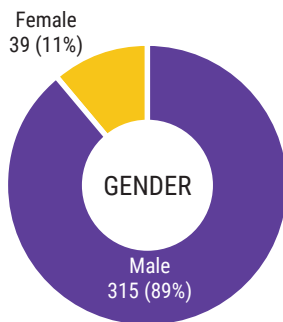
At PGF, we are committed to fostering an inclusive and diverse workplace that respects and values the unique contributions of each individual. We believe that diversity drives innovation and creativity, and we strive to create an environment where everyone feels welcomed, respected, and empowered to contribute to their fullest potential.

The breakdown of the Group's employee demographics, including all business segments in Malaysia and Oceania, is as follows.

DIRECTOR'S DEMOGRAPHIC



WORKFORCE'S DEMOGRAPHIC



By upholding these principles of workplace diversity and labor practices and standards, PGF not only enhances the well-being of our employees but also strengthens our organization as a whole, driving us towards greater innovation, productivity, and success.

Sustainability Statement (Cont'd)

Promoting Conducive Working Environment

We are dedicated to creating a supportive and productive working environment that fosters the growth and development of our employees. We believe that a positive workplace culture is essential for both individual and organizational success. Here's how we promote a conducive working environment and develop talents:

We promote a healthy **work-life balance** by offering flexible working hours, remote work options, and encouraging employees to take their entitled leave. A **positive workplace culture** cultivate a culture of respect, inclusivity, and open communication. We encourage teamwork, recognize and celebrate achievements, and foster an environment where employees feel valued and motivated.



EVENT HIGHLIGHT: PAINTBALL TOURNAMENT @ PENANG COUNTRY CLUB



EVENT HIGHLIGHT: XMAS GIFT EXCHANGE



EVENT HIGHLIGHT: CNY CELEBRATION

Sustainability Statement (Cont'd)

Promoting Conducive Working Environment (Cont'd)



EVENT HIGHLIGHT: MONTHLY BIRTHDAY CELEBRATION

We support the overall **well-being of our employees** by offering wellness programs, mental health resources, and creating a supportive work environment that addresses both professional and personal needs.

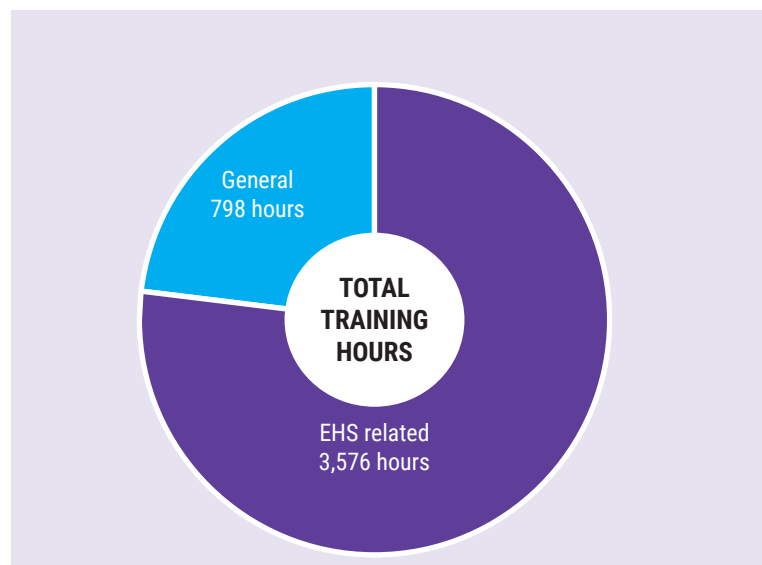


EVENT HIGHLIGHT: YEARLY WORKPLACE HEALTH SCREENING

Developing Talents

Talent development also an important element to maintain the Group's human capital and ensure there is a successive pipeline of required skills and talents to enable the ongoing leadership and sustainable management of the business. We provide ongoing training and development opportunities to help employees enhance their skills and advance their careers. This includes workshops, seminars, online courses, and professional development programs.

During the financial year under review, the Group recorded a total of 4,374 training hours amongst its employees, translating to 16.1 training hours per person. The breakdown of the training hours attended based on General and EHS related is as follows. We are committed to investing in our people, recognizing that they are our most valuable asset.



Sustainability Statement (Cont'd)

Developing Talents (Cont'd)

We recognize and reward outstanding performance **talent recognition and retention**. By valuing our employees' contributions each year to be the recipients of the Core Values Award that embodies the company's core values of Accountability, Excellence, Agility, Integrity, Quality and Unity.

In celebrating this remarkable achievement, we firmly believe that success goes hand in hand with upholding the core values that define us as a company. Recognizing employees is not a mere formality; it's a fundamental part of our journey as a glass mineral wool manufacturer. Congratulations on this well-deserved award.



By promoting a conducive working environment and focusing on talent development, PGF not only enhances employee satisfaction and retention but also drives organizational growth and excellence. We are committed to investing in our people, recognizing that they are our most valuable asset.

Environmental, Health and Safety

At PGF, we prioritize Environmental, Health, and Safety (EHS) to ensure a safe, healthy, and sustainable working environment for our employees, stakeholders, and the communities we serve. Our commitment to EHS is integral to our operations and is reflected in our policies, practices, and culture.

The Group has established a Safety, Health & Environment Committee (SHEC) with dedicated officers responsible for health, safety, and environmental matters. The SHEC is chaired by the Manager and supported by both employer and employee representatives. The committee evaluates and analyzes the risks that can affect our employees and manages them responsibly as per below principles:

Environmental Management

We implement sustainable practices to minimize our environmental footprint, including waste reduction, recycling programs, and energy-efficient processes as part of our sustainability initiatives. Our resource conservation efforts focus on using resources efficiently, reducing emissions, and promoting the use of renewable energy sources.

Health Management

We offer comprehensive occupational health programs that include regular health screenings, audiometry tests, and wellness initiatives to promote the well-being of our employees, and clear health and safety policies that outline procedures for ensuring a healthy workplace.

Sustainability Statement (Cont'd)

Environmental, Health and Safety (Cont'd)

Safety Management

We conduct regular safety training sessions and drills to prepare employees for emergency situations and ensure they understand safety protocols. We also perform thorough risk assessments to identify potential hazards and implement measures to mitigate them. Through a robust system for reporting and investigating incidents, we aim to prevent reoccurrences and continuously improve our safety practices. All employees have access to and are trained in the proper use of Personal Protective Equipment (PPE) to protect them from workplace hazards.

PGF is committed to EHS excellence. We encourage active participation from all employees in EHS initiatives, fostering a culture of safety and responsibility. We regularly review and update our EHS policies and procedures to incorporate best practices as part of our continuous improvement efforts. Additionally, we engage with stakeholders to promote EHS awareness and collaboration.

By prioritizing Environmental, Health, and Safety (EHS), PGF aims to create a safer, healthier, and more sustainable workplace. Our comprehensive EHS program not only protects our employees but also contributes to the well-being of the wider community and the environment.

Hence, we provide ongoing education and training for employees to enhance their awareness and responsibility towards environmental conservation.

	Training Programme	No. of Employee Participation
1	Chemical Handling and Spillage Management	71
2	Hearing Conservation Programme	49
3	Schedule Waste Training	42
4	PGF Safety Induction	148
5	Handling High Pressure Waterjet	14
6	LoTo Awareness	42
7	Safe Forklift Operating	24
8	Rotating Machine Hazard	15
9	Safe Work Of Hammer Mill Cleaning	42

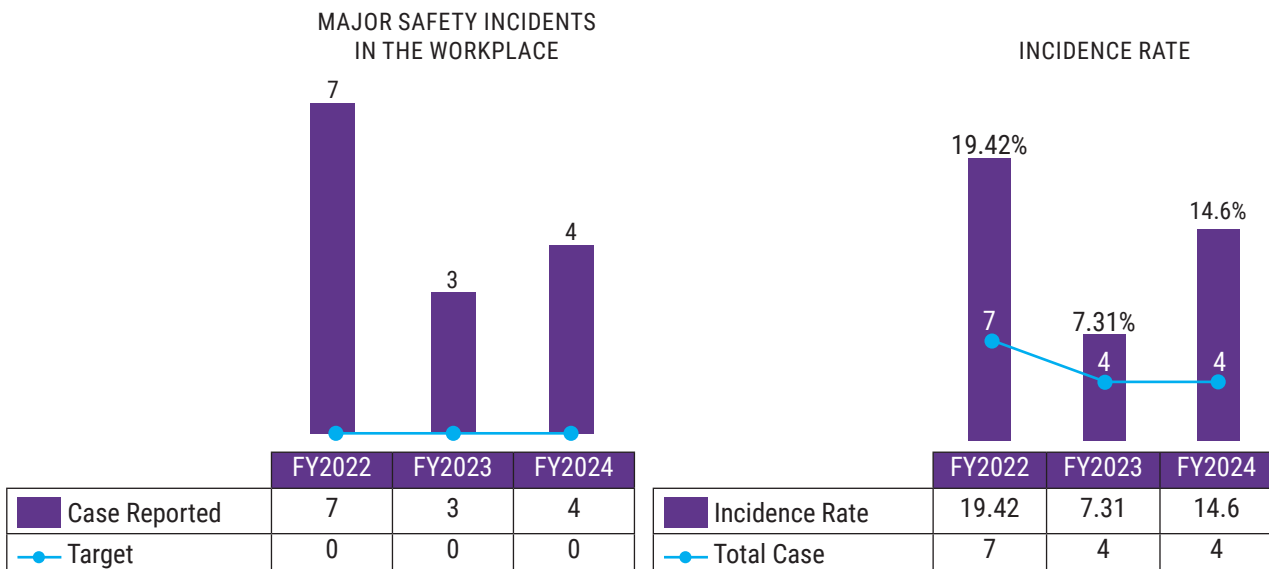


Sustainability Statement (Cont'd)

Environmental, Health and Safety (Cont'd)

Safety data is a key indicator that we collect to monitor the safety performance of our operations. It is also part of our goals and key indicators that we monitor every year. In FY2024, the lost time incident rate was recorded at 14.6% with 4 major injuries, which indicates a slight increase compared to the previous year. This shows that the occurrence of any incident is unacceptable, actions have been taken to prevent recurrence and to share the lessons learned across our operations, to raise safety and health awareness among employees.

There were zero cases of fatalities, occupational poisoning and occupational disease reported in connection with work, and we did not receive any penalties or imprisonment from DOSH. We believe that by executing our strategy devised to improve workplace safety, we will continue to improve our safety performance in line with our zero-harm vision.



By prioritizing Environmental, Health, and Safety (EHS), PGF aims to create a safer, healthier, and more sustainable workplace. Our comprehensive EHS program not only protects our employees but also contributes to the well-being of the wider community and the environment.

Corporate Social Responsibility

At PGF, Corporate Social Responsibility (CSR) is a fundamental aspect of our business strategy and operations. We are committed to making a positive impact on society and the environment through responsible and sustainable practices. Our commitment to CSR is driven by our core values of integrity, accountability, excellence, and sustainability. By integrating CSR into our business operations, we aim to create long-term value for our stakeholders and contribute to a better, more sustainable world.

PGF is committed to cultivating a healthy relationship with employees, shareholders, partners, customers, vendors, stakeholders and the communities. **Community** surrounding the business premises is one of the key foundations of our existence, success and survival. The community provides the market, human capital and a range of supporting services and activities crucial to our business growth and operations. Hence, we take every opportunity to build rapport with people in the communities around us. This includes developing our human capital, making a difference in the community and sustainable practices a way of life.

Sustainability Statement (Cont'd)

Corporate Social Responsibility (Cont'd)

We actively engage with local communities by supporting educational programs, healthcare initiatives, and community development projects as follows:



EVENT HIGHLIGHT: AS THE PROUD SPONSOR OF THE PENANG GREEN MARKET BY THE PENANG GREEN COUNCIL, WE ARE THRILLED TO JOIN HANDS WITH THE COUNCIL TO DEMONSTRATE OUR THERMAL KIT, SHOWCASING THE TEMPERATURE DIFFERENCE IN HOMES WITH AND WITHOUT ROOF OR CEILING INSULATION.



EVENT HIGHLIGHT: OUR MISSION TO UNVEIL THE SECRETS OF CREATING COZY, SUSTAINABLE SPACES CONTINUES WITH THE ARCHITECT AND INTERIOR DESIGN STUDENTS AT EQUATOR COLLEGE.



EVENT HIGHLIGHTS: Another sincere thank you to the School of Architecture & Built Environment (UCSI) for providing us with the opportunity to share our insulation expertise and empower students to create designs that align with sustainable and innovative practices. By delving into the realm of insulation, we equip aspiring architects with a tangible understanding of energy efficiency, environmental impact, and occupant comfort. We are fostering knowledge and collaborative projects for the future architects!

Sustainability Statement (Cont'd)

Corporate Social Responsibility (Cont'd)



EVENT HIGHLIGHTS: Another incredible opportunity from the School of Housing, Building, and Planning (Universiti Sains Malaysia) for us to share our insulation expertise and empower the next generation of architects. PGF is grateful for the privilege to teach and inspire; we eagerly await future collaborations, knowing that the seeds of knowledge we planted will blossom into a more sustainable future.



EVENT HIGHLIGHT: During the financial year, PGF collaborated with the Federation of Malaysian Manufacturers (FMM) and the University of Wollongong Australia for research and development studies on the **Thermal Resistance Of Roofs With Reflective Cavities**. The project cost was AUD\$7,425.

The research and development efforts focus on validating the practical benefits of reflective cavities in roofing systems, including their impact on energy performance, indoor comfort, and building durability. These studies provide valuable insights for architects, engineers, and building owners seeking to optimize building design for energy efficiency and sustainability in varying environmental conditions.

We provide aid and support in response to natural disasters and emergencies, helping affected communities to recover and rebuild. As part of PGF's commitment to sustainability, we proudly participated in the Penang Governor's Charity Foundation's **'1-Million Trees Planting Program'** to mark Earth Day with donating 200 Meranti trees.



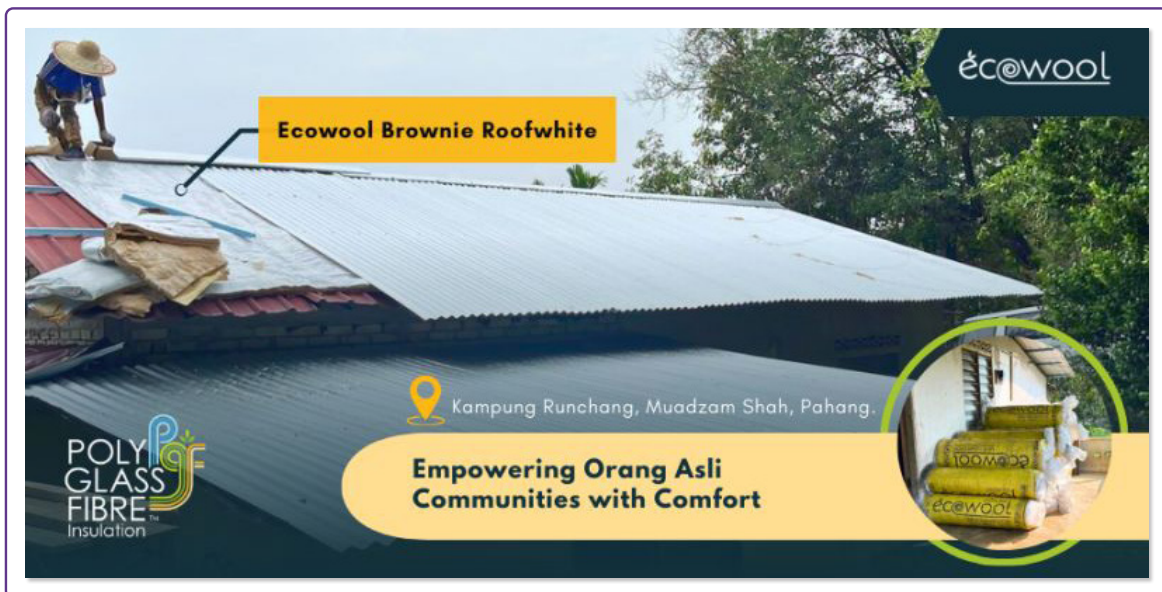
Sustainability Statement (Cont'd)

Corporate Social Responsibility (Cont'd)

We are contributing to and supporting organizations that align with our values and mission. As PGF reaches its remarkable 40th anniversary in 2024, we embark on a special mission to make a lasting impact on our Malaysian community and beyond. We're delighted to be giving away 100,000 square feet of our Ecowool insulation products to enhance the comfort and safety of our local community.



Hence, we are excited to share our latest CSR project in collaboration with the Aluminium Company of Malaysia (ALCOM) for the resilient Orang Asli community in Kampung Runchang, Muadzam Shah, Pahang with 22 rolls Ecowool Brownie V2 Roofwhite Blanket. Through this initiative, we are providing a comfortable learning environment for approximately 40 young students who were facing challenging conditions due to the unbearable heat in their temporary school building.



GOVERNANCE



Sustainability Statement (Cont'd)

Ethical Business Practice

PGF upholds ethical business practices in its business and operations. This involves conducting business in a manner that is honest, transparent, and fair while respecting the rights and dignity of all stakeholders, including employees, customers, suppliers, and the broader community.

Ethical business practices encompass a wide range of activities, including business ethics, which focus on external conduct and the relationship between the organization and its stakeholders, and core values, which focus on the internal culture and principles of the organization. These core values include:



Core values are about what an organization believes in and strives for internally, while Business Ethics are about how an organization conducts itself externally in relation to laws, regulations, and societal expectations. Both are essential for building a reputable and sustainable business. By adhering to these principles, businesses can build trust and credibility, foster long-term relationships, and contribute to the overall well-being of society.

Our Ethical Business Practice set the foundation for the Group's Code of Conduct, which is applicable for all employees, including Directors. It recognises the Company's roles in contributing towards the social and environmental growth of the surroundings in which PGF operates. The Code of Conduct was adopted by the Board and addresses matters including conflict of interest, compliance, anti-corruption and anti-bribery, safe and healthy work environment, and protection of the environment. Violations of the Code of Conduct can be reported via the Whistle Blowing Policy which available on PGF's website at www.pgfcapital.com.my

Sustainability Statement (Cont'd)

Anti Bribery, Anti Corruption

CODE OF CONDUCT

PGF has adopted a zero-tolerance policy against all forms of corruption and bribery, formalized via the Code of Conduct. We conduct all our business in an honest, ethical, and transparent manner. We are committed to acting professionally, fairly, and with integrity in all our relationships and business dealings in accordance with our Code of Conduct and Ethical Business Practices. Additionally, we implement and enforce effective systems to counter bribery. We uphold all laws relevant to countering corruption and bribery and remain bound by the laws of Malaysia, including the Malaysian Anti-Corruption Commission Act 2009 and any of its amendments or re-enactments made by the relevant authorities from time to time, in respect of our conduct both domestically and internationally.

All new employees are briefed on the Group's zero-tolerance policy against bribery and corruption, together with the Code of Conduct which is provided during employee orientation. External parties such as key suppliers and business partners are also communicated on these ethical business expectations, as necessary. We endeavour to promote ethical business practices within our business environment as well as our value chain through raising awareness among our employees and business associates. As of 29 February 2024, 100% of written consent was obtained from all employees in the Group, and there were zero recorded incidents of corruption across our operations.

SUPPLIER CODE OF CONDUCT

In alignment with the Company's commitment in enhancing the social responsibility of our supply chain practices, we have established the Supplier Code of Conduct, which all suppliers are required to adhere to. 100% full compliance from our suppliers with all the anti-corruption principles, conducting all business dealings with utmost transparency.

As indicated in the Supplier Code of Conduct, all suppliers shall committing to promote values of integrity, transparency, accountability and good corporate governance. Fighting any form of corrupt practice and supporting corruption prevention initiatives by the Government and the local authorities.

Data Privacy and Cyber Security

PGF data privacy and cyber security encompasses a comprehensive set of principles and practices aimed at protecting computing assets and online information from various threats. It involves measures to secure systems, networks, and data from unauthorized access, cyberattacks, and other forms of digital harm. By implementing robust data and cybersecurity protocols, employees and organizations are to ensure the integrity, confidentiality, and availability of the digital resources.

AWARENESS RULING FOR EMPLOYEES

End-user are the last line of defense in cybersecurity framework. It is crucial to adhere to the following guidelines to ensure the security of our systems and data:

- 1. Create and Maintain Strong Passwords and Passphrases**
Use complex and unique passwords for different accounts, and regularly update the passwords and avoid using easily guessable information.
- 2. Manage Your Account and Password Effectively**
Do not share your passwords with anyone.
- 3. Secure Your Computer**
Install and update antivirus software regularly. Enable firewalls and use secure connections (e.g., VPNs) when accessing the network.
- 4. Protect the Data You Handle**
Encrypt sensitive data and store it securely and regularly back up important data and ensure it is stored safely.

Sustainability Statement (Cont'd)

Data Privacy and Cyber Security (Cont'd)

AWARENESS RULING FOR EMPLOYEES (CONT'D)

5. Assess Risky Behavior Online:

Be cautious of phishing emails, suspicious links, and untrusted websites, void downloading or installing software from unknown sources.

6. Equip Yourself with Knowledge of Security Guidelines, Policies, and Procedures:

Familiarize with the organization's cybersecurity policies and best practices. Participate in regular cybersecurity training and awareness programs that conducted by MIS Department.

By following these guidelines, overall security of our organization's digital assets you contribute significantly to the. Stay vigilant and proactive in protecting our information and systems. In FYE2024, there were NO reports of major cybersecurity violations, and NO cases related to data breaches or complaints were received from external stakeholders.

CONCLUSION

Our ESG Framework is a living document, continually evolving based on our experiences and the changing landscape of sustainability. By sharing our journey, including both successes and lessons learned, we aim to contribute to a more sustainable future for all.

In conclusion, our unwavering commitment to sustainability drives every aspect of our operations at PGF Insulation. We are dedicated to reducing our environmental footprint, promoting the well-being of our employees and communities, and advancing innovative solutions that contribute to a sustainable future. As we continue to evolve and grow, we remain steadfast in our mission to lead by example, championing responsible practices that align with our core values and the broader goals of global sustainability. Together, we can build a better, greener world for future generations.