# SUSTAINABILITY STATEMENT FY2025



# Sustainability Statement is all about







Our Sustainability Commitment reflects our dedication to integrating key aspects of environmental stewardship, economic growth, social responsibility, and strong governance to safeguard the well-being of future generations. We believe that effective resource management, ethical governance, social equity, and active community engagement are essential to building truly sustainable communities. Our goal is to provide eco-friendly solutions that contribute to a safe, comfortable, and sustainable living environment.

This report follows the guidelines set by Bursa Malaysia Securities Berhad for Sustainability Statements in Annual Reports and supports the Malaysian Code on Corporate Governance. Our reporting is based on the Global Reporting Initiative (GRI) Standards 2021, the Task Force on Climate-related Financial Disclosures (TCFD) Recommendations, and the FTSE4Good Bursa Malaysia Index. We focus on important issues for our stakeholders, highlighting value creation and our support for the United Nations Sustainable Development Goals (UN SDGs).

### >> INTRODUCTION

PGF Capital Berhad ('PGF' or the 'Group') is an investment holding company operating commercially in 1984, and Public Listed on Bursa Malaysia in 1990. Main operation hub is located in Perai, Penang with manufacturing and warehousing facilities operating on a 9.54-acres land.



To construct a new operations hub in Kulim, Kedah ( $\sim$ 30 minutes from existing plant) featuring manufacturing and warehousing facilities on a 23.9-acres land with completion expected in the first half of 2026.



### >> ABOUT PGF AUSTRALIA

Distribution hubs and delivery fleet in Austrialia commercially in 2023. Main Office and distribution hub is located in Campbellfield, Melbourne, Victoria



Second distribution hub is located in Willawong, Brisbane, Oueensland



Partnership distribution with SELECT INSULATION located in Wangara, Perth, Western Australia



Partnership distribution with BRITESTAR located in Prestons, Sydney, New South Wales



### SUSTAINABILITY KEY HIGHLIGHTS

Environment

SCOPE 1 13,851

**13,851** FY2024:12,693

**SCOPE 2 9,061** FY2024:8,795

\$ \$ \$

**5.93 kWh** FY2024:5.95



**103,427m³** FY2024:99,508m³



**0.06MT** waste to landfill



**ZERO** 

Water & Environmental Fine & Penalty



Social

**ZERO** 

case reported on: Discrimination, Harrassment, Grievance, Labour & Human Rights



**ZERO** 

case reported on: Workplace Fatality and DOSH



Governance

**ZERO** 

breaches in Data Privacy & Security



**ZERO** 

case reported on: 
Bribery & Corruption, 
Whistleblowing, Political 
Donation



### PGF 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:

### **Board Of Directors**



The Board is ultimately responsible for incorporating sustainability considerations, including climate change, in the Company's business strategies. The Board is responsible for the Group's sustainability strategy and performances, including financial and non-financial reporting. Amongst others, this comprises identifying and ensuring compliance and managing matters pertaining to ESG matters, particularly where ESG risks may affect the company's performance. The Board's responsibilities include setting the Group's aspirations in relation to its sustainability matters and performing regular reviews of the Group's sustainability progress.

# Senior Management (Executive Committee)



The Senior Management ("SM") is responsible for the execution of the Group's sustainability strategy, which includes the handling of mandatory reporting obligations, overseeing the management of ESG risks and developing action plans to achieve aspirations set by the Board. The SM is assisted by the Sustainability Committee.

Some of the SM's key responsibilities include managing the planning and integration of sustainability initiatives into the Group's business strategies and operations to ensure key sustainability decisions are made in accordance with the Group's business strategies and to ensure the availability of adequate resources for the successful implementation of sustainability strategies and initiatives.

# **Operation Management** (Sustainability Committee)



The Operation Management ("OM") is comprised of key working-level representatives from each division and department, and they also include members of the Sustainability Committee. The Sustainability Committee is responsible for implementing action plans and pursuing sustainability targets set by the SM. In addition, the OM also collects and reports relevant data for the Group's non-financial reporting, monitoring of sustainability performance, and complying with the non-financial reporting obligations.

The OM provides execution support and oversees the daily management of sustainability matters in their respective division and functions, towards effective integration of sustainability throughout the Group.



### Addressing Climate Change

Recognizing the necessity of managing the natural environment, the Board has established a Sustainability Committee ("OM") with the sole objective of supervising the Group's efforts to address climate change within its business operations. The OM oversees the implementation of the Group's sustainability framework, which is central to our commitment to environmental stewardship and responsible business practices.

We adopt a proactive stance across all our business units to address climate-related issues. Mr. Fong Wern Sheng serves as the Chairperson of the Executive Committee, overseeing the management of the Group's climate change risks.

Our climate risk assessment focuses on key areas including governance frameworks, regulatory compliance, waste, energy, emissions, and water management. PGF remains firmly committed to addressing climate-related challenges and transitioning toward a low-carbon future through the following initiatives:

- Improving energy efficiency in buildings to reduce energy consumption and emissions
- Utilising solar photovoltaic systems to lower greenhouse gas emissions from energy production
- Planting trees and restoring forests to absorb carbon dioxide from the atmosphere
- Reducing waste generation and promoting recycling to decrease methane emissions from landfills

### >> PGF 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 <a href="mail@pgfcapital.com.my">mail@pgfcapital.com.my</a>. 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.



# $\textbf{Sustainability Statement} \ \ \textbf{(Cont'd)}$

### PGF STAKEHOLDER ENGAGEMENT (CONT'D)

Our key engagement mechanisms is to ensure our business continue to be relevant and add value for each stakeholder during FY2025 are summarised in the table below.

Okabah alalan	E	Associations
Stakeholder	Engagement	Areas of Expectations
By annually/ and/or As and when needed	<ul> <li>Performance reviews</li> <li>Educational/ Training programmes</li> <li>Conferences/ Seminars/ Workshops</li> <li>Safety inspections</li> <li>Code of Ethics</li> <li>Community development programmes</li> <li>Interviews</li> <li>Face-to-face meetings</li> <li>PGF's Library</li> </ul>	<ul> <li>Knowledge and skill enhancement</li> <li>Career development</li> <li>Occupational Health &amp; safety</li> <li>Environment, Health &amp; Safety ("EHS") practices</li> <li>Fair &amp; competitive remuneration benefit</li> <li>Employee wellbeing and a conducive work environment</li> <li>Employee engagement</li> <li>Job security</li> <li>Equal opportunity</li> </ul>
CUSTOMER 쇼요요 As and when needed	<ul> <li>Customer satisfaction survey</li> <li>Suggestion box</li> <li>Social media</li> </ul>	<ul> <li>Pricing</li> <li>Quality, Green &amp; Sustainable products and services</li> <li>Timely project delivery</li> <li>Customer service and experience</li> <li>Property design</li> <li>Defect rectification</li> <li>EHS practices</li> </ul>
VENDOR  (L)  (B)  As and when needed	<ul> <li>Supplier assessment</li> <li>Surveys</li> <li>Face-to-face meetings</li> </ul>	<ul> <li>Supply chain management</li> <li>Legal compliance and contractual commitments</li> <li>Product, service quality and delivery</li> <li>Fair and transparent procurement process</li> <li>Cost effectiveness</li> <li>EHS practices</li> <li>Payment schedule</li> </ul>
MEDIA  As and when needed	<ul><li>Interviews</li><li>Press releases</li><li>Advertising</li></ul>	<ul> <li>Corporate news</li> <li>Industry outlook</li> <li>Brand image</li> <li>Reputation</li> </ul>
REGULATOR BODIES  As and when needed	<ul> <li>Audit</li> <li>Presentations</li> <li>Site visit</li> <li>Survey</li> </ul>	<ul> <li>Certifications</li> <li>Corporate governance</li> <li>Regulatory compliance</li> <li>Anti Bribery &amp; Corruption compliance</li> <li>Environmental management and compliance</li> </ul>
INVESTOR / SHAREHOLDER  As and when needed	Company's website Bursa Announcement Annual report Annual General Meeting Fund/analyst briefing Press releases Face-to-face meetings Site visits Survey	<ul> <li>Financial performance</li> <li>Corporate developments</li> <li>Growth plans</li> <li>ESG practices</li> <li>Risk management</li> <li>Corporate governance</li> <li>Transparent disclosure</li> <li>Dividend policy</li> </ul>
COMMUNITY     O  O  O  O  O  O  O  O  O  O  O  O	Community programme     Internships     Press releases     Social media	<ul> <li>Community engagement</li> <li>Job creation and internship opportunities</li> <li>Local welfare</li> <li>Social Contribution</li> </ul>

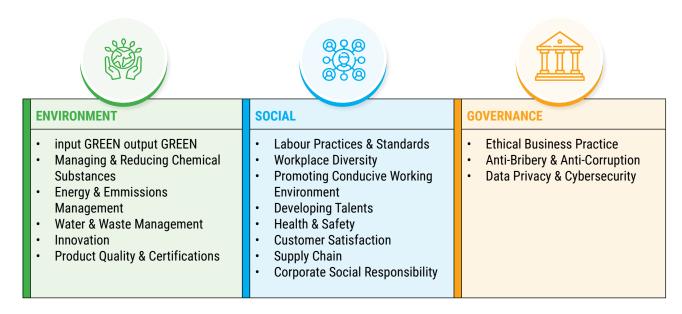
### >> PGF MATERIALITY ASSESSMENT

We conduct annual assessments of material issues to improve how we manage sustainability risks and opportunities. This helps us prioritise matters with the greatest impact on the economy, society, and the environment. The results are mapped in a materiality matrix, reflecting their significance to both our Group and our stakeholders, as shown below.

### **PGF'S Material Matrix**



Significance of Groups' Impact



### >> ENVIRONMENTAL

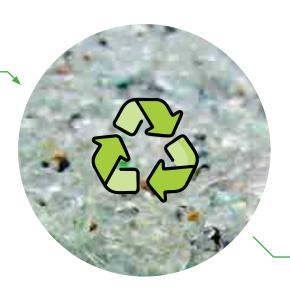
### **Green Energy for Green Products - Redefining Sustainability in Our Manufacturing**

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 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, Social and Governance compliance which we view as fundamental and basic for our business. Our goals and their performance for FY2025 are as follows:

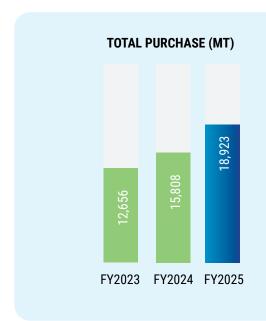
### **INPUT GREEN**

- Uses industrial glass waste.
- Used glass wool can potentially be reused.
- Recycling reduces the need for virgin materials and the energy required to produce new insulation products.



#### **OUTPUT GREEN**

- Products are used to prevent heat transfer between the interior and exterior of building. Reduces heat loss lower energy bills and carbon emissions.
- Leads to a **healthier indoor environment**, as well as preventing damage to building materials.





### INPUT GREEN AND OUTPUT GREEN (Cont'd)

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 minimising 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.

In collaboration with the Penang Green Council, PGF is excited to invite recycling collectors to donate automotive windscreen glass through our eco-friendly recycling program. This joint initiative is more than just waste reduction, it's about repurposing glass waste into a glass wool insulation product that will help benefit the planet through energy conservation. Join us in creating a cleaner, greener, and brighter future for all.



### MANAGING AND REDUCING CHEMICAL SUBSTANCES

Did you know that volatile organic compounds ("VOC") 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, recognised by international certifications, Ecowool goes beyond providing excellent thermal performance. It ensures the resilience of your building designs while prioritising both your health and the planet's well-being.

Apart from our insulation products which are environmentally sustainable, we also place efforts in achieving sustainable packaging, in addition to their function to protect our products. Packaging waste management is an area of major concern for society. We are working toward a future where none of our packagings ends up in landfill or as litter in the environment. Traditional packaging printing processes involve using a wide range of colours to create vibrant designs. However, this can lead to excessive waste of ink, as well as more energy consumption during the printing process.

By minimising the number of colours used in our packaging, we significantly reduce our environmental impact. Our insulation packaging only consists of two colours which will make it easier and more efficient to recycle, on top of reducing the amount of waste that ends up in landfills.



### **ENERGY AND EMISSION MANAGEMENT**

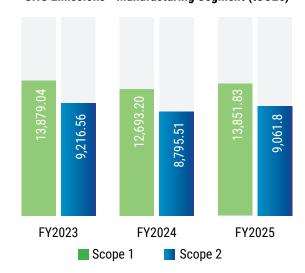
Our alignment with the United Nations Sustainable Development Goals ("SDGs") is a testament to our deeprooted company values, and we couldn't be more thrilled to be driving positive change in line with these global objectives.

With the adoption of electric vehicle ("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 28 February 2025, a diesel cost saving of nearly RM100k is anticipated.

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 FY2025, 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 (tC02e)** 



The total emissions for Scope 3 are 22,931.46 tons of carbon dioxide equivalent ("tCO2e"). This number comes from looking at how much money was spent with suppliers and using that to estimate the emissions linked to those purchases.



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.

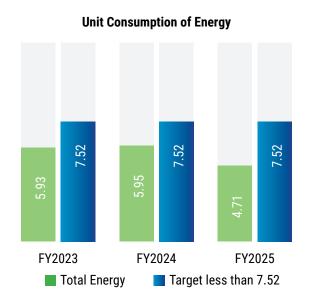


Generated from solar panel system

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 results, we managed to save over RM947k worth in electricity consumption in FYE2025.

By harnessing renewable energy sources, we're not just reducing our carbon footprint; we are 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.

### **ENERGY AND EMISSION MANAGEMENT (CONT'D)**

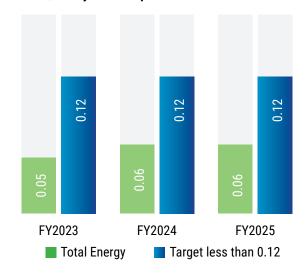


With EE as a vital part of the roadmap for a carbon neutral economy, our innovative insulation solutions are built to offer significant energy savings while attaining thermal and acoustic comfort at the same time. Our commitment in quality gives us the confidence to provide 70 years of product warranty 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.

### **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 minimise environmental waste.

### Quantity of waste products send to landfill





### **WASTE MANAGEMENT (CONT'D)**

In FY2025, scheduled waste generation increased significantly by approximately nine times, reaching 131.20 metric tons compared to 14.26 metric tons in FY2024. This surge was primarily due to the identification and formal declaration of accumulated fibers collected from forming suction boxes during plant maintenance cleaning activities. Previously, this waste stream had gone unrecorded but was properly accounted for in FY2025, reflecting more comprehensive waste management reporting. The increase highlights the Company's commitment to transparency and continuous improvement in tracking and documenting waste across its operations.

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's goal is to maximise resource efficiency, maximise waste generation, and promote recycling and reuse, contributing to a circular economy and sustainable development. The motto 'Reduce, Reuse, Recycle, Repeat' underscores a circular approach to waste management.

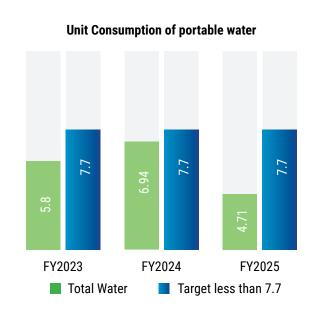


- Avoid single-use, print ony when necessary.
- Refill, repurpose or donate instead of discarding
- Recycle paper, plastic, and glass into new process to avoid waste
- REPEAT these actions consistently as part of daily life.

Reduce what you use, Reuse what you can, Recycle what you must, and Repeat every day

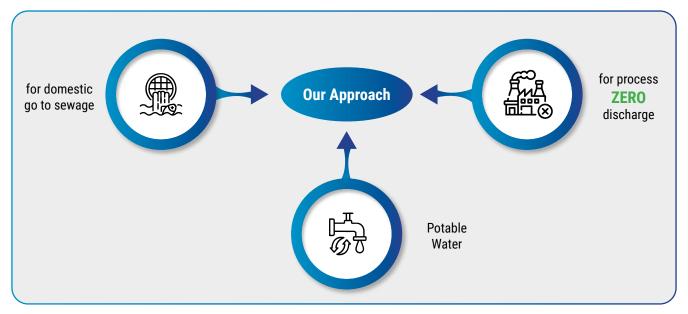
### **WATER MANAGEMENT**

Effective water management practices aim to optimise water usage, minimise 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 103,427m3 of water in our operations. Processes are currently being developed to further analyse water consumption in our operations.



### **WATER MANAGEMENT (CONT'D)**

Our production process have minimal water usage, and they do not result in significant water discharge or water pollution. All our source water from municipal water supply, therefore we do not draw water from surface sources like river, lakes, natural ponds, groundwater from wells and boreholes, quarry water, or seawater, neither release wastewater into the ocean and surface sources as there is **ZERO** water discharge from our operational process and domestic is directed to the sewage system.



Furthermore, PGF does not operate in water-stressed regions, and has **ZERO** incidents of non-compliance with water quality standards and regulations. We will gather data from water bills to ensure responsible water usage, as well monitor and explore environmentally friendly methods to enhance water efficiency.

We utilise water resources responsibly by monitoring and effectively managing our water consumption, which includes water conservation and the recycling of wastewater.

	FY2025	FY2024	FY2023
Water withdrawal			
municipal water	PBA	PBA	PBA
Total water withdrawal	103,427m3	99,508m3	90,310m3
Water discharged			
[NIL]	-	-	-
Total water discharged	-	-	-
Water consumed	103,427m3	99,508m3	90,310m3

In conclusion, there were no significant spills into water sources, and we upheld full compliance with water quality standards and regulations. **NO** environmental fines or penalties were incurred.

### **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 are excited to continue these collaborations, making waste contribution a norm and shaping a greener future.

Through sustainable manufacturing practices, the Company strives to develop and bring to market products and solutions that support the construction sector in delivering 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)**- a durable 3-layer and 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: PGFI'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.



### 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 electricity 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.

PGF glasswool insulation products are also certified by Global GreenTag under the GreenRate Level A certification. This certification applies to a range of PGF Glasswool products, including Ecowool Wall Batts, NZ Eliment Insulation Wall Slabs, Ecowool Ceiling Batts, and various other insulation materials.

They also comply with international standards such as AS/NZS 4859.1 for thermal insulation and ASTM D5116-17 for low VOC emissions. Additionally, PGFI operates under an ISO 14001 certified Environmental Management System and is undergoing a Life Cycle Assessment to further track its environmental footprint.

This certification demonstrates PGFI's commitment to sustainability and provides assurance to stakeholders regarding the environmental performance of their products.



>>> PRODUCT QUALITY AND CERTIFICATIONS (CONT'D)

**PROJECT HIGHLIGHTS:** AT&S, a leading electronics manufacturer, has recently completed a new manufacturing plant in Kulim Hi-Tech. Featured alongside the roof is our Ecowool Brownie V2 insulation, optimizing roof and building performance.



**EVENT HIGHLIGHTS:** Penang Green Conference 2024, hosted by the Penang Green Council. The event brought together people and organizations committed to sustainability, giving us a great platform to showcase our eco-friendly insulation products. Looking forward to more events like this that inspire us to keep delivering high-performance, eco-friendly solutions that help reduce carbon footprints.





### SOCIAL

### **>>** LABOUR PRACTICES AND STANDARDS

Labor practices and standards refer is 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 and a platform to support staff in addressing and managing bullying or harassment cases.

#### **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 formalised in our Employee Handbook, which is provided to all employees and accessible via intranet.

Labor practices and standards not only promotes ethical behavior and social responsibility but also enhances 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 FY2025, PGF achieved 100% written commitment from its employess & directors regarding to the adherence on PGF's Code of Conduct, and received ZERO complaints concerning human rights violations (forced or child labour, discrimination, harassment or other breach of human and labour rights).

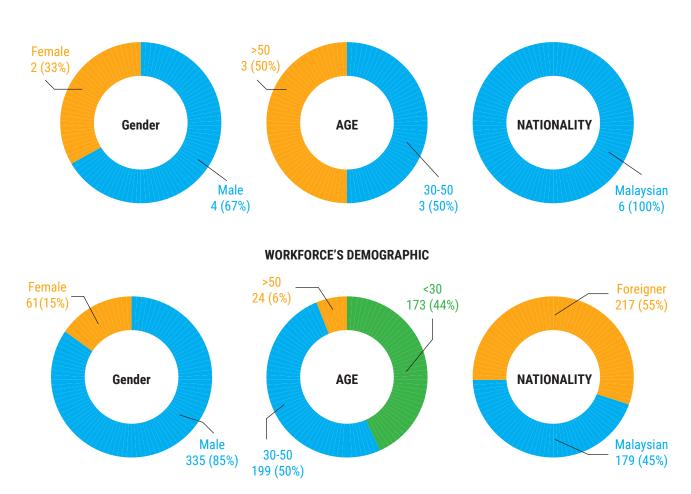


### **WORKPLACE DIVERSITY**

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**



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 organisation as a whole, driving us towards greater innovation, productivity, and success.

### 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 organisational 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** cultivates a culture of respect, inclusivity, and open communication. We encourage teamwork, recognise and celebrate achievements, and foster an environment where employees feel valued and motivated.

### >>> PROMOTING CONDUCIVE WORKING ENVIRONMENT (CONT'D)





EVENT HIGHLIGHTS: PAINTBALL TOURNAMENT @ USM MAIN CAMPUS PENANG



EVENT HIGHLIGHTS: FRUIT FIESTA @ PGF PRAI PENANG

### >>> PROMOTING CONDUCIVE WORKING ENVIRONMENT (CONT'D)







**EVENT HIGHLIGHTS: SHARING COOKIES FOR EVERY FESTIVE CELEBRATION** 



**EVENT HIGHLIGHTS: PGF MONTHLY BIRTHDAY CELEBRATION** 





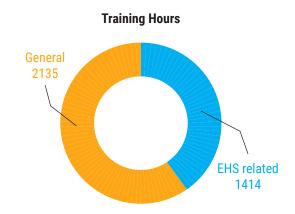


**EVENT HIGHLIGHTS:** PGF FOOD, FUN, AND GOOD VIBES!

### TALENT DEVELOPMENT

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 3,549 training hours amongst its employees, translating to 11.6 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, recognising that they are our most valuable asset.



We recognise and reward outstanding performance for 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. Recognising employees is not a mere formality; it is a fundamental part of our journey as a glass wool manufacturer. Congratulations, En. Mohamad Izzarfahmy Idrus and En. Amru Fauzi, 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, recognising that they are our most valuable asset.



### **HEALTH AND SAFETY**

At PGF, we prioritise 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 analyses 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 AND SAFETY (CONT'D)

### **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.

### **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 prioritising 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.

	No. of employee	Training Programme	
1	222	Chemical Handling and Spillage Management	
2	56	Hearing Conservation Programme	
3	284	Schedule Waste Training	
4	234	PGF Safety Induction	
5	28	Handling High Pressure Waterjet	
6	42	LoTo Awareness	
7	17	Safe Forklift Operating	
8	36	Safe Practice when Driving Forklift	

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





**EVENT HIGHLIGHTS: FIRE DRILL ACTIVITIES** 

### **HEALTH AND SAFETY (CONT'D)**

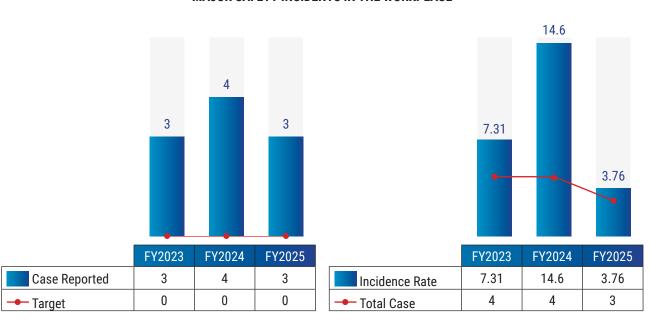


Safety data is a key indicator we collect to monitor the safety performance of our operations. It is also part of our annual goals and key performance indicators.

In FY2025, the lost time incident rate was recorded at 3.76%, with three major injuries, marking the lowest rate in the past three years. This reflects significant improvement, indicating that effective corrective actions were implemented such as policy enforcement, enhanced preventive measures, and increased awareness training.

Despite a spike in FY2024, the FY2025 rate is almost half of the 2023 figure, showing a clear net improvement over time. We will continue to monitor safety data consistently and maintain regular tracking and reporting to ensure sustained improvement.

### **MAJOR SAFETY INCIDENTS IN THE WORKPLACE**



### HEALTH AND SAFETY (CONT'D)

There were **ZERO** cases of fatalities recorded over the past three (3) years, occupational poisoning and occupational disease reported in connection with work, and **ZERO** penalties or imprisonment from Department of Occupational Safety and Health ("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 prioritising 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.

### **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.





**EVENT HIGHLIGHTS:** PGF hosted our valued Malaysian business partners for the Strategic Alignment 2024 event and a tour of our manufacturing site where they saw how Ecowool is made by transforming glass waste into high-quality glass wool. These visits are important to us, as they support our ongoing drive for excellence and innovation.

### **CUSTOMER SATISFACTION (CONT'D)**





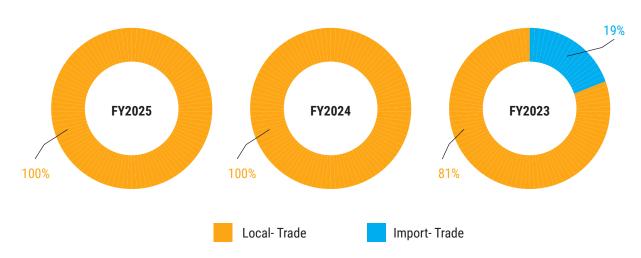
**EVENT HIGHLIGHTS:** PGF Australia was proud to take part in Coral Homes' Key Supplier Function, one of Queensland's biggest builder and supplier events! Representing PGF were Mike Gibson, Executive GM for Oceania, and Andrew Valek, Queensland Operations Manager.

### >> SUPPLY CHAIN

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 for input material are from local suppliers in FY2025.





### >> SUPPLY CHAIN (CONT'D)

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.

### **Compliance with Laws and Regulations:**

Suppliers must comply with all applicable laws and regulations related to their business operations, and maintain a **ZERO**-tolerance stance towards bribery and corruption.

### **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 minimise their environmental impact, and promote sustainability.

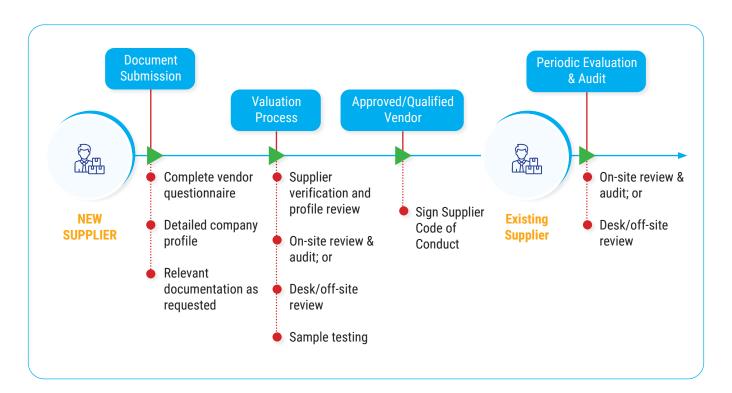
### **Confidentiality and Intellectual Property:**

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

### **Continuous Improvement:**

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

As part of our supplier management strategy, we implement a rigorous evaluation process for all new suppliers and contractors. While each business unit may have slight variations in their specific procedures, the overall process is designed to reduce operational risks, and it reflects our dedication to responsible procurement, ensuring that our suppliers uphold the same high standards in their business practices.



### >> SUPPLY CHAIN (CONT'D)



**PROJECT HIGHLIGHTS:** PGF's brightly coloured brand-new trucks with our logo making waves on the highways. These are not just any trucks – they represent our progress, reliability, and growing presence. We are excited to share that PGF is now on the move, delivering top-quality Ecowool insulation materials to our customers. If you see us in town or on the highway, give us a wave!

### 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.

We are committed to supporting local communities through educational programs, healthcare initiatives, and community development projects, with active involvement from our Senior Management.

### CORPORATE SOCIAL RESPONSIBILITY (CONT'D)





**Event Highlights: The One Million Recycled Exercise Books Aid Programme**, a CSR initiative managed by Perbadanan Kota Buku, provides recycled paper-based exercise books in collaboration with the National Book Council of Malaysia.



**Event Highlights:** Beach Cleaning activies @ Pantai Bersih Butterworth



**Project Highlights:** We supported the construction of LJD Corporation's recycling center in Kota Kinabalu, Sabah, an inspiring social enterprise that transforms plastic waste into opportunities for underserved communities. Our double-layered Classic insulation blanket helps keep the center cooler and more comfortable, reducing energy use and creating a better space for recycling and upcycling activities.



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 are delighted to be giving away 100,000 square feet of our Ecowool insulation products to enhance the comfort and safety of our local community.



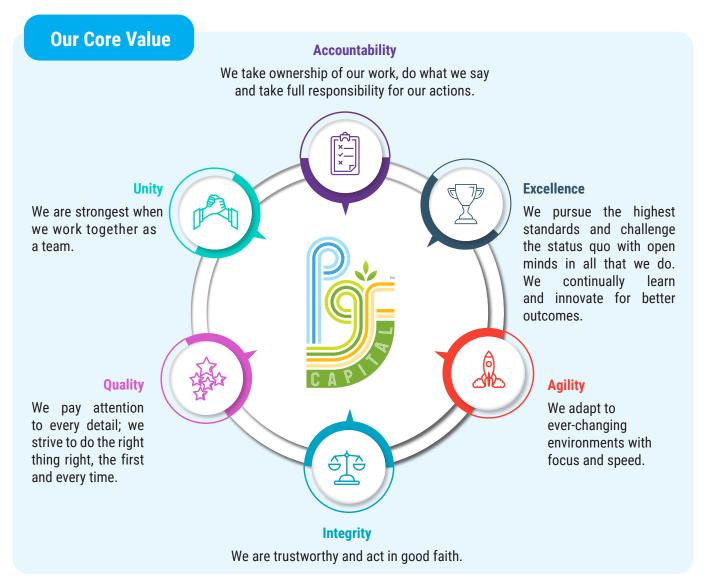
**Project Highlights:** Project Highlights: Partnered with European Profiles on YTL Foundation's Yellow House KL project to support underprivileged communities.

### GOVERNANCE

### **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 organisation believes in and strives for internally, while Business Ethics are about how an organisation 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 <a href="https://www.pgfcapital.com.my">www.pgfcapital.com.my</a>

### **MANTI-BRIBERY AND ANTI-CORRUPTION**

### >> PGF CODE OF CONDUCT

PGF has adopted a **zero-tolerance** stance towards all forms of corruption and bribery, as formalised in our Code of Conduct. We conduct all our business in an honest, ethical, and transparent manner and are committed to acting professionally, fairly, and with integrity in all relationships and business dealings, in accordance with our Code of Conduct and Ethical Business Practices. We comply with all relevant laws on anti-corruption and bribery, including the Malaysian Anti-Corruption Commission Act 2009 and any of its amendments or re-enactments made by the relevant authorities, both in Malaysia and internationally. Our anti-corruption efforts are comprehensive, reflecting our firm commitment to ethical business conduct and integrity.

All new employees are briefed on the Company'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 28 February 2025, 100% of written consent was obtained from all employees in the Group, and there were ZERO recorded incidents of bribery & corruption, whistleblowing and political donation 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 and written consent was obtained 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 and strictly adherence 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 unauthorised access, cyberattacks, and other forms of digital harm. By implementing robust data and cybersecurity protocols, employees and organisation are to ensure the integrity, confidentiality, and availability of the digital resources.



### **AWARENESS RULING FOR EMPLOYEES**

End-users 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. virtual private networks ("VPN")] 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.

### 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:

Familiarise with the organisation's cybersecurity policies and best practices. Participate in regular cybersecurity training and awareness programs that conducted by Management Information System ("MIS") Department.

By following these guidelines, overall security of our organisation's digital assets you contribute significantly to the. Stay vigilant and proactive in protecting our information and systems. In FYE2025, there were **ZERO** reports of major cybersecurity violations, and **ZERO** cases related to data breaches or complaints were received from external stakeholders.

### CONCLUSION

At PGF, sustainability is not merely a goal, it is a guiding principle that informs every decision we make. As this report demonstrates, our commitment to environmental stewardship, social responsibility, and sound governance is both strategic and deeply rooted in our corporate values.

As we move forward, we will continue to strengthen our ESG initiatives, guided by transparency, accountability, and a shared vision for a more resilient and sustainable future. Together with our employees, partners, and communities. We are building a better world for generations to come.



### **BURSA SUSTAINABILITY INDICATORS**

The table below includes the common and specific sustainability indicators required by Bursa Malaysia, based on their Enhanced Sustainability Guide (3rd edition). It follows the format shown in Bursa Malaysia's Illustrative Sustainability Report published in September 2023. This demonstrates our strong commitment to providing stakeholders with accurate, up-to-date information and reporting our sustainability performance to the best of our ability.

Indicator	Measurement Unit	2025	
Bursa (Anti-corruption)			
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category			
Management	Percentage	100.00	
Executive	Percentage	100.00	
Non-executive/Technical Staff	Percentage	100.00	
General Workers	Percentage	100.00	
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	100.00	
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	0	
Disclosure of total amount of political contributions made	MYR	0.00	
Disclosure of number of staff disciplined or dismissed due to non-compliance with anti- corruption policy/policies	Number	0	
Disclosure of cost of fines, penalties or settlements in relation to corruption	MYR	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	6,350.00	
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	3	
Annual General Meeting: Number of days between the date of notice and date of meeting	Number	31	
Bursa (Diversity)			
Bursa C3(a) Percentage of employees by gender and age group, for each employee category			
Age Group by Employee Category			
Management Under 30	Percentage	0.00	
Management Between 30-50	Percentage	78.00	
Management Above 50	Percentage	23.00	
Executive Under 30	Percentage	43.00	
Executive Between 30-50	Percentage	49.00	
Executive Above 50	Percentage	8.00	
Non-executive/Technical Staff Under 30	Percentage	46.00	
Non-executive/Technical Staff Between 30-50	Percentage	49.00	
Non-executive/Technical Staff Above 50	Percentage	5.00	
General Workers Under 30	Percentage	52.00	
General Workers Between 30-50	Percentage	46.00	
General Workers Above 50	Percentage	2.00	
Gender Group by Employee Category			
Management Male	Percentage	72.00	
Management Female	Percentage	28.00	
Executive Male	Percentage	52.00	
Executive Female	Percentage	48.00	
Non-executive/Technical Staff Male	Percentage	89.00	
Non-executive/Technical Staff Female	Percentage	11.00	
General Workers Male	Percentage	100.00	
General Workers Female	Percentage	0.00	
Internal assurance External assura	ance No assurance	(*)Restated	

# $\textbf{Sustainability Statement} \ \ (\textbf{Cont'd})$

Indicator	Measurement Unit		
Indicator  Bursa C3(b) Percentage of directors by gender and age group	Measurement Unit	2025	
Male	Percentage	67.00	
Female	Percentage	33.00	
Under 30	Percentage	0.00	
Between 30-50	Percentage	67.00	
Above 50	Percentage	33.00	
Number of Board Directors	Number	6	
Number of independent Directors on the	Number	3	
board	Number	3	
Number of women on the board	Number	2	
Bursa (Energy management)			
Bursa C4(a) Total energy consumption	Megawatt	92,092.00	
Bursa (Health and safety)			
Bursa C5(a) Number of work-related fatalities	Number	0	
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	3.76	
Bursa C5(c) Number of employees trained	Number	919	
on health and safety standards  Number of work-related employee fatalities,	Number	0	
over last 3 years			
Number of work-related contractor fatalities, over last 3 years	Number	0	
Bursa (Labour practices and standards)			
Bursa C6(a) Total hours of training by employee category			
Management	Hours	686	
Executive	Hours	1,029	
Non-executive/Technical Staff	Hours	168	
General Workers	Hours	252	
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	1.00	
Bursa C6(c) Total number of employee turnover by employee category			
Management	Number	4	
Executive	Number	11	
Non-executive/Technical Staff	Number	2	
General Workers	Number	13	
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	
Bursa (Supply chain management)			
Bursa C7(a) Proportion of spending on local suppliers	Percentage	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	
Bursa (Water)			
Bursa C9(a) Total volume of water used	Megalitres	103.000000	
Bursa (Waste management)			
Bursa C10(a) Total waste generated	Metric tonnes	2,233.00	
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	1,025.00	
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	1,208.00	
Total costs of environmental fines and penalties during financial year		0.00	
Bursa (Emissions management)			
Bursa C11(a) Scope 1 emissions in tonnes of CO2e	Metric tonnes	13,851.00	
Bursa C11(b) Scope 2 emissions in tonnes of CO2e	Metric tonnes	9,061.00	
Bursa C11(c) Scope 3 emissions in tonnes of CO2e (at least for the categories of business travel and employee commuting)	Metric tonnes	22,931.00	
Internal assurance External assura	ance No assurance	(*)Restated	