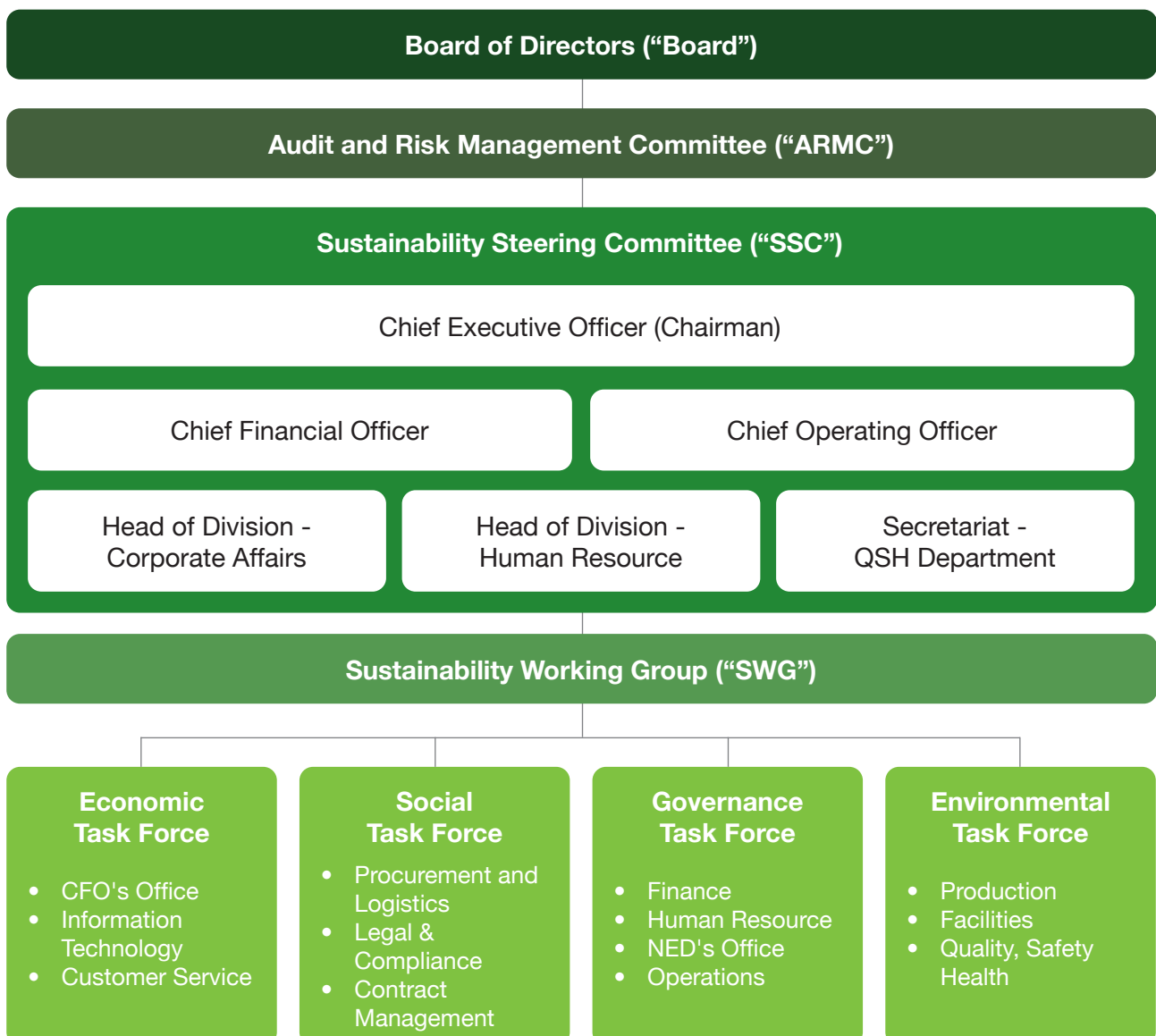


● SUSTAINABILITY STATEMENT 2023

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 Sdn Bhd (“PBAGT”). 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.



HOW WE ARE GOVERNED (CONT'D)

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 Sdn Bhd ("PBAGT")

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

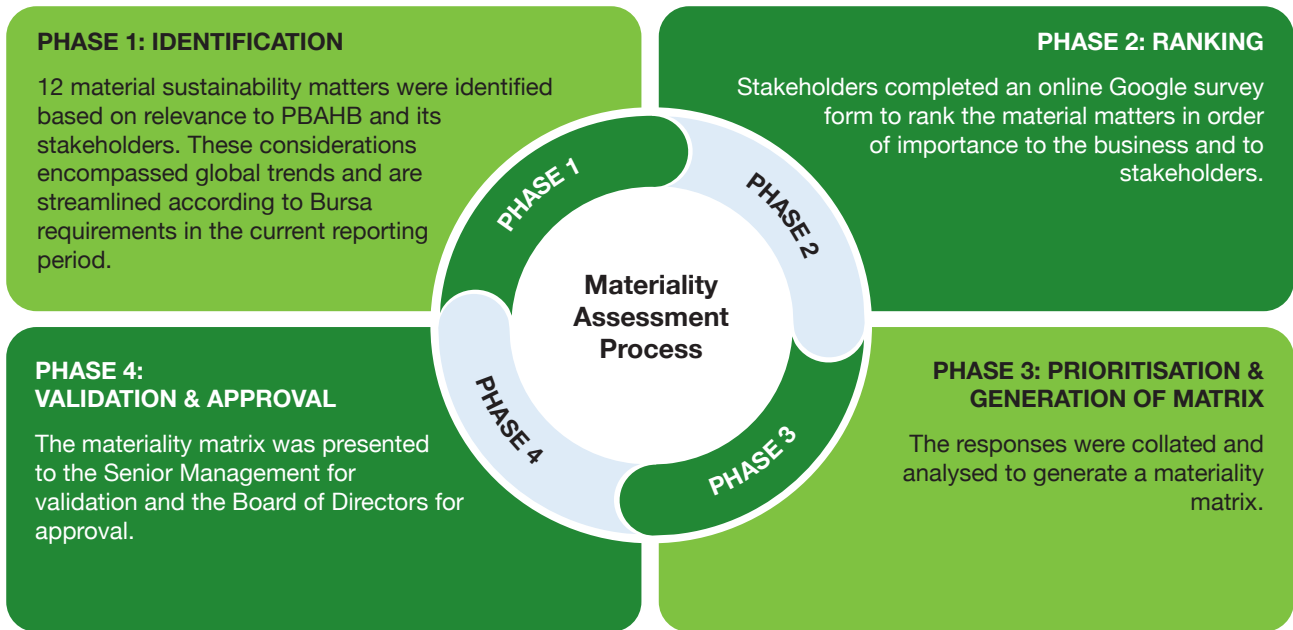
REPORTING APPROACH

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

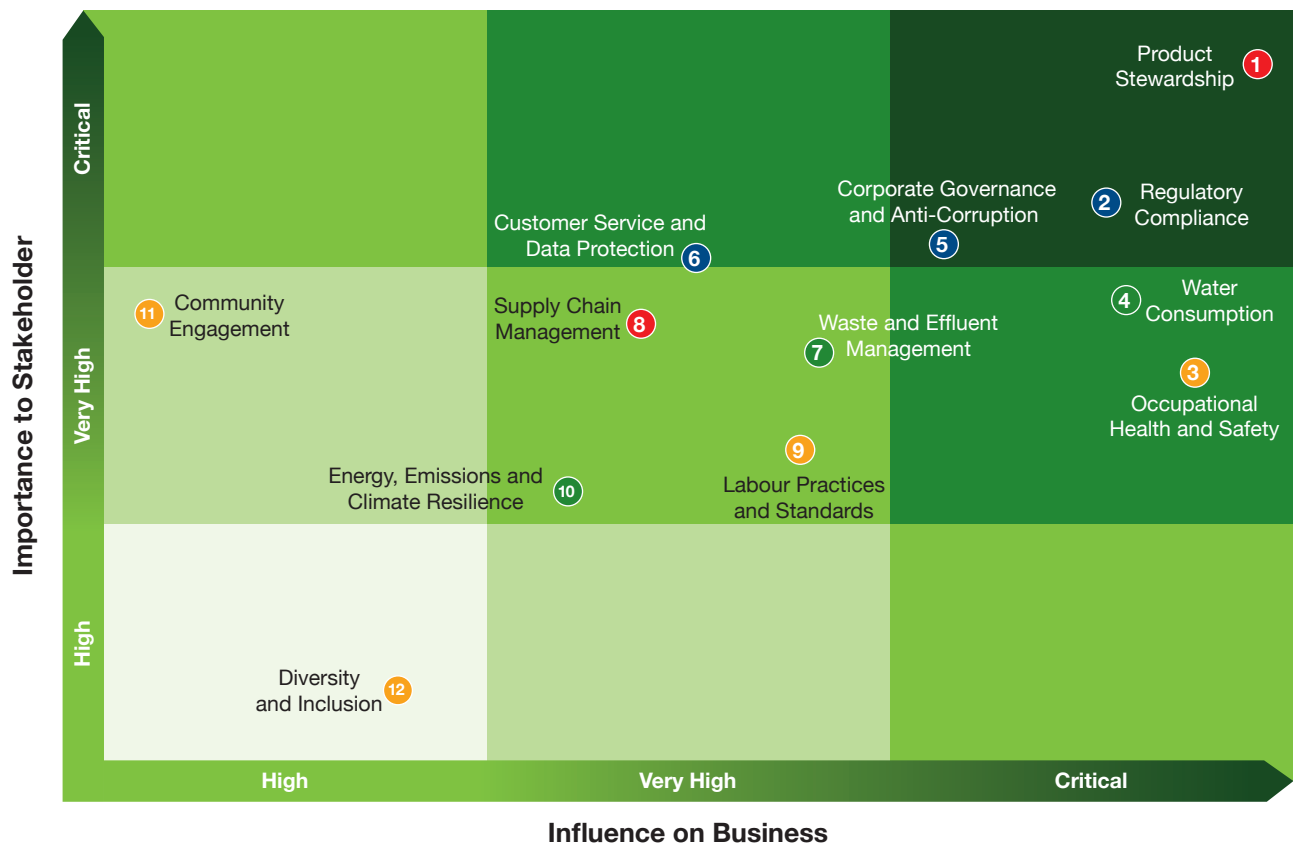
As part of our ongoing efforts to uphold sustainability and transparent stakeholder engagement, we consistently evaluate our material sustainability issues, ensuring that our sustainability efforts are aligned with the broader values and priorities of our community. Encompassing the four steps outlined 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 MATERIALITY ASSESSMENT PROCESS (CONT'D)



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.



THE OUTCOME – MATERIALITY MATRIX (CONT'D)

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.

Sustainability Steering Committee ("SSC")

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

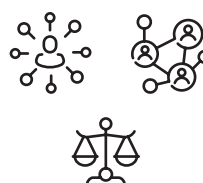
Material Sustainability Matters:

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

Stakeholders:



Core Values:



UN SDGs:



MAPPING OUR MATERIAL MATTERS (CONT'D)

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.

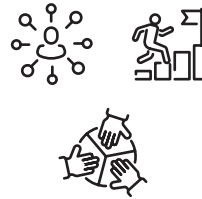
Material Sustainability Matters:

- Product Stewardship
- Supply Chain Management

Stakeholders:



Core Values:



UN SDGs:



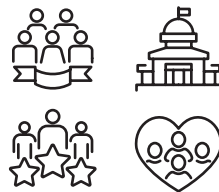
Protecting Our Environment

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

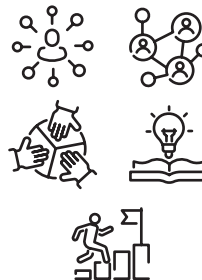
Material Sustainability Matters:

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

Stakeholders:



Core Values:



UN SDGs:



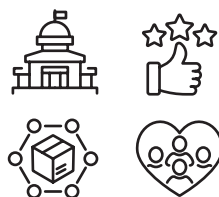
Caring for Our People

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

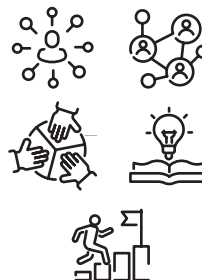
Material Sustainability Matters:

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

Stakeholders:



Core Values:















UN SDGs:













Note: Please obtain the Stakeholders and Core Values attributes under the full report page 7 and page 14 respectively via the link provided in QR Code at the end of this summary report.

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	Corporate Governance & Anti-Corruption Maintain zero incidents of bribery and corruption	
	Corporate Governance & Anti-Corruption Maintain zero incidents reports received through whistleblower channels	
	Data Privacy & Cybersecurity Maintain zero customer privacy breaches and data losses	
Ensuring Quality Product and Services	Product Stewardship Maintain 100% water quality compliance with MOH for parameters under QAP	
	Product Stewardship Achieve reduction of non-revenue water to 23%	
	Supply Chain Management Achieve 90% proportion of spending on local suppliers	
Protecting Our Environment	Energy, Emissions & Climate Resilience Achieve 1% reduction on electricity consumption	
	Energy, Emissions & Climate Resilience Establish a baseline year for greenhouse gas (“GHG”) emissions by 2024	
	Energy, Emissions & Climate Resilience Establish baseline electricity consumption per cubic meter of water produced (kWh/m ³) by 2024	
	Water Consumption Achieve 30% reduction on internal water consumption	

SUSTAINABILITY PERFORMANCE SCORECARD (“KPIs”) (CONT'D)

 Achieved  In Progress		
Our Goals	Key Performance Indicators	FY2023 Result
Caring for Our People	Occupational Health & Safety Control LTIR work related injuries < 2.15 / annum	
	Occupational Health & Safety Achieve 20% of employees receiving training on health and safety programmes	
	Labour Practices & Standards Maintain zero cases of discrimination, non-compliance and child/forced labour	
	Labour Practices & Standards Maintain zero cases of substantiated complaints of human rights violation annually	
	Labour Practices & Standards Achieve an average of 3.5 training hours per employee annually	
	Diversity & Inclusion Achieve 30% of women representative on the Board by 2023	
	Diversity & Inclusion Achieve 30% of women representative on Management Level by 2023	
	Community Engagement Allocate RM 614,000.00 amount for community investments annually	

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://pbahb.com.my/pdf/sustainability/PBA_Sustainability_Statement_20240430.pdf

