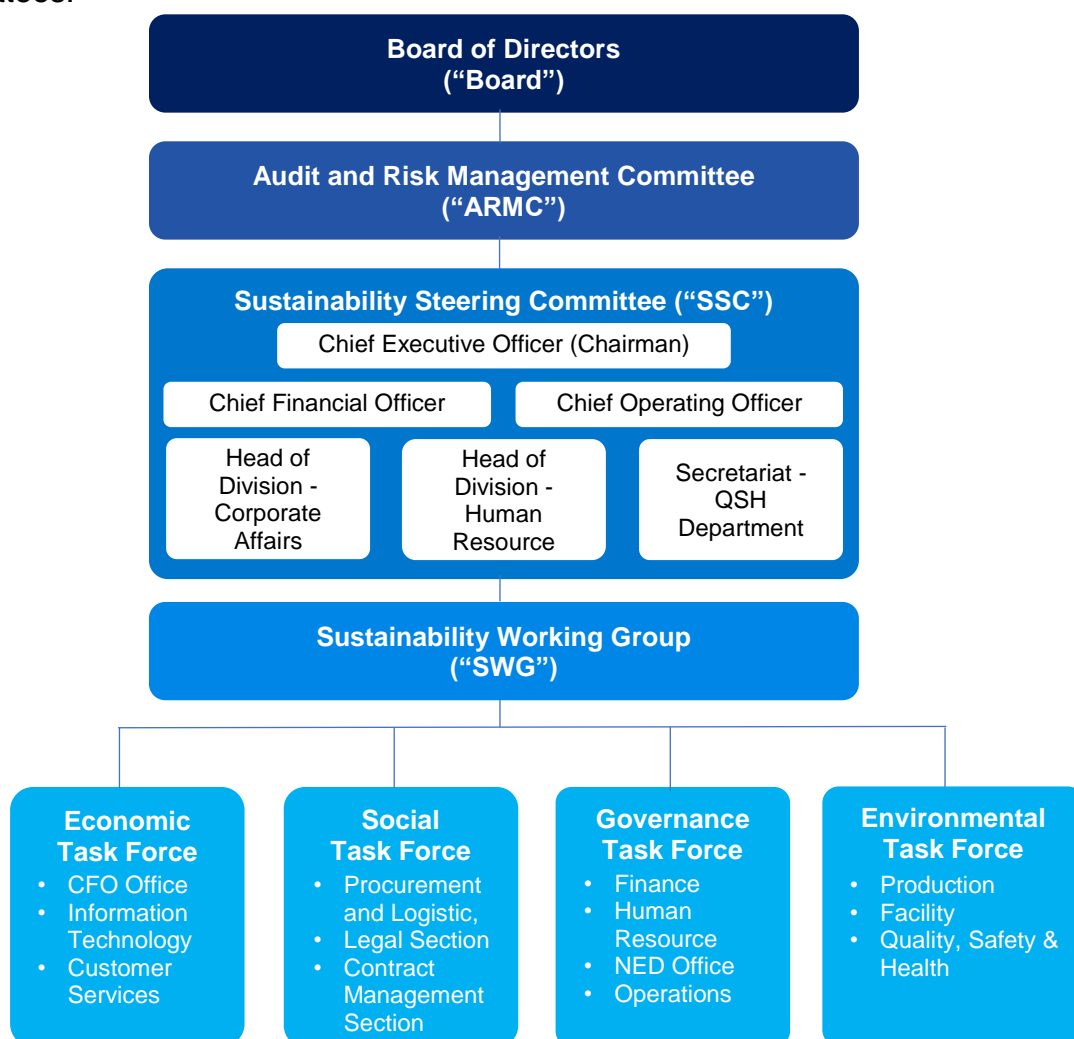


## SUSTAINABILITY STATEMENT 2023

PBA Holdings Bhd (“PBAHB” or the “Company”) is a holding company with principal and wholly owned subsidiaries (the “Group”) of Perbadanan Bekalan Air Pulau Pinang Sdn Bhd (“PBAPP”), PBA Resources Sdn Bhd (“PBAR”) and PBA Green Technology. The principal subsidiary PBAPP is a licensed water operator that serves the State of Penang in Malaysia. Our primary business is to sustain continuous clean water supply that meet our consumers' needs, regulatory obligations and contribute towards achieving the vision of enhancing life and liveability in Penang. This Sustainability Statement is a summary of our full FY2023 Sustainability Statement.

## HOW WE ARE GOVERNED

The pursuit for excellence begins at the highest level with our Board of Directors, providing oversight on the leadership team and collaborating to establish and pursue our sustainability goals. The corporate governance structure is crafted to foster accountability and integrity throughout the group. To ensure robust oversight and strategic direction, the Board of Directors has established the following standing committees.



1. Our Board provides strategic oversight on the Group's sustainability direction and approves the integration of sustainability and climate-related matters.
2. Our ARMC reviews the Group's sustainability aspects, identifies climate risks and opportunities, provides advice on initiatives and goals, and monitor audit or assurance reviews related to sustainability reporting.
3. Our SSC supports the ARMC in overseeing and integrating sustainability matters, providing recommendations and proposing changes to the Group's sustainability and climate-related matters.
4. Our SWG implements day-to-day sustainability initiatives, propose material sustainability matters and regularly report ESG data to the SSC.

## **REPORTING SCOPE AND BOUNDARY**

This sustainability report describes activities from 1 January 2023 to 31 December 2023 ("FY2023"). Our disclosures comprises of data from PBA Holdings Bhd and its subsidiaries as listed below.

- Perbadanan Bekalan Air Pulau Pinang Sdn Bhd ("PBAPP")
- PBA Resources Sdn Bhd ("PBAR") - Penang Water Services Academy ("PWSA")
- PBA Green Technology ("PBAGT")

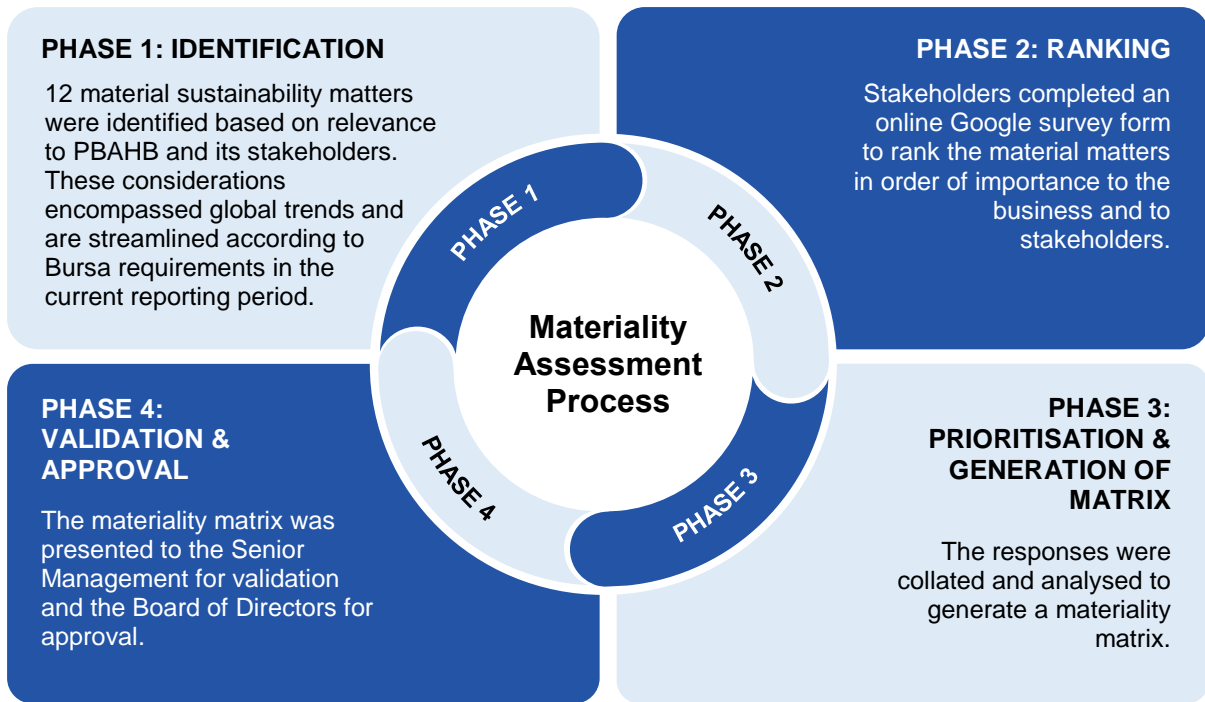
PBAGT is still dormant and not included in the scope of the Sustainability Statement.

## **REPORTING APPROACH**

The preparation of the Sustainability Statement was in accordance with the Main Market Listing Requirements ("MMLR") of Bursa Malaysia Securities Bhd and the Bursa Malaysia Sustainability Reporting Guide (3rd edition). It further incorporates references to the Global Reporting Initiative ("GRI") Standards and United Nations Sustainable Development Goals ("UN SDGs"). These frameworks and guidelines ensure transparent and reliable reporting that provides a comprehensive account of our sustainability progress and accomplishments to our stakeholders.

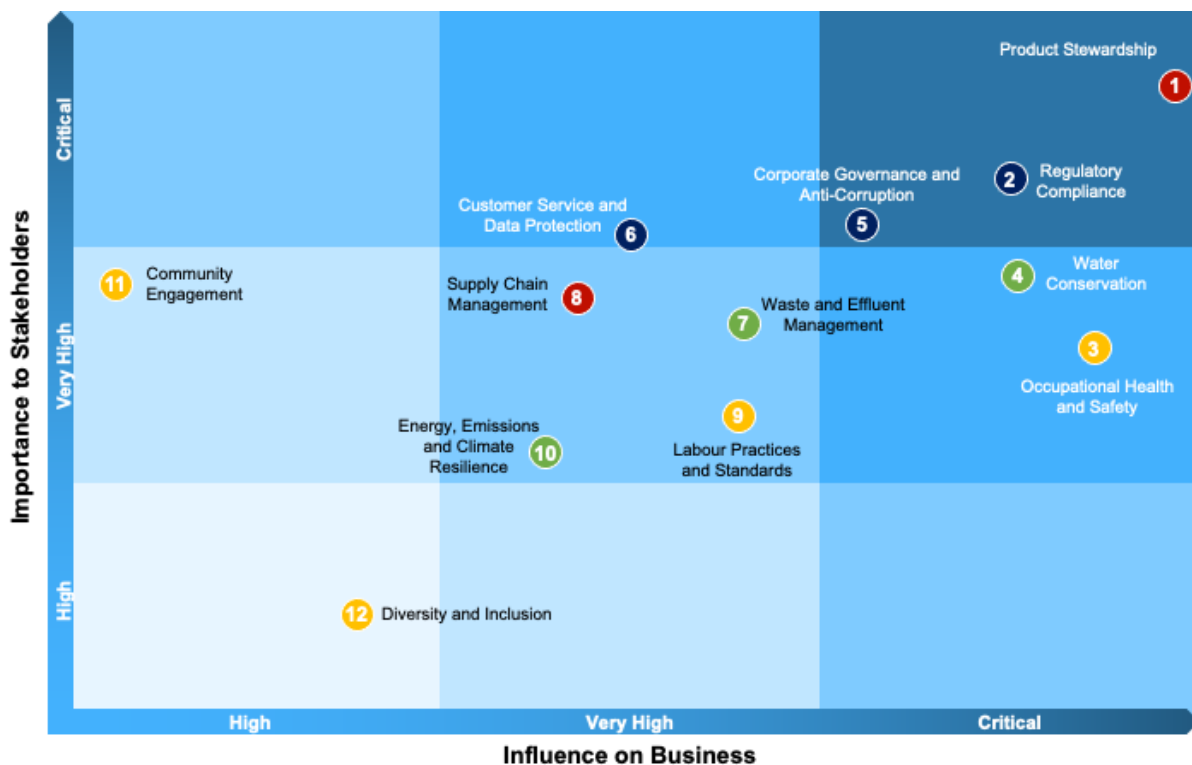
## **THE MATERIALITY ASSESSMENT PROCESS**

As part of our ongoing efforts to uphold sustainability and transparent stakeholder engagement, we consistently evaluate our material sustainability issues, ensuring that our sustainability efforts are aligned with the broader values and priorities of our community. Encompassing the four steps outlined below, the materiality assessment serves as a strategic tool, guiding our decision-making processes and helping us focus on the issues that truly matter.



## THE OUTCOME – MATERIALITY MATRIX

Aligning with the Bursa Malaysia Sustainability Reporting Guide (3rd edition) issued by Bursa Malaysia Securities Berhad, we developed a materiality matrix to visualise the importance of sustainability matters for both the Group and our stakeholders. This



year, the Group has identified 12 material matters, with the top five (5) being Product Stewardship, Regulatory Compliance, Occupational Health and Safety, Water Consumption as well as Corporate Governance and Anti-Corruption.

PBAHB's Material Sustainability Matters			
Strengthening Integrity and Governance	Ensuring Quality Products and Services	Protecting Our Environment	Caring for Our People
2. Regulatory Compliance	1. Product Stewardship	4. Water Consumption	3. Occupational Health and Safety
5. Corporate Governance and Anti-Corruption	8. Supply Chain Management	7. Waste and Effluent Management	9. Labour Practices and Standards
6. Customer Service and Data Protection		10. Energy, Emissions and Climate Resilience	11. Community Engagement
			12. Diversity and Inclusion

Through this materiality assessment, we gained valuable insights that guide the overall direction of PBAHB in our sustainability journey where we approached each identified sustainability matter holistically and recognise their interconnected nature. As a result, our efforts are devoted to managing and addressing each matter in an inclusive and comprehensive manner.

## MAPPING OUR MATERIAL MATTERS

Material sustainability matters are inherently connected through our ESG pillars, key stakeholder groups and UN SDGs. They play a crucial role in identifying and exploring pertinent matters impacting the Group's performance. In embracing these interconnections, we navigate a path towards holistic sustainability that strengthens our commitment to responsible business practices and contributes meaningfully to the broader objectives outlined by our stakeholders and the UN SDGs.

## Strengthening Integrity and Governance

Through transparent and ethical decision-making, we ensure the trust and confidence of our stakeholders, fostering a culture of accountability and responsibility.

### Material Sustainability Matters:

- Regulatory Compliance
- Corporate Governance and Anti-Corruption
- Customer Service and Data Protection

### Stakeholders:



### Core Values:



### UN SDGs:



## Ensuring Quality Products and Services

Our promise is to consistently deliver top-quality products and services, striving to exceed customer expectations, adhering to standards to guarantee reliability, safety and satisfaction.

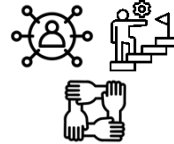
### Material Sustainability Matters:

- Product Stewardship
- Supply Chain Management

### Stakeholders:



### Core Values:



### UN SDGs:



## Protecting Our Environment

We commit to sustainable practices that minimise our ecological footprint, proactively working towards environmental conservation to preserve and protect the entrusted natural resources.

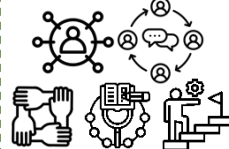
### Material Sustainability Matters:

- Water Consumption
- Waste and Effluent Management
- Energy, Emissions and Climate Resilience

### Stakeholders:



### Core Values:



### UN SDGs:



## Caring for Our People

We cultivate a supportive work environment, prioritise employee welfare and actively participate in initiatives contributing to the communities we serve.

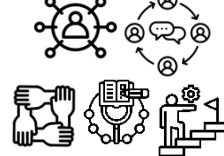
### Material Sustainability Matters:

- Occupational Health and Safety
- Labour Practices and Standards
- Community Engagement
- Diversity and Inclusion

### Stakeholders:



### Core Values:























### UN SDGs:



## SUSTAINABILITY PERFORMANCE SCORECARD (“KPIs”)

Sustainability KPIs serve as crucial metrics to monitor progress, drive continuous improvement and ensure the long-term viability and resilience of our water resource and utility systems. These key indicators address resource efficiency, water quality, climate resilience, customer engagement, regulatory compliance and more, providing a comprehensive framework for our sustainability journey. By diligently tracking these KPIs, we not only measure our diligence to sustainability but also actively contribute to the responsible and resilient management of water resources.

 Achieved  In Progress		
Our Goals	Key Performance Indicators	FY2023 Result
Strengthening Integrity and Governance	<b>Corporate Governance &amp; Anti-Corruption</b> Maintain <b>zero</b> incidents of bribery and corruption	
	<b>Corporate Governance &amp; Anti-Corruption</b> Maintain <b>zero</b> incidents reports received through whistleblower channels	
	<b>Data Privacy &amp; Cybersecurity</b> Maintain <b>zero</b> customer privacy breaches and data losses	
Ensuring Quality Product and Services	<b>Product Stewardship</b> Maintain <b>100%</b> water quality compliance with MOH for parameters under QAP	
	<b>Product Stewardship</b> Achieve reduction of non-revenue water to <b>23%</b>	
	<b>Supply Chain Management</b> Achieve <b>90%</b> proportion of spending on local suppliers	
Protecting Our Environment	<b>Energy, Emissions &amp; Climate Resilience</b> Achieve <b>1%</b> reduction on electricity consumption	
	<b>Energy, Emissions &amp; Climate Resilience</b> Establish a baseline year for greenhouse gas ("GHG") emissions <b>by 2024</b>	
	<b>Energy, Emissions &amp; Climate Resilience</b> Establish baseline electricity consumption per cubic meter of water produced (kWh/m <sup>3</sup> ) <b>by 2024</b>	
	<b>Water Consumption</b> Achieve <b>30%</b> reduction on internal water consumption	
Caring for Our People	<b>Occupational Health &amp; Safety</b> Control LTIR work related injuries <b>&lt; 2.15</b> / annum	
	<b>Occupational Health &amp; Safety</b> Achieve <b>20%</b> of employees receiving training on health and safety programmes	

	<p><b>Labour Practices &amp; Standards</b> Maintain <b>zero</b> cases of discrimination, non-compliance and child/forced labour</p>	
	<p><b>Labour Practices &amp; Standards</b> Maintain <b>zero</b> cases of substantiated complaints of human rights violation annually</p>	
	<p><b>Labour Practices &amp; Standards</b> Achieve an average of <b>3.5</b> training hours per employee annually</p>	
	<p><b>Diversity &amp; Inclusion</b> Achieve <b>30%</b> of women representative on the Board <b>by 2023</b></p>	
	<p><b>Diversity &amp; Inclusion</b> Achieve <b>30%</b> of women representative on Management Level <b>by 2023</b></p>	
	<p><b>Community Engagement</b> Allocate <b>RM 614,000.00</b> amount for community investments annually</p>	

## MANAGEMENT APPROACH

Detailed description of how we manage and deal with our material sustainability matters derived from the materiality assessment is included in our full FY2023 Sustainability Statement. The full FY2023 Sustainability Statement can be viewed at [https://pba.com.my/pdf/sustainability/PBA\\_Sustainability\\_Statement\\_20240313.pdf](https://pba.com.my/pdf/sustainability/PBA_Sustainability_Statement_20240313.pdf)



# PERFORMANCE DATA TABLE

## Governance

Indicator	Unit	FY2021	FY2022	FY2023
<b>Corporate Governance and Anti-Corruption</b>				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
• Top Management	%	-	-	-
• Senior Management	%	-	-	-
• Middle Management	%	-	-	-
• Executive	%	-	-	-
• Clerical and Technical Personnel	%	-	-	-
• Industrial Manual Group	%	-	-	-
Bursa C1(b) Percentage of operations assessed for corruption related risks	%	-	-	-
Bursa C1(c) Confirmed incidents of corruption and actions taken	Number	0	0	0
<b>Data Privacy and Cybersecurity</b>				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy or losses of customer data	Number	0	0	0

## Economic

Indicator	Unit	FY2021	FY2022	FY2023
<b>Supply Chain</b>				
Bursa C7(a) Proportion of spending on local suppliers	%	-	-	100

## Social

Indicator	Unit	FY2021	FY2022	FY2023
<b>Occupational Health and Safety</b>				
Bursa C5(a) Number of work-related fatalities	Number	2	1	1
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.85	1.28	1.59
Bursa C5(c) Number of employees trained on health and safety standards	Number	-	-	324
<b>Labour Practices and Standards</b>				
Bursa C6(a) Total hours of training by employee category				
• Top Management	Hours	-	-	187
• Senior Management	Hours	-	-	187
• Middle Management	Hours	-	-	2,576
• Executive	Hours	-	-	12,359
• Clerical and Technical Personnel	Hours	-	-	87,643
• Industrial Manual Group	Hours	-	-	77
Bursa C6(b) Percentage of employees that are contractors or temporary staff				
• Permanent	%	1,339	1,337	1,381
• Contract	%	81	136	107
Bursa C6(c) Total number of employee turnover by employee category				
• Top Management	Number	0	0	0
• Senior Management	Number	0	0	0
• Middle Management	Number	1	2	0
• Executive	Number	1	2	9
• Clerical and Technical Personnel	Number	13	23	13



• Industrial Manual Group	Number	8	26	30
Bursa C6(d) Number of substantiated complaints concerning human rights violation	Number	-	-	0
<b>Diversity and Inclusion</b>				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				
Gender group by employee category				
• Top Management (Male)	Number	2	1	1
• Top Management (Female)	Number	1	1	1
• Senior Management (Male)	Number	1	1	1
• Senior Management (Female)	Number	1	1	1
• Middle Management (Male)	Number	16	17	19
• Middle Management (Female)	Number	11	13	13
• Executive (Male)	Number	34	37	38
• Executive (Female)	Number	45	43	49
• Clerical and Technical Personnel (Male)	Number	396	412	414
• Clerical and Technical Personnel (Female)	Number	175	178	189
• Industrial Manual Group (Male)	Number	725	759	755
• Industrial Manual Group (Female)	Number	10	8	7
Age group by employee category				
• Top Management (<30)	Number	0	0	0
• Top Management (30-50)	Number	0	0	0
• Top Management (>50)	Number	3	2	2
• Senior Management (<30)	Number	0	0	0
• Senior Management (30-50)	Number	0	0	0
• Senior Management (>50)	Number	2	2	2
• Middle Management (<30)	Number	0	0	0
• Middle Management (30-50)	Number	18	21	23
• Middle Management (>50)	Number	9	9	9
• Executive (<30)	Number	15	11	15
• Executive (30-50)	Number	50	58	62
• Executive (>50)	Number	14	11	10
• Clerical and Technical Personnel (<30)	Number	88	78	79
• Clerical and Technical Personnel (30-50)	Number	388	422	443
• Clerical and Technical Personnel (>50)	Number	95	90	81
• Industrial Manual Group (<30)	Number	214	221	193
• Industrial Manual Group (30-50)	Number	443	469	493
• Industrial Manual Group (>50)	Number	78	77	76
Bursa C3(b) Percentage of directors by gender and age				
Male	%	-	-	-
Female	%	-	-	-
30-50	%	-	-	-
51-60	%	-	-	-
>60	%	-	-	-
<b>Community Engagement</b>				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	RM	-	-	> 600,000
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	-	-	2,310
Bursa S2(a) Average retail electric or water rate	Number	-	-	-

## Environment

Indicator	Unit	FY2021	FY2022	FY2023
<b>Energy, Emissions and Climate Resilience</b>				
Bursa C4(a) Total energy consumption	GJ	699,990	738,357	744,306
Bursa C11(a) Scope 1 emissions in tonnes of CO <sub>2</sub> e	tCO <sub>2</sub> e	703	757	772
Bursa C11(b) Scope 2 emissions in tonnes of CO <sub>2</sub> e	tCO <sub>2</sub> e	149,375	157,509	158,746
Bursa C11(c) Scope 3 emissions in tonnes of CO <sub>2</sub> e (business travel and employee commuting)	tCO <sub>2</sub> e	-	-	5,445
<b>Waste and Effluent Management</b>				
Bursa C10(a) Total waste generated	Metric tonnes	46.82	4.77	22.29
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	-	-	-
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	-	-	-
Bursa S8(a) Total volume of water (effluent) discharge over the reporting period	L	6,673,635,082	7,070,110,952	6,478,166,252
<b>Water Consumption</b>				
Bursa C9(a) Total volume of water used	L	20,677,016	17,993,825	18,876,221