

SECTION 5

DELIVERING SUSTAINABLE VALUE FOR OUR STAKEHOLDERS

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ABOUT THIS SUSTAINABILITY REPORT

We are pleased to present the eighth annual Sustainability Report (“SR 2023”) of Press Metal Aluminium Holdings Berhad (“PMAH” or the “Company”) and its subsidiaries (collectively referred to as “Press Metal” or the “Group”). This SR 2023 conveys our commitment to sustainability as well as our accomplishments for the reporting period from 1 January 2023 to 31 December 2023 (“FYE2023”), unless otherwise stated.

For a broader understanding of Press Metal’s operations and performance, kindly read this SR 2023 in conjunction with other relevant information contained within this Integrated Annual Report (e.g., Chairman’s Statement, Management Discussion and Analysis by Group CEO, Corporate Governance Overview Statement, Corporate Governance Report, Audit Committee Report and Statement on Risk Management and Internal Control).

SCOPE AND BOUNDARY

This SR 2023 discloses the sustainability journey and performance of our midstream (smelting and casting) and downstream (extrusion) manufacturing facilities in Malaysia and China that we have direct operational control over, as well as our corporate headquarters in Selangor, Malaysia, for selected performance indicators (i.e., anti-bribery and anti-corruption, training and employee new hires and employee turnover, parental leave, workforce diversity and corporate social responsibilities (“CSR” matters)). Accordingly, this SR 2023 excludes joint investments (i.e., upstream entities¹).

MIDSTREAM

- Press Metal Bintulu Sdn Bhd (“PMBtu”), Malaysia
- Press Metal Sarawak Sdn Bhd (“PMS”), Malaysia
- Press Metal Aluminium Rods Sdn Bhd (“PMAR”), Malaysia

DOWNSTREAM

- PMB Aluminium Sdn Bhd (“PMBA”), Malaysia
- Press Metal International Limited (“PMI”), China
- Press Metal International Technology Ltd (“PMIT”), China

¹ Our upstream entities include Worsley Alumina Unincorporated Joint Venture, PT Bintan Alumina Indonesia, and Shandong Sunstone & PMB Carbon Ltd., Co.

FRAMEWORKS, STANDARDS AND GUIDES

This SR 2023 has been prepared in accordance with Bursa Malaysia Securities Berhad’s (“Bursa Malaysia”) Main Market Listing Requirements (“MMLR”) relating to the enhanced sustainability reporting framework, and supplemented with an array of frameworks, standards and guides based on their relevance and applicability, including:

- MMLR of Bursa Malaysia
- Bursa Malaysia Securities Berhad (“Bursa Malaysia”) Sustainability Reporting Guide (3rd edition)
- Global Reporting Initiative (“GRI”) Universal Standards 2021
- United Nations’ Sustainable Development Goals (“UN SDGs”)
- FTSE4Good Bursa Malaysia Index’s Environmental, Social and Governance (“ESG”) Indicators
- Task Force on Climate-related Financial Disclosures (“TCFD”)
- United Nations Global Compact’s (“UNGC”) Ten Principles
- Sustainability Accounting Standards Board (“SASB”) Sector-Specific Disclosures
- Aluminium Stewardship Initiative (“ASI”) Performance Standard Version 3 (“ASI PS v3”)

ASSURANCE

To uphold the consistent accuracy and reliability of our report, we have enlisted an independent third party, Grant Thornton Malaysia PLT, to provide external assurance (details at pages 187-190) on our SR 2023. This limited assurance specifically pertains to selected sustainability performance data and data collection processes related to environmental management and occupational health and safety, which includes the following five (5) indicators:

1. Greenhouse Gas (“GHG”) emissions (Scope 1 and 2)
2. GHG emissions intensity (Scope 1 and 2)
3. Total energy consumption
4. Number of work-related fatalities
5. Lost-Time Injury Frequency Rate (“LTIFR”)

In addition, in FYE2023, Press Metal also undertook a thorough internal reviews to enhance the data collection methodologies by identifying any reporting gaps and inconsistencies, and ensure that the information and data reported is reliable and credible.

FEEDBACK

We aim to continuously improve our sustainability and reporting efforts and welcome any feedback related to the contents of this SR 2023. You may email your feedback, enquiries or comments to corpcomm@pressmetal.com.

OVERVIEW OF OUR SUSTAINABILITY APPROACH

Driven by our vision to providing products for a sustainable future, Press Metal aims to be the **BEST** by responsibly managing our resources, enriching our local communities and workforce and ensuring strong governance. This approach, which balances ESG aspects across our operations, underscores our dedication to creating lasting value for all stakeholders and advancing the welfare of the people and the planet.



In line with our efforts to maximise positive impact across the ESG spectrum, our Sustainability Policy details a holistic, Group-wide approach to sustainability which we strive to integrate into every aspect of our operations. The Sustainability Policy is guided by our commitments across three (3) pillars and is supported by our Environmental Policy and Environmental Mission Statement, which delineate our strategy for tackling climate change and mitigating the environmental impact of our operations.



Environment



Social



Governance

For more information on our Sustainability Policy and our entire suite of policies, visit <https://www.pressmetal.com/investor-relations/corporate-governance.php>

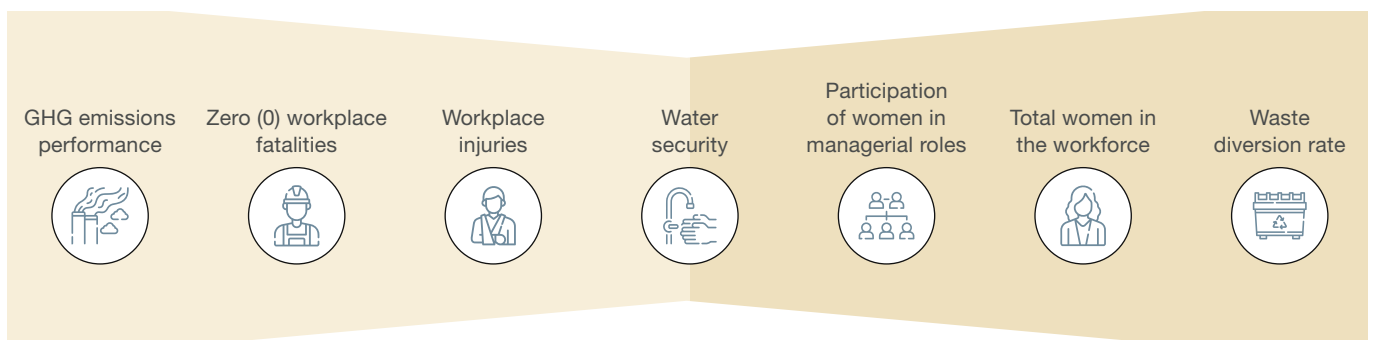
EFFECTIVE BOARD OVERSIGHT

Our Board sets corporate governance standards and policies for the Company while the Group CEO manages executive functions at the Group-level, implementing approved strategies, governance standards, policies and procedures. By instituting transparent policies and ethical principles, we aim to cultivate greater trust, confidence and loyalty amongst our stakeholders.

Read more on our corporate governance practices in the Corporate Governance Overview Statement of this IAR 2023.

MEASURED THROUGH CRITICAL MONITORING




Press Metal sets sustainability targets that go beyond financial metrics and encompass operational, safety, environmental, social, and governance factors.



REFLECTED IN ESG-LINKED REMUNERATION

Our ESG-Linked Executive Incentive Remuneration Framework (“ESG Remuneration Framework”) aligns the remuneration of selected Senior Management personnel with our sustainability targets.

KEY ESG HIGHLIGHTS 2023

ENVIRONMENT 	SOCIAL 	GOVERNANCE 
<p>17.8% reduction in Scope 1 and 2 GHG emissions intensity from 2022</p>	<p>30.5% women in managerial roles</p>	<p>FTSE4GOOD inclusion with 4 star-rating</p>
<p>13.5 MW total solar sourcing</p>	<p>17.4% improvement in LTIFR from 2022</p>	<p>MSCI rating upgraded to “A”</p>
<p>Approximately 5,400 MT CO₂e/ year avoided from solar usage</p>	<p>46.8 hours of training per employee</p>	<p>3 ASI Performance Standard Certification</p>
<p>7.1% reduction in water withdrawal intensity from 2022</p>	<p>Over RM6.3 million in contributions to the community</p>	<p>42.3% of procurement spent on local suppliers</p>
<p>3.4% reduction in total water consumption from 2022</p>	<p>Benefitting approximately 860,000 direct and indirect beneficiaries</p>	<p>0 complaints on data breaches</p>
<p>93.2% waste diversion rate</p>	<p>Approximately 7,700 volunteer hours by our employee</p>	<p>1 non-compliance incidents pertaining to spillages and leakages</p>
<p>4,880 tree saplings planted</p>	<p>88.1% customer satisfaction score</p>	<p>0 whistleblowing instances, including human rights violations</p>
<p>Approximately 21,700 MT total aluminium scrap purchased</p>	<p>80.2% employee satisfaction rate</p>	<p>Approximately RM50.6 million spent on sustainability initiatives</p>

MESSAGE FROM GROUP CEO

DEAR ESTEEMED STAKEHOLDERS,

We continued to make meaningful progress in our sustainability journey throughout FYE2023, aligning our actions with the heightened expectations of our valued customers, shareholders and stakeholders. As the leading integrated aluminium producer in Southeast Asia, we recognise and embrace our responsibility to pioneer sustainable practices within the aluminium sector and future-proof the resilience of the industry.

Through consistent refinement of our strategies, processes and practices, we are steadily improving our performance across the ESG spectrum, ensuring that we maintain the right balance between delivering shareholder returns and driving responsible growth. More than this, we are inculcating a Group-wide culture of sustainability, strategically allocating resources to integrate our business objectives with sustainable development goals and foster collective action across our organisation.

Our efforts have yielded notable sustainability milestones, underscoring our progress towards long-term objectives. However, we recognise that our journey is ongoing, and the imperative to sustain momentum remains paramount. In this eighth edition of our annual Sustainability Report (“SR”), covering FYE2023, we are pleased to highlight the various strategies implemented and initiatives we have undertaken to address pertinent challenges within our organisation, society and the environment, driven by our steadfast commitment to creating enduring value for all stakeholders.

DRIVING ENVIRONMENTAL EXCELLENCE

Cognisant of escalating concerns and expectations surrounding corporate environmental responsibility and climate change action, we remain committed to reducing our environmental footprint through every feasible means available. Our wide-ranging initiatives encompass the optimising of manufacturing processes, the advancement of energy efficiency, the reduction of GHG emissions, the preservation of water resources and advocacy for circular economy principles.

Collectively, these efforts have culminated in a notable decrease in our Scope 1 and 2 GHG emissions intensity, which fell by 17.8% compared to FYE2022, alongside significant improvement in our recycling endeavours, with 93.2% of all waste diverted from landfills during the year under review. To ensure the credibility of our achievements and bolster transparency and accountability, we have obtained external assurance for our energy and GHG performance, aligning with the ISAE 3000 and ISAE 3410 standards, respectively.

Our environmental accomplishments have not gone unnoticed. We were honoured to receive two (2) prestigious gold awards during The Edge ESG Awards 2023, while our subsidiaries were recognised for their sustainable manufacturing processes, with PMI securing the ASI Performance Standard V2 (2017) certificate, and PMBtu and PMS attaining the ASI Performance Standard V3 (2022) certification.

CREATING AN ENABLING WORK ENVIRONMENT

We deeply acknowledge the pivotal role played by our dedicated employees in propelling our business and sustainability objectives forward. Thus, great emphasis is placed on developing a nurturing and supportive work environment. Rooted in principles of respect and inclusivity, we actively foster a workplace ethos that celebrates diversity, upholds freedom of expression and champions female empowerment at all levels. These expectations and commitments were made clear within established policies such as our Human Rights Policy, Diversity Policy and Code of Conduct (“CoC”).

In the year under review, we are proud to have achieved a notable uptick of 3.8% point in female participation in managerial roles, with women now comprising 30.5% of our workforce. We have simultaneously amplified our focus on safety, demonstrated through ongoing initiatives to improve our LTIFR and work-related fatality data performance. These efforts are subjected to rigorous assurance based on ISAE 3000 standards, ensuring our alignment with top safety guidelines.

Message from Group CEO

ALIGNING WITH BEST PRACTICES IN GOVERNANCE

In our pursuit of upholding industry-leading standards, we have taken decisive steps to align our management and governance practices with top global benchmarks. Our ERM framework adheres to ISO 31000:2018 risk management guidelines, enabling us to effectively identify ESG risks and opportunities and seamlessly integrate them into our strategies and processes.

Likewise, our reporting practices adhere to global regulatory requirements and internationally recognised frameworks and standards, as described in the About This Report section of this SR 2023.



MOVING FORWARD

As we stand on the threshold of a transformative industry landscape, we remain dedicated to proactively monitoring and benchmarking our ESG performance. Through agility, adaptability and innovation, we are poised to effectively navigate regulatory and technological shifts, ensuring the resilience of our operations. With our global presence expanding, the significance of our sustainability efforts is transcending mere compliance. Leveraging our size and scale, our advocacy for sustainability sets an exemplary standard for the aluminium sector, safeguarding its stability and longevity.

In closing, I extend my sincere gratitude to the entire Press Metal team for their steadfast dedication and relentless commitment in advancing our sustainability agenda throughout FYE2023. Your efforts have been instrumental in propelling the Group towards a more sustainable future.

I would also like to thank our esteemed stakeholders for their continuous support and collaboration. Let us continue working in tandem to seize the opportunities before us and turn our vision for a sustainable future into reality.

TAN SRI DATO' KOON POH KEONG

Group CEO

SUSTAINABILITY ASPIRATION

- Aligned our disclosures with the TCFD recommendations and the SASB Framework.
- Joined the UNGC and declared our support for the British Malaysian Chamber of Commerce’s Climate Action Pledge.
- Published an Environmental Product Declaration.
- Received an upgraded MSCI ESG Rating of “BBB”.

- Adopted and aligned with UN SDGs.

- Introduced Group-wide sustainability related policies, including the Environmental Policy, Environmental Mission Statement and Occupational Health & Safety Policy.

2017

2019

2021

2016

2018

2020

- Published inaugural Sustainability Statement in line with Bursa Malaysia Sustainability Reporting Guide.

- Established sustainability targets to drive our sustainability performance.

- Implemented our Anti-Bribery & Anti-Corruption Policy.
- Enhanced our sustainability governance structure.
- Conducted a lifecycle analysis for our products.
- Joined the ASI as a Production & Transformation member.
- Established our Carbon Neutral Policy and set GHG Reduction Targets.

Sustainability Aspiration

- Achieved 5% and 10% reduction targets for water withdrawal intensity from our 2016 baseline.
- Achieved 30% representation of women in managerial roles.
- Obtained ASI Performance Standard V3 (2022) certificates for PMBtu and PMS, and ASI Performance Standard V2 (2017) certificate for PMI.
- Received an upgraded MSCI ESG Rating of “A”.
- Became a TCFD Supporter.
- Received accolades at The Edge ESG Awards in the categories of Industrial Products and Services, and Green Transition.
- Introduced our Responsible Sourcing Policy and Energy Management Policy.
- Introduced Succession Planning Framework.

- Reduce our Scope 1 and Scope 2 GHG emissions intensity by 30% from our 2020 baseline.
- Reduce our water withdrawal intensity by 10% from our 2016 baseline.
- Achieve zero (0) landfill waste.

- Reduce our Scope 1 and Scope 2 GHG emissions intensity by 15% from our 2020 baseline.

2023

2025

2030

2022

2024

2026

2050

- Reduce our LTIFR to below 2.5.

- Achieve carbon neutrality.

- Obtained the ASI Performance Standard V2 (2017) certification for PMBtu and PMI (on a provisional basis).
- Included as a constituent of the FTSE4Good Bursa Malaysia Index.
- Obtained the SCS Global Recycling Content Certification (80% and 100% Recycled Content).
- Further enhanced our sustainability governance structure.
- Received accolades at The Edge ESG Awards.

- Achieve a 95% waste diversion rate.

OUR APPROACH TO SUSTAINABILITY

We have established a robust and systematic approach to sustainability that encourages communications and involvement at all levels of the Group, incentivises progress made against sustainability objectives and unites our people at the backdrop of a common vision of our sustainable future. At its core, our approach strives to integrate sustainability at the heart of our business, driving cohesive and purposeful action that maximises positive outcomes.

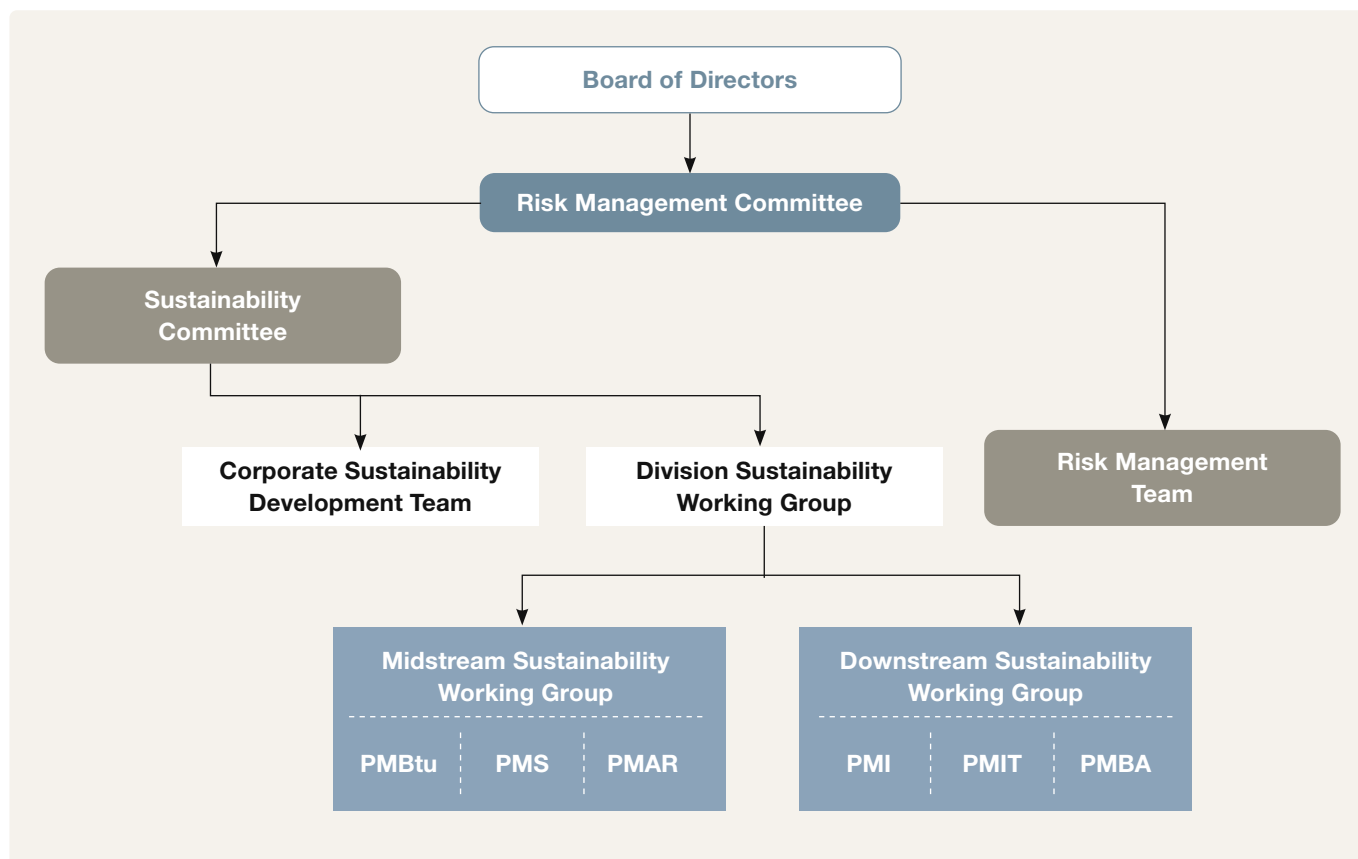
SUSTAINABILITY GOVERNANCE STRUCTURE

Our sustainability governance, which is led by the Board of Directors (“Board”), has been refined to enhance efficiency, entrusting the oversight of sustainability risks and opportunities, including those related to climate change and human rights, to the Board’s Risk Management Committee (“RMC”).

Chaired by an Independent Non-Executive Director and comprising the Executive Vice Chairman and two (2) Independent Non-Executive Director, the RMC integrates ESG considerations into risk management framework and provides quarterly updates to the Board. The RMC is supported in its work by the Risk Management Team (“RMT”), which is responsible for developing and identifying risk management policies, as well as reporting on risk profiles.

The Sustainability Committee (“SC”), led by the Group CEO, takes the lead in formulating comprehensive sustainability strategies, policies and approaches. The SC also reviews our sustainability-related performance and reports to both the Board and the RMC on a quarterly basis.

Bolstering the SC’s efforts are the Corporate Sustainability Development (“CSD”) Team and various Sustainability Working Groups (“SWG”). As subject matter specialists for the SWG, the CSD Team, comprising personnel from corporate headquarters furnishes monthly sustainability performance reports to the Group CEO. Our SWGs play a pivotal role in implementing, monitoring and reporting each entity’s sustainability performance. They also propose targets to the CSD Team, which are duly considered in the process of developing our overall sustainability strategic objectives.










Our Approach to Sustainability

LINKING ESG TO REMUNERATION

Our ESG Remuneration Framework aligns the interests of management and business objective, making sustainability performance essential to achieve measurable progress and contributing to a sustainable future.

ESG Remuneration Framework covers seven (7) performance metrics as indicated below:

- | | | |
|---|--|--|
|  GHG emissions intensity performance |  Zero (0) workplace fatalities |  Total women in the workforce |
|  Water security |  Workplace injuries | |
|  Waste diversion rate |  Participation of women in managerial roles | |

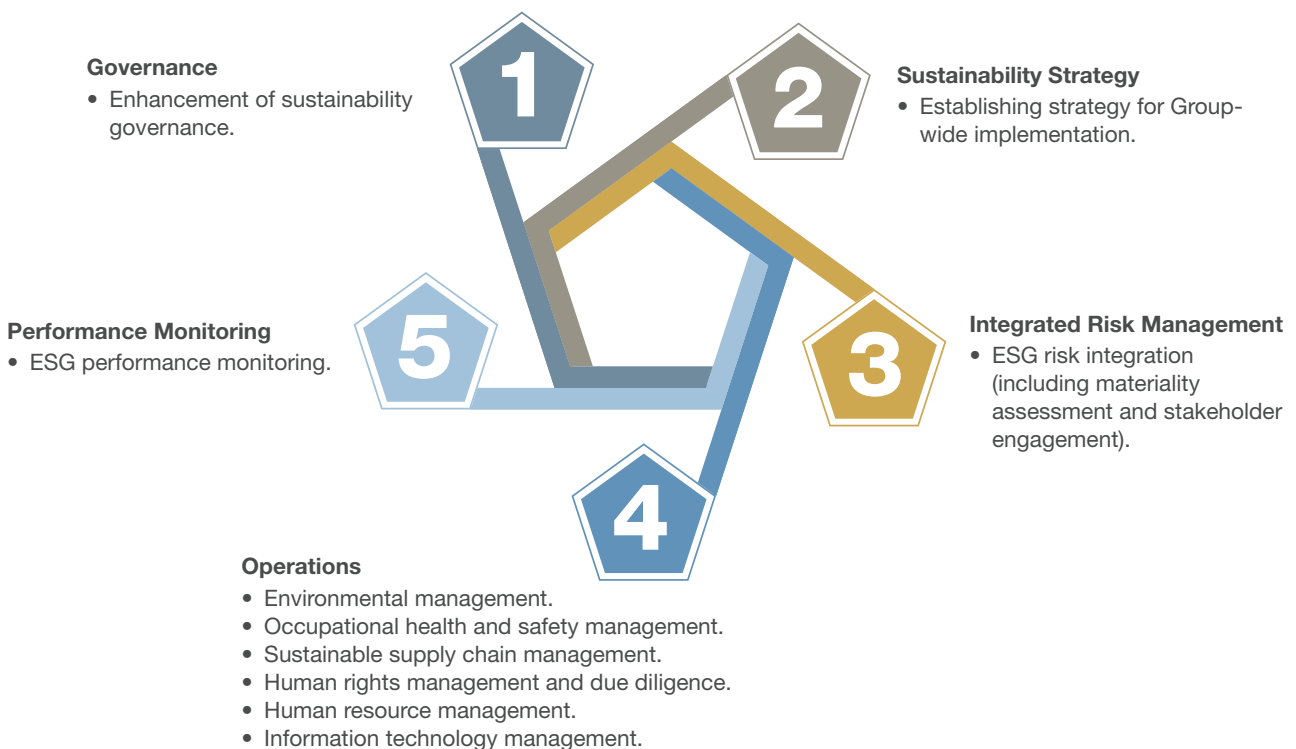
In line with the framework, remuneration policies and procedures of the specific senior management, key operating management and management team are integrated with the ESG performance metrics, which are measured through a combination of the balanced scorecard and modifier approaches. Notably, the compensation of the Group CEO, as a member of the designated Senior Management, is directly influenced by the framework.

Moving forward, we plan to extend this remuneration structure to include employees, taking into account the variability in their compensation and the level of accountability associated with their roles.

SUSTAINABILITY ROADMAP

Sustainability lies at the heart of our core values, underpinning our commitment to long-term profitability and the well-being of both people and planet. Our approach encompasses minimising environmental impact, fostering strong relationships with stakeholders, mitigating operational effects, enhancing resource efficiency and exploring new market opportunities. With ambitious and measurable goals set for 2030 and 2050, we are dedicated to driving progress in climate action, environmental stewardship and social responsibility.

Our Sustainability Roadmap was developed following a comprehensive evaluation of our current practices that delineates strategic steps and plans to realise these objectives. As illustrated below, the roadmap spans across five (5) key focus areas.



SUSTAINABILITY ACHIEVEMENTS

Upholding Good Governance and Economic Resilience

Achievements

- Approval of the Conflict of Interest Policy by the Board.
- Reviewed the CoC, Code of Ethics (“CoE”), Related Party Transaction Policy and Terms of Reference of the Audit Committee (“AC”) to ensure alignment with the Conflict of Interest Policy.
- Assessed 71.4% of our operations for corruption-related risks.
- Attained a 98.3% participation rate for our employees that have received training on ABAC matters.
- Zero (0) confirmed incidents of corruption and action taken.
- Zero (0) whistleblowing reports or complaints received.
- Implemented 11 Strategic Improvement Projects (“SiPro”) and 130 Improvement Projects (“iPros”).
- Developing the Manufacturing Execution System (“MES”) in smelter.
- Embarked on four (4) digitalisation-related SiPros within PMBtu to improve manufacturing processes.
- Attained ISO 9001:2015 certification for all manufacturing facilities (100%).
- Achieved customer satisfaction rates of 84.3% for our midstream operations and 92.4% for our downstream operations.
- Updated our Risk Management Policy to enhance risk management practices and set clear standards for the risk management function.
- Launched the Vendor Data Management Project to consolidate vendor information and streamline our procurement practices.
- Received written affirmations of adherence to our Supplier Code of Conduct (“SCoC”) from 1,267 suppliers.
- Reported zero (0) instances of data or cybersecurity breaches.

UN SDGs



Caring for the Planet

Achievements

- All manufacturing facilities (100%) are ISO 14001:2015 certified.
- Conducted climate scenario analysis with reference to the IPCC Representative Concentration Pathway 8.5/ 4.3°C and 2.6/ 1.8°C scenarios.
- Reduced 9.4% in total direct and indirect GHG emissions (Scope 1, 2 and 3) as compared to FYE2022.
- Expanded our renewable energy capacity by investing RM2.6 million to install a 162.3kW car park rooftop and 1,104.3kW rooftop solar panel in PMI.
- Increased dross recovery efforts by introducing additional two (2) dross stirrers.
- Conducted more than 14,400 hours of climate-related training with a total investment of approximately RM97,000.
- Purchased two (2) units of electric cars and converted 27 units of diesel forklifts to electric forklifts.
- Delivered approximately 30,000 tonnes of spent pot lining (“SPL”) for co-processing to be alternative raw material.
- Achieved a 29.7% reduction in our water withdrawal intensity against the 2016 baseline.
- Recorded zero (0) incidents of non-compliance with effluent discharge regulations.

UN SDGs



Sustainability Achievements

Caring for the Planet

Achievements (cont'd)

- Invested approximately RM357,000 in biodiversity management programme and contributed to the planting of 4,880 trees in total.
- Obtained the ISO 50001:2018 Energy Management Systems certifications for PMI, PMBtu and PMS.
- Recorded an increase of 0.6% point in recycled aluminium intensity as compared to FYE2022.
- Obtained SCS Recycled Content Certification for our Aluminium Alloy Billet 6R01.

Empowering Our People and Enriching Our Communities

Achievements

- All manufacturing facilities (100%) are ISO 45001:2018 certified.
- Attained a reduction in LTIFR from 3.3 in FYE2022 to 2.7 in FYE2023.
- More than 65,200 participants recorded, represented the cumulative count across multiple health and safety training sessions.
- Engaged an independent third-party consultant to conduct a Social Impact Assessment (“SIA”) on our smelting facilities.
- Recorded zero (0) substantiated complaints concerning human rights violation.
- Contributed over RM6.3 million towards CSR events, benefitting approximately 860,000 direct and indirect beneficiaries.
- Conducted upskilling programmes for female employees in areas such as forklift operation techniques, safety protocols, load handling and equipment maintenance to empower them for career advancement.
- Employed four (4) disabled employees.
- Launched Press Metal E-Learning, a web-based platform that employees can use to access training materials and programmes conveniently.
- Recorded an average of 46.8 training hours per employee.
- Achieved an overall rating of 80.2% from our employee engagement survey, with over 6,800 employees responded.
- Recorded return to work rates of 99.6% for male employees and 83.3% for female employees after paternal leave.
- Recorded women in managerial roles at 30.5%.

UN SDGs



SUSTAINABILITY TARGETS VS PERFORMANCE

Climate Change

Targets	Target Year
Reduction of GHG emissions intensity (Scope 1 and Scope 2) by 15% from the 2020 baseline.	2025
Reduction of GHG emissions intensity (Scope 1 and Scope 2) by 30% from the 2020 baseline.	2030
Achieve carbon neutrality.	2050

Performance in 2023

- Reduced our Scope 1 and Scope 2 GHG emissions intensity by 12.2% from our 2020 baseline, reaching 3.3 tCO₂e/tAl.

Strategic Plan

- Transition to renewable energy at our smelters.
- Enhance operational efficiency through technological advancements.
- Promote circular economy principles.
- Promote Supplier Management Programme to drive responsible practices across our supply chain.
- Invest in our project and internal capacity enhancement initiatives.

Occupational Health and Safety

Targets	Target Year
Maintain zero (0) workplace fatalities.	Ongoing
Reduce our LTIFR to below 2.5.	2024

Performance in 2023

- Recorded zero (0) workplace fatalities.
- 17.4% decrease in LTIFR compared to FYE2022, reaching 2.7.

Strategic Plan

- Drive the digitalisation of our EHS processes.
- Implement a three (3)-goal strategic plan for Sarawak operations (i.e., Go Safe, Go Green and Go Clean).

Diversity and Inclusion

Targets	Target Year
Increase participation of women in managerial roles to 30%.	Ongoing
Increase total female workforce to 20%.	Ongoing

Performance in 2023

- Recorded a 3.8% point increase of women in managerial roles from FYE2022, reaching 30.5%.
- Women comprise 13.3% of our total workforce.

Strategic Plan

- Revise and expand social indicators beyond gender diversity by including employee turnover rate, employee training hours, contributions to local communities and employee satisfaction rate.

Water

Targets	Target Year
Reduce our water withdrawal intensity by 5% from the 2016 baseline.	2023
Reduce our water withdrawal intensity by 10% from the 2016 baseline.	2030

Performance in 2023

- Successfully met our 2030 target, reducing our water withdrawal intensity by 29.7% compared to the 2016 baseline, reaching 2.2 m³/tonne of aluminium.

Strategic Plan

- Actively monitor our water withdrawal and consumption.
- Enhance our rainwater harvesting systems at PMBtu, PMS and PMAR.

Waste

Targets	Target Year
Achieve a 95% waste diversion rate.	2026
Achieve zero (0) landfill waste.	2030

Performance in 2023

- Increased our waste diversion rate by 3.0% point from FYE2022, reaching 93.2%.

Strategic Plan

- Embark on circular economy strategy planning.
- Study alternative methods for SPL management.

UPHOLDING GOOD GOVERNANCE AND ECONOMIC RESILIENCE



ECONOMIC PERFORMANCE

GRI 3-3, GRI 201-1, GRI 201-2, GRI 201-4, GRI 207-1, GRI 207-2

Capitals



UN SDGs



WHY IT MATTERS

Economic performance is not merely a measure of financial success; it reflects business resilience, adaptability and sustainability in the face of evolving challenges.

Malaysia's gross domestic product grew by around 4% in 2023, driven by strong domestic consumption, inbound tourism recovery and sustained wage and employment growth. However, elevated trade tensions and other macroeconomic factors posed challenges to economic growth.

Understanding this nexus, set against the backdrop of a dynamic global economy where factors like domestic consumption, inflation trends and industry outlooks interplay with climate-related risks and regulatory developments, is paramount. By ensuring that our strategic priorities and risk mitigation plans are geared towards securing long-term financial resilience and sustainability, we equip ourselves to withstand external challenges and uncertainties while also preserving investor confidence.

OUR APPROACH

Our approach to economic performance centres on maintaining our financial strength while committing to sustainability and responsible growth. To this end, we vigilantly monitor market dynamics, supply and demand trends, pricing shifts and technological advancements to anticipate and adapt to these external influences. We practice prudent financial management to maintain our robust balance sheet and healthy cash flow, thereby enabling long-term financial resilience.

Operational efficiency is another fundamental aspect of our approach, achieved through streamlined manufacturing, efficient supply chain management and judicious financial decision-making. Our Board meticulously deliberates on our economic performance quarterly, and through this rigorous monitoring framework, our economic goals are aligned with our strategic priorities, promoting accountability throughout the organisation.

Continuous improvement is also integral to our operations as we strive to enhance efficiency and cost-effectiveness while evaluating investments that align with our strategic objectives.

Ensuring Ethical Tax Governance

In FYE2022, we established a comprehensive Tax Policy, outlining clear guidelines for our tax practices to ensure accurate and compliant reporting in accordance with relevant laws and regulations. Oversight from the Board with support from the AC ensures strict adherence to this policy, reflecting our commitment to ethical and transparent tax governance.

Recognising the importance of tax contributions to public finances and national development programmes across our jurisdictions, we conduct our tax affairs with integrity and refrain from engaging in tax structures lacking commercial substance or utilising offshore secrecy jurisdictions for tax avoidance purposes. Additionally, all our tax payments are aligned with revenue generated within the respective jurisdictions, in compliance with applicable laws.

Meanwhile, risks associated with tax matters are managed diligently, with professional advice sought from competent local third-party advisors when necessary to address uncertainties in tax law interpretation.


Upholding Good Governance and Economic Resilience


To underscore our commitment to ethical conduct in all aspects of our operations, we provide stakeholders with a whistle-blowing platform to report any concerns related to tax misconduct or illegal activities in good faith.


 Read more of our economic, market and operations updates in the Management Discussion and Analysis by Group CEO section of this IAR 2023.

HOW WE PERFORMED IN 2023

	2021 (RM'000)	2022 (RM'000)	2023 (RM'000)
Economic Value Generated	11,128,485	15,932,209	14,100,888
Economic Value Distributed			
Operating Costs	9,057,311	13,239,470	11,693,419
Contribution to Capital Providers	784,547	1,094,503	1,124,878
Employee Wages and Benefits	451,803	492,717	512,785
Contribution to the Government	57,739	120,090	66,740
Community Investment	5,750	6,204	6,360
Value Retained	771,335	979,225	696,706

 Read more on our economic performance in the Management Discussion and Analysis by Group CEO section of this IAR 2023.

 Read more on our financial performance and tax contributions for FYE2023 in the Financial Statements section of this IAR 2023.

 Read more on our community investments in the Community Management section of this IAR 2023.

GOING FORWARD

We anticipate resilient aluminium demand, supported by favourable inflation and interest rates that will drive business growth. The outlook for the aluminium sector is promising, with increased capital investments in green sectors and a shift towards low-carbon content aluminium and the relocation of manufacturing facilities in the ASEAN region. Nevertheless, we will remain vigilant, monitoring the business landscape and adeptly managing financial risks to navigate economic downturns and challenges.

We are also committed to developing a forward-thinking business strategy, introducing circular economy practices and resource efficiency innovations while diversifying our revenue streams through strategic partnerships. Adopting a holistic approach to business growth and sustainability, we aim to create enduring value for all stakeholders and make positive contributions to broader societal and environmental goals.

Upholding Good Governance and Economic Resilience



BUSINESS ETHICS AND CORPORATE GOVERNANCE

GRI 2-15, GRI 2-16, GRI 2-25, GRI 2-26, GRI 3-3, GRI 205-1, GRI 205-2, GRI 205-3, GRI 415-1

Capitals



UN SDGs



WHY IT MATTERS

Business ethics and corporate governance play a pivotal role in guiding us to operate with integrity and responsibility. Upholding our governance principles, robust policies and ethical standards transparently fosters trust, confidence and loyalty among our stakeholders, allowing us to nurture enduring relationships with them and cultivate a positive reputation. Furthermore, adhering to these principles reduces the likelihood of encountering legal or financial penalties, reputational harm or other adverse consequences, thereby safeguarding our credibility and integrity.

OUR APPROACH

Instituting Ethical Governance Practices and Policies

Our Board sets our corporate governance standards and policies, as outlined in the Board Charter, and is supported by the Group CEO, who oversees the implementation of the policies at the Group level. Similarly, the implementation of these policies at the entity level is executed by the respective appointed management representatives, enabling alignment of our overarching principles across our operations.

Our policies – which include our CoC, CoE, Whistle-Blowing Policy and ABAC Policy – are designed to promote sound business practices and to guide our corporate governance towards ethical conduct and compliance with relevant laws and regulations. Additionally, established policies and procedures aim to advocate integrity, professionalism and sound corporate governance across every facet of our operations.

In addition to the above-mentioned policies, the following have also been established as well:

Audit & Tax Policy	Diversity Policy	Succession Planning Policy
Sustainability Policy	Corporate Disclosure Policy	Directors' & Key Senior Management Remuneration Policy
Directors' Assessment Policy	Responsible Sourcing Policy	ESG Remuneration Framework

All of our policies are publicly accessible at <https://www.pressmetal.com/investor-relations/corporate-governance.php>.

Code of Conduct and Code of Ethics

Our CoC and CoE delineate the standards and principles of ethical behaviour expected from our directors, management and employees when executing their responsibilities or addressing ethical dilemmas.

The CoC fosters a corporate culture centred on accountability, integrity, fairness, high performance and non-discrimination while the CoE offers guidance in identifying and resolving ethical concerns and creates channels for reporting unethical behaviour. Both codes include conflict-of-interest provisions that set expectations for directors, management or employees to perform their duties conscientiously, honestly and in the best interests of the Group.

During induction sessions, all employees receive briefings on the CoC and CoE, and they are subsequently prompted through our e-learning platform to attend refresher courses, ensuring continuous understanding and adherence to our ethical guidelines and principles.

Upholding Good Governance and Economic Resilience

Whistle-Blowing Policy

Our Whistle-Blowing Policy establishes a formal, anonymous and confidential channel for internal and external stakeholders to report in good faith of any misconduct or illegal acts, such as violations of the CoC and CoE, corruption, bribery and threats to health and safety. Whistle-blowers can also report allegations or suspected improper activities that contravene our standards of integrity and fairness within the business environment, as well as incidents related to human rights violations and malpractice.

Whistle-blowing reports can be made via three (3) channels:

- 1 **Verbally to the Chairman of the AC, followed by submission of our Whistle-Blower Form;**
- 2 **Emailing a completed Whistle-Blower Form to whistleblowing@pressmetal.com; or**
- 3 **Sending a completed Whistle-Blower Form to the Chairman of the AC via mail.**

Upon submission of the Whistle-Blower Form, a thorough investigation will be conducted by an assigned investigator, typically chosen from our competent internal auditors, unless specified otherwise by the AC Chairman. The investigator's impartiality and independence are essential for upholding fairness, credibility and legal standards throughout the investigative process. Furthermore, the AC updates the Board annually on whistle-blowing matters.

Stakeholders who use these whistle-blowing channels can report without fear of retribution, as the policy protects against retaliation, threats or intimidation as per Malaysia's Whistleblowers Protection Act 2010. In addition, we review the Whistle-Blowing Policy every five (5) years to ensure its relevance and alignment with changing regulatory standards.

Anti-Bribery & Anti-Corruption Policy

We maintain a zero-tolerance stance against bribery and corruption. Our stance is written in our ABAC Policy which also defines potential activities which constitute bribery and corruption, such as commissions, unofficial payments, gifts, political contributions, gratifications and charity. In addition, our ABAC Policy stipulates the requirements for risk assessments, training programmes and effective reporting mechanisms to manage potential bribery or corruption risks.

The AC assists the Board in overseeing the implementation of and compliance to the ABAC Policy, by establishing robust oversight on financial reporting, internal and external audit processes, related party transactions, conflicts of interest and risk management matters. To that end, our Board regularly reviews and updates the ABAC Policy and accompanying procedures to align with regulatory requirements, including Section 17A(1) of the Malaysia Anti-Corruption Commission (Amendment) Act 2018.

Supported by an in-house Internal Audit Department, the AC receives assurance regarding the adequacy and integrity of our risk, governance and internal control systems through the risk-based audit approach outlined in our annual audit plan, covering major subsidiaries of the Group. This internal audit function assists AC in oversight of ethical standards and regulatory requirements. At the entity level, the implementation of the ABAC Policy falls under the responsibility of the respective Human Resource ("HR") departments.

All personnel, from directors to employees, are reminded about the ABAC Policy through various channels, such as corporate website, induction programmes, training sessions and briefings. While directors, management and employees are to adhere to the principles outlined in the ABAC Policy, all personnel are required to sign a declaration of compliance to declare their commitment to upholding the policy.

Enhancing Anti-Corruption Measures Within Our Supply Chain

To ensure robust internal control of adherence, we have established a multi-level approval process. Financial transactions, for example, undergo a three (3)-tier approval involving the performer, checker and approver. This approach serves as a check-and-balance system, ensuring integrity and transparency in all commercial decisions and providing us with the ability to promptly identify and address potential corruption risks.

We are dedicated to fortifying our internal controls and procedures through promoting the identification and monitoring of corruption risks within our supply chain. Supporting this, our ABAC Policy extends to third-party providers as outlined in the SCoC, and adherence to the policy is expected across all suppliers, consultants, contractors and service providers.

Upholding Good Governance and Economic Resilience

Sponsorship, Donations and Political Contributions

As an apolitical publicly listed company, we maintain a stance of impartiality and refrain from endorsing or favouring any particular political party's agenda. Nonetheless, we actively support Malaysian government initiatives aimed at driving progress and innovation, such as the Fourth Industrial Revolution transformation and the National Economic Recovery Plan. By aligning with these initiatives, we contribute to the broader national goals of economic growth, technological advancement and sustainable development.

Any proposals for donations or sponsorships, such as those for humanitarian causes, healthcare, education and community development, should not influence any business decisions or serve as compensation for improper payments or bribery. Approval by two (2) Executive Directors is required for all sponsorships and donations, regardless of the amount, and contributions must be accurately recorded in our financial records, comply with applicable laws and be capable of public disclosure.

Mergers and Acquisitions Policy

Our Mergers and Acquisitions Policy provides clear protocols and guidelines for engaging potential investee companies. To ensure that our partnerships are founded on shared values and objectives, our assessment includes adherence to relevant laws and regulations as well as assessment of financial and non-financial risks such as bribery, corruption and other financial offences.

Furthermore, potential investee companies must undergo due diligence, which includes a self-assessment questionnaires on ESG that assesses their sustainability maturity, along with background checks, document verification processes and bribery risk assessments.

Where necessary, contractual clauses are included to permit termination of contracts with business partners in instances such as bribery or corruption is identified and not mitigated.

Closure, Decommissioning & Divestment Plan

Our Closure, Decommissioning and Divestment Plan serves as a framework for the decommissioning of redundant facilities and infrastructure. Aligned with our commitment to responsible business practices, the plan provides guidelines for restoration to usable land, and also outlines procedures for communicating with government agencies and local communities during the closure or decommissioning process.

Our closure and decommissioning policies apply to operations where we hold a controlling position, while our divestment policies do not apply to investments where we lack management control or decision-making authority.

Rotation of Audit Firm and Audit Partner

We have adopted a Statutory Auditors and Statutory Audit and Non-Audit Services Framework ("Statutory Auditor Framework") which stipulates:

1. Regular rotation of the lead audit partners and consideration of the necessity of a regular rotation of the audit firm; and
2. Conduct of AC to assess the performance, suitability and independence of our external auditors.

We have also established a requirement for the lead partner and quality control partner to rotate every seven (7) years and observe a cooling-off period of five (5) years, aligning with current professional standards set by the Malaysian Institute of Accountants.

OUR VALUE CREATION

We have proactively taken measures to ensure adherence to the latest amendments announced by Bursa Malaysia to the MMLR. These revisions, designed to uphold the ongoing suitability of the MMLR, aim to improve various aspects of the MMLR to tackle market concerns and maintain clarity, relevance and compliance with current standards.

In August 2023, our Board deliberated and approved the Conflict of Interest Policy to address these new requirements. This policy applies to all directors, key senior management and key operating management of the Group, addressing circumstances that constitute or give rise to conflicts of interest, such as being an interested party in a proposed project or contract. In instances where a conflict of interest arises, it is now mandatory to promptly disclose the nature and extent of the conflict.

Upholding Good Governance and Economic Resilience

The Board also reviewed relevant policies, including the CoC, CoE, Related Party Transaction Policy and Terms of Reference of the AC to ensure alignment with the Conflict of Interest Policy as well as current regulatory frameworks and ethical standards.

In tandem with this, our Internal Audit Department has outlined the requirements and practices relating to ABAC conformance, ensuring standardisation across the Group. Awareness sessions, webinars and training programmes have been conducted for all employees to underscore the importance of adhering to the ABAC Policy. These efforts aim to reinforce the culture of integrity, ethical conduct and widespread compliance throughout the organisation.

HOW WE PERFORMED IN 2023

	2022	2023
Percentage of operations assessed for corruption-related risks	57.1%	71.4%
Percentage of employees that have received training on ABAC	79.3%	98.3%
i. Senior Management	68.8%	70.9%
ii. Management	77.0%	73.1%
iii. Executive	63.7%	97.5%
iv. Non-Executive	81.5%	99.5%
Total number of ABAC training sessions conducted for business partners	0	5
Number of confirmed instances of bribery or corruption	0	0
Number of whistleblowing reports or complaints received	0	0

Notes:

1. Data collection only commenced in 2022.
2. The table above represented the aggregated data from all manufacturing facilities (PMBtu, PMS, PMAR, PMBA, PMI and PMIT) and our corporate headquarters (PMAH).

In FYE2023, we did not receive any whistle-blowing reports and had zero (0) incidents of corruption, underscoring our commitment to a zero-tolerance approach pertaining to bribery and corruption. Additionally, we did not dismiss any employees or terminate contracts with any business partners in FYE2023 due to unethical behaviour.

We maintain our commitment to assessing corruption-related risks within our operations, with 71.4% of our operations evaluated in FYE2023. This marks a 14.3% point increase compared to FYE2022.



98.3%

of employees have received training on ABAC

GOING FORWARD

We are committed to conducting business operations and internal practices with the best applicable standards of integrity, transparency and fairness. In doing so, we strive to foster a business environment characterised by sound corporate governance principles, in line with the requirements outlined in the MCCG 2021.

Moving forward, we are committed to enhance our ethical business practices and increase awareness through training including e-learning platforms. Additionally, we will embed compliance into our business practices and adhere to all pertinent laws and regulations by implementing robust internal controls and closely monitoring our business processes and internal functions, thereby upholding high standards of integrity and transparency.

Upholding Good Governance and Economic Resilience



REGULATORY COMPLIANCE

GRI 2-27, GRI 3-3

Capitals



UN SDGs



WHY IT MATTERS

Ensuring compliance with pertinent laws and regulations is crucial to safeguarding our business and maintaining responsible operations. In doing so, we not only avoid legal issues and financial penalties but also safeguard our reputation while proactively addressing potential risks. Ultimately, our commitment to compliance ensures our long-term sustainability.

OUR APPROACH

Establishing Compliance Management

We abide by the international laws and regulations governing our business operations. The key laws and regulations that we abide by in our areas of operation include, but are not limited to:

Malaysia

- Capital Markets and Services Act 2007
- Companies Act 2016
- Employment Act 1955
- Environmental Quality Act 1974
- Factories and Machinery Act 1967
- MMLR of Bursa Malaysia
- Occupational Safety and Health Act 1994 (“OSHA 1994”)

China

- Civil Code of the People’s Republic of China
- Environmental Protection Law of the People’s Republic of China
- Labour Law of the People’s Republic of China
- Law of the People’s Republic of China on Work Safety

Additionally, we adopt MCCG 2021 and Bursa Malaysia’s Sustainability Reporting Guide 2022 (3rd edition) as well as implement frameworks such as TCFD to address climate-related risks and opportunities effectively.

The Group maintains dedicated legal administrators at respective entities that serve as the central point of access for legal requirements and continuously monitor and update legal-related developments into legal and compliance registers. They are also responsible for disseminating pertinent legal information to respective departments in various forms such as memos and electronic information hubs for further incorporation into policies, operational processes or standard operating procedures (“SOPs”). Subsequently, scheduled training sessions will be arranged to disseminate the compliance standards expected of our employees, with potential action taken against non-compliant personnel.

To fortify our adherence, we conduct internal compliance evaluations through site inspections and internal audits, as well as externally through ISO audits. This vigilant approach helps us mitigate non-compliance risks and associated legal penalties.

Read more on our corporate policies in the Business Ethics and Corporate Governance section of this SR 2023.

Upholding Good Governance and Economic Resilience

Certifying Our Operational Sites

Each of our manufacturing facilities has achieved various management system certifications, showcasing our dedication to quality, health and safety as well as environmental management.

<p>ISO 9001:2015 Quality Management Systems</p>	<ul style="list-style-type: none"> ✓ PMBtu ✓ PMS ✓ PMAR ✓ PMBA ✓ PMI ✓ PMIT 	<p>ISO 45001:2018 Occupational Health and Safety Management Systems</p>	<ul style="list-style-type: none"> ✓ PMBtu ✓ PMS ✓ PMAR ✓ PMBA ✓ PMI ✓ PMIT
<p>ISO 14001:2015 Environmental Management Systems</p>	<ul style="list-style-type: none"> ✓ PMBtu ✓ PMS ✓ PMAR ✓ PMBA ✓ PMI ✓ PMIT 	<p>ISO 50001:2018 Energy Management Systems</p>	<ul style="list-style-type: none"> ✓ PMBtu ✓ PMS ✓ PMI
<p>IATF 16949:2016 Automotive Quality Management Systems</p>	<ul style="list-style-type: none"> ✓ PMI ✓ PMIT 		

OUR VALUE CREATION

We regularly conduct training sessions for all employees, covering company policies, legal requirements and industry-specific regulations. These sessions are designed to equip our workforce with the knowledge and skills necessary for their role and responsibilities in maintaining compliance, cultivating a culture of accountability and integrity throughout the organisation.

By proactively identifying and addressing compliance gaps, we are able to mitigate risks, reduce costs and streamline processes. As part of our value creation strategy, we also prioritise transparency and accountability in our compliance efforts through transparent reporting and disclosure practices.

HOW WE PERFORMED IN 2023

In FYE2023, we encountered six (6) instances of non-compliance with hazardous waste-handling processes and one (1) oil spillage.

Recognising the gravity of these issues and in line with our commitment to environmental sustainability, we have proactively implemented corrective actions and heightened mitigation measures to prevent any future instances of non-compliance.

 Read more on how we manage and mitigate incidences in the Waste Management section of this SR 2023.

GOING FORWARD

Our commitment to regulatory compliance remains steadfast. We recognise that regulatory landscapes are constantly evolving, presenting new challenges and opportunities for businesses. As such, we are dedicated to maintaining proactive vigilance and continual monitoring of regulatory developments across all relevant jurisdictions and industries. By staying abreast of changes, we can anticipate potential impacts on our operations and swiftly implement necessary adjustments to our policies, procedures, and internal controls. Through the integration of compliance considerations into our strategic planning and decision-making processes, we aim to mitigate risks, enhance transparency, and foster long-term trust and confidence among our stakeholders.

Upholding Good Governance and Economic Resilience

M4

RESPONSIBLE SOURCING

GRI 3-3, GRI 204-1, GRI 308-1, GRI 308-2, GRI 407-1, GRI 408-1, GRI 409-1, GRI 414-1, GRI 414-2

Capitals



UN SDGs



WHY IT MATTERS

As the largest integrated aluminium producer in Southeast Asia, we recognise our crucial role in advocating for responsible procurement practices and bolstering a sustainable value chain. This entails making deliberate, ethical choices when sourcing goods and services and partnering with local procurement entities to drive ongoing economic prosperity. By embracing ethical sourcing practices, we contribute to the greater good by promoting fair labour practices, environmental conservation, and community development.

Embracing responsible and sustainable supply chain management also opens doors to new opportunities, fosters innovation through supplier collaboration and ensures enduring success in dynamic and conscious markets.

OUR APPROACH

Establishing Responsible Sourcing Standard

We are committed to ensuring responsible and sustainable practices throughout our value chain, from sourcing raw materials to delivering finished products to customers. Our procurement practices, which reflect our sustainability standards and expectations, are cascaded to our suppliers, contractors, service providers and consultants (collectively referred to as “suppliers”) as we believe that sustainability is a combined effort and shared responsibility.

Our Responsible Sourcing Policy outlines our commitments and standards for essential areas when dealing with suppliers, such as business practices, legal compliance, human rights, working conditions and environmental responsibilities. In tandem with this, clear expectations of the standards for all our suppliers in supporting and respecting labour and human rights, including the right to freedom of association and collective bargaining, freedom from forced, compulsory or child labour, fair and equal treatment, reasonable working hours and a safe and healthy work environment, have been set out in the SCoC. The SCoC is available in two (2) languages i.e., English and Chinese, with the English version uploaded at our corporate website: <https://www.pressmetal.com/investor-relations/corporate-governance.php>.

To uphold our responsible sourcing standards and expectations, we prefer engaging business partnerships and suppliers that are committed to continuously improving their manufacturing processes and activities, giving priority to those with robust ESG practices.

In addition to the aforementioned efforts, we periodically organise both internal and external training sessions for our procurement teams, with a specific focus on sustainable supply chain management. This keeps them well-informed and aligned with our commitment to promoting responsible and ethical procurement practices.

Managing Our Suppliers Holistically

We have instituted a Supplier Management Programme to advance the ethical conduct, sustainability and transparency across our supply chain.

Elements of Supplier Management Programme

Responsible Sourcing Management Systems



Risk Identification and Assessment



Risk Management



Due Diligence



Supplier Development

Upholding Good Governance and Economic Resilience

In alignment with the Organisation for Economic Cooperation and Development (“OECD”) Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas (“DDG for CAHRAs”), our programme comprises a meticulous five (5) steps protocol that focuses on identifying and managing risks associated with CAHRAs, further enhanced to incorporating ESG criteria.

Within Supplier Management Programme, we define our suppliers into three (3) groups – mineral-related, non-mineral related and service providers – each of which are to varying degrees of scrutiny and assessment based on potential ESG risks and impacts inherent in their operations.

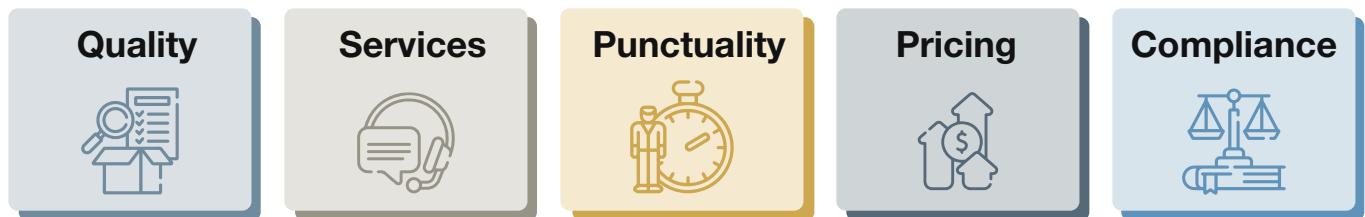
The evaluation process begins with the administration of a self-assessment questionnaire covering diverse ESG facets such as human rights, labour standards, environmental management and anti-corruption measures. Following this, appointed auditors will conduct a desktop review to assess the risk level of each facet. Based on their assessment, the appointed auditors will recommend to the designated Senior Management in deciding whether to approve the supplier or should the supplier undergo further audit, either through an in-depth due diligence procedure or an on-site audit. Suppliers shall fully assist and render their full cooperation whenever due diligence is required, as stipulated in the Responsible Sourcing Policy.

Where gaps are identified, we collaborate with the concerned suppliers to develop time-bound action plans, which will be monitored by us. During the period, we provide ongoing support, in tandem with our commitment towards collaborative and responsive supplier ecosystem.

For underperforming suppliers that are unable to meet the agreeable action plans, we adhere to the OECD’s DDG for CAHRAs and the ASI Performance Standard Guidance. In such cases, we may either:

- Continue trading with the supplier while implementing measurable risk mitigation efforts;
- Temporarily suspend trade while actively pursuing ongoing risk mitigation measures; or
- Disengage with the supplier if attempts at mitigation fail or if risk mitigation is deemed infeasible or unacceptable.

In addition to the responsible sourcing assessment, all new and existing suppliers undergo annual assessments based on five (5) key criteria:



OUR VALUE CREATION

Enhancing Supply Chain Traceability

We enhanced our supply chain traceability by meticulously tracking material origins, supplier sourcing practices and conversion processes through our Supplier Self-Assessment Questionnaire (“SSAQ”). This initiative promotes transparency and fosters ethical and sustainable procurement practices, strengthening our ability to identify and mitigate potential procurement risks.

In addition, we launched the Vendor Data Management Project in FYE2023 – a digitalised and centralised platform that consolidates vendor information – to streamline supplier selection and facilitate efficient comparison of procurement quotations and product offerings, in driving greater supplier traceability.

Supporting Local Suppliers

We are committed to strengthening the local economies in our operational areas by actively seeking partnerships with local suppliers whenever feasible. This not only creates job opportunities within our local communities but also stimulates economic growth. Furthermore, engaging with local partners enables shorter lead times, facilitates communication, empowers local skills and enhances supply chain flexibility.

Upholding Good Governance and Economic Resilience

Conducting Supplier Training and Assessment

We provide training to our suppliers on responsible sourcing practices and governance policies, including ABAC Policy and Responsible Sourcing Policy, to promote awareness of our business practices and expectations of responsible procurement within our supply chain.

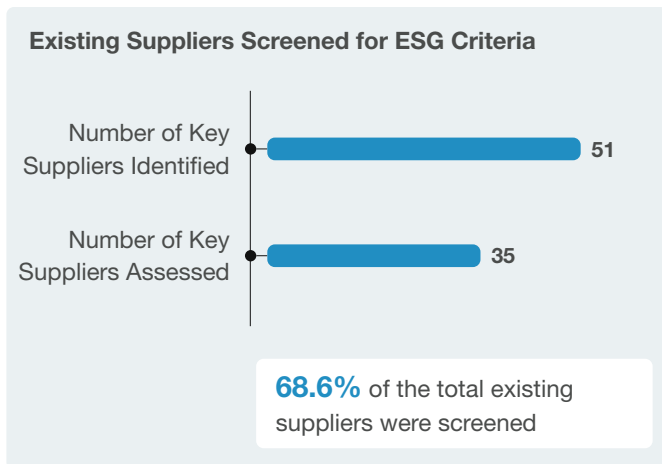
In our evaluation of suppliers and their business practices, we not only gain valuable insights into their conduct of business but create the opportunity to learn and share responsible sourcing practices. This approach fosters a culture of sustainability and responsibility, by cascading positive impacts to our immediate suppliers and to their end of suppliers, creating a sustainable value chain. After the assessment, an audit report detailing the supplier’s performance will be shared, to facilitate constructive dialogues for improvements.

HOW WE PERFORMED IN 2023

Supplier Assessment Update

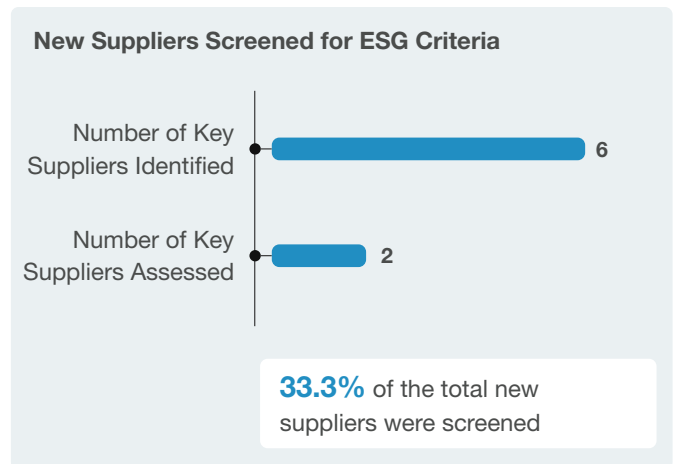
In FYE2021, Press Metal launched the Supplier Management Programme, focusing on assessing our suppliers’ ESG performance in a phased approach. Our current assessment targets material suppliers, particularly mineral-related suppliers, and suppliers with procurement value exceeding RM5 million. Information covering the supplier’s environmental and social performance, including Scope 1, 2 and 3 GHG emissions and health and safety metrics will be requested.

In FYE2023, a total of 37 new and existing suppliers have undergone the ESG assessment. Additionally, as of FYE2023, 1,267 suppliers have submitted written affirmations in adherence to our SCoC.



Notes:

1. Aggregated data from our midstream facilities (PMBtu, PMS and PMAR).
2. Covered mineral-related suppliers and suppliers with transaction value more than RM5 million.



Notes:

1. Aggregated data from our midstream facilities (PMBtu, PMS and PMAR).
2. Covered only mineral-related suppliers.

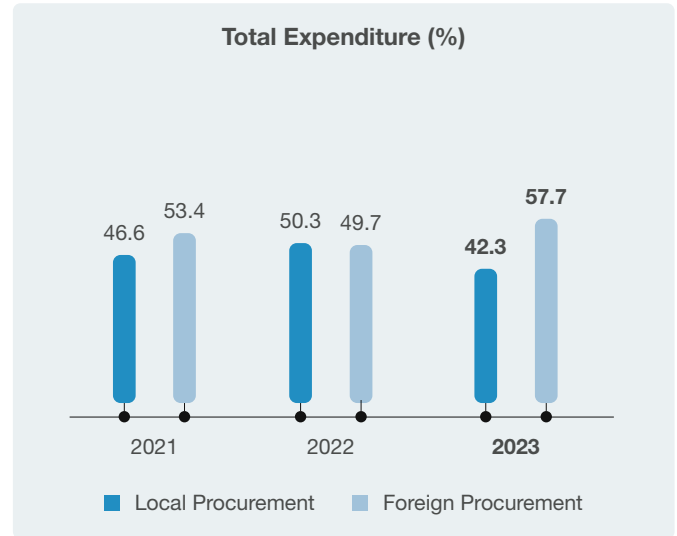
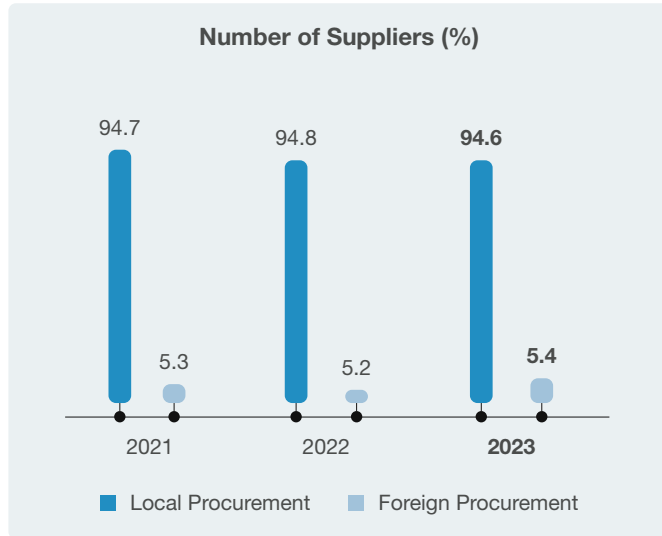
Following the assessment, we concluded that there were no suppliers with red flags within the supply chain. However, we have identified suppliers with shortcomings in their management systems and gaps in social and environmental practices. Consequently, we have provided recommendations to our suppliers to mitigate such issues within agreed timelines.

Local Procurement

In FYE2023, 94.6% of our total suppliers were local suppliers, with 42.3% of our procurement expenses allocated to local suppliers for the purchase of materials and provision of services.

Upholding Good Governance and Economic Resilience

Local and Foreign Procurement



Notes:

1. Total Expenditure refers to the amount spent on local suppliers covering all our manufacturing facilities which are located in the respective operating country (i.e., Malaysia and China).
2. Both diagrams contained aggregated data from our midstream facilities (PMBtu, PMS, PMAR) and downstream (PMBA, PMI, PMIT) facilities.
3. Data differed from SR 2022 as an enhanced calculation methodology has been adopted in FYE2023.

In FYE2023, no major non-compliance issues concerning our suppliers were reported. Nonetheless, we proactively encourage them to develop risk mitigation or corrective action plans to address any risks identified during our engagement sessions.

GOING FORWARD

Press Metal is dedicated to enhancing the resilience, agility, and overall efficiency of our supply chain, recognising our responsibility to foster social and economic development in the communities where we operate. Our approach relies on concerted efforts with our suppliers that align with our objectives and values.

We strive to enhance our Supplier Management Programme by leveraging digital tools to streamline and enhance our suppliers' oversight, facilitating greater transparency and accountability throughout our supply chain, positioning ourselves towards a viable supply chain while advancing for sustainability.

Looking ahead, we will remain steadfast in our commitment to continually assess our suppliers to uphold responsible sourcing practices.

Upholding Good Governance and Economic Resilience



PRODUCT QUALITY AND CUSTOMER SATISFACTION

GRI 3-3, GRI 416-2, GRI 417-1

Capitals



UN SDGs



WHY IT MATTERS

Ensuring consistent and timely delivery of high-quality aluminium products that meet customer requirements and expectations are crucial for maintaining our success. By prioritising these aspects, we not only enhance trust with our stakeholders but also strategically position Press Metal for sustained growth in a competitive market. Moreover, the invaluable feedback from our customers serves as an acknowledgement of the quality of our products and provides insights for continuous improvement, which, in turn, strengthens our market position in the industry.

OUR APPROACH

Adopting Quality Product and Manufacturing Standards

Press Metal’s principal business activities include the manufacturing and trading of primary, value-added and extrusion aluminium products. Our primary aluminium P1020 ingots are certified by the LME as High Grade Primary Aluminium and adhere to the strict specifications and standards set by the LME. Likewise, our aluminium electrical conductor grade rods, made with a minimum aluminium purity of 99.5%, are tailored to meet demands from the electrical industry, offering a unique combination of lightweight and high conductivity that meets exacting customer requirements and needs.

Our manufacturing facilities adhere to rigorous quality standards, with all manufacturing facilities (100%) being ISO 9001:2015 certified. In addition, our extrusion entities expanding quality management to various industry and marine standards including IATF 16949:2016 for Automotive Quality Management, SIRIM Product Certification License, QUALICOAT 2023 Specification, BS EN 15088:2005 Aluminium and Aluminium Alloy-Structural Products for Construction Works, CNAS-CL01 Accreditation Criteria for the Competence of Testing and Calibration Laboratories, and more. Each plant has in place a Quality Policy, supporting our commitment to consistently deliver products that meet customer expectations and align with pertinent industry standards.

Managing Quality Testing, Root Cause Analysis and Improvements

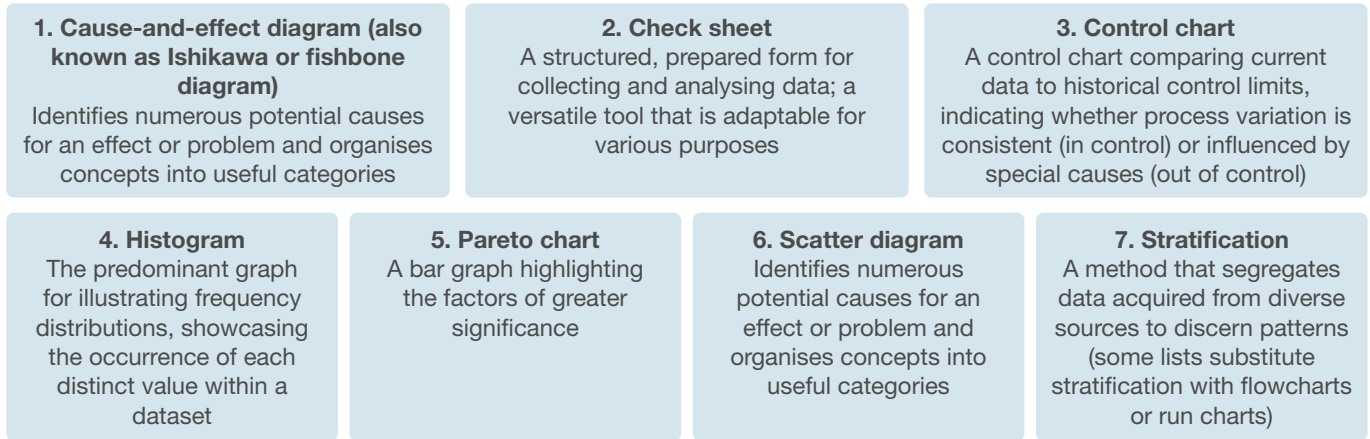
We conduct chemical and physical tests on our aluminium products, providing customers and distributors with the results through our safety data sheets, which will be reviewed by respective EHS departments every five (5) years. 100% of our casted products are assessed for health and safety impacts. We also perform third-party laboratory testing, depending on the type of aluminium product, in compliance with Registration, Evaluation, Authorization and Restriction of Chemicals (“REACH”) and Restriction of Hazardous Substances (“RoHS”) guidelines. Furthermore, in response to client requests, we undertake supplementary testing to meet their specific needs and expectations.

We maintain meticulous documentation of our manufacturing processes and product specifications as well as recording inspections and testing procedures. We also ensure timely reporting and resolution of any non-compliance issues and we value open communication with both customers and internal teams. Moreover, we actively seek customer feedback to identify areas for improvement to prevent future non-compliance issues.

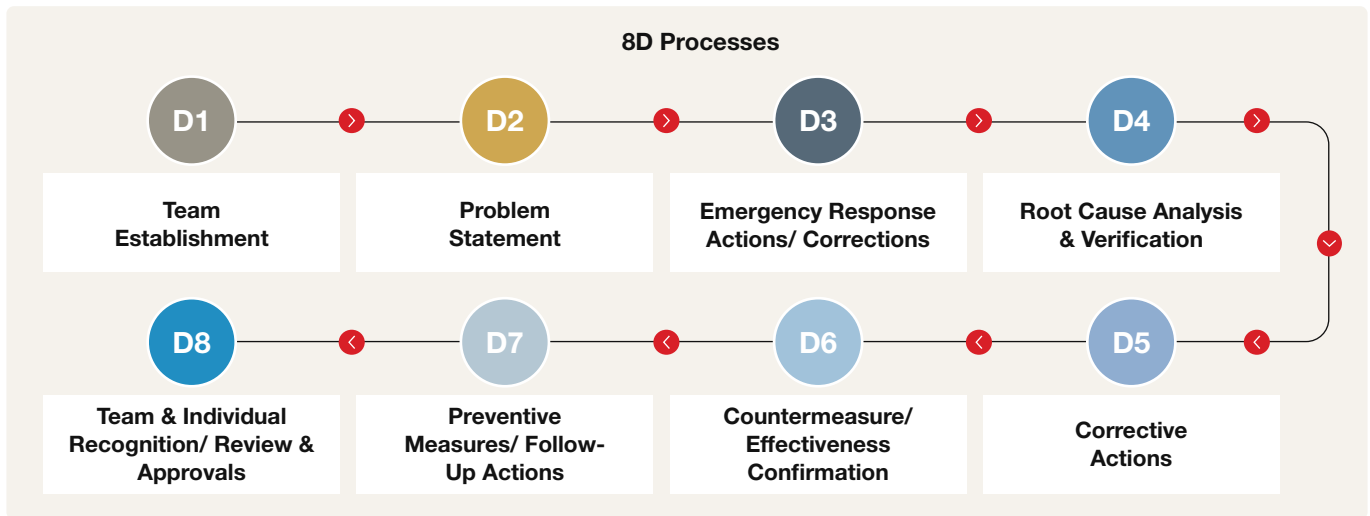
In the event of a complaint, we employ a thorough root cause analysis utilising the 7 Quality Control Approach. This systematic analysis entails tracing issues back to the manufacturing process and necessitate the implementation of corrective actions through necessary adjustments. Any identified issues are communicated via the 8-Discipline (“8D”) Report Form or Corrective Action Request Form to facilitate a thorough investigation and identification of the root cause.

Upholding Good Governance and Economic Resilience

The 7 Quality Control Approach



The 8-Discipline methodology, meanwhile, follows a structured eight (8)-step approach to problem-solving, aimed at addressing and identifying weaknesses in management systems that may have allowed the problem to occur. The 8D process is outlined as follows:



OUR VALUE CREATION

Ensuring Quality Product and Manufacturing Standards

Guided by the ISO 9001 standard requirement, we continuously improve our manufacturing processes through quality-centric initiatives, including:

- Implemented a custom degasser to minimise defects in the manufacturing process
- Introduced an automated heating mechanism in the anodising workshop to replace manual operations, thus significantly enhancing our manufacturing processes and product quality
- Modified the extrusion press outlet to reduce the ingress of water vapour, and prevent nitrogen gas escape and external air intrusion, thereby enhancing product quality
- Enhanced the water spray system to achieve uniform cooling processes by addressing design inadequacies and insufficient water pressure, thereby preventing uneven deformation during profile cooling

Improving Product Quality, Productivity and Continuous Learning

We adopt a proactive approach to optimising product quality and enhancing productivity through various initiatives, encompassing:

- Strengthening of inspection process for consistent product quality before despatching to customers
- Addressing customer complaints related to product quality promptly and effectively
- Conducting audits to ensure adherence to established standards and procedures

Upholding Good Governance and Economic Resilience

- Initiating a compulsory induction programme for new employees, which includes communication of the quality expectations for our aluminium products
- Equipping our employees with essential skills and knowledge to identify and address quality issues through our training programmes, including, but not limited to:

Standard/ Certification Training:

- IATF16949 Automotive Quality Management System Training
- The Production Part Approval Process
- Quality Management System Document Management Training
- ISO 9001:2015 Quality Management System Awareness Training
- ISO 9001:2015 Internal Auditors Training

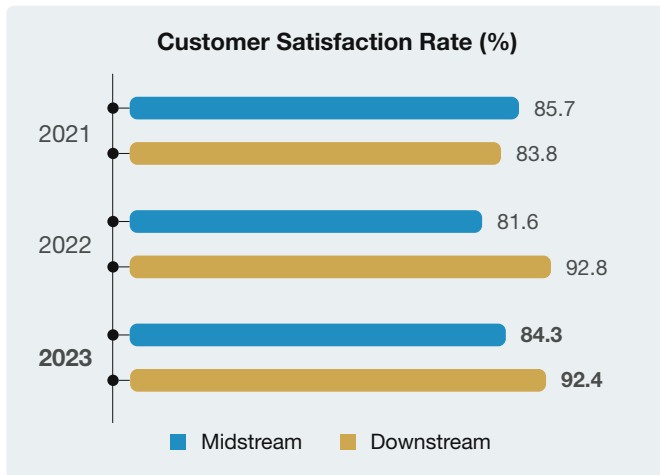
Operations-Related Training:

- Advanced Product Quality Planning Training
- Extrusion Process Training (Automotive Products)
- Engineer & Executive Development Programme: Process & Improvement Methodology
- Introduction to Quality Process
- Inline Rods and Fresh Cast Anodes Quality Inspection
- Training on Physical, Mechanical and Electrical Testing, Sampling, Analysis, Specification Compliance and Hazards of the Products
- Seminar Calibration: To Ensure Measurement Accuracy
- Effective Supervisory Management Skills
- Lean Manufacturing Training
- Product Packing and Delivery Process Flow

HOW WE PERFORMED IN 2023

Customer Engagement and Satisfaction

In FYE2023, we achieved satisfaction scores of 88.1%, with an increase of 0.9% point compared to FYE2022.



Notes:

1. Aggregated data from our midstream (PMBtu, PMS, PMAR) and downstream (PMBA, PMI, PMIT) facilities.
2. Data differed from SR 2022 as an enhanced calculation methodology has been adopted in FYE2023.

Incidents of Health and Safety Non-Compliance for Products and Services

Incidents concerning the health and safety impacts of products and services	2021	2022	2023
Incidents of non-compliance with regulations resulting in a fine or penalty	0	0	0
Incidents of non-compliance with regulations resulting in warnings	0	0	0
Incidents of non-compliance with voluntary codes	0	0	0

GOING FORWARD

Upholding high standards of product quality and customer satisfaction remain fundamental for our long-term value creation. To this end, we will continue to invest in manufacturing process enhancements in response to the industry’s rapid changes and changing stakeholder expectations globally. Concurrently, we will equip our employees with the necessary knowledge and skills in product quality management to ensure our final products consistently meet customer expectations.

We are also committed to maintaining close coordination with our customers for timely responses to delivery changes and optimising our loading processes to minimise errors in despatch. Moreover, we will ensure efficient forwarding and logistics to expedite the delivery process, offer transportation advisory services to suppliers and regularly update critical spare parts for operational efficiency.

Upholding Good Governance and Economic Resilience

M6 SUSTAINABLE MANUFACTURING

GRI 3-3

Capitals



UN SDGs



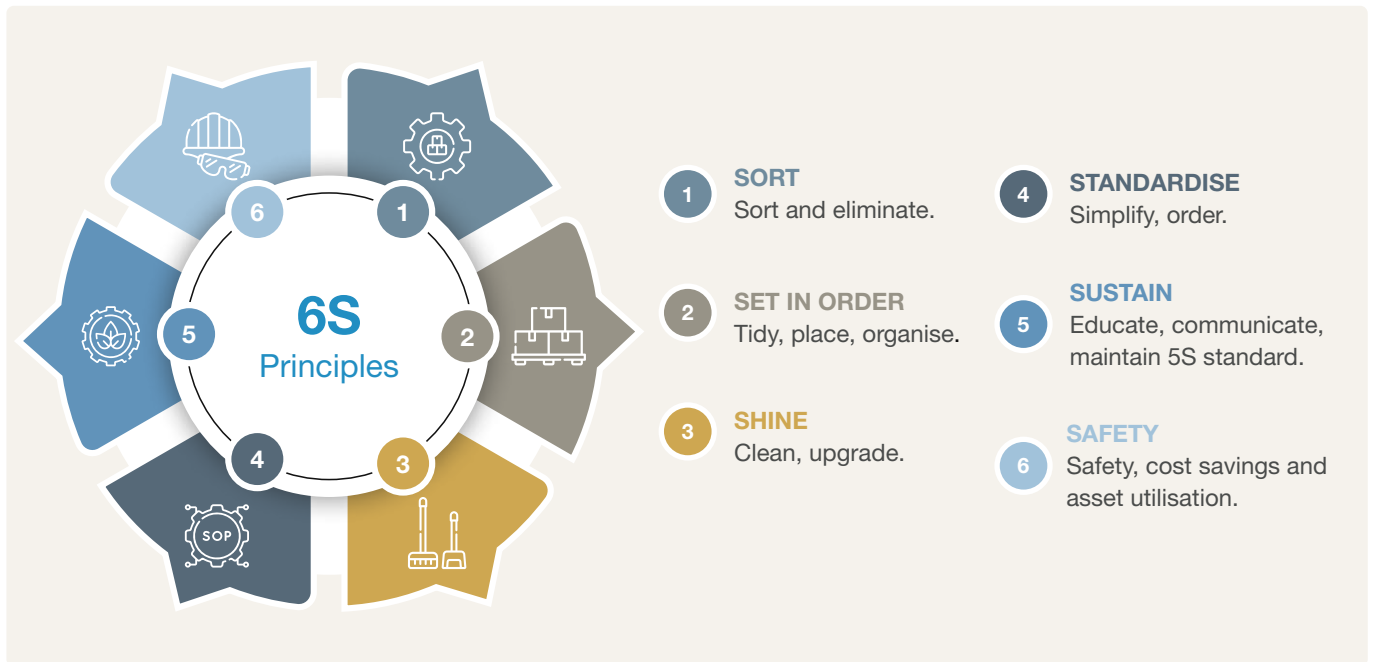
WHY IT MATTERS

Sustainable manufacturing stands as a cornerstone in advancing decarbonisation and fostering innovation within the aluminium industry. By embracing industry best practices, we not only bolster workplace safety but improve operational efficiency and cost-effectiveness, all while conserving natural resources. Additionally, embracing sustainable manufacturing equips us to navigate evolving regulatory landscapes, fortify our brand reputation and cultivate stakeholder confidence.

OUR APPROACH

Implementing Lean Manufacturing Principles

Across our manufacturing operations, we have integrated the 5S Principles – Sort, Set in Order, Shine, Standardise and Sustain – to promote lean manufacturing, while our operations in China have embraced an additional sixth principle: Safety. The implementation of these principles has led to improved safety, cost savings and asset utilisation. In tandem with this, we continuously strengthen related processes through regular audits and quarterly inter-plant competitions.

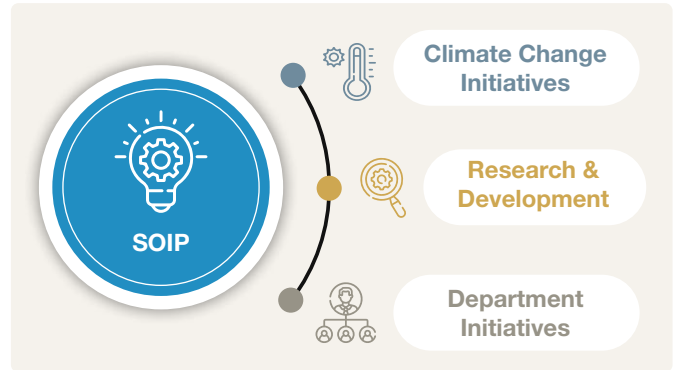


Fostering Innovation and Research

We strive to foster a culture of innovation among our workforce by encouraging employees to participate in improvement projects. To facilitate this, we have established an improvement platform where employees can propose initiatives to enhance our manufacturing processes. This structured platform requires the submission of proposals that include cost and benefit analyses, proposed improvements and expected outcomes, thus ensuring sustained progress.

Upholding Good Governance and Economic Resilience

Complementing this initiative is the Sarawak Operations' Improvement Programme ("SOIP"), which enables our employees in Sarawak to propose ideas and solutions that objectively improve manufacturing processes. The SOIP is categorised into two (2) segments: SiPros for long-term initiatives leading to systemic changes, and iPros for smaller-scale, standalone solutions. In FYE2023, we implemented 11 SiPros and 130 iPros, including initiatives covering the digitisation of reporting processes and the improvement of manufacturing processes, as detailed in the respective sections of this SR 2023.



Read more on our sustainable manufacturing initiatives in the respective sections of this SR 2023.

To further our innovation efforts, we established a research and development ("R&D") team in FYE2021 that focuses on R&D projects specific to climate change. We also collaborate with several local universities, fostering partnerships in research, academia, student and staff development and human resource capacity building.

In our China entities, around 52 continuous improvement projects were implemented in FYE2023, focusing on manufacturing and product quality improvement.

OUR VALUE CREATION

Innovating Towards GHG Reductions

We are undertaking various R&D initiatives and improvement projects at both the strategic and operational levels of our entities with the aim of achieving our interim GHG reduction targets, and resource efficiency. These R&D projects focus on three (3) main themes: Industrial Revolution 4.0 ("IR 4.0"), decarbonisation and energy reduction. To drive our Sustainable Manufacturing initiatives and activities, we have spent RM50.6 million in FYE2023.

Read more on our energy reduction efforts in the Climate Change and Energy Management sections of SR 2023.

Specifically, we have increased data interconnectivity and integrated smart automation, adopt cutting-edge technologies and innovative solutions to further refine and optimise our operations and reduce our operational GHG emissions. Notably, PMI has actively embraced digitalisation and intelligent transformation. As a result, PMI is recognised as one of the Guangdong Provincial Engineering Technology R&D Centre, and receiving an honour as a high-end aluminium intelligent fine processing engineering technology research centre.

Additionally, we have introduced digital transformation into our smelting plants, developing the Smelter Operation MES. This initiative utilises big data to streamline smelter operations, enhance efficiency and reduce operating costs.

Moreover, we continued to drive operational improvements in FYE2023 by deploying several key systems, each with specific improvement objectives, and have allocated a budget of total RM4.5 million for R&D for 2024.

Systems Deployed	Purpose of Improvement
Intelligent Crust Breaker and Pot Controller System Upgrade	Upgrading our pot controller and conventional crust breaker to an energy-efficient intelligent version, enhancing control over sludge and anode effects to reduce GHG emissions
Pot Digital Measurement System	Digitising our pot measurement data to expedite data production delivery

Upholding Good Governance and Economic Resilience

Systems Deployed	Purpose of Improvement
Automated Weighbridge System	Automating the weighing of molten aluminium crucibles to replace manual labour.
Automated Clearing of Solidified Alumina	Automating the process for clearing solidified alumina to improve consistency and quality.
Potline Emergency Busbar System	Enhancing electrolysis support system by adopting ancillary electrical connection for uninterrupted potline operation.
Asymmetrical Anode for Anode Current Density Reduction	Reducing anode current density to decrease energy intensity.

Meanwhile, our SiPros focused on digitalisation, which aim to improve our manufacturing processes, including:

Project	Objectives
E-Training System (Cast House Training Apps)	Improving training traceability and efficiency by enhancing attendance recording, tracking trainers' preparation time and centralising training materials.
Interplant Digitalisation Project for Aluminium Purity Analysis (Data Conversion System)	Enhancing aluminium purity analysis process through real-time data access, thus fostering better decision-making and collaboration.
Digitalisation of Recruitment Process	Expediting interview turnaround times, resulting in enhanced productivity and improved stakeholder satisfaction.
Digitalisation and Monitoring System for 8D Reporting	Driving increased organisational agility and enhanced cross-functional collaboration through the integration of digital solutions.

GOING FORWARD

We will continue to embrace innovative solutions to drive continuous improvement and sustainability across our operations. Specifically, we plan to delve deeper into the automation of our processes, aiming to bolster operational efficiency and diminishing the need for routine manual labour, with several potential applications of automation set to be explored in near future.

Upholding Good Governance and Economic Resilience

M7 RISK MANAGEMENT

GRI 3-3

Capitals



UN SDGs



WHY IT MATTERS

Having a robust and sound risk management system is crucial to address potential threats and uncertainties that could harm our financial resources, reputation, regulatory compliance and governance standards. Integrating effective enterprise risk management into business functions, projects and procedures enhances our ability to make well-informed decisions and comprehensively tackle risks across our operations. This approach aids us in mitigating potential pitfalls and positions us to seize emerging opportunities, thus enabling us to perpetuate the delivery of sustained, long-term value.

OUR APPROACH

Establishing Board Oversight for Group-Wide Alignment

We diligently oversee a broad spectrum of risks and potential impacts, including those associated with legislative or regulatory compliance, financial risks linked to investments or strategic initiatives, cybersecurity, data privacy threats and human resource concerns. At the Board level, this responsibility is entrusted to the RMC, which oversees the Group’s risk management framework, policies and implementation process. The RMC is assisted by the RMT in implementing and monitoring risk management initiatives across the Group, providing quarterly updates.

The RMC also supervises the SC, focusing on information concerning sustainability matters and the Group’s ESG risks. Working closely with the SC, under the leadership of the Group CEO, the RMC plays a vital role in supervising our ESG and climate risks, ensuring a focused, disciplined approach while maintaining clarity in actions and accountability.

Implementing an ERM Framework and Risk Management Policy

In alignment with recognised risk management standards and best practices, our Enterprise Risk Management (“ERM”) Framework has been established, referencing the ISO 31000:2018 Risk management - Guidelines. Encompassing ESG, corporate, financial and operational risks, the framework assigns responsibility to designated risk owners who provide subsequent updates on the likelihood and impact of risks within their control areas through quarterly operational risk assessment.

The Risk Management Policy provides guidance for the systematic identification, evaluation and treating risks, with a focus on enhancing risk management processes through continuous review and monitoring of activities.

Mitigating Risks in Potential Mergers and Acquisitions

Extending our risk management to mergers and acquisitions, we have incorporated an ESG Risk Assessment and Rating checklist into our evaluation process for potential strategic investments or acquisitions. As part of the due diligence process, we assess negative impacts related to environmental, health and safety, community, regulatory, financial, legal and other factors associated with our potential investments. This approach considers specific risks including those related to industry dynamics, regional and country-specific factors, funding sources, investors and the impact of climate change. By adopting this approach, we aim to ensure effective risk management throughout the evaluation of potential investments and acquisitions.

Read more about our approach in the Business Ethics and Corporate Governance section of this SR 2023.

Upholding Good Governance and Economic Resilience

Addressing ESG and Climate-Related Risks

Contributing to the fight against climate change, we have developed dedicated ESG and climate-related risk registers where we incorporate ESG and climate-related risks into our risk management process, enabling us to systematically identify, assess and prioritise ESG and climate-related risks and opportunities, along with corresponding management strategies. Parameters in the ERM Climate Risk Register include technology, reputation, and social risks. Following the recommendations of the TCFD issued by the Financial Stability Board (“FSB”), we conducted a climate scenario analysis and identified our physical and transition risks based on 4.3°C and 1.8°C scenarios.



Read more about our approach to risk management in the Statement on Risk Management and Internal Controls section of IAR 2023.



Read more on our identified climate-related risks and opportunities in the Climate Change section of SR 2023.



Read more on the implications of our identified physical and transition risks in the TCFD Content Index section of SR 2023.

OUR VALUE CREATION

In FYE2023, we embarked on the following key initiatives to bolster our risk management practices and safeguard the resilience and sustainability of our operations:

Implementing Assessments and Action Plans

Our updated Risk Management Policy offers clear guidance and standards for the risk management function. Furthermore, quarterly assessments for midstream and downstream entities promote ongoing surveillance and improvements of our risk management practices.

Instituting Policy Reviews and Operational Monitoring

Risk assessments were conducted across various business functions to identify and analyse potential risks. Subsequently, risk action plans were developed and implemented to address high-priority risks, along with controls and measures aimed at minimising their impact and likelihood.

GOING FORWARD

We strive to uphold an effective risk management framework to ensure long-term success for our stakeholders and business sustainability. Strengthening our ability to leverage on risks and opportunities ensures financial stability and protects shareholder value.

Upholding Good Governance and Economic Resilience



CUSTOMER DATA PRIVACY & INFORMATION TECHNOLOGY

GRI 3-3, GRI 418-1

Capitals



UN SDGs



WHY IT MATTERS

Upholding customer data privacy and cybersecurity resilience is crucial to safeguarding sensitive information and trade secrets from unauthorised access or misuse. With the widespread use of technology and the internet, companies accumulate vast amounts of consumer data, rendering any leakage or breach detrimental due to potential identity theft, financial fraud and other harms.

By implementing stringent cybersecurity measures to mitigate cyber threats and attacks, we aim to ensure business continuity, build trust among our stakeholders and safeguard our reputation.

OUR APPROACH

Ensuring Data Security and Compliance

We demonstrate our commitment to safeguarding data information through the guidance from our Information Technology (“IT”) Policy, which serves as a comprehensive rulebook for authorised users. It stipulates the responsible use of IT facilities and emphasises the need to protect them from any damage or liability that may arise from unlawful or inappropriate usage. In addition, a range of IT-based systems, including firewalls and other protective mechanism have been employed to safeguard our systems from external threats. The IT Policy undergoes yearly review to ensure its relevance based on laws and regulations, while periodic updates to our firewall and internal network and continuous improvements to our IT governance and cybersecurity are undertaken where applicable.

All data collected, used, processed and stored for our stakeholders, including employees, customers and third parties, comply with both local and global regulations, such as Malaysia’s Personal Data Protection Act 2010 (“PDPA”), as well as our internal policies and frameworks. This necessitates handling data with the adequate level of care and sensitivity, utilising the data solely for authorised purposes and ensuring the data’s safety and privacy. Additionally, any modifications to our data policies and procedures are communicated promptly to our stakeholders to ensure continued compliance and transparency.

Our IT Infrastructure unit maintains a cyber hygiene checklist as a guideline to adopt best practices in detecting and preventing cybersecurity incidents through an IT security checklist, IT internal audits and annual IT cybersecurity vulnerability assessments. An IT Compliance & Security Team was established to oversee the Group’s IT policies, SOPs, cybersecurity vulnerability protections and IT governance, ensuring compliance and oversight.

OUR VALUE CREATION

In FYE2023, we embarked on several key initiatives to bolster our risk management practices and safeguard the resilience and sustainability of our operations.

Strengthening Our Cybersecurity Measures

To safeguard both our organisation’s and customers’ data, we have adopted enterprise cybersecurity solutions and enhanced our IT security procedures and processes to protect our data against cyber risks. Further to this, we have also enforced multi-level security access for data security as well as implemented scheduled monitoring and assessment of our IT infrastructure to ensure continuous protection.

Upholding Good Governance and Economic Resilience

In tandem with this, we engaged independent third parties to conduct cybersecurity vulnerability assessments, promptly mitigating any violations and risks identified upon reporting. Our service provider for vulnerability testing updates us on the development within the cybersecurity landscape. Furthermore, we participate in cybersecurity workshops to stay abreast of evolving data privacy regulations. We also continued to ensure our employees are well-informed and vigilant about cyber risks through cybersecurity awareness and training programmes, such as Trusted Information Security Assessment Exchange (“TISAX”).

HOW WE PERFORMED IN 2023

In FYE2023, we reported zero (0) instances of data or cybersecurity breaches.

Our Vulnerability Assessment and Penetration Testing (“VAPT”) post-assessment was conducted by an independent vulnerability tester, with the generated report thoroughly reviewed and signed off following the completion of remediation actions.

	2021	2022	2023
Total number of identified leaks, thefts or losses of customer data	0	0	0
Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	0	0	0

GOING FORWARD

To ensure effective management of cyber risks and threats, we will remain vigilant in identifying, monitoring and evaluating potential cyberattacks while complying with Malaysia’s PDPA and evolving privacy laws. In conjunction with this, our annual cybersecurity vulnerability assessments and investments in cybersecurity measures, such as encryption and secure data storage solutions, will fortify our protection against cyber threats.

Furthermore, we are dedicated to enhancing our employees’ knowledge and awareness of cyber threats and IT safety through regular and ongoing training programmes. We will also continue to diligently monitor and address reports related to breaches of customer privacy or loss of customer data to ensure swift resolution.

CARING FOR THE PLANET



CLIMATE CHANGE

GRI 3-3, GRI 302-2, GRI 305-1, GRI 305-2, GRI 305-3, GRI 305-4, GRI 305-5, GRI 418-1

Capitals



UN SDGs



WHY IT MATTERS

Climate change is the defining challenge of our era. It has caused irreversible impacts on natural ecosystems and other detrimental environmental effects including rising sea levels, intensified heatwaves and an increasing occurrence of droughts and wildfires. These impacts, in turn, are threatening the livelihood of local communities and the strength of national economies, thus affecting our operating environment.

In the context of our industry, the global net zero agenda demands that the aluminium industry to decrease its GHG emissions from over 1 billion tonnes of carbon dioxide equivalent (“CO₂e”) to around 50 million tonnes by 2050¹. The complexity of this task is made even greater by the increased demand for energy transition solutions like wind turbines, batteries and solar photovoltaic technologies², which are expected to increase global aluminium demand by 40% between now and 2030³.

As an integrated aluminium corporation and the largest aluminium producer in Southeast Asia, we have a responsibility to take a leadership role in addressing these challenges by introducing less GHG-intensive and more energy-efficient production processes. However, such investments must be weighed against the need to deliver aluminium products that meet the demands of the market. By striking the correct balance between both imperatives, we are safeguarding our competitive strength, thus ensuring the long-term stability and resiliency of our business.

Sources:

- Aluminium Stewardship Initiative (2022). Issue Brief: Low Carbon Aluminium. <https://aluminium-stewardship.org/low-carbon-aluminium#:~:text=The%20lowest%20carbon%20primary%20aluminium%20currently%20on%20the,the%20very%20lowest%20achievable%20with%20currently%20available%20technologies>.
- World Bank (2023). Cost-Competitive, Low Carbon Aluminum is Key to the Energy Transition. <https://blogs.worldbank.org/energy/cost-competitive-low-carbon-aluminum-key-energy-transition>
- World Economic Forum (2023). Aluminium Demand will Rise 40% by 2030. Here's How to Make it Sustainable. <https://www.weforum.org/agenda/2023/11/aluminium-demand-how-to-make-it-sustainable/>

OUR APPROACH

Establishing a Robust Framework for Climate Action

In seeking to action a robust and committed response to climate change, we have formulated our Climate Change Strategy, Climate Change Roadmap and Adaptation Action Plans. Our climate policies and procedures guide our approach to GHG management, climate-related disclosures and sustainability guidelines. Moreover, they mandate that we benchmark our practices to identify best practices and areas for improvement, thus shaping the implementation of effective climate action initiatives across the short-, medium- and long-term time horizons towards achieving our GHG emissions reduction targets.

The framework augments our existing Carbon Neutral Policy, which outlines our overall approach to address climate change, encompassing:

- Transition to renewable energy sources.
- Deployment of effective and low-carbon technologies within our production line.
- Optimisation of process technologies to improve energy efficiency.
- Continuous monitoring of carbon emissions.
- Promoting of circular economy practices throughout our value chain.
- Funding of climate protection projects to offset unavoidable GHG emissions.

Caring for the Planet

Setting Emissions Reduction Targets

Underscoring our commitment to addressing climate change, we have set the following GHG emissions reduction targets:

- Reducing our GHG emissions intensity (Scope 1 and Scope 2) by 15% by 2025, measured against our 2020 baseline
- Reducing our GHG emissions intensity (Scope 1 and Scope 2) by 30% by 2030, measured against our 2020 baseline
- Achieving carbon neutrality by 2050

Our targets have been depicted in the Greenhouse Gas Reduction Targets and the Carbon Neutral Policy. For more information on the policies, please visit our corporate website at <https://www.pressmetal.com/investor-relations/corporate-governance.php>.

Additionally, our Baseline Recalculation Policy ensures the alignment of our GHG emissions reduction targets with the latest climate science and best practices. This policy mandates the updates of our baseline emissions when significant changes occur, including structural changes (e.g., mergers, acquisitions and divestments), changes or improvements in methodology of emission factors or discoveries of significant error and changes in organisational and/ or operational boundaries.

Charting GHG Reduction Pathway

In our aim to reduce our GHG emissions, we are charting a pathway that aligns with the 1.5-degree Celsius warming scenario as part of our overarching climate change strategy. The pathway is also being developed with reference to the International Aluminium Institute's ("IAI") Aluminium Sector Greenhouse Gas Pathways to 2050 document and considers various factors including our localised context, energy resources, raw material availability, government policies, investment opportunities and the pace and cost of technology development and implementation. It is designed to guide the achievement of our GHG emissions reduction targets while safeguarding our ability to meet the growing demand for aluminium.

Supporting this, we are actively exploring a number of approaches to reduce the GHG emissions footprint including the adoption of renewable energy sources, the promotion of circular economy and the enhancement of operational efficiencies through the deployment of advanced technologies, digitalisation and automation.

As we move forward on our GHG reduction efforts, we are also cognisant of the various risks that climate change may pose to our business. As such, we have expressed commitment to support the TCFD by formally endorsing and implementing the principles outlined. We became the supporter of TCFD and aligned our climate disclosures to the four (4) recommendations outlined by the TCFD – Governance, Strategy, Risk Management, and Metrics and Targets – which elaborates our governance practices and current climate-related initiatives.

Ensuring Robust Climate Governance

Our Board plays a critical role in our climate action journey by overseeing the development of climate-related policies and strategies spearheaded by SC and SWGs.

In line with its remit to steer our risk management strategies and ensure the creation of long-term value, the Board actively oversees the approach to manage climate-related risks and opportunities relevant to our business operations, and their associated impacts. Mr. Lim Hun Soon @ David Lim, one of our Independent Non-Executive Directors, has been entrusted with supervising the climate-related matters. The Board receives quarterly updates for sustainability matters, including climate-related issues, while the RMC advises on climate-related risks.

At the management level, the SC, chaired by our Group CEO, takes the lead on sustainability related matters including climate change. The SC's key responsibilities including developing climate strategies and policies, conducting performance reviews and allocating resources for climate-related initiatives.

In 2023, our Board assessed our financial exposure to climate-related risks and opportunities and aligned our disclosures to the TCFD recommendations. This alignment will empower improved risk management and strategic planning pertaining to climate change in the future.

 Read more of our sustainability governance at Our Approach to Sustainability section of this SR 2023.

Caring for the Planet

Integrating Climate Performance in Remuneration

With the aim of driving positive climate action, Press Metal has incorporated GHG emissions intensity performance as one of the key metrics within our ESG Remuneration Framework. In particular, this entails directly linking the incentive component of compensation for our Group CEO, selected Key Senior Management, Key Operating Management personnel and Head of Group Sustainability to our climate action performance.

Looking ahead, we plan to extend this mechanism to other employee groups, taking into consideration the variability of their compensation and level of accountability.

OUR VALUE CREATION

Integrating Our Climate Change Strategy and Roadmap

In our effort to drive climate change actions, we have instituted the Climate Change Strategy and Roadmap which prioritise few key areas in building business resiliency and reducing our environmental impacts. Our Climate Change Strategy is built on four (4) key pillars, with short- and long-term strategies identified under each, as detailed below.

Pillar 1: Strengthening Business Resiliency Over Climate Risk

Short-Term Strategy

- Align our climate action approach with the TCFD Framework.
- Complete climate scenario analysis and climate modelling.

Long-Term Strategy

- Mitigate and adapt to climate impacts.

Progress

- Adopted the “outside-in” approach as prescribed by TCFD, entailing the identification of climate change impacts on our business model.
- Undertook climate risk assessments and evaluated the business impact of our climate risks through scenario analysis.
- Integrated climate change adaptation actions into our climate strategy and incorporated climate risks into our business decision-making process.
- Integrating climate risk assessment and adaptation planning into our risk management and business continuity planning.

Pillar 2: Reducing Operational Carbon Footprint

Short-Term Strategy

- Review and align our GHG-related targets and metrics with reference to TCFD Framework.
- Complete Scope 1 and 2 GHG emissions inventory.

Long-Term Strategy

- Implement a GHG abatement and offset programme.

Progress

- Purchased renewable energy certificates to increase our deployment of low-carbon energy, thus reducing overall GHG emissions.
- Expanded our renewable energy capacity by investing RM2.6 million to install a 1,104.3kW rooftop solar panels and 162.3kW car park rooftop solar panels in PMI, bringing our total solar energy sourcing capacity to 13.5MW.
- Purchased two (2) units of electric cars and converted 27 units of diesel forklifts to electric forklifts.
- Identified operational efficiency improvement opportunities while consistently tracking our performance and initiatives against our KPIs.

Caring for the Planet

Pillar 3: Low Carbon Product

Short-Term Strategy

- Introduce traceability technology to trace our products and their inputs.
- Identify GHG reduction opportunities from life cycle assessment (“LCA”) hotspot analysis.

Long-Term Strategy

- Identify strategic partnerships.

Progress

- Conducted LCAs* to evaluate the environmental impacts of our aluminium products manufactured in PMBtu**, PMS and PMI, in accordance with the ISO 14040:2006 Environmental Management - Life Cycle Assessment standard, based on cradle-to-gate boundaries.
- Additionally, PMAR is currently conducting LCA, which is set to be completed in 2024.
- Introduced low-carbon aluminium products, with carbon footprint verified by third party.
- Performed quarterly Product Carbon Footprint (“PCF”) calculations for our primary aluminium products. This performance was independently verified in accordance with ISO 14064-3:2019 and with reference to ISO 14067:2018 standards.

Pillar 4: Reducing Carbon Footprint Across Value Chain

Short-Term Strategy

- Map Scope 3 GHG emissions across our value chain.

Long-Term Strategy

- Integrate circular economy principles into our strategy.
- Develop circular product designs and production processes.
- Identify hotspots, risks and opportunities across our value chain.

Progress

- Calculated Scope 3 emissions for our midstream entities based on eleven (11) categories.
- Established aluminium buyback programmes in collaboration with customers and business partners.
- Continuous research on the feasibility of expanding our aluminium scrap remelting capacity.
- Entered into a Memorandum of Understanding (“MOU”) with Xi’an Jiaotong University (“XJTU”) for CCU research. A total grant of RMB12.0 million was contributed.
- Identified alumina supply as a significant emissions hotspot and undertook efforts to accurately calculate our aluminium products’ PCF.
- Conducted an LCA for an alumina supplier, PT Bintan, to ascertain the embedded carbon footprint of their production processes.
- Press Metal, Sumitomo and Nandina REM signed an MOU to support Nandian REMs in scaling their world’s first Aviation-to-Electric Vehicle Circular Economy Mode, which advance the use of low-carbon circular aviation materials in the automotive industry.

Notes:

* LCA is available upon request.

** PMBtu’s LCA results are prepared in accordance with ISO 14025:2005 and EN 15804 standards and verified by an independent third-party consultant. The LCA facilitates transparent communication with our customers on emissions reduction strategies by providing a quantitative basis for comparing products and services.

Caring for the Planet

Climate Change Enablers

The four (4) pillars of our Climate Change Strategy are supported by four (4) Climate Change Enablers which equip us to achieve our GHG reduction targets and, ultimately, carbon neutrality by 2050.

Climate Change Enabler	Activities in FYE2023
Climate Governance	<ul style="list-style-type: none"> Became a supporter of TCFD and committed to working towards the implementation of TCFD recommendations within our business.
Internal Climate-Related Capacity Building	<ul style="list-style-type: none"> Organised 91 climate-related trainings, covering topics including “Overview of ESG and Climate Change”, “Introduction to ESG Risk Integration” and “GHG Management”, energy management, etc., to enhance our employees’ knowledge and build internal capacity. Conducted climate-related training, amounted to a total investment of approximately RM97,000 that resulted in over 14,400 employee training hours.
Internal Carbon Pricing Mechanism	<ul style="list-style-type: none"> Established an internal carbon price (“ICP”) based on 11 projects using shadow price, which is used to assess the climate impacts associated with a project. We intend to incorporate the shadow price in each of our investments and evaluate the risks as well as conduct strategic planning. Utilised the ICP to assess the marginal abatement cost of each project. We opted for an initial ICP of RM34.25/tCO₂e and plan to annually review and re-evaluate this pricing based on the viability of new projects. This approach aims to influence decision-making and business operations to meet our GHG targets.
Integrated Climate Reporting System	<ul style="list-style-type: none"> Implemented a centralised climate reporting system to collect GHG emissions data from all our subsidiaries, replacing the previous manual data collection channel to ensure data integrity, enable timely data monitoring and streamline data analysis and reporting processes. Subscribed to the PCF Analysis System to enable the traceability of product emissions.

In FYE2023, Press Metal has spent a total of RM24.8 million on climate-related initiatives. Moving forward, we have earmarked a budget of RM17.0 million for 2024.

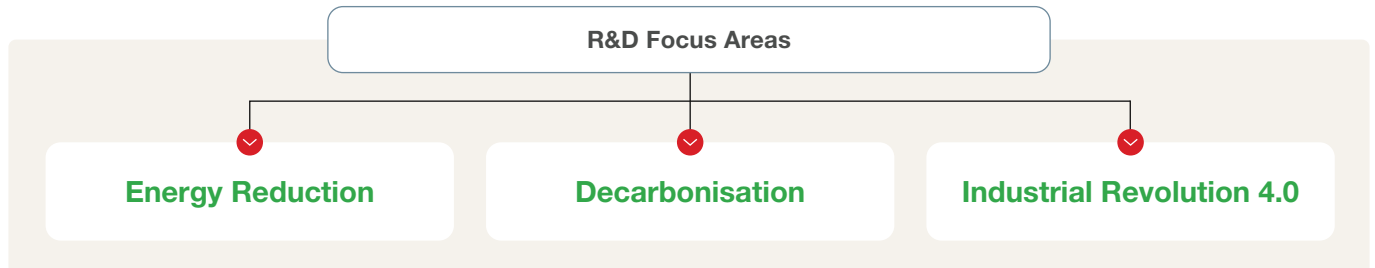
Operational Processes Enhancement for GHG Reduction


In our continuous efforts to enhance sustainability and operational efficiency across our operating facilities, several initiatives have been conducted to reduce GHG emissions and enhance energy efficiency. These include, but are not limited to:

- Expanding the use of rooftop solar panels in PMI, bringing our total solar energy sourcing capacity to 13.5MW
- Deployment of electric forklifts in PMBtu and PMS and electrical car in PMI
- Utilising a 35-day cycle for anode replacement – decreasing voltage consumption in the process
- Application of carbon anode coating to control oxidation arising from airburn
- Enhancement of pot initiation procedure to reduce the duration of the anode effect during the pot startup process
- Enhancement of alumina filtering process through the implementation of double filtering system
- Secured alumina feeding process to prevent solidification and blockage
- Monitored alumina feeding process to ensure alumina quality and prevent under or overfeeding, thus reducing the occurrence of the anode effect
- Upgraded pot controller system with intelligent crust breaker to reduce errors and improve breaking and feeding mechanisms

Caring for the Planet

In order to achieve our interim GHG reduction targets, we are also implementing R&D initiatives and improvement projects at both the strategic and operational levels of our entities.



 Read more on our energy reduction efforts and R&D initiatives in Energy Management and Sustainable Manufacturing sections of SR 2023.

Forging Collaborative Efforts in Addressing Climate Change

We are committed to collaborating with industry peers, governmental bodies, non-governmental organisations (“NGOs”) and local communities towards building a more sustainable value chain.

In 2023, Press Metal has set sights on developing and maintaining partnerships with renowned institutions around the world. We have entered an MOU with XJTU on CCU research.

On 16 March 2023, BCX successfully conducted the nation’s inaugural carbon credit auction, with 15 buyers from various industries purchasing a total of 150,000 Verra-registered carbon credits. The auction facilitated price discovery for carbon credits using two (2) new products offered by BCX: the Global Technology-Based Carbon Contract and the Global Nature-Based Plus Carbon Contract. We are proud to have participated as one of the bidders in this auction.

In 2022, we participated as a working group member in a supplier-buyer initiative for the Voluntary Carbon Market (“VCM”) led by Bursa Malaysia, through which we contributed towards the establishment of the VCM in Malaysia. Through our participation, we provided insights into relevant issues and opportunities while recommending key design choices for the product specifications set to be offered on the Bursa Carbon Exchange (“BCX”).

Assessing Climate-related Risks and Opportunities

With the growing recognition of climate-related risks and opportunities in the business landscape, we are committed to embracing climate-friendly practices across our operations for long-term stability and resilience while also contributing to a more sustainable future for the community at large.

In alignment with the Recommendations of the TCFD Framework, we conducted a thorough climate scenario analysis based on the IPCC RCP 8.5/ 4.3°C (business as usual) and 2.6/ 1.8°C (more stringent) scenarios. The analysis enabled us to identify opportunities to address emerging climate-related policies and regulations, facilitating the adoption of proactive measures to improve our risk stance.

These global emissions scenarios are closely intertwined with the IPCC Shared Socioeconomic Pathways (“SSP”) 5 and SSP 1, respectively.

IPCC RCP 8.5

This climate scenario projects a significant rise in global temperatures (4.3°C by 2100) due to rapid GHG emissions growth, resulting in a broad spectrum of environmental impacts.

IPCC RCP 2.6

This climate scenario projects a modest increase in the global mean temperature (1.8°C by 2100), with a subsequent decline in GHG emissions by mid-century and the eventual attainment of net negative GHG emissions in the latter half of the century.

Caring for the Planet

Transition Risks

Transition risks refer to the changes that an organisation is expected to encounter and navigate as society transitions to a low-carbon economy.

Type of Transition Risk	Category	Potential Risks	Potential Opportunities
Regulatory	Environmental regulations	<ul style="list-style-type: none"> Increased costs and production halts when adapting production processes due to new climate regulations. Greater scrutiny from regulatory and reporting requirements, impacting ease of business. Suspension of operations, fines and penalties due to non-compliance. 	<ul style="list-style-type: none"> Boosting the low-carbon economy and contributing to the viability of the circular economy. Higher product premium due to cleaner production.
	Carbon pricing	<ul style="list-style-type: none"> Increased costs to procure raw materials. Introduction of carbon pricing, including carbon tax impacts on business strategies. 	<ul style="list-style-type: none"> Adopting internal carbon pricing and proactively managing our carbon costs to enhance our adaptability and readiness. Benefiting from incentives resulting from low-carbon technology due to carbon pricing implementation.
Market	Shift in customer preferences	<ul style="list-style-type: none"> Shortage of resources that satisfy the criteria for producing products with lower carbon footprint. Potential revenue loss due to lack of lower carbon products to meet customer demands. 	<ul style="list-style-type: none"> Leveraging business opportunities based on customer preferences, including introducing low-carbon products through circular economy.
	Overall market change	<ul style="list-style-type: none"> Increased expenditure required to implement emissions reduction technology. Heightened risk of equipment shutdowns or write-offs resulting from inability to meet the demand for low carbon requirements. Reduced availability of recycled aluminium due to increased demand in the market for low-carbon aluminium. 	<ul style="list-style-type: none"> Exploring sector-specific initiatives and developments pertaining to climate-related initiatives to generate additional revenue streams. Developing new products with potentially higher profit margin.
Technological	Low-carbon technologies	<ul style="list-style-type: none"> Increased cost of investment and research. Disruptions to existing work processes during the transition to new technologies. 	<ul style="list-style-type: none"> Reduced risk of non-compliance and fines from emerging climate regulations. Greater ease of development of low-carbon end-products with the implementation of low-carbon technologies. Increased long-term cost savings. Reduced GHG emissions through improved technological capabilities.
	Product changes and effects	<ul style="list-style-type: none"> Increased competition between industry players to be the forerunner for low-carbon products. 	<ul style="list-style-type: none"> Enhanced capabilities in developing low-carbon products by researching and investing in low-carbon technologies. Tapping into emerging markets and meeting customer expectations.

Caring for the Planet

Type of Transition Risk	Category	Potential Risks	Potential Opportunities
Reputation	Litigations, fines and non-compliance	<ul style="list-style-type: none"> Increased delays and risk of project refusals due to non-compliance with environmental regulations. Heightened expenses incurred in settling litigation cases and fines. 	<ul style="list-style-type: none"> Enhancing the preparedness of business operations to meet climate-related regulations and expectations.
	Negative investors and public perception	<ul style="list-style-type: none"> Potential reputational damage Delayed regulatory approvals on expansion plans. 	<ul style="list-style-type: none"> Branding the Group in a positive manner by leveraging our climate change efforts.
Social	Talent retention and attraction	<ul style="list-style-type: none"> Increased costs associated with recruitment and branding efforts to pivot our brand as a contributor towards climate action. Heightened expectation to meet sustainability standards by potential and existing talents. 	<ul style="list-style-type: none"> Elevating climate-related awareness and conducting knowledge-sharing sessions to drive collective effort on climate change across our workforce.
	Social changes arising from climate change	<ul style="list-style-type: none"> Risk of disruptions to operations in the event of local disputes and conflicts, leading to loss of revenue and delays. Shift towards low-carbon lifestyles amongst consumers, creating indirect pressure for companies to adapt. 	<ul style="list-style-type: none"> Encouraging greater employee contribution and participation by increasing awareness on climate change.

Physical Risk

Physical risks refer to the direct and tangible impacts of climate change on organisations.

Type of Physical Risk	Potential Risks	Potential Opportunities
Acute (such as the increased severity of extreme weather events like cyclones and floods)	<ul style="list-style-type: none"> Delays and disruptions to logistics and materials sourcing. Increased cost of raw materials. Physical asset damage. Increased disruptions leading to higher costs, operational interruptions and delivery delays. 	<ul style="list-style-type: none"> Improving business resiliency and adaptability through the implementation of the Business Continuity Plan (“BCP”).
Chronic (including rising temperatures and sea levels, changes in precipitation patterns and extreme variability in weather patterns)	<ul style="list-style-type: none"> Higher insurance premiums or limited availability of insurance plans. Heightened maintenance costs and increased manpower and resources required to implement mitigation plans. Increased risk to employees’ health. 	<ul style="list-style-type: none"> Reducing dependency on primary raw material sources by diversifying into high-quality secondary aluminium.

Caring for the Planet

HOW WE PERFORMED IN 2023

Our GHG emissions Scope 1, 2 and 3 are calculated using the IAI's Aluminium Sector GHG Protocol, with our methodologies adhering to the IPCC Guidelines for National GHG Inventories. Accordingly, we convert all GHG emissions to CO₂e using prescribed factors from the GHG Protocol and the IPCC Sixth Assessment Report ("AR6"). For Scope 3 emissions, we have implemented a comprehensive approach encompassing the average-data, spend-based, distance-based and supplier-specific methods. This multifaceted approach is designed to enhance the accuracy of our reporting efforts.

Press Metal has adopted the "operational control" approach for its GHG emissions calculation, which accounts for 100% of GHG emissions from all Press Metal's manufacturing operations over which have operational control; generated from on-site manufacturing processes in midstream (PMBtu, PMS, PMAR) and downstream (PMBA, PMI, PMIT) entities.

Notes:

- Whenever feasible, the Group adopts a supplier-specific emission factor for Scope 2 emissions to ensure the consistency of the calculation methodology for our suppliers to allow us to take credit for green electricity purchases in reducing Scope 2 emissions. Otherwise, location-based approach will be used.
- The Group reports and discloses its Scope 3 emissions based on the GHG Protocol Corporate Value Chain (Scope 3) Accounting and Reporting Standard and the Technical Guidance for Calculating Scope 3 Emissions. Eleven (11) out of fifteen (15) categories covering upstream and downstream are included in the calculation.
- The figures for Scope 3 GHG emissions are estimated based on the abovementioned method and have not yet undergone independent assurance.

GHG Emissions Data	2021	2022	2023
Total direct and indirect GHG emissions (Scope 1, 2 and 3) (kilotonnes CO ₂ e)	12,094.5	13,037.7	11,806.7
Total direct GHG emissions (Scope 1) (kilotonnes CO ₂ e)	2,147.0	2,220.5	2,171.5
Total indirect GHG emissions (Scope 2) (kilotonnes CO ₂ e)	2,651.1	2,978.4	2,121.7
Other indirect GHG emissions (Scope 3) (kilotonnes CO ₂ e)	7,296.2	7,838.5	7,513.4

Notes:

- Values have been restated for FYE2020 and FYE2021 to reflect the GHG calculation methodology enhancement in accordance with the update of Global Warming Potential ("GWP") of GHG Protocol based on IPCC AR6.
- Scope 1 and 2 GHG emissions are aggregated data from our midstream (PMBtu, PMS, PMAR) and downstream (PMBA, PMI, PMIT) facilities while Scope 3 GHG emissions covers only our midstream (PMBtu, PMS, PMAR) facilities.
- Scope 1 includes direct GHG emissions from facilities owned or controlled, and includes fuel use, anode and reductant use, and process GHG emissions.
- Scope 2 includes indirect GHG emissions from purchased or acquired electricity from the grid.
- PMBtu and PMS Emission Factors: Based on the Residual Mix Emission Factor published by Sarawak Energy Berhad Annual Report 2021.
- PMAR and PMBA Emission Factors: Based on the Grid Emission Factor published by Tenaga Nasional Berhad Annual Report 2022.
- PMI and PMIT Emission Factors: Based on the national factor of China in FYE2022.

In 2023, our GHG emissions intensity (Scope 1 and Scope 2) was recorded at 3.3 tCO₂e/ tonne of aluminium produced, a decrease of 17.8% compared to FYE2022, mainly due to the expansion in renewable energy sourcing and generation as well as operational efficiency improvements and enhancements.

GHG Emissions Intensity Data*	2021	2022	2023
Total direct and indirect GHG emissions intensity (Scope 1 & 2) (tCO ₂ e/ tonne of aluminium)**	4.2	4.1	3.3
Total direct GHG emissions intensity (Scope 1) (tCO ₂ e/ tonne of aluminium)	1.9	1.7	1.7
Total indirect GHG emissions intensity (Scope 2) (tCO ₂ e/ tonne of aluminium)**	2.3	2.3	1.6

Notes:

- Aggregated data from our midstream (PMBtu, PMS, PMAR) and downstream (PMBA, PMI, PMIT) facilities.
 - Scope 1 includes direct GHG emissions from facilities owned or controlled, and includes fuel use, anode and reductant use, and process GHG emissions.
 - Scope 2 includes indirect GHG emissions from purchased or acquired electricity from the grid.
- * Values have been restated for FYE2021 and FYE2022 to reflect the GHG calculation methodology enhancement in accordance with the update of GWP of GHG Protocol based on IPCC AR6.
- ** Values have been restated for FYE2022 and FYE2021 to reflect the latest update of Scope 2 emissions factor. Whenever feasible, the Group adopts a supplier-specific emission factor to ensure the consistency of the calculation methodology for our suppliers. Otherwise, location-based approach will be used.

Caring for the Planet

Scope 1 GHG Emissions by Category (Kilotonnes CO ₂ e)	2021	2022	2023
CO ₂	1,560.9	1,644.0	1,674.2
CH ₄	0.1	0.2	0.2
N ₂ O	1.0	1.4	1.2
PFCs	585.0	575.1	496.0
Total Scope 1	2,147.1	2,220.6	2,171.6

Notes:

1. Aggregated data from our midstream facilities (PMBtu, PMS, PMAR) and downstream facilities (PMI, PMIT, PMBA).
2. Scope 1 includes direct GHG emissions from facilities owned or controlled, and includes fuel use, anode and reductant use, and process GHG emissions.

Category	Emissions in Midstreams' Value Chain ¹ (Kilotonnes CO ₂ e)		
	2021 ²	2022 ²	2023
Upstream Scope 3 GHG Emissions			
Category 1: Purchased goods and services	3,902.4	3,767.9	3,502.4
Category 2: Capital goods	1.9	1.8	1.3
Category 3: Fuel- and energy-related activities	2,153.0	2,483.4	2,491.4
Category 4: Upstream transportation and distribution	290.1	304.5	186.8
Category 5: Waste generated in operations	41.5	53.2	60.9
Category 6: Business travel	0.01	0.1	2.7
Category 7: Employee commuting	5.4	8.9	19.2
Category 8: Upstream leased assets	0.3	0.4	0.6
Others: Contractors' and suppliers' commuting (air travel)	0.2	0.1	1.9
Downstream Scope 3 GHG Emissions			
Category 9: Downstream transportation and distribution ³	NA ³	NA ³	NA ³
Category 10: Processing of sold products	596.3	787.1	774.9
Category 11: Use of sold products ³	NA ³	NA ³	NA ³
Category 12: End-of-life treatment of sold products	3.3	4.4	4.3
Category 13: Downstream leased assets ⁴	NR ⁴	NR ⁴	NR ⁴
Category 14: Franchise ⁴	NR ⁴	NR ⁴	NR ⁴
Category 15: Investments	301.9	426.9	467.2

Notes:

1. Scope 3 GHG emissions are calculated for the midstream facilities at PMBtu, PMS and PMAR only.
2. Data disclosed differed from SR 2022 as enhanced disclosure methodology has been adopted for this reporting period.
3. Data unavailable.
4. Not relevant since Press Metal does not lease any downstream assets or have any franchised operations.

GOING FORWARD

The urgency of climate change calls for a concerted and collaborative approach spanning business, governments, communities and individuals. As a responsible and sustainable organisation, we are proactively stepping up to play a key role in driving this process forward.

In striving to achieve carbon neutrality by 2050 in line with Malaysia's net zero commitment, we will continue to be guided by our comprehensive Climate Change Strategy, which directs our efforts towards renewable energy adoption, energy efficiency technologies, the promotion of circular economy principles and the adoption of sustainable solutions to foster resilience against changing climate patterns and extreme weather events. At the same time, we will remain responsive to climate-related risks and attuned to the opportunities that the evolving climate change landscape presents for our business.

By driving awareness and action on climate change across our workforce and working closely with partners across the private and public sectors, we will work to forge a powerful shared vision on climate action and introduce bold and inclusive strategies to drive positive change. Through this, we can help pave the way for a resilient, lower-carbon future that benefits both current and future generations.

Caring for the Planet

ENERGY MANAGEMENT

GRI 3-3, GRI 302-1, GRI 302-3, GRI 302-4

Capitals



UN SDGs



WHY IT MATTERS

At Press Metal, we recognise the crucial role that energy plays in powering our operations. The production of aluminium is an inherently energy-intensive process that relies significantly on electricity, and it is therefore vital that we enhance our operational efficiency through energy conservation efforts whenever feasible. Doing so ensures alignment with our commitment to reduce our operational GHG emissions, enabling us to contribute to the global transition towards decarbonisation, and Malaysia's target of achieving net-zero GHG emissions by 2050.

OUR APPROACH

Driving Sustainable Energy Management Across the Business

Our Energy Management Policy ("EnMP"), launched in FYE2023, provides a framework for the adoption of sustainable energy practices across our business. The EnMP encourages the exploration and implementation of new technologies and designs that minimise energy wastage, supports the integration of feasible and cost-effective renewable energy sources and prioritises the procurement of energy-efficient products and services. We have set clear objectives and regularly identify areas where our performance may be improved. In parallel, we strive to inculcate energy conservation awareness practices across our workforce.

The EnMP is transparently communicated to all stakeholders of the Group. For more information on the policy, please visit our corporate website at <https://www.pressmetal.com/investor-relations/corporate-governance.php>.

Utilising Renewable Energy Sources

While aluminium smelting is energy-intensive, we maintain a lower carbon footprint compared to other smelters that rely on fossil fuel-based sources, such as coal or diesel-fired power plants, as our smelting facilities predominantly harness hydroelectricity. Meanwhile, our PMI and PMAR manufacturing facilities partially incorporate solar energy to further minimise their GHG emissions footprint.

Improving Operational Efficiency

In addition to continually identifying opportunities for the introduction of renewable energy sources, our strategic focus extends to enhancing the energy efficiency of our operations. To this end, we regularly undertake process improvement, equipment conversion and retrofitting initiatives while also carrying out regular operational adjustments across our operations.

Our entities have set energy efficiency targets aligned with our EnMP requirements. PMI, for instance, aims to reduce energy consumption by 2% annually from 2021 to 2025. Additionally, our production departments at our smelting facilities have established individual energy performance indicators, benchmarked against our FYE2018 baseline. PMAR, meanwhile, has set to decrease its consumption of natural gas in the casting process to below 3.9 MMBtu per tonne of aluminium produced.

OUR VALUE CREATION

Recognising our pivotal role as a responsible producer, we have implemented comprehensive strategies to optimise efficiency, minimise consumption and transition towards renewable sources.

In alignment with these initiatives, we actively engage in R&D projects focused on refining our operational processes to decrease GHG emissions and advance energy-saving efforts.

Caring for the Planet

Adopting an Efficient Energy Management System

Our Energy Management System (“EnMS”) was developed in FYE2023 to streamline and enhance overall energy efficiency, providing a structured approach to energy consumption. It includes ISO-compliant employee training on energy conservation, which aims to enhance employee skill sets for high-quality job performance while promoting responsible energy consumption throughout our operations.

Our smelting operations, PMBtu and PMS, obtained the ISO 50001:2018 Energy Management Systems certifications in FYE2023, joining PMI, which was accredited with the certification in FYE2019.

In addition to monitoring energy consumption, PMBtu, PMS and our entities in China have a dedicated working group to oversee the energy-saving solutions for machinery and promote an energy-conservative culture. Monthly meetings were held to discuss technical modifications to machines, evaluate potential energy saving investments and propose improvement plans for areas with high energy consumption.

Enhancing Our Clean Energy Consumption

In 2023, we have installed photovoltaic systems at our casting and extrusion facilities, sourcing approximately 12.2 megawatts (“MW”) of solar power annually through the solar farms and rooftop solar systems we have installed.

To further increase our clean energy consumption, our operation in China spent approximately RM2.6 million to construct photovoltaic systems on the rooftops of their plant and car park, with a generation capacity of 1.3 MW annually. This will result in a reduction of 723 tCO₂e in GHG emissions.

Installation of Twin Chamber Furnaces

In FYE2023, our extrusion facility, PMBA installed twin chamber melting furnaces to enhance its remelting capacity and reduce energy consumption. These furnaces offer a distinct advantage by minimising heat energy wastage, accomplished by enabling flexibility in the selection of the size of the furnace opening during charging without compromising on melting capacity, thereby resulting in significantly lower energy consumption.

Transitioning to Electric Transportation

To date, our manufacturing facilities have switched a total of 27 diesel forklifts to electric forklifts, thus reducing their dependence on conventional fuel-type handling equipment. In FYE2023, PMI has also invested approximately RM196,000 to replace two (2) petrol cars with electric cars.

Installation of Smart Meters

We have strategically installed smart meters across high electricity-consuming equipment, allowing for effective performance monitoring and proactive energy management. In particular, our China entities have upgraded their conventional natural gas and electricity meters to smart meters with remote consumption monitoring capabilities, driving more efficient operations and improved energy management.

Improving Our Anodising Process

We have initiated an improvement project that modified the oxidised conductive copper seat circulating overflow water of the anodising process. The objective was to reduce both water and energy consumption, encompassing electricity and natural gas usage.

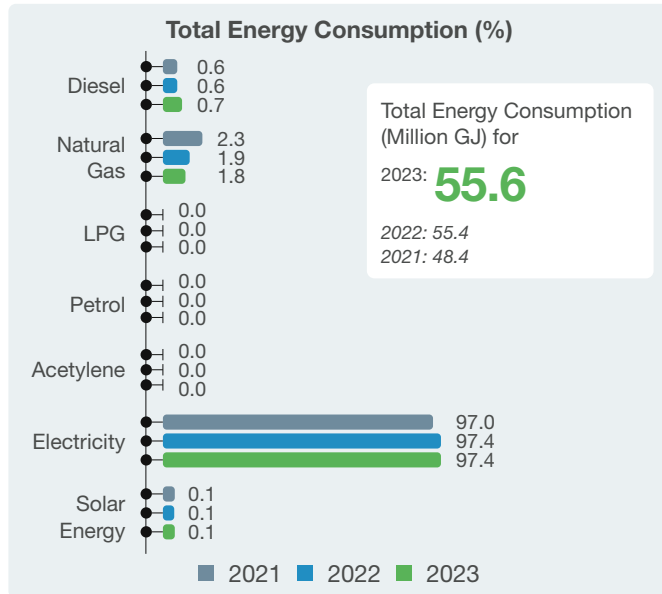
HOW WE PERFORMED IN 2023

In FYE2023, our manufacturing operations consumed 55.6 million gigajoules (“GJ”) of energy, representing a 0.3% increase from FYE2022. Our energy intensity has reduced slightly, by 0.1%.

All energy data presented below has been independently assured in line with the ISAE 3000.

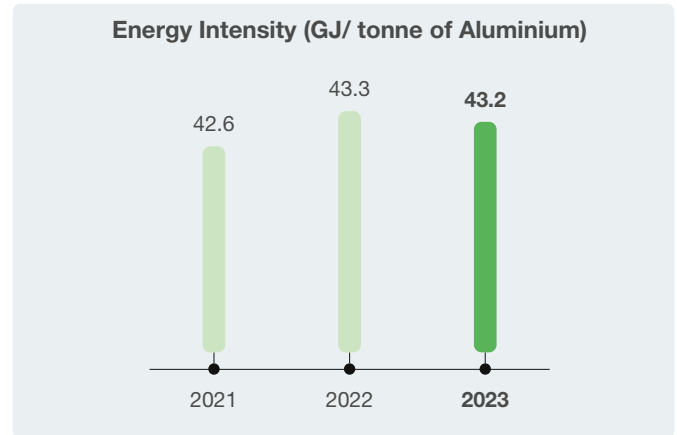
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Total Energy Consumption



Note: Aggregated data from our midstream (PMBtu, PMS, PMAR) and downstream (PMBA, PMI, PMIT) facilities.

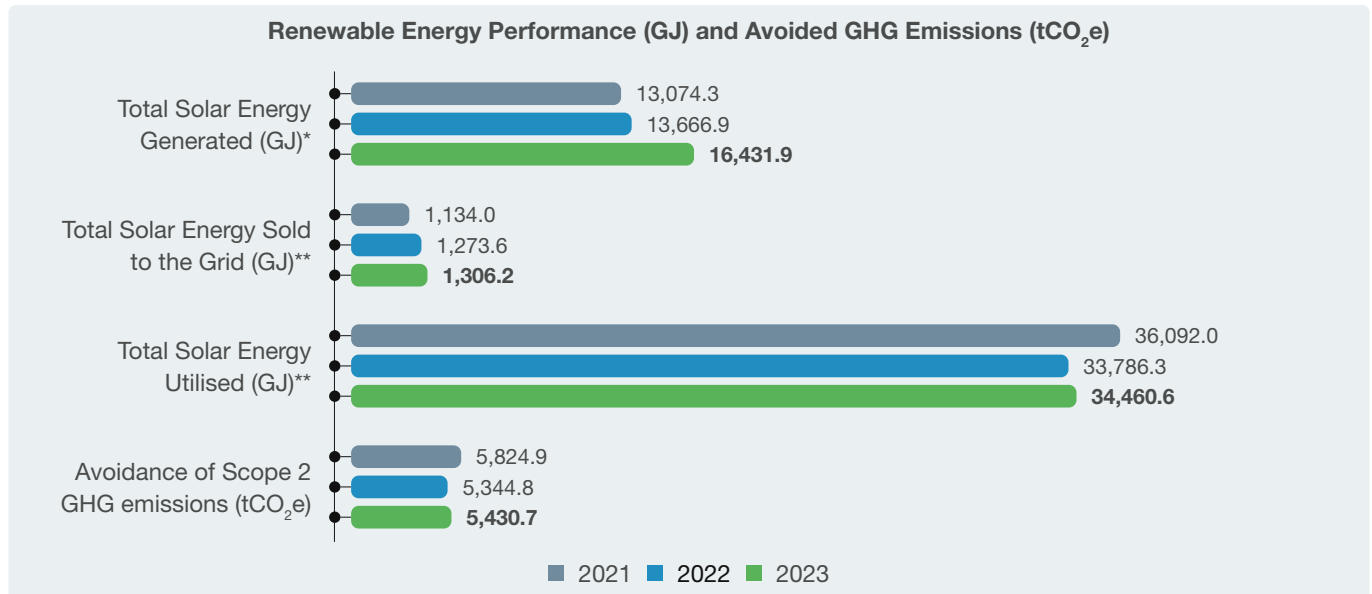
Energy Intensity



Notes:

1. Aggregated data from our midstream (PMBtu, PMS, PMAR) and downstream (PMBA, PMI, PMIT) facilities.
2. Data disclosed differed from SR 2022 as enhanced disclosure methodology has been adopted for this reporting period.

Renewable Energy Performance



Notes:

1. Total Solar Energy Sold to the Grid comprised data from our manufacturing facilities (PMI and PMAR) starting from FYE 2022.
2. Total Solar Energy Utilisation comprised aggregated data from our manufacturing facilities (PMI and PMAR).

* Value for Total Solar Energy Generated has been restated for FYE2022 and FYE2021 to exclude solar generation that is not owned by the Group.
 ** Values for Total Solar Energy Utilised and Total Solar Energy Sold differed from SR 2022 as an enhanced disclosure methodology was adopted for this reporting period.

GOING FORWARD

At a time of great urgency surrounding climate change, we will continue to explore and implement effective energy management practices while incorporating renewable energy to reduce our dependence on fossil fuels. These purposeful actions will not only enable us to reduce overall energy consumption and intensity but also achieve greater cost optimisation, thus driving enhanced competitiveness.

Caring for the Planet

AIR EMISSIONS

GRI 3-3, GRI 305-7

Capitals



UN SDGs



WHY IT MATTERS

Air emissions, comprising gases and particles released into the surrounding air, may pose risks of environmental pollution. Originating from industrial processes, combustion and other sources, these pollutants can lead to respiratory issues, acid rain, smog and climate change, among other adverse effects.

By implementing rigorous internal controls and conducting initiatives to mitigate our release of air pollutants, we can establish a high standard in environmental protection, ensure compliance with regulations and safeguard the health and well-being of our employees and local communities, thereby contributing to a healthier environment and community.

OUR APPROACH

Setting Stringent Air Emissions Standards

Managing air emissions through effective engineering controls is a fundamental aspect of our environmental management approach, as detailed in our Environmental Policy and Environmental Mission Statement. To achieve this, we have established and implemented internal benchmarks and initiatives to minimise the ecological impact of our air emissions and ensure compliance with regulatory standards across all our operational regions.

In addition to adhering to requirements relating to permissible air quality limits, we have intentionally set our internal emission limits lower than regulatory thresholds. We are dedicated to consistently keeping our emissions within these internal limits and maintaining the effectiveness of our fume treatment system in order to mitigate the release of air pollutants.

Furthermore, we rigorously monitor air emissions from our manufacturing activities to ensure compliance with Malaysia’s Ambient Air Quality Standard and corresponding guidelines governing our operations in China. We also monitor and report gases such as total particulate matter (“TPM”), hydrogen fluoride (“HF”) and sulphur oxides (“SO_x”) as part of our environmental reporting, meeting the broader purpose of promoting transparency while driving continuous improvement in our emissions levels.

Pollutant (mg/m ³)	Internal KPI	Standard Set by the Department of Environment (“DOE”) Malaysia
TPM	5.0	10
HF	0.9	1.0
SO _x	90	100

Establishing Operational Procedures and Systems

All our manufacturing entities have a dedicated Environment Department staffed with accredited personnel who are responsible for overseeing air emissions management and ensuring compliance with local regulatory requirements. Further to this, all entities adopt the standards of ISO 14001:2015 Environmental Management Systems and adhere to its Plan-Do-Check-Act (“PDCA”) operating principle. They also maintain clear operational procedures that encompass equipment maintenance, promote continuous improvement and emergency preparedness.

Furthermore, online monitoring devices linked to the DOE Malaysia’s centralised Continuous Environmental Monitoring System have been deployed in our smelting facilities, enabling real-time tracking of air emissions throughout the day, while quarterly environmental monitoring assessments are conducted by accredited and qualified independent third-party consultants in our manufacturing facilities.

Caring for the Planet

Implementing Fume Treatment Systems

Our manufacturing facilities are equipped with fume treatment systems to drive compliance with regulatory discharge limits. Further to this, our Fume Treatment Department conducts routine maintenance of emission stack filters to ensure the efficient elimination of contaminants and undertakes timely replacements of filter bags, proficiently trap pollutants from exhaust gases. Additionally, in PMBtu, PMS and PMBA, fume treatment systems with scrubbers have been installed to process fume gas resulting from production processes.

OUR VALUE CREATION

Through proactive strategies and technological innovations, we are working to minimise our air emissions and optimise our overall environmental impact. In FYE2023, we implemented initiatives focusing on addressing specific challenges related to volatile organic compounds (“VOCs”), fume extraction and dust control, thus driving overall air quality improvement.

Systems Deployed	Purpose of Improvement
<p>Volatile Organic Compound Mitigating Project</p>	<ul style="list-style-type: none"> Introduced a cyclone spray tower to mitigate VOCs and enhance air quality Incorporated activated carbon with iodine to improve our emissions absorption capabilities. These efforts underscore our commitment to reducing our environmental impact and promoting healthier workplace environments.
<p>Fume Extractor Enhancement</p>	<ul style="list-style-type: none"> Installed a vertical, rotatable fume extractor which offers greater flexibility to our operations and captures fumes produced by our furnace more effectively than a side extractor. As a result, fewer fumes are released from the furnace, minimising health risks associated with exposure to manganese fumes and leading to a better working environment for employees in furnace areas.
<p>Cover Materials Discharge System</p>	<ul style="list-style-type: none"> Installed a silo discharge hood to better contain the discharge of cover materials and dispersion of dust from our silos. This enhancement not only increases visibility but also decreases health risks associated with exposure to cover material dust.
<p>Conveyor System Cover</p>	<ul style="list-style-type: none"> Installed hardcovers across our conveyor system to efficiently manage dust discharge and prevent carbon butts from dropping off the conveyor. This installation has significantly reduced dust fall, enhanced overall employee safety and extended the lifespan of our conveyor belts and rollers.

HOW WE PERFORMED IN 2023

Press Metal is committed in minimising air emissions in our operations. In FYE2023, our air emissions are kept well within the limits set by regulations and recorded zero (0) incidents of regulatory non-compliance for air emissions.

Total Air Emissions (tonnes)	2021	2022	2023
TPM	204.6	313.4	312.5
HF	58.7	93.8	87.0
SO _x	6,010.2	7,437.4	7,645.1
Nitrogen Oxides (“NO _x ”)	5.3	5.6	11.8

Note: Aggregated data from our smelting facilities at PMBtu and PMS.

GOING FORWARD

Moving forward, we are committed to managing and monitoring the impact of our air emissions. These efforts will be complemented by ongoing research, investment in cleaner processes and transparent reporting, in line with our aim of minimising air pollution emissions and promoting improved health standards within the communities we operate in.

Caring for the Planet



WASTE MANAGEMENT

GRI 3-3, GRI 306-1, GRI 306-2, GRI 306-3, GRI 306-4, GRI 306-5

Capitals



UN SDGs



WHY IT MATTERS

Effective waste management is crucial to our commitment to sustainability. The importance of waste management lies in the ability to address our environmental responsibilities while simultaneously enhancing operational efficiency and fostering positive community relations.

By meticulously managing waste, we reduce our ecological footprint, which contributes to mitigating environmental degradation. This approach not only minimises environmental impacts but also optimises resource utilisation, thereby promoting resource and cost efficiency. Additionally, responsible waste management ensures compliance with regulatory standards, demonstrating our commitment to upholding legal requirements and ethical principles while safeguarding our financial and reputational interests.

OUR APPROACH

In alignment with our Environmental Policy and Environmental Mission Statement, we adopt a multifaceted approach that focuses on minimising waste generation, promoting conservation, recycling and repurposing waste resources. Our goal is to achieve zero (0) landfill waste by 2030, with a short-term target of diverting 95% of waste by 2026.

Implementing the 4R Approach

We adopt the 4R (Reduce, Reuse, Recycle, Recover) approach to ensure effective waste management, emphasising reduction of waste generation at the source, material reuse, recycling valuable resources, recovering by-products, and responsibly processing our operational waste from cradle-to-gate.

4R Approach



Reduce

- Preventing or minimising waste volume and toxicity at the source through improvements in our manufacturing processes
- Enhancing operational efficiency to minimise material wastage during our production processes



Reuse

- Repurposing industrial by-products back into our manufacturing processes
- Promoting and educating employees through Go Green initiative to encourage waste repurposing



Recycle

- Recouping material value through recycling efforts
- Re-melting pre- and post-consumer scraps to produce aluminium products



Recover

- Utilising production by-products as material inputs
- Collaborating with external stakeholders to optimise recovery efforts on aluminium by-products

Caring for the Planet

Ensuring Environmental Compliance

All our manufacturing facilities are certified with ISO 14001:2015 Environmental Management Systems (“EMS”), which entail internal processes and systems designed to systematically identify, monitor and enhance our environmental performance. Our waste management practices within our EMS incorporates the regulations set by the DOE Malaysia and the regulating standards of the People’s Republic of China. Furthermore, we conduct regular site inspections and audits throughout our production processes to ensure continuous compliance and identify areas for improvement.

Implementing Waste Management Systems

Hazardous waste produced at our manufacturing facilities is thoroughly managed to minimise exposure, prevent contamination and ensure safe handling through disposal. Such waste, entailing substances that are toxic, flammable, corrosive or reactive and posing potential risks to human health and the environment, are identified, handled, treated and disposed of with strict adherence to regulatory standards set by governmental agencies and best practices in sustainability.

In Malaysia, our entities utilise the electronic Scheduled Waste Information System provided by the DOE, meticulously recording all scheduled waste generation and handling activities, while in China, waste handling reporting is done through the local province system, Guangdong Solid Waste Declaration System.

Mitigating Spills and Leakages

Spills and leakages may cause potential adverse environmental and health impacts on our stakeholders, including our employees and local communities. In response, we have implemented robust procedures and processes within our EMS that aim to consistently protect our people, the environment and our business operations from such incidents.

Our EMS also encompasses procedures and processes including maintaining sound facilities, implementing impermeable flooring, conducting spillage handling training, implementing compliance controls and monitoring programmes. Any spills and leakages are promptly reported to the relevant department and recorded internally through our EHS e-reporting system.

In the event of unexpected incidents, Press Metal has in place an Emergency Response Plan (“ERP”) which outlines procedures for responding to emergencies, as well as the procedure for coordination with the immediate community and selected government agencies. Furthermore, a dedicated hotline, accessible by internal and external stakeholders, has been set up for prompt reporting of any incidents involving chemical leakage.

OUR VALUE CREATION

We have instituted a comprehensive approach towards waste management through reduce, reuse, recycle, and recover initiatives throughout our operations.

Reduce

- Eliminating plastic packaging usage in canteens.
- Implementing digital transformation to reduce paper usage.
- Raising awareness through various initiatives such as posters, videos, talks and 5S Lean Manufacturing Principles.

Reuse

- Reusing spent carbon as fuel for production process.
- Reusing carbon butts for new anode production.

Recycle

- Establishing pre- and post-consumer aluminium scrap programme to promote circular economy.
- Recycling non-scheduled waste such as carton boxes and containers.
- Collaborating with E-Waste Recycling Through Heroes (“ERTH”) to establish e-waste recycling campaign.
- Establish recycle of aluminium hydroxide to produce aluminium sulphate for water purification process.

Recover

- Repurposing SPL as alternative raw material in cement production.
- Implementing internal recovery system for aluminium dross and carbon dross to recover material value.
- Enhancing internal recovery systems to increase our internal recovery capacity.
- Caustic soda recovery system to allow for the reclamation of caustic soda.
- Supporting a full recovery plant at Bintulu to recover aluminium dross and aluminium scrap.

Caring for the Planet

Recovering Aluminium By-Products

Implementing recovery processes for aluminium dross and carbon dross are crucial for reducing the environmental impact associated with the generation of by-products. If left untreated, dross can lead to adverse environmental effects, including land contamination and water pollution.

In our cast houses, aluminium dross, a by-product, undergoes internal recovery processing by Aluminium Dross Recovery Unit to recover aluminium which will be remelted back into products. The remaining residuals are then packaged and transported to licensed aluminium recyclers for further recovery processing. In FYE2023, we have increased our internal aluminium dross recovery efforts with the addition of two (2) dross stirrers.

Similarly, our internal carbon dross recovery process recovers electrolytes for reuse in the electrolysis process, thereby reducing the generation of scheduled waste, particularly carbon powder.

Repurposing Spent Pot Lining

SPL generated from the maintenance of electrolysis cell, is a form of hazardous waste that contains chemicals and heavy metals such as sodium and fluoride. Respective EHS Department supervises the SPL management which entails storing SPL securely to mitigate environmental risks and actively exploring options for efficient recovery and repurposing.

Through our collaborative efforts with cement manufacturers, the SPL will be co-processed as alternative raw material for cement production, transforming waste into a valuable resource.

Initiating Coaction for a Full Recovery Plant

Collaborating with a licensed waste recovery company, we supported the establishment of a full recovery plant in Bintulu, Sarawak, dedicated to the recovery of aluminium dross and scrap to reduce waste to landfill. This initiative, aligned with the 4R approach, underscores our commitment to achieving zero (0) landfill waste by 2030.

Implementing E-Waste Recycling

In collaboration with EARTH, the largest authorised e-waste collector in Malaysia, we are promoting responsible e-waste disposal and awareness through recycling initiatives. Through this programme, electronic waste collection boxes are strategically placed at our corporate office in Setia Alam, Selangor. Correspondingly, other entities have also taken their own initiatives to set up collection boxes for e-waste items such as batteries. These streamlined efforts facilitate convenient disposal for our employees and the public.

Our e-waste recycling initiative in 2023 has successfully collected more than 100 items.

Promoting Awareness and Education

Aligned with our commitment to promoting sustainable practices, we endorse circular economy principles and advocate for segregating general waste to enhance recycling opportunities. Additionally, we have embraced the 5S Lean Manufacturing Principles to streamline operations and reduce waste.

To drive these efforts, we regularly conduct internal awareness campaigns by distributing informative materials such as posters and videos to our staff. Furthermore, we have implemented recycling programmes at our facilities, including installation of dedicated recycling bins. These initiatives aim to cultivate a culture of accountability and sustainability among our employees by offering practical solutions for responsible waste disposal practices.

Caring for the Planet

HOW WE PERFORMED IN 2023

In FYE2023, the Total Waste Generated, which consists of hazardous and non-hazardous waste, has reduced by 5.8% or approximately 10,600 tonnes from the preceding year. Notably, the higher records of Total Waste Diverted from Landfills, surpassing the Total Waste Generated, were primarily attributed to the disposal of waste from storage areas. This led to an increase in the waste diversion rate, as the majority of the disposed waste was either recoverable or recyclable.

Category	2021	2022	2023
Total Waste Generated (tonnes)	141,170.1	181,142.0	170,566.1
Total Waste Diverted from Landfills (tonnes)	122,060.6	155,179.7	203,966.2
Total Waste Directed to Landfills (tonnes)	7,148.8	16,952.8	14,936.6
Waste Diversion Rate (%)	94.5	90.2	93.2
Hazardous Waste Performance			
Total Hazardous Waste Generated (tonnes)	37,195.7	37,084.6	41,111.0
Total Hazardous Waste Diverted from Landfills (tonnes)	24,814.9	45,087.9	48,826.1
Total Hazardous Waste Directed to Landfills (tonnes)	420.1	2,490.9	5,069.0
Non-Hazardous Waste Performance			
Total Non-Hazardous Waste Generated (tonnes)	103,974.4	144,057.4	129,455.1
Total Non-Hazardous Waste Diverted from Landfills (tonnes)	97,245.7	110,091.8	155,140.1
Total Non-Hazardous Waste Directed to Landfills (tonnes)	6,728.7	14,461.9	9,867.6
Waste Recovery Performance			
Aluminium Dross Recovery Rate (%)	48.3	42.2	42.2
Spent Pot Lining Repurposed (tonnes)	6,989.7	20,787.8	30,093.3

Note: Aggregated data from our midstream (PMBtu, PMS, PMAR) and downstream (PMBA, PMI, PMIT) facilities.

Waste Handling

In FYE2023, we recorded six (6) incidents of non-compliance with waste storage and labelling, resulting in fines totalling RM12,000.

To address this issue, we promptly implemented corrective actions, including enhancing the storage area with better categorisation of waste storage to prevent the recurrence of such incidents in the future.

Spills & Leakages

In FYE2023, we encountered a single oil spill, which incurred a RM2,000 fine, prompting us to take immediate action to bolster our spill prevention measures. This included the prompt construction of a new storage area dedicated to mitigating such incidents.

GOING FORWARD

Our commitment to waste management will continue to evolve with a steadfast integration of the 4R approach and 5S Lean Manufacturing Principles, fortifying our stance for operational excellence and responsible corporate citizen. In this area, we aim to achieve greater sustainability, efficiency, and value creation across our operations. Through collaboration, innovation, and continuous improvement, we will navigate to a more sustainable operation, achieving zero (0) landfill waste by 2030.

Caring for the Planet



MATERIAL STEWARDSHIP

GRI 3-3, GRI 301-1, GRI 301-2

Capitals



UN SDGs



WHY IT MATTERS

Our production activities require the use of substantial amounts of raw materials, making responsible material stewardship a critical element within our overall environmental management approach.

The potential impacts of inadequate material management are clear: sourcing materials responsibly and consuming them excessively cause increased pollution, resource depletion and GHG emissions. On the other hand, by comprehensively managing how materials are extracted, used and disposed of across their lifecycle, we can effectively balance the needs of our business with our duties as an environmentally responsible organisation.

OUR APPROACH

Setting Material Stewardship Standard

Our approach to material stewardship encompasses responsible sourcing, waste reduction, recycling, material recovery, reuse and the prevention of unnecessary wastage through the implementation of the 5S Lean Manufacturing Principles.

This starts at the beginning of the lifecycle, where we apply sustainable sourcing practices by procuring raw materials responsibly and in line with fair trade and environmentally conscious practices. During production, we undertake processes aimed at maximising output efficiency from our primary input materials – alumina and carbon anode – in aluminium smelting. As part of our efforts to extend the lifecycle of aluminium, we also collect pre- and post-consumer aluminium products – sourced both internally and externally – for reuse in our production processes.

These responsible practices are enshrined in our Environmental Policy, which underscores a commitment to responsible resource management by maximising operational efficiency and minimising waste generation, and our Sustainability Policy, which promotes the use of renewable resources and strives to reduce the consumption of non-renewable and non-recyclable materials.

OUR VALUE CREATION

Repurchasing and Repurposing Aluminium Scraps

Under our aluminium scrap buyback programme, we acquire both pre- and post-consumer aluminium scrap from the open market, our client and business partners. This entails collecting, sorting and subsequently remelting defective aluminium products and aluminium scraps, into our manufacturing processes. This approach extends the lifecycle of aluminium, aligning with our commitment to circular economy practices.

Securing Certificates for Recycled Aluminium Products

The increasing demand for sustainable materials in electronic goods has driven us to secure certifications for our products that utilise recycled aluminium as an input. In FYE2023, two (2) of our extrusion products were reassessed to extend the validity of their SCS Global Recycled Content certifications, the first guaranteeing a minimum of 80% pre-consumer recycled aluminium alloy content and the second guaranteeing 98% pre-consumer recycled aluminium alloy content. During the year, we also secured an additional SCS Recycled Content certification (for a minimum of 80% post-consumer and pre-consumer recycled material, combined) for our Aluminium Alloy Billet 6R01.

Conducting Internal Dross Recovery

Press Metal has set up internal dross recovery processes to reclaim aluminium content for reuse. Before being sent to external recovery facilities for further processing, the aluminium dross are processed internally through stirring process to extract aluminium for remelting.

Caring for the Planet

HOW WE PERFORMED IN 2023

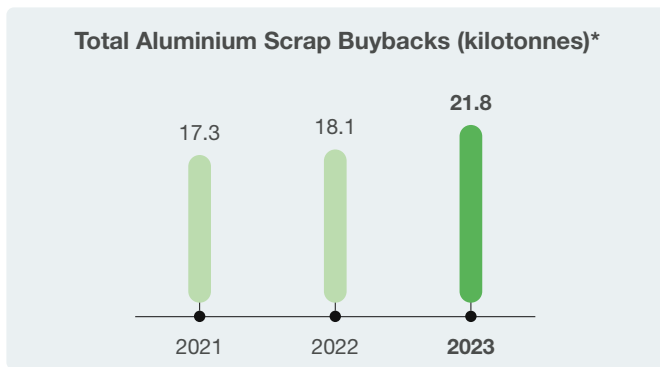
Aluminium Recycling

Aluminium Scrap Buyback

In FYE2023, we purchased approximately 21.8 kilotonnes of aluminium scrap, 20% more than FYE2022.

Recycled Aluminium Intensity

Our recycled aluminium intensity stood at 8.1% in FYE2023, an increase of 0.6% point compared to FYE2022 which can be attributed to a rise in production output.



Notes:

1. Total Aluminium Scrap Buyback includes aggregated data from PMS, PMAR, PMBA and PMI.
 2. Recycled Aluminium Intensity includes aggregated data from our midstream (PMBtu, PMS, PMAR) and downstream (PMBA, PMI, PMIT) facilities.
 3. Data disclosed differed from SR 2022 as enhanced disclosure methodology has been adopted for this reporting period.
- * Value has been restated for the Total Aluminium Scrap Buybacks in FYE2022 to incorporate Q4 data.

Materials Converted to Products (Pre-, Post-Consumer Scraps and Raw Materials)

In FYE2023, we converted 3,519,058.7 tonnes of materials, consisting solely of non-renewable materials, into products, reflecting a 3.0% decline compared to FYE2022. However, the year also saw a 1.8% increase in the overall volume of recycled materials utilised listed below.

Category	2021		2022		2023	
	Renewable Materials (tonnes)	Non-Renewable Materials (tonnes)	Renewable Materials (tonnes)	Non-Renewable Materials (tonnes)	Renewable Materials (tonnes)	Non-Renewable Materials (tonnes)
Total Materials Converted to Products	0.0	2,668,831.5	0.0	3,623,713.8	0.0	3,519,058.7

Total Material Input Used

Category	2021	2022	2023
Total Non-Recycled Materials Used (tonnes)	2,431,583.6	3,265,232.7	3,154,246.9
Total Recycled Materials Used (tonnes)	237,248.0	358,481.1	364,811.8
Total Material Input Used (tonnes)	2,668,831.5	3,623,713.8	3,519,058.7

Recycled Material Input by Business Segment

Category	2021	2022	2023
Midstream (%)	7.0	8.7	9.0
Downstream (%)	40.3	40.2	43.1
Group (%)	8.9	9.9	10.4

GOING FORWARD

Moving forward, we will continue to advance sustainable material stewardship through the integration of innovative solutions including recycling technologies, efficient production processes and responsible sourcing practices across our operations. At the same time, we will continue to pursue relevant environmental certifications while maintaining continuous engagement with stakeholders on related efforts through reports and other mediums.

Caring for the Planet



WATER AND EFFLUENTS

GRI 3-3, GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-4, GRI 303-5

Capitals



UN SDGs



WHY IT MATTERS

Water is a shared and crucial resource that is vital for the communities where we operate. Despite its renewable nature, many regions face water scarcity due to factors like climate change, poor water resource management and contamination.

This highlights the need for responsible water management practices by businesses, including continuous monitoring of water usage and implementing strategies to increase efficiency. In doing so, we can positively impact local communities, mitigate operational disruptions and lower costs.

OUR APPROACH

Recognising that water is a shared resource, we have proactively embraced responsible water resource management practices across our operations. This commitment involves implementing effective strategies for monitoring water withdrawal, consumption and discharge. Our commitment is outlined in our Sustainability Policy, Environmental Policy and Environmental Mission Statement, all accessible at: <https://www.pressmetal.com/investor-relations/corporate-governance.php>.

Press Metal has set water withdrawal intensity targets where we aim to achieve 5% and 10% reductions by 2023 and 2030, respectively, from year 2016 baseline*.

Water operations at our various entities are administered by their respective water departments. Additionally, our China operations have established a Water and Energy Conservation Working Group to oversee their water management efforts.

Guided by our commitment to responsible water consumption, we strive to preserve the quality of surrounding water bodies at the locations where we operate. To achieve this, we have adopted a Water Management Plan in managing our water impact:

- Minimising freshwater consumption through maximised water reuse
- Maintaining zero (0) contamination of surface water, groundwater and other water resources
- Applying the 3R (Reduce, Reuse and Recycle) approach to conserve water
- Monitoring our performance against water reduction targets
- Minimising freshwater consumption through water recycling efforts
- Adhering to national, regional and local regulations for water quality

Our Water Management Plan guides effective water utilisation through established action plans, encompassing facility enhancements, process optimisations, monitoring, inspections and educational initiatives throughout our manufacturing facilities to optimise water efficiency and identify areas for improvement.

Monitoring and Assessing Water Withdrawal, Usage and Discharge

Maintaining a vigilant approach to our water supply and consumption is important. Our water primarily originates from municipal potable sources, with no direct extraction from natural water bodies like rivers, oceans, surface water or wells, excluding rainwater harvesting. Water is mainly used for domestic and cooling purposes within our midstream facilities and treatment of aluminium profiles in downstream facilities.

* 2016 baseline: 3.1m³/tonne of aluminium

Caring for the Planet

Typically, water employed for cooling is recycled within our closed-loop water system. Any wastewater generated undergoes treatment via a water treatment system to meet discharge quality standards set by relevant regulatory bodies before being discharged into the environment.

Each year, we conduct water risk assessments, utilising tools such as the WWF Water Risk Filter and the World Resource Institute Aqueduct Water Risk Atlas, to pinpoint potential water risks within our operational areas. While we do not have any operations in water-stressed regions, our commitment to safeguarding water resources remains resolute. To this end, we continuously strive for optimal water usage efficiency across all our operations.

Entity	Country	State/ Province	Baseline Water Stress	Water Source	Non-Processed Water Discharge	Processed Water Discharge
PMBtu	Malaysia	Sarawak	Low	Municipal potable water	Offsite treatment plant	Closed loop
PMS		Johor				
PMAR						
PMBA						Selangor
PMI	China	Guangdong				
PMIT						

OUR VALUE CREATION

In line with our commitment to water stewardship and fostering a culture of sustainability, we have implemented several measures.

Implementing Water Conservation Practices

We have implemented rainwater harvesting systems for irrigation and cleaning purposes, thereby reducing our dependence on municipal water sources. Additionally, we have installed flowmeters at strategic points to monitor daily water withdrawal and detect any abnormal water consumption. As part of routine maintenance, we maintain the cooling towers regularly for optimal operations and perform necessary upgrades to our wastewater treatment facilities to enhance recycling and efficiency rates.

Optimising Water Consumption

The initiation of the Water Balance Project enables us to conduct comprehensive monitoring on consumption as well as abnormalities due to water leakages. Additionally, we optimise water consumption at PMI and PMIT for firefighting and production needs through a surveillance programme.

Water employed for treating aluminium products at the anodising tanks will be channeled to wastewater treatment facilities prior to being discharged. As part of water stewardship efforts, we reuse water from plate cooling at anodising tanks and re-channel the overflow water from anodising tanks into rinsing tanks, for reuse in the treatment process. Additionally, we utilise greywater for polymer dilution, cleaning filters and floors, further enhancing our water stewardship efforts.

Improving Our Wastewater Treatment Plant

Our wastewater treatment facilities at our extrusion facilities are designed to treat industrial effluents, particularly those generated from anodising process.

To further enhance our wastewater treatment, modifications and improvements were made at the PMBA Wastewater Treatment Plant (“WWTP”) to boost efficiency and effectiveness, including the addition of an equalisation tank, automation of the reaction tank, changing of circular clarifier, and upgrading of the filter press to better process the wastewater. Our team is constantly researching ways to improve the dewatering process by testing various filter cloths for efficient filtration process and ultimately, enhance the performance of filter press system in reducing the water content of the sludge cake.

Caring for the Planet

Driving Awareness Across Our Workforce

We strive to educate our staff and workers on water conservation and explore collaborations with relevant stakeholders to identify and implement water conservation opportunities through innovative technologies.

HOW WE PERFORMED IN 2023

Water Withdrawal and Consumption

In FYE2023, we withdrew a total of 2.8 million cubic metres (“m³”) of water, signifying a 6.6% decrease from FYE2022. Nevertheless, our water consumption and total water discharge decreased in FYE2023, standing at 2.4 million m³ and 0.5 million m³, respectively.

Through our dedicated water stewardship initiatives, we successfully surpassed our 2030 water withdrawal intensity target in FYE2022. This positive trend continued in FYE2023, with our water withdrawal intensity reaching 2.2 m³/tonne of aluminium, marking a 29.7% reduction from our 2016 baseline.

	2021	2022	2023
Total Water Withdrawal (million m ³)	3.4	3.0	2.8
Water Withdrawal Intensity (m ³ /tonne of aluminium)	3.0	2.4	2.2
Total Water Consumption (million m ³)	2.6	2.5	2.4
Total Water Discharge (million m ³)	0.8	0.6	0.5

Notes:

1. Total Water Withdrawal, Water Withdrawal Intensity and Total Water Consumption comprised aggregated data from our midstream (PMBtu, PMS, PMAR) and downstream (PMBA, PMI, PMJ) facilities.
2. Total Water Discharge comprises aggregated data from facilities at PMBA and PMI only.
3. Value has been restated for the Total Water Withdrawal, Water Withdrawal Intensity and Total Water Consumption for FYE2021 and FYE2022 due to enhanced scope of process and non-process water in PMI and PMIT.

Effluent Discharge Compliance

Due to our rigorous monitoring, we have maintained our record of zero (0) incidents of non-compliance with effluent discharge regulations over recent years.

GOING FORWARD

As we move forward, we are dedicated to minimising our water risk, improving water efficiency within our operations and promoting water-saving programmes and policies to foster responsible water practices across the Group.

Caring for the Planet

**BIODIVERSITY**

GRI 3-3, GRI 304-1, GRI 304-2, GRI 304-3, GRI 413-1

Capitals**UN SDGs****WHY IT MATTERS**

The preservation of biodiversity stands as a paramount concern globally, with profound implications for businesses reliant on natural ecosystems. Any biodiversity loss due to the pollution of air, water or soil may pose business risks, with these risks further amplified by the overarching challenge of climate change.

We acknowledge the pervasive threats to biodiversity that exist today; pollution, climate change and overexploitation. Furthermore, we understand the intrinsic link between biodiversity, our supply chain and operations, and thus we ought to act responsibly in our consumption and operational management to curb any possible biodiversity loss in areas where we have control or influence.

OUR APPROACH

Our biodiversity management practices and policies, which align with our commitment to environmental sustainability, are crucial to uphold biodiversity values. Where possible, we collaborate with local communities, experts and environmental organisations to implement biodiversity-friendly practices, while also adhering to responsible land management practices and species protection initiatives to further mitigate biodiversity-related risks.

We also conduct thorough assessment processes that enable us to detect potential impacts of our operations on the surrounding environment before commencing projects or processes. Consequently, we develop mitigation solutions to prevent such impacts from occurring.

Proactively Assessing Potential Biodiversity Impacts

Our smelters undertake individual Environmental Impact Assessments (“EIA”) to assess and identify any adverse environmental impacts before the initiation of any planning and construction activities, as well as during the operational phase of their facilities, where required by regulatory authorities. Similarly, our China entities adhere to the law of the People’s Republic of China on EIAs. All the EIAs we have conducted revealed minimal impact on biodiversity, with air quality modelling indicating low potential adverse effects on surrounding vegetation.

Upon completion of an EIA, an Environmental Management Plan (“EMP”), a site-specific plan will be prepared to address and mitigate potential environmental risks arising from our operations, but not limited to:

- Land disturbing pollution prevention and mitigation measures
- Water quality control and monitoring
- Air quality control and monitoring
- Noise control and monitoring
- Ecology monitoring
- Usage and handling of raw materials, waste and hazardous materials

Relevant environmental monitoring reports (“EMR”), based on EMP monitoring aspects, are prepared and reported on a quarterly basis to the DOE Malaysia, in line with regulatory requirements on prevention and mitigation measures. Additionally, we undertake an annual environmental compliance audit, which is conducted by a DOE-certified third-party auditor, to assess our environmental management compliance, as mandated by the DOE Malaysia.

Caring for the Planet

Our manufacturing facilities are mainly situated in industrial parks and have obtained relevant licenses from local authorities. None of our manufacturing facilities are located in or adjacent to any World Heritage Properties, protected areas or key biodiversity areas. This equates to insignificant biodiversity impacts across our business.

Addressing Risks from Pests, Vectors and Invasive Species

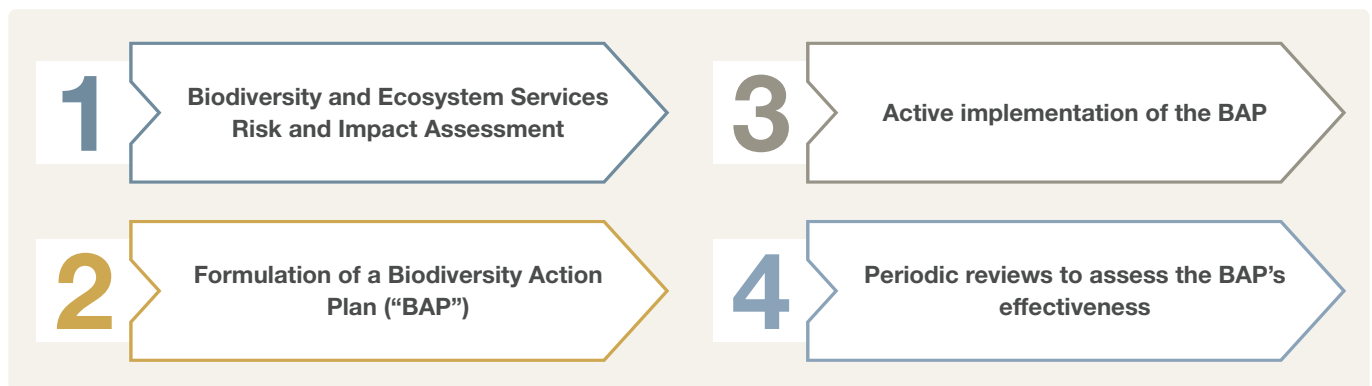
We have established an Integrated Pest, Vector and Invasive Species Management Plan to address risks from the arrival of pests, vectors and invasive species which travel alongside the goods we bring into the country. The plan guides the effective pest and species management, which is crucial for ensuring control and prevention.

First, we identify and register areas with the potential for pest proliferation, along with imported items, to establish local control requirements. Once identified, an analysis will be conducted to determine the most effective approach followed by an action plan. Regular reviews are conducted to pinpoint potential areas for improvement and maintain the programme's adaptability and efficiency. With these processes in place, we take a proactive and systematic approach to pest and species management, safeguarding our surrounding natural environments against potential threats.

Adhering to our Biodiversity Management Plan

Our Biodiversity Management Plan ("BMP") guides the management of potential impacts on biodiversity arising from our operations. The BMP, which employs a self-assessment method, enables the systematic identification of existing biodiversity statuses and potential impacts or concerns from our manufacturing operations. It also facilitates the development of mitigation measures to counter any negative impacts, where identified.

The BMP also encompasses procedures for the assessment and management of alien species (species non-native to an ecosystem that can cause economic or environmental harm), structured around four (4) key steps:



All BAPs formulated for projects under our control include specific targets and timelines and aim to achieve no net loss of biodiversity. To achieve this, we undertake the steps of Avoidance, Minimisation and Restoration, as defined in the Biodiversity Mitigation Hierarchy. Should these steps be insufficient to achieve no net loss, Biodiversity Offsets are employed as a final rehabilitation measure.

For the evaluation of sensitive areas, we use the Integrated Biodiversity Assessment Tool, which allows us to leverage global biodiversity datasets – including the International Union for Conservation of Nature's Red List of Threatened Species, The World Database on Protected Areas and Key Biodiversity Areas – to assess potential impacts on ecosystems and species. In addition to this, sites on the World Heritage List and properties on the Tentative Lists and World Heritage List Nominations are also reviewed. Besides that, a thorough examination of ecosystem services surrounding the entity in question, covering provisioning services, regulating services, cultural services and supporting services, is carried out.

Caring for the Planet

OUR VALUE CREATION

In alignment with Malaysia's ESG and net zero agenda, we participate in a range of land management and rehabilitation programmes, which include the planting of trees to strengthen local ecosystems.

In FYE2023, our initiatives involved a total investment of approximately RM357,000, including participation in the 1 Rakan Alam Sekitar 1 Pokok programme. This contributed to the planting of 350 tree saplings of Merawan Siput Jantan (*Hopea odorata*), Belian (*Eusideroxylon zwageri*), Pokok Doa (*Bucida molineti*), and Trumpet Tree (*Tabebuia pentaphylla*). This initiative is part of the effort to create a low-carbon industrial city in Bintulu, Sarawak.

Furthermore, we funded a rewilding project in collaboration with the Sarawak Forestry Corporation, covering soil treatment, planting materials acquisition, field planting, plant maintenance and growth monitoring at Similajau National Park. Commenced in FYE2022 and concluded in March 2023, this initiative has successfully resulted in the planting of 500 tree saplings, showcasing our dedication to the preservation and conservation of natural habitats.

Additionally, a total of 2,000 Golden Ficus, 2,000 Eugenia and 30 Belian trees were planted in PMBtu as part of our tree planting programme. Further to this, PMBtu was honoured with an appreciation award from the Bintulu Development Authority in Pertandingan Landskap Lestari Bintulu 2023, specifically in the category of Industrial Landscape, for its commitment to organising tree planting programmes in the Samalaju Industrial Area.

Our China entity, PMI advocates biodiversity protection by being a member of the Alashan Society of Entrepreneurs and Ecology Foundation. This foundation supports environmental organisations and projects by providing sustainable funding, focusing on desertification control, pollution prevention, green supply chains, ecosystem conservation and nature education.

HOW WE PERFORMED IN 2023

In FYE2023, we planted a total of 4,880 trees, in which 850 trees were planted externally and 4,030 trees were planted within the premises of PMBtu.

GOING FORWARD

Looking ahead, the preservation of biodiversity will continue to be a top priority for us. Our efforts to this end will focus on ensuring harmony between our business and natural ecosystems through the implementation of responsible practices that protect natural habitats and meet our operational excellence standards.

Our journey here is one of continuous learning and evolution, and we are eager to roll up our sleeves and collaborate closely with local experts, communities and nature enthusiasts to create greater impact in the years to come.

EMPOWERING OUR PEOPLE AND ENRICHING OUR COMMUNITIES

M14

OCCUPATIONAL HEALTH AND SAFETY

GRI 3-3, GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-8, GRI 403-9, GRI 403-10

Capitals

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UN SDGs



WHY IT MATTERS

Ensuring the health and safety of our employees and contractors are of vital importance. Given the nature of our operations, they could be at risk of various potential hazards, including extreme temperatures, exposure to air pollutant and high levels of noise, potentially leading to work-related injuries such as burns, cuts or fractures. In addition to these health and safety risks, any incidents that occur within our premises can lead to operational disruptions, legal penalties and damage to our reputation.

By fostering a robust safety culture, implementing a robust and sound management system and ensuring compliance with all relevant health and safety regulations, we can enhance the quality of our workplaces while promoting greater productivity, ultimately driving improved efficiency and output.

OUR APPROACH

Our Occupational Health and Safety (“OHS”) Policy serves as a cornerstone for fostering a safety culture across all our manufacturing facilities and applies to all relevant stakeholders present therein, including our employees, contractors, subcontractors, vendors and visitors. The OHS Policy is accessible at <https://www.pressmetal.com/investor-relations/corporate-governance.php>.

Each entity has in place EHS Department which is tasked with executing the OHS Policy in their respective manufacturing facilities while maintaining compliance with OSHA 1994 and other relevant legislation in the areas where we operate.

Further to this, all our manufacturing facilities (100%) are ISO 45001:2018 certified; each of our entities has in place an OHS management system which is formulated and enforced by the Health and Safety (“HS”) Department. This certification encompasses appropriate strategies, policies, management systems, work culture standards and ethical practices, with regular internal and annual external audits carried out to ensure conformance across our operations. These systems cover both employees and contractors.

Our OHS strategy is built upon four (4) pillars:

1

Continual Improvement of OHS Management Systems

Regularly reviewing and updating OHS policies and procedures to ensure alignment with changing regulatory standards and industry best practices.

3

Building Strong Capabilities to Better Manage OHS

Enhancing employees’ understanding and capabilities in OHS by taking proactive steps to manage compliance, drive competencies and build capacity.

2

Embracing Innovation and Technology

Continuously scrutinising OHS processes to identify and implement new health and safety measures through innovation and adoption of the latest technological solutions.

4

Developing a Safety Culture at the Workplace

Encouraging workers to take an active role in OHS to foster a sense of shared responsibility.

Empowering Our People and Enriching Our Communities

We have set two (2) specific OHS targets: to maintain zero (0) workplace fatalities and achieve LTIFR below 2.5 by the end of FYE2024. These targets are crucial in our commitment to preventing and minimising the number of workplace incidents and accidents that occur, underscoring our dedication to ensuring that our employees return home safely at the end of the day.

To gauge our OHS performance against industry standards, we benchmark our operations' LTIFR performance against the IAI Statistical Report.



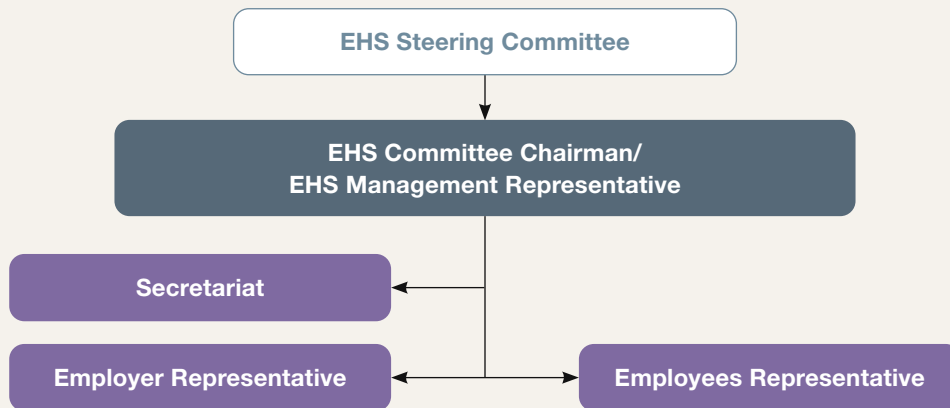
OHS Targets
to maintain **zero (0) workplace fatalities** and achieve **LTIFR below 2.5** by the end of FYE2024

Ensuring Health and Safety Oversight

Our Group CEO, who is also a member of the Board, oversees the overall performance of OHS across the Group, supported by the Group EHS ("GEHS") Department. The GEHS Department is responsible for formulating OHS objectives at the group level, providing comprehensive support to all manufacturing facilities and monitoring the progress in reducing the number of OHS incidents and workers' exposure to OHS hazards.

At the entity level, EHS Committees have been established, comprising representatives from all of the respective entity's departments and chaired by the management representative. These EHS Committees conduct regular reviews of EHS policies at our operating sites, identify areas for improvement and assist in the development of EHS rules and safe systems to foster a secure workplace and minimise workers' exposure to OHS hazards. Additionally, the EHS Committees support the individual entities' EHS on all OHS-related matters.

Quarterly meetings are held to disseminate updates on performance and progress towards achieving OHS-related targets, ensuring ongoing communication and collaboration in maintaining a safe working environment across the Group.



Roles of EHS Committee

- Review EHS policies at respective operating sites and propose recommendations for improvement.
- Assist in the development of EHS rules and safe systems of work.
- Review the effectiveness of safety and health programmes.
- Carry out studies on trends for incidents, near-misses, dangerous occurrences, occupational diseases at the place of work.
- Evaluate existing or potential hazards and recommend measures to minimise or eliminate such hazards by establishing SOPs to locate and identify EHS hazards.
- Undertake workspace inspections once every three (3) months.
- Report of unsafe/ unhealthy conditions or practices and recommend corrective measures.
- Participate in accident investigations upon the request of management.

Empowering Our People and Enriching Our Communities

Identifying Hazards and Assessing Risks

We utilise the Hazard Identification, Assessment of Risks and Opportunities and Determination of Control (“HIARODC”) method as a structured approach to reduce or eliminate workplace risks. Executed by respective entity’s EHS department in accordance with ISO 45001:2018 standards, this process involves five (5) key steps:

- Step 1:** Selecting areas for assessment based on plant layout;
- Step 2:** Identifying all potential OHS hazards, risks, and opportunities;
- Step 3:** Recording identified hazards, risks and opportunities in a HIARODC form;
- Step 4:** Repeating steps 2 and 3 in alternative locations based on plant layout; and
- Step 5:** Developing management approaches, objectives and targets to address significant OHS hazards, risks and opportunities.

The HIARODC process undergoes regular updates and evaluations under, but not limited to, these conditions:

- Every three (3) years;
- Upon the implementation of new machinery, processes or operations;
- Operational activities change, domestic legislation evolves or stakeholder needs shift;
- Following incidents or accidents; and/ or
- During reviews of safety guidelines, rules and regulations.

We continually enhance the HIARODC process through the implementation of automation technologies, enabling us to streamline operations and reduce manual labour. For example, in Sarawak operations, we have improved the anode replacement process by installing anode beam rising systems at potlines and enhanced operational vehicles such as forklifts by installing reverse cameras and speed limiters. In addition, we are currently conducting a trial programme to implement face identification authorisation to prevent any unauthorised use of vehicle. At our casting facility, we have installed designated safe passageways such as ladders to ensure safe access to machineries.

Improving Health and Safety Hazard Mitigation

Emergency Preparedness and Response

Emergency preparedness and response is an essential component of our OHS management approach. Adhering to a set of protocols enables us to respond effectively to potential emergency situations, safeguarding the safety of employees, contractors, visitors, and surrounding communities.

On this note, we have developed an ERP that outlines the various arrangements and contingency measures for addressing emergencies, including communication of associated health and safety risks. The ERP categorises emergencies into severity codes – “**RED**” “**YELLOW**” and “**GREEN**” – and operation-specific Emergency Response Teams (“ERTs”) are formed accordingly to execute the ERP. Our ERT includes a designated fire-fighting team equipped with fire-fighting equipment. To ensure its effectiveness, we regularly test and revise our ERP.

As part of the ERP procedure, we periodically conduct emergency drills such as:

- Spillage Prevention and Handling Training
- Pot Leakage Drill Response
- Emergency Busbar Installation
- Fire Fighting Training
- Mock Emergency Drill for Fire Alarm
- First Aid and Cardiopulmonary Resuscitation Training

Empowering Our People and Enriching Our Communities



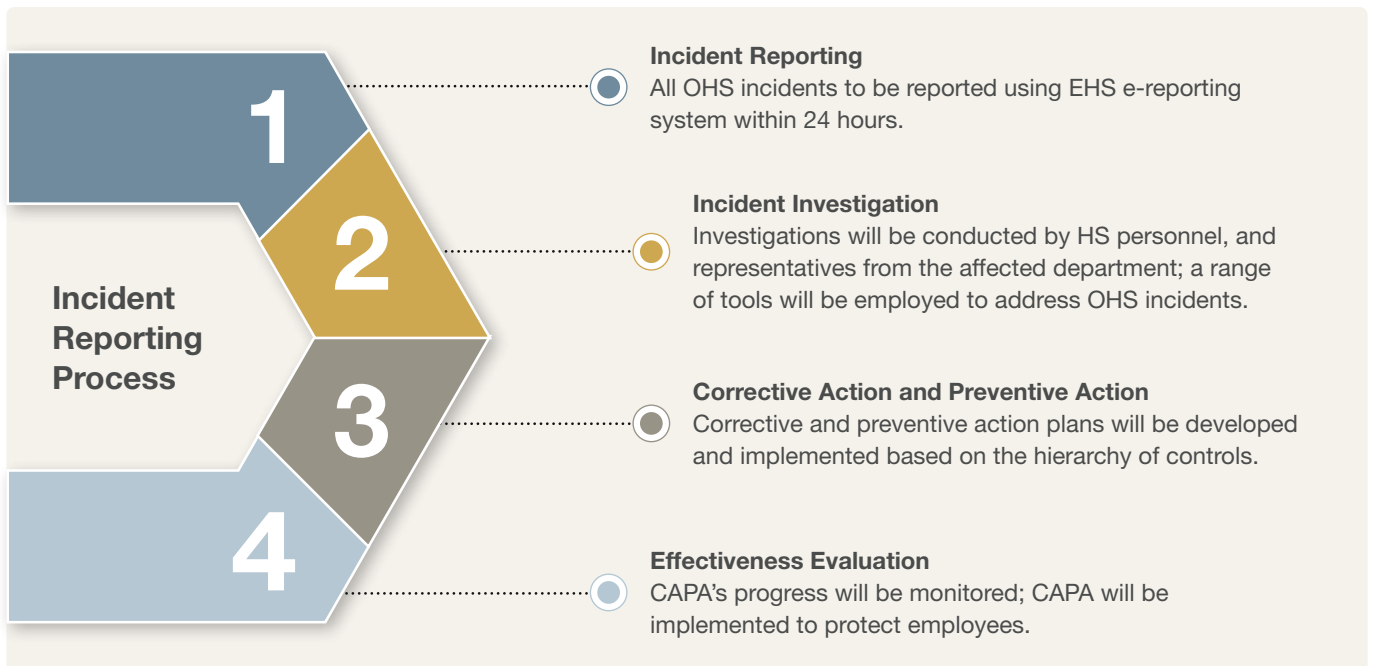
PMIT Emergency Drill



PMBtu Fire Drill

Incident Management and Reporting

Our established procedures in incident management and reporting mandate that OHS incident or accidents be reported through our internal EHS e-reporting system within 24 hours of occurrence. Any incident that is logged into the incident management and reporting system will trigger an investigation by HS personnel and representatives from the affected department to ascertain root causes. Subsequently, Corrective Action and Preventive Action (“CAPA”) is implemented, referencing the hierarchy of control approach for preventive measures, and the progress of the CAPA plan is monitored closely.



Throughout the process, workers are safeguarded against reprisals, fostering a culture where employees feel empowered to report incidents, near misses or unsafe conditions without fear of retaliation.

Empowering Our People and Enriching Our Communities

Permit-To-Work System and Detailed Job Statement Method Statement

Our Permit-To-Work (“PTW”) System mandates that relevant employees and contractors to conduct a risk assessment or job hazard analysis for any identified high-risk or non-routine work. This assessment evaluates hazard risk levels and must be supported by a Detailed Job Method Statement outlining the scope of work, activities involved, identified hazards and proposed control measures. All PTWs undergo evaluation and authorisation by the HS Department before work commences and are monitored daily upon commencement of work. In the event of non-compliance, granted PTW will be suspended until the issue is resolved.

Stop Work Order Procedure

Our Stop Work Order (“SWO”) Procedure addresses unsafe work conditions that could potentially lead to accidents or injuries. In accordance with the OSHA (Amendment) Act 2022, employees are encouraged to report any safety concerns to HS personnel and are not restricted from initiating an SWO. Once hazards are verified by the HS Department, an SWO will be issued, halting work activities until identified health and safety issues are addressed and the work activity is confirmed to be safe by the HS department. This SWO Procedure empowers employees to take responsibility not only for their own safety but also the safety of others.

Strengthening Health and Safety Awareness and Communication

Safety Intelligence Centre

The GEHS Department, which acts as an information centre, collects, analyses and utilises information on operational incidents, consolidating mitigation plans and communicating lessons learned through safety alerts to all employees. In FYE2023, 29 safety alerts were issued, with preventive actions summarised in health and safety initiatives to prevent recurrence. Additionally, six (6) cross-plant visits were conducted to promote knowledge sharing on safety procedures.

PressFan App and Press Safe Feature

Our Sarawak operations have introduced PressFan, a mobile application designed to disseminate crucial operational updates, memorandums, one-point lessons and safety alerts, including OHS campaigns, to all employees. This user-friendly platform enables employees to instantly access the latest information on health and safety via their mobile phones.

PressSafe is an add-on safety alert feature in our PressFan application, exclusively available to female employees of Sarawak operations. It offers location tracking while travelling to and from work and enables employees to request assistance or trigger an SOS signal during emergencies like car breakdowns or instances of harassment.

WeChat Platform

Our China operations have utilised the WeChat platform for its employees to share their feedback and raise any concerns they may have, in line with our belief in promoting employee engagement and continuous improvement in health and safety practices.

OUR VALUE CREATION

Enhancing Employee Health and Safety Awareness

We have embarked on a series of initiatives in line with its aim to create and maintain a healthy and safe environment across our operations.

Safety 360 Programme

The Safety 360 Programme aims to foster a safety culture among our employees by cultivating active participation and to heighten safety awareness at all levels, recognising the pivotal role of safety culture maturity in reducing workplace incidents. Safety 360 Programme achieves its objective through heightened self-discipline and teamwork.

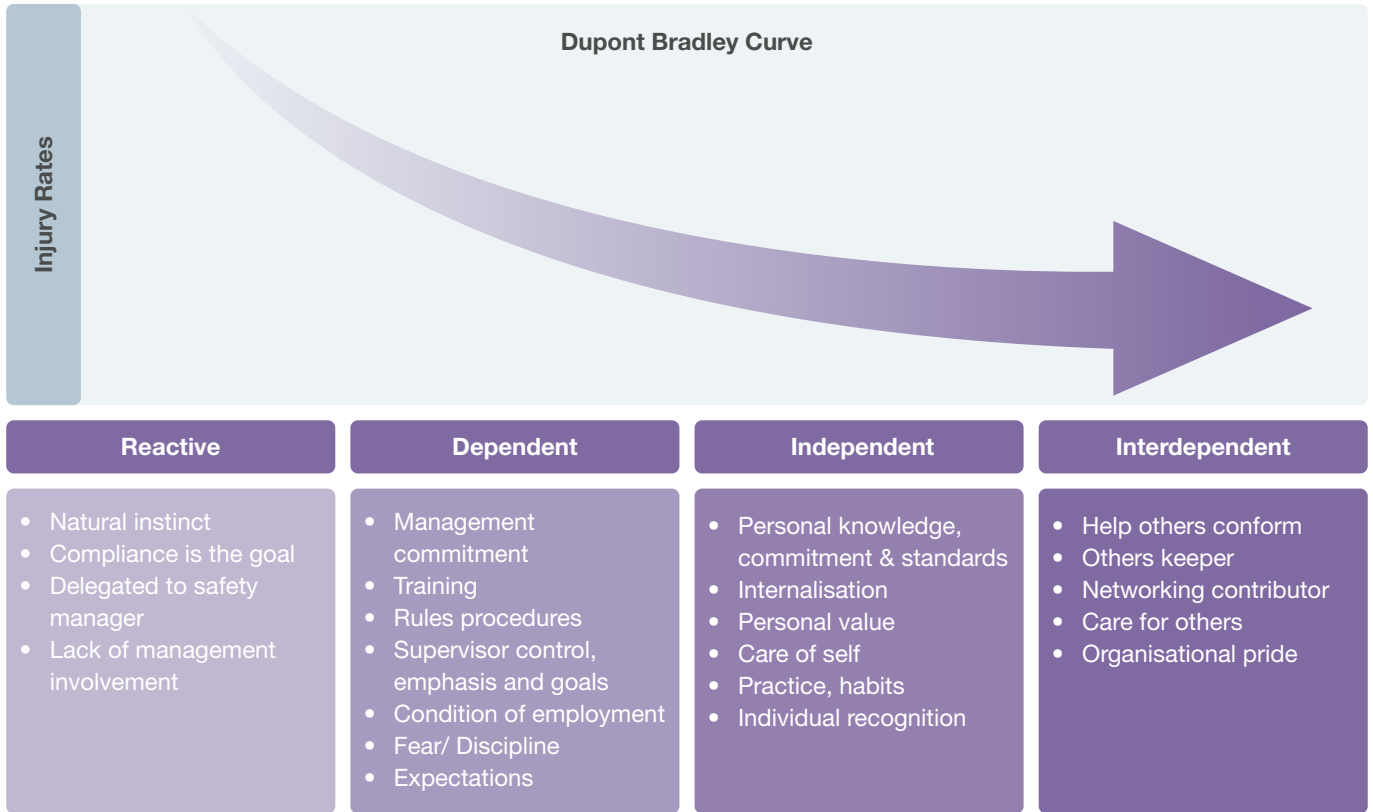
Specific targets and goals include preventing untoward incidents, achieving zero (0) accidents, transforming our safety culture from dependent to interdependent within five (5) years and fostering ownership and responsibility for team safety.

The programme operates on four (4) key principles:

- **Ownership:** Encouraging a safety mindset where everyone takes responsibility for their safety
- **Self-Assessment:** Empowering individuals to self-identify, assess and mitigate hazards
- **Voice of Safety:** Promoting open communication channels for safety concerns
- **A Passion for Safety 24/7:** Instilling a continuous commitment to safety

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Safety 360 Programme introduces four (4) levels of safety culture progression, moving from reactive to dependent, then independent, and ultimately to the highest level, interdependent, as detailed below.



Life-Saving Rules

Based on our analysis of past safety-related incidents, we have identified factors contributing to significant safety incidents; categorised into man, material, machine, method, biological hazard, non-work related or psychological. Of these categories, we placed particular focus on man and method accidents as they are the most pertinent across the Group.

Arising from this, we have developed Life-Saving Rules that serve as crucial behavioural safety guidelines, offering continuous reminders to employees about measures to ensure their own safety. The objectives of this Life-Saving Rules are:

- To increase personal safety awareness;
- To prevent dangerous acts or situations; and
- To adhere to all regulations and procedures.

The Life-Saving Rules have been introduced across all manufacturing entities, which are at various stages of adoption.

<p>RULE #1: WORK AUTHORISATION</p>	<p>RULE #2: PROCESS SAFETY REQUIREMENT</p>	<p>RULE #3: LINE OF FIRE</p>	<p>RULE #4: ENERGY ISOLATION</p>
<p>RULE #5: SAFE DRIVING</p>	<p>RULE #6: SECURE ALL TOOLS AND EQUIPMENT</p>	<p>RULE #7: USE OF APPROPRIATE EQUIPMENT</p>	<p>RULE #8: PERSONAL PROTECTIVE EQUIPMENT</p>

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Initiatives to Eliminate Hazards and Reduce OHS Risks

Press Metal utilises the hierarchy of controls as a way of determining actions to control exposure to OHS risks. We have identified various exposed risks and outlined our mitigating actions based on the five (5) levels of actions hierarchy of controls, as shown below:

Hierarchy of Controls	Actions
Elimination	- Eliminated processes involving the use of hazardous equipment, machines, tools or materials.
Substitution	- Identified alternative methods and/ or tools for specific tasks. - Replaced the use of forklifts in the billet alignment process with alternative tool.
Engineering Controls	- Reviewed the associated risks of activities in accident-prone areas using HIARODC, identified areas for improvement and made changes to our workplace standards, specifications and designs. - Installed cameras in operational vehicles (front and rear). - Modified and redesigned our workplace layout and equipment. - Conducted a workplace noise reduction pilot project. - Enhanced forklift safety by installing speed limiters and upgrading horns. - Installed overhead crane sirens, safety lights and solar cat eyes to improve overall safety protocols within the workplace. - Enhanced the safety of lifting equipment to eliminate potential hazards.
Administrative Controls	- Reviewed and updated our SOPs to enhance the management of OHS risks, distributed the revised procedures and rules to employees and conducted training for all relevant personnel. - Established and implemented a competency module for employees. - Reviewed and revised training materials meticulously to ensure comprehensive coverage of all aspects and that employees are thoroughly equipped and well-prepared for their respective tasks. - Enhanced OHS compliance monitoring by carrying out daily inspections and surveillance of work areas to identify and rectify unsafe conditions.
Personal Protective Equipment	- Regularly reviewed the adequacy and suitability of personal protective equipment (“PPE”) during annual HIARODC reviews. - Enforced the use of complete PPE during working hours. - Provided training on the proper usage of PPE to all employees and contractors.

Safety Production Month Campaigns

We strive to reinforce safety by cultivating a culture of safety awareness through regular campaigns. Our manufacturing entities initiated their EHS campaigns to enhance EHS awareness and promote a safe working environment among employees. These campaigns feature various activities such as booth exhibitions, beach cleaning, blood donation drives, health screenings, fire extinguisher demonstrations conducted by BOMBA, sukaneka (sports day), and fun runs. Additionally, PMBtu launched an electrolysis safety and production quality campaign in line with Safety Production Month.



PMI Gotong Royong



PMS collaboration with BOMBA

Commuting and Road Safety

Commuting and road safety is reinforced through the establishment of a dedicated task force to promote road safety within our facilities. The task force identifies and addresses potential road hazards, implements control measures to manage risks and ensures the competency and discipline of vehicle operators.

A management plan is also in place to support the task force’s work, involving regular meetings and continuous monitoring of planned implementations – covering road repairs, road redesigning and traffic management – to drive a safer work environment.

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Noise Management

We are committed to protecting our employees from exposure to hazardous noise at the workplace. At PMI, noise barriers have been installed at various locations to control noise exposure levels within permissible limits. Meanwhile, PMBA collaborated with Universiti Malaya to enhance facility noise management and raise employee awareness on noise exposure and hearing conservation.

Ergonomic Risk Assessment

An ergonomic risk assessment is typically conducted to identify potential ergonomic hazards and risk factors that may lead to discomfort or musculoskeletal injuries. This assessment was carried out by PMBtu, PMBA and PMAR in FYE2023. Following the assessment, appropriate control measures were implemented to improve workplace ergonomics across these entities.

Enhancing Employee Health and Welfare

We prioritise our employees' health and well-being by offering medical care alongside required health screenings and our annual health surveillance programme. We have in place four (4) certified safety and health officers to uphold workplace safety regulations, such as compliance with OSHA and other relevant standards.

To ensure prompt access to medical assistance, designated medical transport, in-house clinics and audiometric rooms are available at our Sarawak operations. In PMBtu, a dedicated medical team comprising one (1) doctor, two (2) medical assistants, three (3) nurses and one (1) health assistant is always on standby.

On an annual basis, Press Metal organises health surveillance programmes to check on the health and well-being of our employees at our Sarawak operations and our entities in China. In one (1) of our EHS campaigns held at Sarawak operation, we organised a general health screening that includes female-specific health check-ups such as breast cancer screening as well as mental health assessments and cholesterol level checks.

Recognising the sensitivity of medical information, we adhere to stringent protocols in managing medical records. Medical data is securely stored and access is restricted to designated EHS and Human Resource personnel only. Employees' health data remains confidential and is not disclosed without their consent, aligning with the Malaysia PDPA 2010.

Bolstering Health and Safety Training

Comprehensive range of training programmes were offered that aimed at enhancing the health and safety knowledge of our employees and contractors. These programmes are tailored to fortify employee knowledge and are supported by HIARODC evaluations, enabling us to determine the necessary training categories for each individual.

Upon completion, employees are trained with expanded skill sets and enhanced problem-solving abilities, enabling them to make better decisions regarding workplace health and safety issues. To ensure continued relevance, we regularly review and update our training initiatives, with feedback collected through a training evaluation form post-completion.

During FYE2023, we conducted a variety of programmes for our employees and contractors, including:

Training Programme	Objectives and Outcomes
EHS Training	<ul style="list-style-type: none"> Aimed at equipping employees, especially new hires, with essential knowledge, skills and awareness to maintain safe working environments. Topics covered: EHS induction training, chemical management training, PPE training, ISO awareness training, HIARODC training, EAIA training, waste management training and One Point Lessons. <p>Total number of training sessions: 1,619</p>
Safety 360 Training	<ul style="list-style-type: none"> Objectives include achieving zero (0) accidents, enhancing our employees' 360-degree safety perspective, transforming our safety culture and fostering increased ownership and responsibility on safety. <p>Total number of training sessions: 116</p>
Health Awareness	<ul style="list-style-type: none"> A range of programmes including: Hearing Conservation Programme, Health Screening Programme, Heat Stroke Prevention Training, Vaccination Programme and health talks by the Ministry of Health. <p>Total number of training sessions: 81</p>

Empowering Our People and Enriching Our Communities

Training Programme	Objectives and Outcomes
Emergency Response Training	<ul style="list-style-type: none"> Aimed at equipping our workers with skills, knowledge and coordination abilities to respond effectively and safely to emergencies. <p>Total number of training sessions: 192</p>
Special Equipment & Machinery Operation	<ul style="list-style-type: none"> Comprehensively designed to educate individuals on the safe and efficient operation of specialised equipment. Provided essential knowledge, skills and protocols to ensure proper usage of equipment, minimise risks and maintain a secure working environment. <p>Total number of training sessions: 66</p>

These efforts are supported by ongoing initiatives such as the One Point Lessons programme and Video Standard Operating Procedure (“VSOP”) 2.0. One Point Lessons deliver succinct and focused messages aimed at cultivating a heightened sense of safety awareness among workers, with the shared goal of collectively reducing accident rates. Meanwhile, VSOP 2.0 offers visual interpretations of safety hazards and control measures and is available in English, Mandarin and Burmese, catering to a diverse workforce and ensuring accessibility to crucial safety information.

In addition to this, all employees are mandated to attend a minimum of four (4) hours of EHS training, facilitated by registered internal trainers or team members who have completed the “Train the Trainer” course.

HOW WE PERFORMED IN 2023

Health and Safety Performance

Demonstrating our commitment to cultivating a safe workplace, we successfully achieved zero (0) fatalities in 2023. Our efforts to improve safety performance have yielded positive results, with year-on-year reduction in LTIFR (from 3.3 in FYE2022 to 2.7 in FYE2023) and All Injury Frequency Rate (“AIFR”) (from 5.6 in FYE2022 to 5.2 in FYE2023). This progress indicates significant strides towards our goal of reducing our LTIFR below 2.5 in 2024.

In response to work-related injuries, thorough investigations are conducted to identify the root cause and corrective actions are promptly undertaken to mitigate the issue.

Indicators	2021		2022		2023	
	Number	Rate	Number	Rate	Number	Rate
Work-Related Injuries						
Employees						
Hours Worked	18,837,235	-	20,202,341	-	19,722,711	-
Fatalities	0	0.0	1	0.1	0	0.0
High-Consequence Work-Related Injuries	0	0.0	0	0.0	5	0.3
Lost-Time Injuries*	81	4.3	67	3.3	54	2.7
Recordable Work-Related Injuries	126	-	111	-	82	-
All Injury Frequency Rate	-	6.6	-	5.6	-	5.2

Indicators	2022		2023	
	Number	Rate	Number	Rate
Work-Related Injuries				
Contractors				
Fatalities	1	N/A	0	N/A
High-Consequence Work-Related Injuries	0	N/A	0	N/A
Recordable Work-Related Injuries	12	N/A	6	N/A

Note: Aggregated data from our midstream (PMBtu, PMS, PMAR) and downstream (PMBA, PMI, PMIT) facilities.

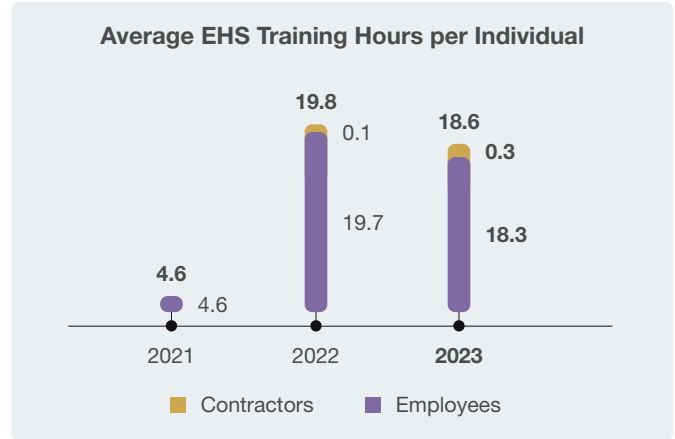
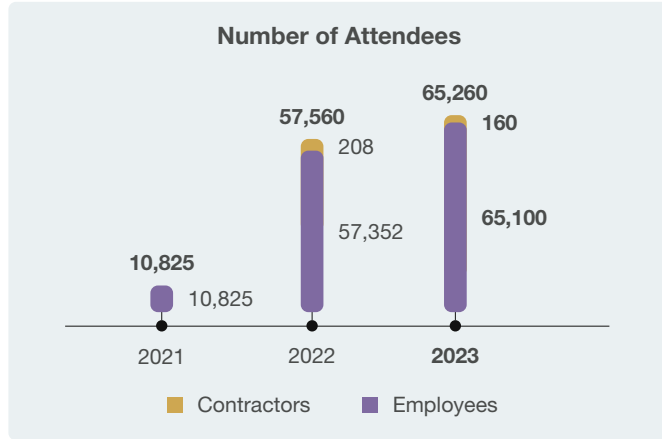
* Definition of LTIFR:

Accident which results in the injured person being absent for one or more workdays beyond the day of the accident.

LTIFR formula: Number of lost-time injuries / total hours worked x 1,000,000.

Empowering Our People and Enriching Our Communities

OHS Training Performance



Notes:

1. Data aggregated from our manufacturing facilities (PMBtu, PMS, PMAR, PMBA, PMI and PMIT) and our corporate headquarters (PMAH).
2. Discrepancies may arise between the total reported figure and the sum of the employees and contractors. This variance can occur when both categories participate in the same training sessions.
3. The Number of Attendees graph is calculated cumulatively, taking into account the total number of training sessions.

Stop Work Orders

In FYE2023, our HS Department issued seven (7) SWOs during routine patrols, spanning PMBtu and PMS. These SWOs underwent reviews by the respective HS Department heads to ensure necessary safety actions were taken before work resumed.

Additionally, the HS Department enhanced safe work practices through safety culture programmes and training sessions at the respective facilities.

GOING FORWARD

We remain committed to continually assessing and enhancing safety measures across our operations. To this end, we will continue to introduce improvements as identified through ongoing hazard and risk assessments. Additionally, adequate resources will be allocated for the implementation of robust health and safety policies and programmes.

Ultimately, our efforts will help foster a culture of interdependence across our workforce, drive effective knowledge transfer and ensure active participation in safety initiatives, towards maintaining safe and productive work environments.

Empowering Our People and Enriching Our Communities

M15

HUMAN RIGHTS

GRI 2-16, GRI 2-23, GRI 2-25, GRI 2-26, GRI 2-30, GRI 3-3, GRI 406-1, GRI 407-1, GRI 408-1, GRI 409-1, GRI 410-1, GRI 411-1, GRI 413-1

Capitals



UN SDGs



WHY IT MATTERS

In today's global landscape, upholding human rights is a moral imperative and crucial aspect of sustainable business practices. By recognising the inherent dignity and worth of our employees and treating them with respect, fairness and integrity, regardless of their background or identity, we can foster an environment of inclusivity and shared values, thereby enhancing long-term morale and productivity.

Moreover, managing social risks are paramount for ensuring a safe and secure operating environment for our stakeholders. By proactively addressing potential risks and vulnerabilities, we uphold our commitment to human rights while safeguarding the well-being of our employees, communities and broader stakeholder groups, as well as our value chain.

OUR APPROACH

Integrating International Human Rights Principles

Press Metal is dedicated to upholding human rights principles within our workforce and supply chain and adopts the recommendations outlined by several international recognised standards and frameworks, including the International Labour Organisation ("ILO") – the eight (8) ILO fundamental conventions, International Bill of Human Rights, the United Nations' ("UN") Guiding Principles on Business and Human Rights, and the Voluntary Principles on Security and Human Rights. These commitments are articulated in our Human Rights Policy; no individual within our sphere of influence is subjected to discrimination, mistreatment, modern slavery/ forced or compulsory labour.

The principles outlined in our Human Rights Policy also encompass non-discrimination, women's rights, indigenous people, social management systems, local communities, communication and engagement, health and safety, and security. Our Human Rights policy is accessible at <https://www.pressmetal.com/investor-relations/corporate-governance.php>.

To ensure the effective implementation of these principles, key internal procedures have been incorporated, including our supply chain management practices. These procedures undergo regular reviews, conducted every five (5) years or as needed, in accordance with the guidance provided by the ASI.

Overseeing Human Rights Compliance

Our SC and Independent Non-Executive Director, Lim Hun Soon @ David Lim, assume direct responsibility for overseeing all human rights matters of Press Metal. Down the hierarchy, our Human Resource ("HR") Department ensures strict adherence to and enforcement of the Human Rights Policy, administering human resource management and addressing any human rights issues that arise. The HR Departments are also subject to assessments by our Internal Audit Department to ensure compliance.

Upholding Workers' Rights

In our commitment to upholding workers' rights, our working time practices adhere to all relevant labour laws and regulations. This ensures, among others, that employees receive a minimum of one (1) day off per seven (7) day period to rest. We also continuously update our employment terms and conditions to align with the latest regulatory requirements. Besides this, operating within a safe and conducive work environment is paramount to us, and we prioritise employees' well-being by providing a safe and healthy workplace.

Empowering Our People and Enriching Our Communities

Respecting Freedom of Association and Collective Bargaining

The Human Rights Policy outlines our commitment to respecting the rights of workers to participate in trade unions and worker organisations, as well as collective bargaining. We practice fair labour and strive to foster workplaces that drive collaboration and mutual respect between workers and employers. We also ensure adherence to all applicable laws and legislation in the jurisdictions in which we operate our business.

Upholding Children’s Rights

We are committed to respecting children’s rights, covering the rights to life and family, education, food, health, water, identity, freedom and protection. This commitment is explicitly outlined in our Human Rights Policy and is aligned with the United Nations Children’s Fund (“UNICEF”) Children’s Rights and Business Principles. To this end, we enforce stringent recruitment procedures and practices that adhere to the minimum age for employment as mandated by applicable local laws. Furthermore, through strategic social investments and philanthropy, we actively participate in respecting, supporting and safeguarding children’s rights.

Promoting Indigenous Rights

Press Metal respects the rights of indigenous peoples, including their rights to political status, social and cultural practices, economic development and fair and equal treatment without discrimination. We also endorse the principles of the UN Declaration on the Rights of Indigenous Peoples, integrating them into our Human Rights Policy.

Furthermore, we strive to uphold the rights and participation of indigenous peoples that are related to our developments. This involves ensuring that they are informed beforehand and obtaining their consent without coercion before proceeding with any development. These principles are outlined in our SOP for Indigenous Peoples, which incorporates the Free, Prior and Informed Consent principles. Acknowledging the vital role of transparent and respectful engagement with indigenous communities in preserving their unique cultures and knowledge systems, the SOP covers awareness, the necessity for respecting towards cultural protocols and differences across various aspects:



Ensuring Ethical Security Practices

Press Metal deploys professionally trained auxiliary police officers to safeguard our people and assets at our operations. All auxiliary police officers in Malaysia undergo comprehensive training provided by registered training centres, in accordance with the Police Act 1967. This ensures that they possess the necessary qualifications for their roles and are well-versed in their responsibilities and limitations regarding the use of force.

To comply with human rights and labour rights principles, we have established the SOP for Auxiliary Police at our Malaysian facilities, which outlined the responsibilities of the auxiliary police and serving as a guideline for security practices. The Voluntary Principles on Security and Human Rights guide us in developing practices that maintain the safety and security of our operations. In China, security personnel employed at our facilities adhere to the regulations outlined in the Civil Code of the People’s Republic of China.

Our security personnel also undergo training programmes covering our Human Rights Policy, ABAC Policy and CoC as well as our anti-harassment, anti-abuse and anti-forced labour procedures. This ensures that they are equipped to uphold ethical standards while carrying out their duties.

Empowering Our People and Enriching Our Communities

Modern Slavery Statement

We are determined to eradicating modern slavery and human trafficking from all aspects of our business operations as it goes against our core value of upholding human rights in accordance with the ILO Declaration on Fundamental Principles and Rights at Work.

Business Structure and Supply Chain

Our Modern Slavery Statement encompasses all employees and suppliers across our manufacturing entities.

 Read more about our business structure and supply chain in Our Integrated Value Chain and Responsible Sourcing sections of this IAR 2023.

Governance and Policies

The human rights principles are reflected in our Employee Handbook, which serves as an essential reference for all employees. This handbook covers a wide range of employee related matters as well as Press Metal's expectations on respecting human rights. The Employee Handbook is available in three (3) languages; Malay, English, and Chinese. For our Sarawak operations, the Employee Handbook is available in six (6) languages, i.e., English, Malay, Chinese, Nepali, Burmese, and Tamil, ensuring that all employees understand and are aware of their rights and responsibilities. We observe our human rights adherence throughout our employment process by incorporating human rights requirements into the contracts with recruitment agencies and conducting human rights due diligence to prevent and mitigate any negative impacts.

Beyond our employee base, we extend our human rights expectations across our supply chain, ensuring that suppliers and contractors are made aware of applicable human rights requirements as per the SCoC and Responsible Sourcing Policy.

Social Management System

We actively manage our human rights in a systematic and standardised manner through Social Management System ("SMS"). This system consists of processes and practices designed to ensure the consistent implementation of human rights compliance policies, thereby meeting our business objectives. It guides us in assessing and controlling human rights risks, driving continuous development through ongoing review processes, corrective actions and system improvements.

SMS is made up of nine (9) elements as below:

- | | |
|---|---|
| 1 Policy | 6 Stakeholder Management |
| 2 Identification of Risks and Impacts | 7 External Communication and Grievance Mechanism |
| 3 Management Programme | 8 Monitoring and Review |
| 4 Organisational Capacity and Competency | 9 Reporting |
| 5 Emergency Preparedness and Response | |

Risk Assessment and Management

We remain committed to exercising necessary caution and proactively conducting human rights impact assessments and due diligence to identify potential risks related to human rights. Our efforts to identify, assess and mitigate any potential violations concerning human rights include the following:

Social Impact Assessment

In FYE2023, we engaged an independent third-party consultant to conduct a Social Impact Assessment ("SIA") on our smelting facilities. This assessment involved direct engagements with stakeholders, gauging impacts from our operations on both internal parties, such as employees, and external parties, including local communities, government agencies, NGOs, suppliers, contractors and the media, who are directly or indirectly involved with our operations.

The SIA utilised various methods, such as socio-economic surveys, interviews and focus group discussions, to gather feedback from stakeholders. The feedbacks gathered were then analysed and used as inputs for our Social Management Plan, which is anchored on several of our policies and procedures, such as the Social Management System Policy & SOPs, Human Rights Policy, OHS Policy, Ethical Conduct Policy & Procedure as well as the Complaint & Grievance Procedure.

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As part of the Social Management Plan, action plans were outlined to address the actual or potential impacts identified in the SIA, focusing on improvement areas such as hostel and housing areas, utilities supply, sanitation, rest areas, worship houses, sports facilities, accessibility and transportation, safe working conditions and environments as well as road safety.

In line with guidance from the ASI, our SIA will be reviewed at least every five (5) years to ensure the effectiveness and continuity of the Social Management Plan.



Social Impact Assessment

Human Rights Due Diligence

Human rights due diligence is an ongoing and continuous process aimed at raising awareness and understanding of human rights-related risks associated with our activities. This process is applied to all our activities where potential human rights risks and impacts exist.

Our human rights due diligence process adopts a risk-based approach encompassing four (4) key elements, as depicted below:



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Human Rights Impact Assessments

Integral to the human rights due diligence process, our Human Rights Risk and Impact Process Flow incorporates a human rights risk and impact assessment methodology of International Finance Corporation's Guide to Human Rights Impact Assessment and Management. It follows a five (5)-step approach:

Human Rights Risks and Impact Assessments

Planning & Scoping

Identifying the most relevant human rights issues to our industry and operations

Identification of Human Rights Risks

Screening potential human rights risks associated with our operations following the scoping of relevant human rights issues

Human Rights Risk Assessment

Evaluating human rights risks, relevant human rights issues, existing mitigation and/ or controls, and scoring the likelihood and severity of said risks

Progress Report & Next Course of Action

Implementing mitigation measures in a timely manner

Reporting & Evaluation

Regularly monitoring our human rights performance and communicating our findings to the management

Supplier Assessments

To ensure our suppliers comply with our Responsible Sourcing Policy and SCoC, we conduct supplier assessments through the SSAQ, audits and inspections. Following this, suppliers are encouraged to identify and develop risk mitigation or corrective action plans to address any human rights risks identified.

Training and Awareness

Recognising the pivotal role our employees in mitigating modern slavery risks, we educate them on the warning signs and cultivating their awareness of available reporting channels.

We also invest in employee awareness-building and training to foster a better understanding. During our supplier's engagement, we provide human rights training as part of our responsible sourcing effort.

We have conducted several programmes during the year, including:

- Group-wide Human Rights training;
- Business Considerations for Human Rights for the Board and Key Senior Management; and
- Employee Handbook Briefing, incorporating the Human Rights Policy

Assessment of Effectiveness of Actions Taken

To evaluate the effectiveness of the actions taken, we have established channels for stakeholders to raise labour and human rights related concerns. These channels include an internal grievance mechanism for employees and Sarawak operations' Local Community Grievance Management SOP for local communities affected by our operations. Additionally, our whistle-blowing platform enables both internal and external stakeholders to report concerns anonymously, ensuring protection from retaliation. Should there be any identified instances of human rights violations flagged by any of our stakeholders, necessary corrective action plans will be undertaken, with remedy and compensation provided. To this date, there have been no grievances or violations reported, indicating the effectiveness of our efforts to promote fair treatment and address concerns without prejudice or discrimination.

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OUR VALUE CREATION

Assessing Our Human Rights Compliance

We recognise the dynamic nature of human rights and, therefore, regularly review our Social Management Plan and conduct human rights due diligence processes at least every five (5) years.

In FYE2023, we conducted the following human rights assessments and audits across our entities:

Entity	Assessment/ Audit
PMBtu	<ul style="list-style-type: none"> Completed its second human rights assessment. Performed a third-party audit on ASI Performance Standard, which included compliance assessment on human rights. Engaged a consultant for an SIA.
PMS	<ul style="list-style-type: none"> Completed its first human rights assessment. Conducted an internal audit on ASI Performance Standard. Performed a third-party audit on ASI Performance Standard, including compliance assessment on human rights. Engaged a consultant for an SIA.
PMI	<ul style="list-style-type: none"> Commenced its second human rights assessment. Performed a third-party audit on ASI Performance Standard, including compliance assessment on human rights.
PMIT	<ul style="list-style-type: none"> Underwent a supplier audit to ascertain compliance with human rights requirements.

HOW WE PERFORMED IN 2023

	2021	2022	2023
Incidents of violation involving rights of indigenous people	0	0	0
Number of incidents relating to discriminations, child labour, or forced or compulsory labour	0	0	0
Number of grievances concerning human rights issues	0	0	0

GOING FORWARD

We will continuously monitor our business practices to mitigate and remedy potential adverse impacts relating to human rights and labour. This involves enhancing our employee engagement platforms, testing the effectiveness of our grievance mechanisms for improvement, improving existing workers' accommodation and dormitory facilities, conducting annual manager training on handling reports or instances of bullying or harassment, and conducting human rights risk assessments within the Group.

Empowering Our People and Enriching Our Communities

M16

DIVERSITY AND INCLUSIVITY

GRI 2-7, GRI 2-23, GRI 2-30, GRI 3-3, GRI 405-1, GRI 407-1, GRI 408-1, GRI 409-1, GRI 410-1, GRI 411-1, GRI 413-1

Capitals

HC

UN SDGs



WHY IT MATTERS

Upholding diversity and inclusivity enrich organisations through diverse of perspectives and experiences, driving innovation and creativity. Fostering diversity cultivates varied perspectives, experiences, and backgrounds; that may bring different perspective in ideas, insights, and approaches to problem-solving. This diversity of thought fuels innovation and creativity, enabling organisations to adapt in a dynamic market. In tandem, inclusivity ensures that all employees feel valued and empowered to contribute their unique talents, fostering a sense of belonging and commitment, boosting employee engagement and retention rates.

Furthermore, embracing diversity and inclusivity enhances external relationships and reputation. A diverse workforce better understands and caters to the needs of diverse customer bases. Likewise, advocating diversity demonstrates equality in business practices, enhancing the organisation's reputation and attractiveness as an employer and partner.

OUR APPROACH

Guided by our Diversity Policy, diversity is promoted to all employees, regardless of age, gender, ethnicity, nationality, sexual orientation, cultural background, religious belief and socioeconomic status. To practice fairness and non-discrimination in our workplace, we prioritise merit, experience and professional criteria in recruiting and in managing all employee-related matters, including training, performance evaluation, remuneration and promotion.

Furthermore, while aluminium industry is a male-dominated industry, we actively promote job opportunities for women, striving to increase their representation within our workforce. This commitment is prescribed within our Human Rights Policy, which endorses women's rights and gender diversity through gender equality policies and prohibits gender-based discrimination, whether direct or indirect.

We are aligned with the MCCG 2021 requirement of having 30% of female directors on the Board. Presently, our Board comprises of three (3) female Directors out of ten (10) Board members. In addition, we have also set two (2) specific gender diversity targets to drive our gender diversity commitment: increase the participation of women in managerial roles to 30% and the total female workforce to 20%.

Further to this, our CoC emphasises the importance of respecting the personal dignity, privacy and rights of every individual encountered during work activities, prohibiting any actions that may infringe upon or bypass human rights.

For detailed information on our Diversity Policy, Human Rights Policy and CoC, please refer to our corporate website at: <https://www.pressmetal.com/investor-relations/corporate-governance.php>.

Assessing Our Policies and Facilitating Grievance Reporting

Periodic assessments and evaluations of our policies are performed by the Board when necessary to ensure their alignment with our evolving business needs. At the entity level, diversity and inclusion initiatives are overseen by the respective HR department.

Empowering Our People and Enriching Our Communities

We have instituted internal channels for complaints and grievances, as well as a whistle-blowing platform, enabling stakeholders to report concerns – including instances of violence, harassment, intimidation or unsafe conditions – both anonymously and without fear of reprisal.

We have implemented measures to foster an inclusive environment and protect our employees through the Harassment and Bullying Prevention programme. This initiative empowers employees in managerial roles with essential skills to effectively address harassment and bullying cases, offering victims practical advice and viable solutions. Through the implementation of this programme, we strive to ensure that our managers are well-equipped to handle incidents of harassment and bullying with efficiency and sensitivity.

OUR VALUE CREATION

We are dedicated to fostering an inclusive workplace culture where every employee, regardless of gender, feels valued, supported, empowered and equally treated. We make efforts to attracting qualified women to work within the industry by implementing a range of initiatives aimed at empowering and enhancing the well-being of our female workforce as below:

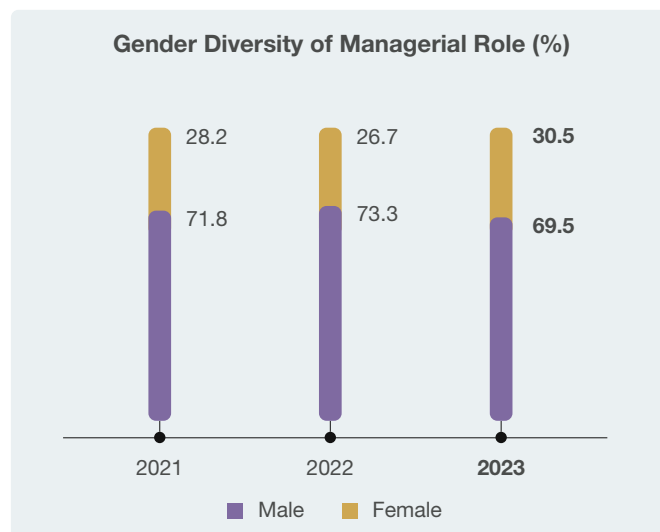
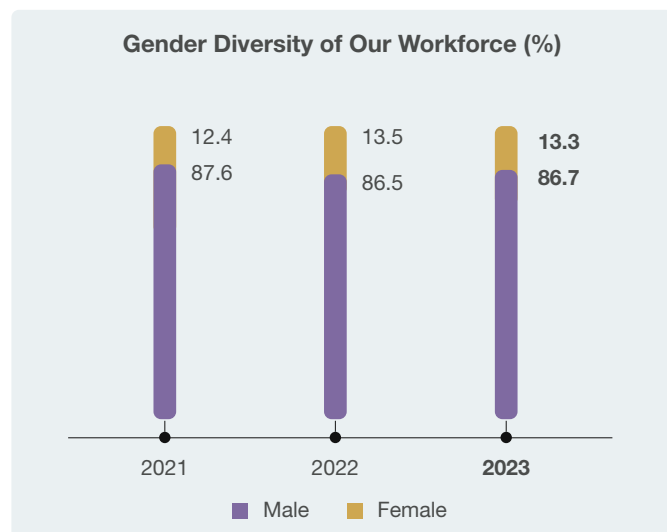
<p>Empowering Women in our Workplace</p>	<ul style="list-style-type: none"> • Established PressNita, a women’s committee that upholds women’s rights and promotes women’s empowerment. • Implemented PressSafe, a mobile application that allows our female employees to address safety matters. • Established designated ladies’ seats in our commute buses. • Implemented female parking spots. • Installed CCTVs in blind corners and less crowded areas to enhance security and surveillance. • Provided designated “ladies’ corner” at recruitment events. • Employed female bus drivers to transport female employees.
<p>Enhancing Female Employee Well-Being</p>	<ul style="list-style-type: none"> • Equipped basic female needs at mini-mart. • Reserved Multipurpose Hall for ladies’ events every Wednesday. • Organised programmes and activities that encourage female participation (e.g., Galentine’s Day, International Women’s Day, Sexual Harassment Awareness Talk, Women’s Health Talk, etc.). • Provision of lactation room at the workplace in supporting nursing mothers. • Maintained the provision of female doctor consultation visits for female employees.
<p>Providing Equal Growth & Development Opportunities</p>	<ul style="list-style-type: none"> • Recruited women for office-based jobs, production tasks, forklift drivers, bus drivers, auxiliary police and coordinators to promote diversity and inclusion. • Conducted upskilling programmes for female employees in areas such as forklift operation techniques, safety protocols, load handling and equipment maintenance for career advancement and job enrichment.

HOW WE PERFORMED IN 2023

As a testament to our efforts, we have successfully increased our women employees in managerial roles to 30.5% and reported zero (0) instances of workplace discrimination during the year. However, our female workforce comprised 13.3%, marking a decrease of 0.2% point from FYE2022. Despite reaching our targets for women in managerial roles, we will strive to improve the women’s participation at our workforce, aligning to our objective of promoting non-discrimination and gender diversity within the workplace.

Empowering Our People and Enriching Our Communities

Workforce Gender Diversity



Age Group & Gender of Employees by Employment Category

Employee Category	2021					
	<30 years old		30-50 years old		Above 50 years old	
	Male	Female	Male	Female	Male	Female
Senior Management	0	0	16	4	18	2
Management	3	5	90	42	26	7
Executive	188	101	326	127	34	4
Non-Executive	3,286	294	2,308	317	152	6
Total	3,477	400	2,740	490	230	19

Employee Category	2022					
	<30 years old		30-50 years old		Above 50 years old	
	Male	Female	Male	Female	Male	Female
Senior Management	0	0	17	4	19	3
Management	1	2	87	39	27	7
Executive	148	121	360	145	34	3
Non-Executive	3,287	217	2,173	434	160	12
Total	3,436	340	2,637	622	240	25

Employee Category	2023					
	<30 years old		30-50 years old		Above 50 years old	
	Male	Female	Male	Female	Male	Female
Senior Management	1	0	15	4	19	3
Management	1	3	79	44	31	10
Executive	155	119	370	156	43	4
Non-Executive	3,077	175	2,380	441	175	16
Total	3,234	297	2,844	645	268	33

Empowering Our People and Enriching Our Communities

Locality & Gender of Employees by Employment Category

Employee Category	2021			
	Local Employee		Foreign Employee	
	Male	Female	Male	Female
Senior Management	31	6	3	0
Management	108	54	11	0
Executive	493	230	55	2
Non-Executive	4,269	617	1,477	0
Total	4,901	907	1,546	2

Employee Category	2022			
	Local Employee		Foreign Employee	
	Male	Female	Male	Female
Senior Management	32	6	4	1
Management	104	47	11	1
Executive	506	269	36	0
Non-Executive	4,679	662	941	1
Total	5,321	984	992	3

Employee Category	2023			
	Local Employee		Foreign Employee	
	Male	Female	Male	Female
Senior Management	33	6	4	1
Management	98	56	11	1
Executive	524	279	44	0
Non-Executive	4,439	631	1,193	1
Total	5,094	972	1,252	3

Employees with Disability

	2021		2022		2023	
	Number	%	Number	%	Number	%
Employees with Disability	3	0.04	3	0.04	4	0.05

GOING FORWARD

Press Metal remains determined in our dedication to nurturing an inclusive workplace culture that advocates equality for all employees, irrespective of age, gender, ethnicity, nationality, sexual orientation, cultural background, religious belief and socioeconomic status. We remain steadfast in our commitment to ensuring that every member of our workforce feels equally valued, supported, and empowered to contribute their unique talents and perspectives. By providing equitable opportunities for professional development and fostering greater engagement, we cultivate a workplace where everyone has the chance to thrive and succeed, thus reaching their full potential and driving our shared vision of excellence forward.

Empowering Our People and Enriching Our Communities

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TALENT AND LABOUR MANAGEMENT

GRI 2-8, GRI 3-3, GRI 201-3, GRI 202-2, GRI 401-1, GRI 401-2, GRI 401-3, GRI 402-1, GRI 404-1, GRI 404-2, GRI 404-3

Capitals



UN SDGs



WHY IT MATTERS

Our employees are crucial to powering our continued growth and advancement as an organisation. By ensuring fair and merit-based compensation, providing ample training and development opportunities, and maintaining excellent labour relations, we strive to ensure high levels of employee engagement, motivation and satisfaction. This, in turn, leads to improved retention and the continuous growth of our human capital over time, enabling us to build a pipeline of people who are ready to assume leadership roles within the organisation.

Ultimately, by investing in our people, we remain competitive and create greater value as an organisation, even as market conditions evolve.

OUR APPROACH

We embrace a holistic approach to talent management that encompasses clear strategies across employee recruitment, development, retention, leadership and succession planning, with the aim of nurturing a highly skilled and high calibre workforce. Our practices in each of these areas are encapsulated within our employee management system and its associated policies and procedures.

Upholding Ethical Recruitment Practices

Our HR departments have implemented comprehensive recruitment policies and procedures, ensuring that candidates are hired based solely on their skills and abilities, irrespective of race, skin colour, gender, age, disability, sexual orientation, nationality, religion, marital status, family circumstances, cultural background, social origins, caste or any other personal attribute.

Further to this, we prioritise the hiring of local talent with the aim of creating sustainable socioeconomic impact on local communities in our areas of operation. By hiring locally, especially for managerial positions, we are also able to leverage our employees' knowledge of local laws, regulations and business practices, thus empowering us to develop more impactful business strategies and approaches.

At all times, we adhere to the minimum wage requirements of both Malaysia and the People's Republic of China. This commitment is outlined in our Human Rights Policy, which is aligned with applicable local labour laws governing minimum wage, working hours and overtime.

As part of our foreign talent recruitment practices, we advocate fairness and strictly stand against the imposition of any deposits, recruitment fees, equipment advances or other costs or charges on potential hires. These terms are clearly stated in our recruitment contracts and verbally made known to candidates either directly or through recruitment agencies. In addition, each recruitment contract is prepared in the languages of the potential employee to ensure clarity and understanding of employment terms and conditions.

Further to this, all new hires undergo onboarding process and receive briefings on their rights as per local law provisions during our mandatory induction programme, which also covers internal policies such as Human Rights Policy, CoC and OHS Policy. During the probation period, new hires may receive additional support through our Onboarding Buddy Programme to assist them in adjusting to their new work environment and culture.

Empowering Our People and Enriching Our Communities

Providing Competitive Remuneration and Benefits

To attract and retain a high-quality workforce, we provide competitive remuneration to all employees which includes both financial and non-financial modes of compensation. We also adhere to the principle of equal pay for equal work, as advocated by international treaties and national laws, in line with our responsibilities as a fair and ethical employer. In addition, our employees are made aware that overtime work is voluntary and are informed of the applicable overtime wage rates.

The benefits we provide our employees include:

Work + Life Integration		Leave	Subsidy
 Healthcare	 Festive celebrations	 Examination/Study leave	 Meal Subsidy
 Volunteer opportunity	 Performance award	 Parental leave	 Housing and utility subsidy
 Recreational activities	 Educational assistance	 Compassionate leave	 Transportation
Insurance			 Accommodation
 Healthcare Insurance	 Personal Accident Insurance		

Performance bonuses and annual increments are determined based on overall job performance and contribution during the financial year, with performance appraisals conducted for eligible employees annually. This incentivises them for their good performance during the year.

Adhering to Statutory Contributions

We contribute to our employees' retirement accounts as mandated by the laws of our countries of operation. For statutory pension funds in Malaysia, we contribute at minimum of 12% of each employee's monthly income. Additionally, all our employees in Malaysia are registered with the Employment Insurance System and Social Security Organisation ("SOCSO"), aligning with the country's legislative mandates.

Upskilling Our Employees

Employee training and development play a crucial role in our talent management strategy, aiding our efforts to improve job performance, foster relevant competencies and skills, and facilitate career progression. Our approach is outlined in our Human Rights Policy, Diversity Policy and Employee Handbook, crystallising our commitment to delivering trainings that meet the specific needs of our employees.

Our employees are availed of various training programmes and courses that are tailored to their developmental requirements. The diverse programmes we offer include professional qualifications as well as modules and sessions on technical competencies, soft skills, leadership skills, and human rights awareness. To ensure that trainings are suited to the needs of our employees, each entity within the Group is responsible for developing its own training programmes. Personalised training plans are created for each employee during their annual performance appraisal, based on the individual competency needs identified through our competency matrix.

In formulating personalised training needs, we conduct training evaluations by taking the following four (4) key criteria into account:

- **Reaction:** Participants' feedback to the training that is delivered
- **Knowledge:** The learning skills and concepts taught
- **Behaviour:** The extent to which employees may use the information acquired in their day-to-day work
- **Results:** The outcome of the training in terms of measurable, performance-based results

Empowering Our People and Enriching Our Communities

To ensure a holistic and well-rounded assessment of the training programmes, we gather feedback at two (2) levels:

- **Participant assessments:** Training Evaluation Feedback Form completed by employee upon the completion of the training
- **Supervisory evaluation:** A Post-Superior Evaluation Form is filled up by the employee's supervisor

Building a Pipeline of Future Leaders

Press Metal Succession Planning Framework was established at the corporate-level in FYE2023 to foster the growth of high-potential and high-performing employees equipped with the right competencies, culture and compatibility. This framework serves as the cornerstone of our commitment to organisational resilience and continuity.

At its core, the framework identifies several strategic initiatives to fuel talent dynamism for future leadership:

Competency-Based Evaluation & Mapping:

Establishing a competencies framework with tailored ratings for job roles and grades, facilitating the rigorous assessment of competencies through skill gap analyses and comparing expected ratings with employee evaluations. Gaps are addressed via collaborative discussions between employees, their supervisors and the HR Department, and personalised action plans are developed to identify areas for talent growth and enhancement.

Comprehensive Leadership Assessment & Development:

Nurturing leadership excellence internally through the SMOL©, a tool used to assess: Self-awareness (S), Motivation (M), Orientation (O), and Leadership (L) capabilities. This assessment combines psychometric exercises, refined over years of global talent management experience, providing insights for targeted development initiatives. Grounded in the PICE© Successor Development Framework and bolstered by dual mentorship and coaching, our leadership development strategy identifies tailored programmes to groom successors, fortifying organisational resilience and continuity through seamless role transitions.

3Re (Retention, Reward and Recognition) Total Compensation Strategy:

Crafting talent retention strategies and career advancement opportunities, offering competitive compensation packages and instituting an employee recognition programme to incentivise high performance.

These strategies are supported by a systematic succession pathway – a blueprint that encompasses seven (7) key stages:

1 Critical Role Identification

2 Building Job Profiles & Role Clarification

3 Successor Identification & Assessment

4 Successor Profile & Placement

5 Talent Engagement & Mindset Readiness

6 Succession Pipeline Development

7 Evaluation & Improvement

As we chart the course for the future, our focus remains on developing successors using our proprietary PICE© model. By leveraging the PICE© Successor Development Framework, which emphasises 70% On-the-Job Experiences, 20% Social Interactions, and 10% Competencies-based Training, we aim to create agile and forward-thinking leaders poised to navigate the complexities of the ever-evolving business landscape.

Empowering Our People and Enriching Our Communities

In addition to the framework, we utilise the internationally recognised and applied ICEBERG model to further improve our succession planning outcomes. Looking beyond the visible competencies of skills and knowledge, ICEBERG model seeks to uncover more fundamental attributes that influence an employee's ability to succeed in a role. Using the model, we are developing detailed job profiles for critical roles that cover not only qualifications and skills but also the ideal employee's mindset, values and other areas of alignment with our ethos as an organisation. This will help to ensure that successors are identified and nurtured in an objective manner, with a clear and holistic vision of the kind of people who will lead the Group in the future.

Promoting Work-Life Balance

Work-life balance is an important component of employee satisfaction, productivity and, ultimately, retention. To this end, our Sarawak operations have established a Sports, Welfare, Recreational & Culture ("SWRC") Committee to coordinate regular recreational activities and programmes, and we have teams across our other entities that focus on supporting and overseeing employee engagement activities. We actively encourage staff participation in the activities, which serve as opportunities for relaxation and social interaction as well as a chance to develop closer bonds across teams. We also organise family-oriented events to which our employees' family members are invited to join.

In FYE2023, Corporate HR department launched an employee CARE model, called Connect Authentic Recognition Engage, aiming to achieve work engagement, team engagement and organisational engagement.



Paintball Friendly Tournament in PMBtu

Promoting Open and Transparent Communication

We are committed to minimising any potential adverse impacts relating to our employees that may arise. Where significant organisational or operational changes do occur, we will be conducting thorough risk assessments and providing prior notice of such changes to our employees at least one (1) month in advance.

Simultaneously, we recognise the importance of having our employees feel valued and have an avenue to register complaints or provide feedback pertaining to their employment. To facilitate this, we have established a direct line of communication between all employees and their elected worker representatives through which they may express any concerns they have. As per our CoC, employees may register such concerns without fear of reprisal, thus fostering an environment that encourages the open airing of views and collaborative action towards improvement.

In addition to the grievance mechanism, we engage in transparent discussions with our employees through various channels including town halls and employee representative meetings, facilitated by the HR departments, enabling employees to provide their input on workplace issues. Likewise, our Sarawak operations host monthly employee representative meetings which will be attended by all employee representatives, including foreign staff. During these sessions, any issues raised are promptly addressed by Management Representative, as our effort to promoting a supportive work environment for all.

Empowering Our People and Enriching Our Communities

Maintaining Fair Labour Relations

We have implemented comprehensive SOPs such as the Employee and Industrial Relations SOP, to provide clear guidance on various matters related to employer-employee relations. Such SOP covers various areas of focus including employee engagement and dialogues, practices to safeguard the rights of both employers and employees such as rights to freedom of association as well as legally correct and ethical procedures for employment services and termination.

The SOP also defines different types of disciplinary offences and misconduct as well as the disciplinary actions that may be taken against an employee who has committed an offence. All submissions related to disciplinary actions undergo a thorough review by an elected Board of Appeal, akin to a Board of Domestic Inquiry, to scrutinise the disciplinary actions imposed on the accused employee. This ensures that all decisions related to disciplinary actions are fair and equitable.

To understand the satisfactory level of our employees, we conduct periodic employee engagement surveys covering key areas of interest such as working conditions, benefits and compensation, learning and development opportunities, leadership and any other matters of concern to them. The insights gained from these surveys empower us to formulate processes and programmes that improve satisfaction and drive employee retention.

OUR VALUE CREATION

Talent Development

During FYE2023, we continued to enhance our learning and development programmes by leveraging digital solutions and online learning platforms including:

Initiatives	Description
Press Metal E-Learning	<p>In FYE2023, we launched Press Metal E-Learning, a web-based platform that employees can use to access training materials and programmes conveniently.</p> <p>The platform offers flexibility by allowing employees to learn at their own pace. HR department or department heads may use the platform to delegate training sessions and set training goals.</p> <p>In addition, the Press Metal E-Learning comprised digital tools and platforms that enhances the learning and development such as Collaborative Learning Hub (“CLH”) and E-Onboarding Programme. The CLH fosters a culture of interdepartmental learning and knowledge sharing among subject matter experts, while the E-Onboarding Programme is designed to provide new employees with a comprehensive digital onboarding experience.</p> <p>Virtual learning modules offered via the platform include:</p> <ul style="list-style-type: none"> • Company Introduction • Vision and Values • Employee Handbook • ABAC • EHS Induction • IT Induction and Boss I-Net End User Briefing
Training Development Management System (“TDMS”)	<p>In July 2023, our Sarawak operations introduced the TDMS to digitise and streamline their learning and development processes. Employees may use the system to apply for internal training, view their training history and calendars, and submit pre- and post-training evaluations.</p>
WeChat Learning Platform	<p>Our entities in China utilise the mini programme featured in WeCom, in which a question bank comprising questions collected from each department, covering the scopes of EHS, sustainability and safety production, has been established.</p>


Empowering Our People and Enriching Our Communities

Talent Recruitment

We endeavour to recruit individuals who align with our values and contribute to our dynamic work environment, with the following initiatives taken in FYE2023 to attract such talent:

Initiatives	Description
<p>Youth Development Programme</p>	<p>We address skills gaps by supporting unemployed and underprivileged youths with training and employment opportunities. Programmes provided in FYE2023 include:</p> <ul style="list-style-type: none"> • Fresh graduate programme (aluminium smelting): A one-year programme to cultivate talents for roles in aluminium smelting • Apprenticeship/ Internship/ Trainee programme: An internship programme established by the Group • PENJANA programme: A training programme for polytechnic graduates that provides them with the skills to become process controllers • Student adoption programme: Programme that provides financial support for the educational needs <p>Our internship and management trainee programmes are designed to provide participants with hands-on experience and mentorship from experienced and passionate professionals. As a result, these programmes aid in the development of local talent and the advancement of the local economy.</p>
<p>Collaborations with Universities</p>	<p>During the year under review, we pursued various partnerships with both local and international universities across several initiatives.</p> <p>PMBA fostered knowledge-sharing in research with Universiti Malaya (“UM”) and Shanghai Jiao Tong University, whereby academic staff from UM were invited to visit PMI and PMIT, gaining practical industry-level experience. As a result of the programme, several final year projects and one (1) integrated design project (“IDP”) related to aluminium processing were proposed and accepted, with the UM students set to carry out these projects within PMBA.</p> <p>In addition, PMBA collaborated with the Malaysia–Japan International Institute of Technology (“MJIT”), Universiti Teknologi Malaysia, by sponsoring an IDP for an automatic solar panel processing line that is designed to enhance our cutting, punching and sealing processes. Subsequently, one (1) MJIT student commenced an industrial attachment with the PMBA, serving as an engineer/ consultant and contributing to our preparations for the ISO 17025:2017 accreditation of our laboratory.</p> <p>PMBA also partnered with Universiti Tunku Abdul Rahman (“UTAR”), initiating a project focused on evaluating energy efficiency and carbon footprint in aluminium production. Additionally, they participated in UTAR’s Final Year Project Poster Competition and career fair. Furthermore, PMBA collaborated with Universiti Sains Malaysia (“USM”) for internships, and with Monash University Malaysia for a project aimed at enhancing wastewater treatment efficiency. These collaborations bolstered PMBA’s research and industry connections, fostering knowledge exchange and practical applications.</p> <div data-bbox="422 1738 986 2107" data-label="Image"> </div> <p style="text-align: center;">UM academic staff visit to PMI & PMIT</p>

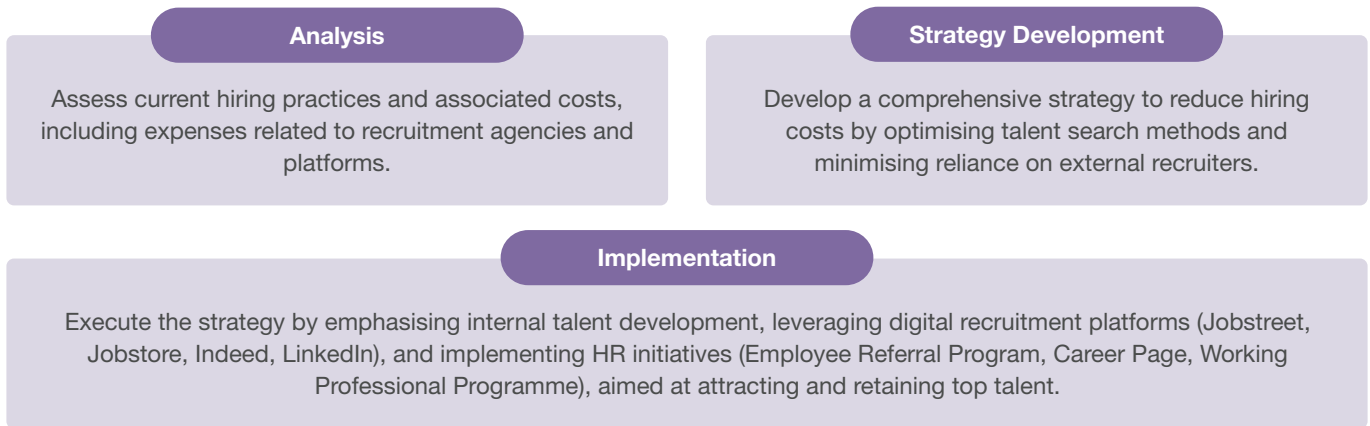
Empowering Our People and Enriching Our Communities

Initiatives	Description
<p>Collaborations with Universities</p>	<p>PMBtu, meanwhile signed an MOU with the University of Technology Sarawak to spearhead various projects across human capital development, research, innovation and community development.</p> <p>Meanwhile, we continued to collaborate with Politeknik Mukah Sarawak to facilitate the sharing of expertise, equipment and facilities. The collaboration also encompasses training and certification consultations, syllabus and curriculum improvement, research, publication, innovation and commercialisation. In addition, students and lecturers are availed of the opportunity to undergo industrial training, work-based learning and lecturer-industrial attachments.</p> <p>In addition to the above, Corporate HR department has initiated a Working Professional Programme, in collaboration with INTI International University & Colleges. The primary objective of this Working Professional Program is to foster a culture of continuous learning and provides our employees with enhanced opportunities for personal and professional growth. By joining forces with INTI and other similar educational institutions, we aim to instil a continuous learning and improvement culture within our workplaces. Under this Working Professional Program arrangement, our employees and their immediate family members who enrol in selected INTI programmes or courses will receive attractive corporate discounts on tuition fees. A total of seven (7) individuals have enrolled in the programme, of which five (5) are self-enrolled, and two (2) are enrolled as immediate family members.</p>  <p style="text-align: center;">MOU signed with UTS</p>
<p>Local Recruitment</p>	<p>In FYE2023, our Sarawak operations organised some recruitment sessions in collaboration with the Labour Department and SOCSO Sarawak, to promote local employment and diversify our applicant pool. PMBtu continued to recruit talents through job postings and by hosting open interviews every Friday and Saturday.</p> <p>In addition to these initiatives, we participated in career fairs and career talks to connect with local talents from communities around our operations. In FYE2023, PMBtu participated in Press Metal’s Career Talks 2023, which was a collaboration with the Bintulu District Education Office, Penglibatan Ibu Bapa dan Komuniti, secondary schools and Bintulu Vocational College. The talk showcased insights on the career pathways available to young talents, enabling us to enhance our visibility among students and position ourselves as an employer of choice for graduates.</p>

Empowering Our People and Enriching Our Communities

Recruitment Optimisation

To streamline the hiring process, we have developed the Smart Hire Savings initiative, aimed at optimising hiring costs by reducing reliance on recruitment agencies, leveraging various platforms and HR initiatives for talent search. The strategic initiative focusing on the following key steps:



Employee Referral Program (“EmpRP”) is designed to encourage our current employees to refer qualified candidates for open positions within our organisation. The EmpRP aims to attract high quality candidates, streamline hiring process, and reduce recruitment costs.

Career Development Programme

To drive optimal leadership development, employees with high growth potential - who are selected based on merit - are enrolled in a 12-month career progression programme, with successful candidates promoted to positions relevant to their identified skills and attributes. Complementing this, the following initiatives have been designed to accelerate the career development of these employees:

Programme	Purpose of Improvement
Leadership Tea Talk	A series of discussions, workshops and informal drop-ins provided for employees at the executive and managerial levels to gain valuable insights from our most senior leaders.
Engineer Development Programme	A purpose-fit programme to develop qualified engineers.
Executive Development Programme	A purpose-fit programme to develop the skills and competencies required of executive-level employees.
Supervisory Development Programme	A programme that refines the analytical and problem-solving skills of supervisory-level employees, empowering them to become more effective in managing operational teams.

Employee Engagement

Through our annual employee engagement survey, several entities identified concerns relating to our workplace practices which we subsequently addressed through targeted action plans. For example, some employees highlighted concerns relating to our career development programmes and our infrastructure and facilities. Consequently, we took proactive steps to improve employee engagement and introduce additional team-building activities, thereby boosting employee morale. Additionally, we enhanced the facilities within these workplaces, such as, increasing parking areas, providing meal subsidies for frontline employees and improving the infrastructure within employee accommodation. We also initiated programmes to improve employee safety awareness and knowledge, thereby increasing productivity and operational efficiency.

Empowering Our People and Enriching Our Communities

PMBtu Township Development

In FYE2023, PMBtu undertook new township development to enhance the living conditions of our employees at Samalaju Industrial Park, Bintulu. The development includes, amongst others, 20 blocks of workers' accommodation in compliance with the Employees' Minimum Standards of Housing, Accommodations and Amenities Act 1990 (Act 446), spanning a total land area of 72.2 acres.

The township includes recreational areas for leisure and sporting activities, along with ample parking spaces for vehicles, commercial shophouses and other business opportunities for local communities. This is in line with our goal of cultivating a balanced work-life culture for our employees and enhancing their well-being.

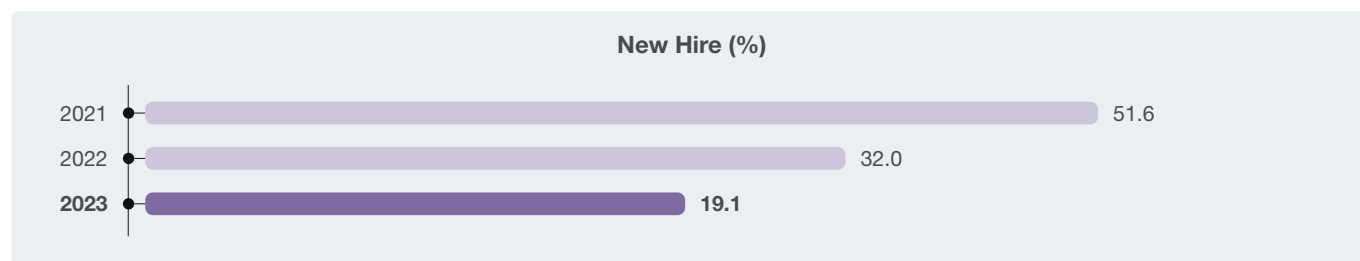
HOW WE PERFORMED IN 2023

Employees by Permanent or Temporary Positions

Employees by Positions	2021		2022		2023	
	Permanent	Temporary/ Contract	Permanent	Temporary/ Contract	Permanent	Temporary/ Contract
	81.0%	19.0%	85.4%	14.6%	83.5%	16.5%

New Hire

Our new hire, recorded at 19.1%, decreased by 12.9% point as compared to FYE2022.



New Hire by Age Group

Age	2021		2022		2023	
	Number	%	Number	%	Number	%
<30 Years Old	2,398	69.6	1,073	64.3	774	65.2
30-50 Years Old	1,016	29.5	413	24.8	406	34.2
Above 50 Years Old	31	0.9	182	10.9	7	0.6

New Hire by Gender

Gender	2021		2022		2023	
	Number	%	Number	%	Number	%
Male	3,011	87.4	1,437	86.2	1,017	85.7
Female	434	12.6	231	13.9	170	14.3

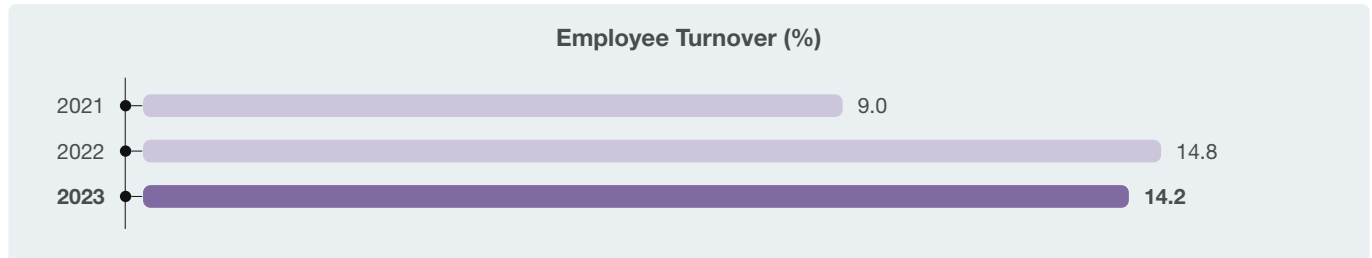
New Hire by Region

Region	2021		2022		2023	
	Number	%	Number	%	Number	%
Malaysia	2,350	68.2	1,197	71.8	912	76.8
China	1,095	31.8	471	28.2	275	23.2

Empowering Our People and Enriching Our Communities

Employee Turnover

Our employee turnover decreased by 0.6% point as compared to FYE2022, reflecting our efforts to provide attractive compensation and benefits packages alongside career development opportunities and a healthy work-life balance.



Employee Turnover by Age Group

Age	2021		2022		2023	
	Number	%	Number	%	Number	%
<30 Years Old	857	58.9	625	64.6	637	61.7
30-50 Years Old	556	38.2	308	31.8	355	34.4
Above 50 Years Old	43	3.0	35	3.6	40	3.9

Employee Turnover by Gender

Gender	2021		2022		2023	
	Number	%	Number	%	Number	%
Male	1,305	89.6	819	84.6	879	85.2
Female	151	10.4	149	15.4	153	14.8

Employee Turnover by Region

Region	2021		2022		2023	
	Number	%	Number	%	Number	%
Malaysia	1,232	84.6	651	67.3	725	70.3
China	224	15.4	317	32.7	307	29.7

Workforce Locality

In FYE2023, 88.6% of our hired senior management employees were local, showcasing our dedication to supporting and investing in the communities where we operate.

Employees by Locality	2021		2022		2023	
	Number	%	Number	%	Number	%
Local	5,808	79.0	5,889	80.7	6,066	82.9
Foreign	1,548	21.0	1,411	19.3	1,255	17.1

Average Training Received by Employee

In FYE2023, we invested RM1.1 million in training programmes for our employees, recording a total of 342,848 training hours across our manufacturing facilities. This equated to an average of 46.8 training hours per employee.

2021		2022		2023	
Average Training Days	Average Training Hours	Average Training Days	Average Training Hours	Average Training Days	Average Training Hours
1.6	12.5	6.2	49.2	5.9	46.8

Note: Data for the Average Training Days and Average Training Hours for FYE2021 has been restated due to an enhanced disclosure methodology employed for this reporting period.

Empowering Our People and Enriching Our Communities

Average Training Hours per Employee by Employee Category

Employee Category	2021	2022	2023
Senior Management	12.5	14.7	32.9
Management		17.5	43.0
Executive		46.7	56.4
Non-Executive		50.6	45.7

Average Training Hours per Employee by Gender

Employee Category	2021	2022	2023
Male	12.5	52.7	48.9
Female		27.0	33.4

Total Training Hours by Employee Category

Employee Category	2021	2022	2023
Senior Management	92,040.3	471	1,086
Management		3,038	7,608
Executive		37,865	47,800
Non-Executive		317,926	286,352

Average Training Hours Spent by Types of Training

Types of Training	Average Training Hours Spent	% of Training Hours Spent
Competency	3.7	8.0
Compliance	11.4	24.4
Staff Development	30.1	64.2
Others	1.6	3.4

Career Development Programme

In line with our commitment to providing employees with opportunities to enhance their skills and expand their professional network, our workforce collectively completed 4,556 hours in learning under career development programmes during FYE2023.

Career Development Programme	Number of Training Sessions	Total Training Hours
Leadership Tea Talk	1	152
Engineer Development Programme	10	1,168
Executive Development Programme	33	2,466
Supervisory Development Programme	2	770

Empowering Our People and Enriching Our Communities

Youth Development Programme

In FYE2023, we offered 92 internships and 31 management trainee opportunities, while successfully retained 7 interns.

Internship & Management Trainee Programmes	2023
Number of Internships Provided	92
Number of Interns Retained	7
Number of Management Trainees	31
Number of Management Trainees Retained	0

Performance Appraisal

In FYE2023, 97.3% of employees underwent the annual performance appraisal and received personalised trainings to enhance their skills and knowledge.

Percentage of Employee Receiving Performance Appraisal by Gender			
Employee Gender	2021	2022	2023
Male	84.6%	93.8%	98.3%
Female		81.8%	91.7%

Promoting Employee Wellbeing

In FYE2023, we invested approximately RM411,000 in recreational activities, with the aim of improving employee wellbeing.

SWRC Approach	Number of Activities Organised	Number of Participants	Examples of Events Organised in 2023
Sports	30	26,575	- Ambang Merdeka Closed Invitation Futsal Tournament 2023 - Sport Tournament: Paintball, E-sport, Futsal, Badminton and etc.
Welfare	35		- Haircut campaign: We'll Style While You Smile - Monthly Birthday Celebration
Recreational	7		- Team building trip to Gua Niah - Karaoke Night
Culture	30		- Reading Sharing Sessions - Traditional festive celebration

Employee Engagement

In FYE2023, 6,837 employees participated in our employee engagement survey, with an overall rating of 80.2%.

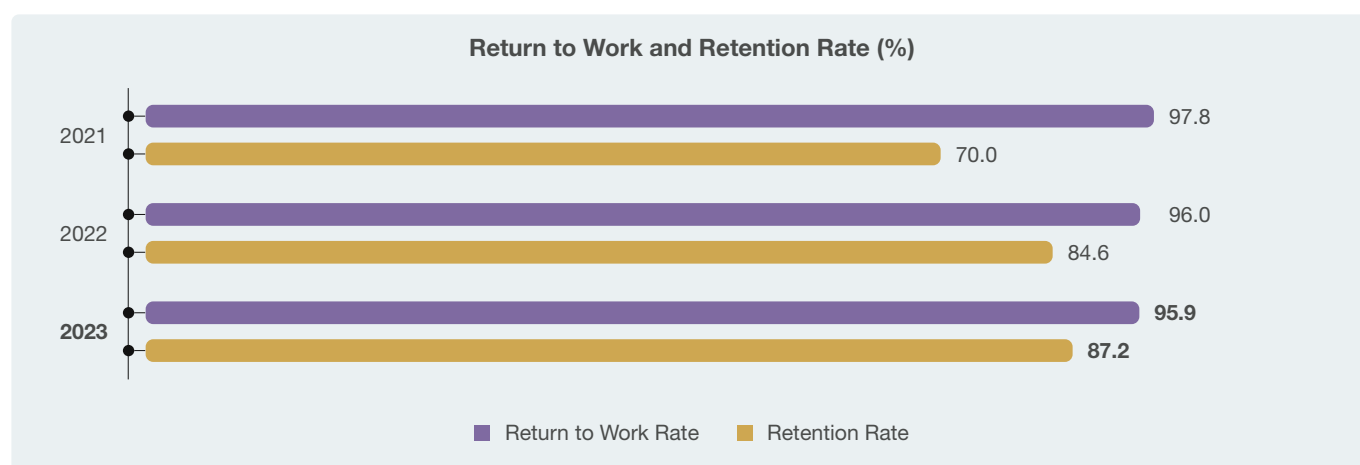
Empowering Our People and Enriching Our Communities

Parental Leave

In FYE2023, 293 employees took parental leave, including 227 males and 66 females. Notably, 99.6% of male employees and 83.3% of female employees returned to work following the conclusion of their parental leave.

	2021		2022		2023	
	Male	Female	Male	Female	Male	Female
Total number of employees entitled to parental leave	2,055	462	2,688	463	2,830	446
Total number of employees who took parental leave	33	59	131	45	227	66
Total number of employees that returned to work in the reporting period after parental leave	33	57	130	39	226	55
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	29	34	115	28	194	51
Return to work rate	100.0%	96.6%	99.2%	86.7%	99.6%	83.3%
Retention rate	87.9%	59.7%	88.5%	71.8%	85.8%	92.7%

Note: Data aggregated from our manufacturing facilities (PMBtu, PMS, PMAR, PMBA, PMI and PMIT) and our corporate headquarters (PMAH).



GOING FORWARD

The quality of the talent is a critical determinant of our strength as an organisation. Recognising this, we shall continue to provide attractive remuneration and benefits while fostering a culture of continuous learning and development, with the goal of retaining our valued employees and nurturing them to assume leadership positions within the Group.

In doing this, we will take a holistic view of the competencies required of future leaders, looking not only at hard skills and knowledge but also at our employees' motivation and alignment with our values as an organisation, conscious that these less tangible attributes have a major impact of an employee's ability to create value and bring the best out of their teams.

Empowering Our People and Enriching Our Communities

M18

COMMUNITY MANAGEMENT

GRI 2-16, GRI 2-23, GRI 2-25, GRI 2-26, GRI 2-30, GRI 3-3, GRI 203-1, GRI 203-2, GRI 406-1, GRI 407-1, GRI 408-1, GRI 409-1, GRI 410-1, GRI 411-1, GRI 413-1, GRI 413-2

Capitals



UN SDGs



WHY IT MATTERS

Our investments in local communities are critical for our long-term success as a business. By improving livelihoods and quality of life, we foster economic advancement and cultivate a resilient community.

Through integrated and well-coordinated engagement efforts, we can effectively utilise available resources to maximise the impact of our efforts in bringing positive change; building a thriving and resilient community. In addition, our investments in education and skills development build local human capital and provide us with access to a pool of talent that may be able to contribute to our growth as a business. This, in turn, strengthens our reputation as a responsible and purposeful organisation.

Moreover, by investing in local communities we are contributing to the national socio-economic development agenda as outlined in the 12th Malaysia Plan, thus strengthening government relations and positioning Press Metal as a champion of Malaysia's advancement and prosperity.

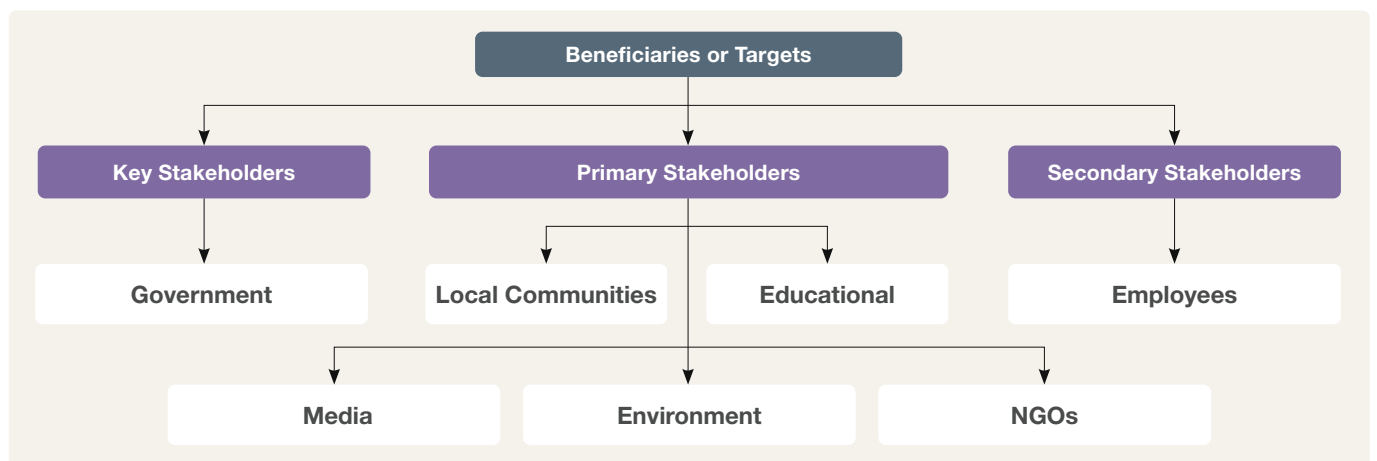
OUR APPROACH

Investing in community development forms the core of our community management efforts, encompassing the enhancement of infrastructures, facilitation of proper developments, promotion of economic prosperity and spearheading of environmental sustainability.

Identifying our Community Impact

Prior to the construction of our manufacturing facilities, we conduct stakeholder identification and engage with surrounding communities as part of the EIA exercise, gathering feedback and engaging in dialogue to understand how we can positively impact the community.

In our commitment to community stakeholder engagement, we focus on meaningful interaction and collaboration with local communities. We have implemented a structured approach that categorises communities into three (3) distinct groups: key stakeholders, primary stakeholders, and secondary stakeholders. This classification enables us to conduct thorough analysis of the community's issues and tailor our actions to address the needs of our communities.



Empowering Our People and Enriching Our Communities

By forging strong partnerships with these stakeholders, we may influence to drive sustainable development initiatives that benefit the broader community. Understanding the concerns and needs allow us to develop targeted action plans. Through this structured framework, we strive to build meaningful relationships through community dialogues.

Managing Community Relations and Cultural Sensitivity

Criteria detailing communication activities for each target community category are outlined in the Local Community Communication SOP, guiding decision-making on CSR projects. On a larger scale, our Communications & Public Relations (“CPR”) Department serves as a medium to facilitate effective stakeholders’ communication, addressing various issues such as economic, social, cultural, environmental, safety and health concerns as well as emergency risk communications.

Our commitment to local communities is further detailed in our Human Rights Policy. We recognise the diversity of our workforce and community, respecting differences in customs, cultures and values. In Sarawak, our induction programme helps our ethnically diverse workforce to understand and respect local customs, backgrounds and traditions as well as promoting cultural sensitivity and inclusion in daily interactions. In tandem with this, we continuously evaluate and seek to improve our community management approach while conducting training programmes to raise greater awareness among our employees.

Promoting Community Development

The CPR Management System delineates our CSR agenda around five (5) pillars: socioeconomics, health and safety, education, environment and sports. Each pillar is guided by specific CSR categories as its guiding principles, while some pillars may be paired with one or more categories, allowing for a comprehensive approach to community development.

Pillars	Guiding Principle/ CSR Category	Expected Outcomes
Socioeconomics	<ul style="list-style-type: none"> Economics Social Change Work/ Policy Development 	<ul style="list-style-type: none"> Enhancement of local community’s economic growth Improvement in local community’s quality of life
Health & Safety	<ul style="list-style-type: none"> Physical Health Safety & Security Development Sponsorship 	<ul style="list-style-type: none"> Improvement in local community’s quality of health and health awareness Securing the local community’s trust in the safety of our production processes and procedures
Education	<ul style="list-style-type: none"> Development Sponsorship 	<ul style="list-style-type: none"> Enhancement in the quality of the education process Improvement in the quality and quantity of talents
Environment	<ul style="list-style-type: none"> Environment Development Sponsorship 	<ul style="list-style-type: none"> Maintaining the environmental friendliness of our operations Securing the local community’s trust in our environmentally conscious production processes and procedures
Sports	<ul style="list-style-type: none"> Development Sponsorship 	<ul style="list-style-type: none"> Improvement in the quality of sports talent Improvement in the local community’s sports achievements

Platforming Community Concerns for Resolution

Our Local Community Grievance Management SOP outlines the protocol for community members to voice their concerns on issues relating to our operations. Grievances may cover socio-economic, environmental, health and safety, developmental, educational and other concerns. The protocol is designed to have a transparent process for dealing with grievances and complaints in a fair, consistent and prompt manner.

We ensure that community members can voice their grievances promptly and satisfactorily, guaranteeing that the needs of our community stakeholders are heard and addressed, thus promoting the transparency and accountability in our decision-making processes.

Empowering Our People and Enriching Our Communities

OUR VALUE CREATION

As a testament to our CSR efforts, we have established community-oriented programmes focusing on various fields of societal development. Through educational support and in-kind contributions, we strive to create enduring positive impacts on the well-being of surrounding communities.

Organising CSR Programmes and Charity Contributions

We take pride in our commitment to supporting and strengthening local communities through various in-kind charitable contributions and CSR programmes, cementing our role as a socially responsible organisation that prioritises societal well-being.

Health

We support our local health sector in various forms, including financial support and resource contributions, aiming to make a substantial impact on community health. In FYE2023, we contributed approximately RM749,000 towards supporting local health providers, with notable contributions including:

- Sponsorship of one (1) unit portable x-ray machine worth RM500,000 to Bintulu Divisional Health Office (with another unit to be sponsored in year 2024)
- Sponsorship of RM200,000 to Bintulu Divisional Health Office to aid them in their digital transformation journey
- Sponsorship of medical fridge, laptop, chairs and folding tables to assist and support the local health authority in improving their current medical facilities



ICT Equipments Contribution to Bintulu Divisional Health Office



Contribution of Medical Fridge to Pharmacy Unit Hospital Bintulu



Sponsorship of MegaCPR Bintulu Division



Sponsorship for Sambutan Hari Pembantu Perubatan Bahagian Bintulu

Empowering Our People and Enriching Our Communities

Social & Culture

In line with our role as a corporate citizen, we strive to generate positive impacts for the communities we serve, including by supporting their cultural diversity. To this end, we distributed over RM1.8 million to local communities, with notable contributions including:

- Donation of RM1,000,000 to the emergency relief fund for earthquake victims
- Sponsorship of RM350,000 to Bintulu New Year 2023 Countdown Carnival
- Donation of RM200,000 to BRDB Rotary Children's Residence to support underprivileged and at-risk children



Sponsorship of Fire Extinguisher to local communities



Sponsorship for Sarawak State Level Lion Dance Competition

Education

As education plays a pivotal role in the socio-economic development of communities, we are dedicated to equipping youths with the necessary skills and knowledge to succeed. Over RM314,000 was allocated in FYE2023 which aimed at supporting youth capacity development, with some highlights including:

- Sponsorship of over RM52,000 for the student excellence awards to incentivise student success
- Contributed SMART TVs and SMART Boards worth over RM78,000 to several educational institutions, facilitating digital learning experiences for students
- Sponsorship of RM25,000 for Young Executives Sustainability Summit 2023 organised by UNGC Malaysia and Brunei, aims to inspire and empower young Malaysian executives to spearhead sustainability efforts, advocate intergenerational leadership best practices, and facilitate networking for collaborative action



Sponsorship of educational equipments to SMK Bintulu



Sponsorship for Young Executives Sustainability Summit 2023

Empowering Our People and Enriching Our Communities

Sports

We actively support the sports industry by sponsoring local sports activities and encouraging employee participation in sports to promote a healthy, active lifestyle within local communities. In FYE2023, over RM2.6 million was contributed towards diverse sports initiatives, such as:

- Sponsorship of RM1 million to Kuching City Football Club for the sportspersons participation in Malaysia Super League
- Sponsorship of RM50,000 to Blue Cap Relay Run to raise awareness about prostate cancer and promote a healthy lifestyle
- Sponsorship of RM1.3 million to Sarawak Badminton Association for the development of local talent



Sponsorship for Kuching City Football Club



Blue Cap Relay Run

Environment

Playing our part in fostering a positive environmental impact within local communities, we have initiated projects such as:

- Sponsorship of RM64,460 to Alashan Society Entrepreneur Ecology Foundation programme to support environmental organisations and projects
- Sponsorship of approximately RM292,000 towards the Tree Planting Programme, a small step towards the preservation and restoration of biological diversity through the rehabilitation process of planting trees



Tree Planting Event



E-waste Collection Campaign

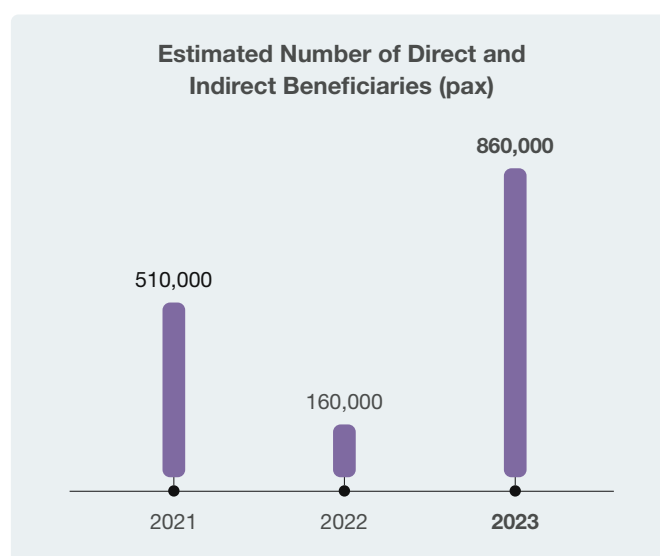
Empowering Our People and Enriching Our Communities

Promoting Volunteerism

We encourage volunteerism at every level of our organisation by establishing a volunteer platform within respective entities for employees to take part in community-based activities, thus enabling them to develop meaningful relationships and deepen their level of job satisfaction. Throughout the year, our employees dedicated their time to different activities such as gotong-royong, blood donation and visitation to homes for the elderly.

HOW WE PERFORMED IN 2023

Contributions to the Local Communities



Volunteerism

	2021	2022	2023
Number of Participating Employees	274	1,674	1,075
Total Volunteer Hours	0	3,407	7,771
Estimated Number of Direct and Indirect Beneficiaries	510,000	160,000	860,000
Number of CSR Events Organised	58	137	141

Note: Aggregated data from our manufacturing facilities (PMBtu, PMS, PMAR, PMBA, PMI and PMIT) and our corporate headquarters (PMAH).

Stakeholders' Perspectives and Feedback

During the exercise of SIA in FYE2023, we engaged our stakeholders to gather local communities' feedback of our impacts. Respondents from PMS noted no significant social issues and expressed that our presence has led to positive socio-economic development. Similarly, respondents from PMBtu reported favourable views on current issues, cultural effects, conditions and infrastructure availability.

GOING FORWARD

Press Metal endeavours dynamic partnerships that harness the collective efforts and resources of diverse stakeholders. By fostering a culture of cooperation, we aspire to co-create sustainable solutions that address the evolving needs and challenges of our communities.

Our focus remains rooted in fostering resilience, inclusivity, and prosperity within our communities. We are committed to making a tangible and lasting difference in the lives of our surrounding communities, by strategically allocating resources and engaging in a proactive manner to unlock new opportunities for community empowerment and development.

INDEPENDENT LIMITED ASSURANCE REPORT



INDEPENDENT LIMITED ASSURANCE REPORT TO THE MEMBERS OF

PRESS METAL ALUMINIUM HOLDINGS BERHAD

(Incorporated in Malaysia)

Company Registration No: 201601027232 (1198171-H)

Grant Thornton Malaysia PLT

Level 11, Sheraton Imperial Court

Jalan Sultan Ismail

50250 Kuala Lumpur

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Independent Limited Assurance Report on Subject Matter Information in Press Metal's Sustainability Report 2023

We, Grant Thornton Malaysia PLT ("Grant Thornton") were engaged by Press Metal Aluminium Holdings Berhad ("PMAH") to provide limited assurance on selected material sustainability indicators ("Subject Matter Information") as reported by PMAH and its subsidiaries (collectively referred to as "Press Metal") in its Sustainability Report for the year ended 31 December 2023 ("Sustainability Report").

Limited Assurance Conclusion

Based on the work we have performed and the evidence we have obtained, nothing has come to our attention that causes us to believe that the Subject Matter Information has not been prepared, in all material respects, in accordance with the Reporting Criteria.

This conclusion is to be read in the context of what we say in the remainder of this report.

Subject Matter Information

The scope of our work was limited to assurance over selected material sustainability indicators reported in Press Metal's Sustainability Report, as presented below.

Underlying Subject Matter	Units	Subject Matter Information
GHG emissions (Scope 1 and Scope 2)	Kilotonnes CO ₂ e	4,293.3
GHG emissions intensity (Scope 1 and Scope 2)	Tonnes CO ₂ e/Tonne of Aluminium	3.3
Total energy consumption	Million Gigajoules	55.6
Number of work-related fatalities	Number	Zero/Nil
Lost-time injury frequency rate	Number/Million Manhours	2.7

Our assurance does not extend to any other information that may be included in the Sustainability Report for the current year or for previous periods unless otherwise indicated.

Audit | Tax | Advisory

Chartered Accountants
Grant Thornton Malaysia PLT [201906003582 [LP0022494-LCA] 6 AF 0737] is a Limited Liability Partnership and is a member firm of Grant Thornton International Ltd (GTIL), a private company limited by guarantee, incorporated in England and Wales.
Grant Thornton Malaysia PLT was registered on 1 January 2020 and with effect from that date, Grant Thornton Malaysia (AF 0737), a conventional partnership was converted to a Limited Liability Partnership.

grantthornton.com.my

Independent Limited Assurance Report



Company Registration No: 201601027232 (1198171-H)

Independent Limited Assurance Report on Subject Matter Information in Press Metal's Sustainability Report 2023 (cont'd)

Reporting Criteria

The Subject Matter Information needs to be read and understood together with the Reporting Criteria, which Press Metal is solely responsible for selecting and applying.

The reporting criteria adopted for reporting the Subject Matter Information are based on Press Metal's internal sustainability reporting guidelines along with their definitions and calculation methodologies as disclosed within the Sustainability Report ("Reporting Criteria").

Board of Directors and Management's Responsibilities

The Directors and Management of Press Metal are responsible for:

- the design, implementation and maintenance of internal control relevant to the preparation and presentation of Subject Matter Information that is free from material misstatement, whether due to fraud or error;
- selecting and/or establishing suitable Reporting Criteria;
- measuring or evaluating and presenting the Subject Matter Information in accordance with the Reporting Criteria; and
- the preparation of the Sustainability Report and the Reporting Criteria and their contents.

Our responsibilities

We are responsible for:

- planning and performing the engagement to obtain limited assurance about whether the Subject Matter Information has been prepared in accordance with the Reporting Criteria;
- forming an independent limited assurance conclusion, based on the work we have performed and the evidence we have obtained; and
- reporting our limited assurance conclusion to Press Metal.

Our Quality Management and Independence

Our firm applies Malaysian Approved Standard on Quality Management, ISQM 1, *Quality Management for Firms that Perform Audits and Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires the firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

We have complied with the independence and other ethical requirements of the By-Laws (*on Professional Ethics, Conduct and Practice*) of the Malaysian Institute of Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour.

Independent Limited Assurance Report



Company Registration No: 201601027232 (1198171-H)

Independent Limited Assurance Report on Subject Matter Information in Press Metal's Sustainability Report 2023 (cont'd)

Assurance standards and level of assurance

We performed a limited assurance engagement in accordance with the approved standard for assurance engagements in Malaysia, International Standard on Assurance Engagements 3000 (Revised), "Assurance Engagements other than Audits and Reviews of Historical Financial Information" ("ISAE 3000 (Revised)"), and in respect of the greenhouse gas emissions information included within the Subject Matter Information, in accordance with International Standard on Assurance Engagements 3410, "Assurance Engagements on Greenhouse Gas Statements" ("ISAE 3410"). These standards require that we plan and perform this engagement to obtain limited assurance about whether the Subject Matter Information is free from material misstatement.

A limited assurance engagement is substantially less in scope than a reasonable assurance engagement in relation to both the risk assessment procedures, including an understanding of internal control, and the procedures performed in response to the assessed risks which vary in nature from, and are less in extent than for, a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. Accordingly, we do not report a reasonable assurance conclusion.

Work performed

Considering the circumstances of the engagement our work included, but was not restricted to:

- assessing the suitability of the Reporting Criteria as the basis of preparation for the Subject Matter Information;
- conducting interviews with management and relevant staff at group level and selected business unit level concerning sustainability strategies and policies for material issues, and the implementation of these across the business operations;
- assessing the risk of material misstatement of the Subject Matter Information, whether due to fraud or error, and responding to the assessed risk as necessary in the circumstances;
- conducting interviews with relevant management of Press Metal and examining selected documents to obtain an understanding of the processes, systems and controls in use for measuring or evaluating, recording, managing, collating and reporting the Subject Matter Information;
- conducting interviews with sites, selected on the basis of a risk analysis including the consideration of both quantitative and qualitative criteria;
- performing analytical procedures for consistency of data with trends and our expectation;
- performing selected limited substantive testing including agreeing a selection of the Subject Matter Information to corresponding supporting information;
- considering the appropriateness of a selection of selected carbon conversion factor calculations, unit conversion factor calculations and other calculations used by Press Metal to prepare the Subject Matter Information including by reference to widely recognised and established conversion factors;
- considering the organisational boundary of Press Metal for the reporting of Subject Matter Information;
- evaluating the overall presentation of the Subject Matter Information; and
- reading the Sustainability Report and narrative accompanying the Subject Matter Information in the Sustainability Report with regard to the Reporting Criteria, and for consistency with our findings.

Independent Limited Assurance Report



Company Registration No: 201601027232 (1198171-H)

Independent Limited Assurance Report on Subject Matter Information in Press Metal's Sustainability Report 2023 (cont'd)

Inherent Limitations

Due to the inherent limitations of any internal control structure, it is possible that errors or irregularities in the information presented in the Sustainability Report may occur and not be detected. Our engagement is not designed to detect all weaknesses in the internal controls over the preparation and presentation of the Sustainability Report, as the engagement has not been performed continuously throughout the period and the procedures performed were undertaken on a test basis.

Intended use of this report

This limited assurance report, including our conclusion, is made solely to Press Metal in accordance with the terms of the agreement between us. Our work has been undertaken so that we might state to Press Metal those matters we are required to state to them in an independent limited assurance report and for no other purpose. We have not considered the interest of any other party in the Subject Matter Information.

To the fullest extent permitted by law, we do not accept nor assume responsibility and deny any liability to any party other than Press Metal for our work or this report, or for the conclusion we have reached.

Our report is released to Press Metal on the basis that it shall not be copied, referred to or disclosed, in whole (save for Press Metal's own internal purposes) or in part, without our prior written consent.

A handwritten signature in black ink, consisting of a stylized, flowing line that starts with a loop and extends to the right.

Grant Thornton Malaysia PLT
(201906003682 & LLP0022494-LCA)
Chartered Accountants

Kuala Lumpur
Date: 22 April 2024

GRI CONTENT INDEX

Press Metal has reported the information with reference to the GRI Standards 2021 for the period covering the full calendar year from 1 January to 31 December 2023 as cited in this GRI content index.

GRI STANDARD	DISCLOSURE	LOCATION	
GRI 2: General Disclosures 2021	ORGANISATIONAL PROFILE		
	2-1	Organisational details	About This Report, pages 2-3 Who We Are, page 4 Our Integrated Value Chain, page 5 About This Sustainability Report, page 87 Our Approach to Sustainability, page 94
	2-2	Entities included in the organisation's sustainability reporting	About This Sustainability Report, page 87
	2-3	Reporting period, frequency and contact point	About This Sustainability Report, page 87
	2-4	Restatement of information	Restatements of information is disclosed at the relevant sections, where applicable
	2-5	External assurance	About This Sustainability Report, page 87 Independent Limited Assurance Report, pages 187-190
	ACTIVITIES AND WORKERS		
	2-6	Activities, value chain and other business relationships	Who We Are, page 4 Our Integrated Value Chain, page 5 Our Key Strengths, pages 6-7 Chairman's Statement, pages 12-15 Management Discussion and Analysis by Group CEO, pages 16-21 Our Value Creation Model, pages 38-39 About This Sustainability Report, page 87 Message from Group CEO, pages 90-91
	2-7	Employees	Diversity and Inclusivity, pages 164-167
	2-8	Workers who are not employees	Talent and Labour Management, pages 168-180
GOVERNANCE			
2-9	Governance structure and composition	Corporate Information, page 40 Profile of Our Board of Directors, pages 42-47 Profile of Our Key Senior Management, Key Operating Management and Country Heads, pages 48-50 Our Approach to Sustainability, page 94	
2-10	Nomination and selection of the highest governance body	Corporate Governance Overview Statement, pages 63-65	

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION	
GRI 2: General Disclosures 2021	GOVERNANCE (CONT'D)		
	2-11	Chair of the highest governance body	Corporate Information, page 40 Profile of Our Board of Directors, pages 42-47
	2-12	Role of the highest governance body in overseeing the management of impacts	Corporate Governance Overview Statement, pages 52-59
	2-13	Delegation of responsibility for managing impacts	Our Approach to Sustainability, page 94
	2-14	Role of the highest governance body in sustainability reporting	
	2-15	Conflicts of interest	Profile of Our Board of Directors, pages 42-47 Corporate Governance Overview Statement, pages 70-71 Business Ethics and Corporate Governance, pages 101-104
	2-16	Communication of critical concerns	Engaging with Our Stakeholders, pages 26-28 Business Ethics and Corporate Governance, pages 101-104 Human Rights, pages 158-163 Community Management, pages 181-186
	2-17	Collective knowledge of the highest governance body	Corporate Governance Overview Statement, pages 64-69
	2-18	Evaluation of the performance of the highest governance body	Corporate Governance Overview Statement, pages 64-65
	2-19	Remuneration policies	Corporate Governance Overview Statement, pages 69-70
	2-20	Process to determine remuneration	
	2-21	Annual total compensation ratio	Information on the Board of Directors' fees are provided in the Corporate Governance Report
	2-22	Statement on sustainable development strategy	Overview of Our Sustainability Approach, page 88
	2-23	Policy commitments	Our Approach to Sustainability, pages 94-95 Message from Group CEO, pages 90-91 Corporate Governance Overview Statement, pages 57-59
	2-24	Embedding policy commitments	
2-25	Processes to remediate negative impacts	Engaging with Our Stakeholders, pages 26-28 Business Ethics and Corporate Governance, pages 101-104 Waste Management, pages 136-139 Human Rights, pages 158-163 Community Management, pages 181-186	

GRI Content Index

GRI STANDARD	DISCLOSURE		LOCATION	
GRI 2: General Disclosures 2021	STRATEGY, POLICIES AND PRACTICES			
	2-26	Mechanisms for seeking advice and raising concerns	Business Ethics and Corporate Governance, pages 101-104 Waste Management, pages 136-139 Human Rights, pages 158-163 Community Management, pages 181-186	
	2-27	Compliance with laws and regulations	Regulatory Compliance, pages 105-106	
	2-28	Membership associations	Association and Memberships, page 11	
	STAKEHOLDER ENGAGEMENT			
	2-29	Approach to stakeholder engagement	Engaging with Our Stakeholders, pages 26-28	
	2-30	Collective bargaining agreements	Human Rights, page 159	
	GRI 3: Material Topics 2021	3-1	Process to determine material topics	Material Matters at Our Core, pages 29-30
		3-2	List of material topics	Material Matters at Our Core, page 30
3-3		Management of material topics	Material Matters at Our Core, pages 29-30	
GRI 200: ECONOMIC PERFORMANCE				
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Economic Performance, pages 99-100	
	201-2	Financial implications and other risks and opportunities due to climate change		
	201-3	Defined benefit plan obligations and other retirement plans	Talent and Labour Management, pages 168-180	
	201-4	Financial assistance received from government	Economic Performance, pages 99-100	
MARKET PRESENCE				
GRI 202: Market Presence 2016	202-2	Proportion of senior management hired from the local community	Talent and Labour Management, page 177	
INDIRECT ECONOMIC IMPACTS				
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	Community Management, pages 181-186	
	203-2	Significant indirect economic impacts		
PROCUREMENT PRACTICES				
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	Responsible Sourcing, pages 107-110	
ANTI-CORRUPTION				
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Business Ethics and Corporate Governance, pages 101-104	
	205-2	Communication and training about anti-corruption policies and procedures		
	205-3	Confirmed incidents of corruption and actions taken		
TAX				
GRI 207: Tax 2019	207-1	Approach to tax	Economic Performance, pages 99-100	
	207-2	Tax governance, control, and risk management		

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION	
GRI 300: ENVIRONMENTAL			
MATERIALS			
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Material Stewardship, pages 140-141
	301-2	Recycled input materials used	
ENERGY			
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Energy Management, pages 131-133
	302-2	Energy consumption outside of the organisation	Climate Change, pages 121-130
	302-3	Energy intensity	Energy Management, pages 131-133
	302-4	Reduction of energy consumption	
WATER AND EFFLUENTS			
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	Water and Effluents, pages 142-144
	303-2	Management of water discharge-related impacts	
	303-3	Water withdrawal	
	303-4	Water discharge	
	303-5	Water consumption	
BIODIVERSITY			
GRI 304: Biodiversity 2016	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Biodiversity, pages 145-147
	304-2	Significant impacts of activities, products and services on biodiversity	
	304-3	Habitats protected or restored	
EMISSIONS			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	Climate Change, pages 121-130
	305-2	Energy indirect (Scope 2) GHG emissions	
	305-3	Other indirect (Scope 3) GHG emissions	
	305-4	GHG emissions intensity	
	305-5	Reduction of GHG emissions	
	305-7	Nitrogen oxides, sulfur oxides, and other significant air emissions	Air Emissions, pages 134-135
WASTE			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	Waste Management, pages 136-139
	306-2	Management of significant waste-related impacts	
	306-3	Waste generated	
	306-4	Waste diverted from disposal	
	306-5	Waste directed to disposal	
SUPPLIER ENVIRONMENTAL ASSESSMENT			
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Responsible Sourcing, pages 107-110
	308-2	Negative environmental impacts in the supply chain and actions taken	

GRI Content Index

GRI STANDARD	DISCLOSURE		LOCATION
GRI 400: SOCIAL			
EMPLOYMENT			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Talent and Labour Management, pages 168-180
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	
	401-3	Parental leave	
LABOR AND MANAGEMENT RELATIONS			
GRI 402: Labor/ Management Relations 2016	402-1	Minimum notice periods regarding operational changes	Talent and Labour Management, pages 168-180
OCCUPATIONAL HEALTH AND SAFETY			
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	Occupational Health and Safety, pages 148-157
	403-2	Hazard identification, risk assessment, and incident investigation	
	403-3	Occupational health services	
	403-4	Worker participation, consultation, and communication on occupational health and safety	
	403-5	Worker training on occupational health and safety	
	403-6	Promotion of worker health	
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	
	403-8	Workers covered by an occupational health and safety management system	
	403-9	Work-related injuries	
	403-10	Work-related ill health	
TRAINING AND EDUCATION			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Talent and Labour Management, pages 168-180
	404-2	Programs for upgrading employee skills and transition assistance programmes	
	404-3	Percentage of employees receiving regular performance and career development reviews	
DIVERSITY AND EQUAL OPPORTUNITY			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Diversity and Inclusivity, pages 164-167

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION
GRI 400: SOCIAL (CONT'D)		
NON-DISCRIMINATION		
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken Human Rights, pages 158-163
FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING		
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk Human Rights, pages 158-163 Responsible Sourcing, pages 107-110
CHILD LABOR		
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labour Human Rights, pages 158-163 Responsible Sourcing, pages 107-110
FORCED OR COMPULSORY LABOR		
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour Human Rights, pages 158-163 Responsible Sourcing, pages 107-110
SECURITY PRACTICES		
GRI 410: Security Practices 2016	410-1	Security personnel trained in human rights policies or procedures Human Rights, pages 158-163
RIGHTS OF INDIGENOUS PEOPLES		
GRI 411: Rights of Indigenous Peoples 2016	411-1	Incidents of violations involving rights of indigenous peoples Human Rights, pages 158-163
LOCAL COMMUNITIES		
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programmes Human Rights, pages 158-163 Community Management, pages 181-186 Biodiversity, pages 145-147
	413-2	Operations with significant actual and potential negative impacts on local communities Community Management, pages 181-186
SUPPLIER SOCIAL ASSESSMENT		
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria Responsible Sourcing, pages 107-110
	414-2	Negative social impacts in the supply chain and actions taken
PUBLIC POLICY		
GRI 415: Public Policy 2016	415-1	Political contributions Business Ethics and Corporate Governance, pages 101-104

GRI Content Index

GRI STANDARD	DISCLOSURE	LOCATION
GRI 400: SOCIAL (CONT'D)		
CUSTOMER HEALTH AND SAFETY		
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services
		Product Quality and Customer Satisfaction, pages 111-113
MARKETING AND LABELING		
GRI 417: Marketing and Labeling 2016	417-1	Requirements for product and service information and labeling
		Product Quality and Customer Satisfaction, pages 111-113
CUSTOMER PRIVACY		
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data
		Customer Data Privacy & Information Technology, pages 119-120

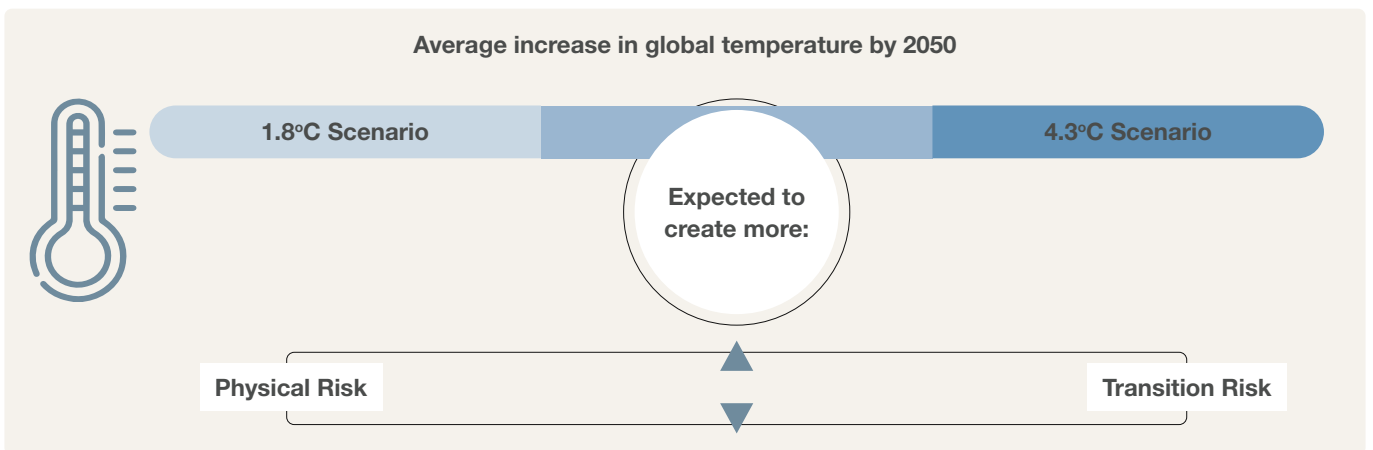
TCFD CONTENT INDEX

Pillar	Recommended Disclosure	Reference
Governance	Describe the board's oversight of climate-related risks and opportunities	Corporate Governance Overview Statement, pages 58-59 Our Approach to Sustainability, pages 94-95 Climate Change, pages 121-130 Risk Management, pages 117-118
	Describe the management's role in assessing and managing climate-related risks and opportunities	Our Approach to Sustainability, pages 94-95 Climate Change, pages 121-130 Risk Management, pages 117-118
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the short-, medium-, and long-term	Climate Change, pages 121-130
	Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning	Climate Change, pages 121-130 Scenario Analysis, Table Y, pages 198-200
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 1.8°C or lower scenario	Climate Change, pages 121-130 Scenario Analysis, Table Y, pages 199-201
Risk Management	Describe the organisation's processes for identifying and assessing climate-related risks	Risk Management, pages 117-118
	Describe the organisation's processes for managing climate-related risk	Climate Change, pages 121-130 Risk Management, pages 117-118 Materiality Matrix, page 30
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Risk Management, pages 117-118
Metrics and Targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Our Approach to Sustainability, pages 94-95 Climate Change, pages 121-130 Waste Management, pages 136-139 Water and Effluents, pages 142-144 Energy Management, pages 131-133 Air Emissions, pages 134-135 Material Stewardship, pages 140-141
	Describe Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	Climate Change, pages 121-130

TCFD Content Index

Pillar	Recommended Disclosure (cont'd)	Reference (cont'd)
Metrics and Targets (cont'd)	Describe the targets used to manage climate-related risks and opportunities and performance against targets	Corporate Governance Overview Statement, pages 58-59 Our Approach to Sustainability, pages 94-95 Climate Change, pages 121-130 Risk Management, pages 117-118

SCENARIO ANALYSIS: TWO PLAUSIBLE SCENARIOS IN 2050



1.8°C Scenario

POLITICAL REGULATION	ECONOMICAL GROWTH	SOCIAL COLLABORATIVE
Enhanced operational resilience through global cooperation, regulatory alignment, and future-proofing standards	Sustained economic growth driven by the transition to renewable energy sources	Growing attention and pressure from diverse stakeholders regarding climate change issues
TECHNOLOGICAL INNOVATION	ENVIRONMENTAL CAUTION	LEGAL ACTION
Advancements in renewable energy R&D alongside efforts to enhance emissions reduction technologies	Continuous commitment to adapting to evolving environmental regulations and heightened awareness	Implementation of carbon pricing mechanisms and supportive legal frameworks to bolster climate action across sectors

4.3°C Scenario

POLITICAL REGULATION	ECONOMICAL GROWTH	SOCIAL COLLABORATIVE
Fragmented institutional support hindering the transition to “Net Zero” emissions	Rising competition for limited resources exacerbating inequality and impeding renewable growth	Lack of proactive measures despite mounting pressure from stakeholders
TECHNOLOGICAL INNOVATION	ENVIRONMENTAL CAUTION	LEGAL ACTION
Sluggish advancement towards viable solutions and the uptake of new technologies	Heightened physical risks and uncertainties regarding future risks due to inadequate information	Increasing CO ₂ e prices alongside sluggish and ambiguous legal frameworks, necessitating enhanced regulatory clarity

TCFD Content Index

Table Y. Implications of physical and transition risks identified by Press Metal

Type of Risk	Risk	Implications	
		1.8°C Scenario	4.3°C Scenario
Physical	Extreme weather events (acute)	<ul style="list-style-type: none"> • Medium risk in view of potential disruption on operations, leads to the development of internal climate mitigation strategy to address risks associated with extreme weather events 	<ul style="list-style-type: none"> • High risk attributed to the heightened frequency and severity of extreme weather events, which have significant impacts on infrastructure, supply chains, and factory operations • High risk related to the inability to renew insurance coverage
	Changes in climate patterns (chronic)	<ul style="list-style-type: none"> • Medium risk considering the existing factories situated on higher ground remain unaffected, although operational delays are anticipated • Medium risk is present concerning environmental compliance and potential litigation issues 	<ul style="list-style-type: none"> • High risk emerges from the potential relocation of factories, leading to increased operating expenses (OPEX) and capital expenditures (CAPEX)
Regulatory	Environmental regulations	<ul style="list-style-type: none"> • High risk associated with meeting expectations and commitments to adhere to stringent policies and regulations, which necessitating more investment in low-carbon technology and heightened monitoring and analysis of climate-related risks 	<ul style="list-style-type: none"> • Medium risk associated with climate change policy and legislation in view of a lenient approach by the regulators towards climate-related issues
	Carbon pricing	<ul style="list-style-type: none"> • High risk is linked to the widespread adoption of carbon pricing mechanisms in the market, impacting the supply chain and increasing OPEX, such as rising raw material prices and excessive logistics costs • High risk associated with failure to comply with the Carbon Border Adjustment Mechanism potentially resulting in the inability to export to the EU 	<ul style="list-style-type: none"> • Medium risk associated with less pressure and urgency to develop internal carbon price leading to less competitive bidding and reduced interest in carbon pricing within the market
Market	Shift in customer preferences	<ul style="list-style-type: none"> • High risk associated with evolving customer preferences towards low-carbon products, necessitating increased investment in low-carbon technology, thereby raising both CAPEX and OPEX 	<ul style="list-style-type: none"> • High risk arises from customer demands for cheaper products rather than low-carbon alternatives, resulting in lower profits and sales, which can potentially impact the business sustainability
	Overall changes in the market	<ul style="list-style-type: none"> • High risk associated with rising demand for low-carbon products by major market players, requiring greater compliance efforts and resources for sourcing and production to meet market demands 	<ul style="list-style-type: none"> • High risk due to the low demand for low-carbon products in the market, reducing Press Metal's competitiveness despite its commitment to decarbonisation efforts in producing such products

TCFD Content Index

Table Y. Implications of physical and transition risks identified by Press Metal (cont'd)

Type of Risk	Risk	Implications	
		1.8°C Scenario	4.3°C Scenario
Technology	Low-carbon technologies	<ul style="list-style-type: none"> High risk associated with the deployment of technology at a premium cost due to limited in-house decarbonisation R&D capabilities 	<ul style="list-style-type: none"> Low risk associated with limited motivation to deploy decarbonisation technology to achieve carbon neutrality targets and the underdevelopment of R&D in the market, resulting in minimal impact on CAPEX
	Product changes and effects	<ul style="list-style-type: none"> High risk associated with the growing demand for recycled aluminium from customers, driven by increasing regulatory requirements for climate action. This surge in demand is leading to a shortage of secondary or recycled aluminium in the scrap market High risk arises from diverging fundamental criteria for low-carbon aluminium in the market. Different countries have varying requirements, and these criteria may change with shifts in market perspectives 	<ul style="list-style-type: none"> Low risk associated with both the low demand for recycled aluminium by customers and the availability of low-carbon aluminium in the market
Reputation	Litigations, fines and non-compliance	<ul style="list-style-type: none"> Low risk is evident as there are mitigation controls in place, including strategies, plans, and actions to ensure compliance with climate change regulatory requirements 	<ul style="list-style-type: none"> Low risk due to the absence of comprehensive climate control measures, minimal compliance requirements, and the slow development of climate-related regulations
	Negative investor and public perception	<ul style="list-style-type: none"> Low risk as Press Metal continuously engages with stakeholders to provide updates on our climate-related strategies 	<ul style="list-style-type: none"> Low risk due to limited public awareness and minimal pressure from stakeholders to implement climate change strategies
Social	Talent retention and attraction	<ul style="list-style-type: none"> Medium risk is attributed to the prioritisation of remuneration over climate change responsibilities and social concerns. Efforts have been made to retain and recruit talent, although the impacts remain modest 	<ul style="list-style-type: none"> Low risk is observed since social concern and climate change awareness are not heavily emphasised in talent retention and attraction, aligning with normal operating procedures
	Social changes arising from climate change	<ul style="list-style-type: none"> Medium risk is associated with social changes driven by end-user product makers, who utilises marketing strategies and branding to promote public awareness of living a low carbon-footprint lifestyle. Meeting the market's demand for low carbon products is essential 	<ul style="list-style-type: none"> Medium risk associated with the gradual increase of public awareness of climate change risks in society

SASB CONTENT INDEX

Topic	Accounting Metric	Code	Page Number
Greenhouse Gas Emissions	Gross global Scope 1 emissions, percentage covered under emissions-limiting regulations	EM-MM-110a.1	Climate Change, pages 121-130
	Discussion of long-term and short-term strategy or plan to manage Scope 1 emissions, emissions reduction targets, and an analysis of performance against those targets	EM-MM-110a.2	
Air Quality	Air emissions of the following pollutants: (1) CO, (2) NOx (excluding N ₂ O), (3) SOx, (4) particulate matter (PM ₁₀), (5) mercury (Hg), (6) lead (Pb), and (7) volatile organic compounds (VOCs)	EM-MM-120a.1	Air Emissions, pages 134-135
Energy Management	(1) Total energy consumed, (2) percentage grid electricity, (3) percentage renewable	EM-MM-130a.1	Energy Management, pages 131-133
Water Management	(1) Total fresh water withdrawn, (2) total fresh water consumed, percentage of each in regions with High or Extremely High Baseline Water Stress	EM-MM-140a.1	Water and Effluents, pages 142-144
	Number of incidents of non-compliance associated with water quality permits, standards, and regulations	EM-MM-140a.2	
Waste & Hazardous Materials Management	Total weight of hazardous waste generated	EM-MM-150a.7	Waste Management, pages 136-139
	Total weight of hazardous waste recycled	EM-MM-150a.8	
	Number of significant incidents associated with hazardous materials and waste management	EM-MM-150a.9	
	Description of waste and hazardous materials management policies and procedures for active and inactive operations	EM-MM-150a.10	
Biodiversity Impacts	Description of environmental management policies and practices for active sites	EM-MM-160a.1	Biodiversity, pages 145-147
Security, Human Rights & Rights of Indigenous Peoples	Discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict	EM-MM-210a.3	Human Rights, pages 158-163
Community Relations	Discussion of process to manage risks and opportunities associated with community rights and interests	EM-MM-210b.1	Community Management, pages 181-186
Labour Relations	Percentage of active workforce covered under collective bargaining agreements, broken down by U.S. and foreign employees	EM-MM-310a.1	Human Rights, pages 158-163
			Diversity and Inclusivity, pages 164-167
Workforce Health & Safety	(1) All-incidence rate, (2) fatality rate, (3) near miss frequency rate (NMFR) and (4) average hours of health, safety, and emergency response training for (a) direct employees and (b) contract employees	EM-MM-320a.1	Occupational Health and Safety, pages 148-157
Business Ethics and Transparency	Description of the management system for prevention of corruption and bribery throughout the value chain	EM-MM-510a.1	Business Ethics and Corporate Governance, pages 101-104

BURSA MALAYSIA THREE-YEAR SUSTAINABILITY PERFORMANCE DATA

Indicator	Measurement Unit	2021	2022	2023
Business Ethics and Corporate Governance				
Bursa C1(a) Percentage of employees who have received training on anti-corruption by employee category				
Senior Management	Percentage	-	68.80	70.90
Management	Percentage	-	77.00	73.10
Executive	Percentage	-	63.70	97.50
Non-Executive	Percentage	-	81.50	99.50
Bursa C1(b) Percentage of operations assessed for corruption-related risks	Percentage	-	57.10	71.40
Bursa C1(c) Confirmed incidents of corruption and action taken	Number	-	0	0
Disclosure of number of staff disciplined or dismissed due to non-compliance with anti-corruption policy/policies	Number	-	0	0
Disclosure of cost of fines, penalties or settlements in relation to corruption	MYR	-	0.00	0.00
Regulatory Compliance				
Percentage of sites covered by recognized environmental management systems such as ISO14001 or EMAS	Percentage	100.00	100.00	100.00
Responsible Sourcing				
Bursa C7(a) Proportion of spending on local suppliers	Percentage	46.60	50.30	42.30
Bursa (Data privacy and security)				
Bursa C8(a) Number of substantiated complaints concerning breaches of customer privacy and losses of customer data	Number	0	0	0
Climate Change				
Bursa C11(a) Scope 1 emissions in tonnes of CO ₂ e	Metric tonnes	2,147,076.90	2,220,594.90	2,171,570.70
Bursa C11(b) Scope 2 emissions in tonnes of CO ₂ e	Metric tonnes	2,651,153.50	2,978,492.20	2,121,728.10
Bursa C11(c) Scope 3 emissions in tonnes of CO ₂ e (at least for the categories of business travel and employee commuting)	Metric tonnes	7,296,284.00	7,838,599.20	7,513,416.70
Investment in climate adaptation measures	MYR	-	16,500,000.00	24,800,000.00
Bursa (Energy management)				
Bursa C4(a) Total energy consumption	Megawatt	1,533.40	1,757.10	1,762.80
Air Emissions				
Disclosure of three years of Nitrous Oxides (NO _x) emissions (tonnes)	Metric tonnes	5.30	5.60	11.80
Disclosure of three years of Sulphur Oxide (SO _x) emissions (tonnes)	Metric tonnes	6,010.20	7,437.40	7,645.10
Waste				
Bursa C10(a) Total waste generated	Metric tonnes	141,170.10	181,142.00	170,566.10
Bursa C10(a)(i) Total waste diverted from disposal	Metric tonnes	122,060.60	155,179.70	203,966.20
Bursa C10(a)(ii) Total waste directed to disposal	Metric tonnes	7,148.80	16,952.80	14,936.60
Disclosure of three years of hazardous waste generation (tonnes)	Metric tonnes	37,195.70	37,084.60	41,111.00
Disclosure of three years of waste recycled (tonnes)	Metric tonnes	122,060.60	155,179.70	203,966.20
Total costs of environmental fines and penalties during financial year	MYR	0.00	6,000.00	14,000.00
Water and Effluents				
Bursa C9(a) Total volume of water used	Megalitres	2,600.000000	2,500.000000	2,400.000000 *
Company discloses the number and/or proportion of facilities, assets, production, revenue in water-stressed regions	Number	0	0	0
Does the company disclose the number of incidents of non-compliance with water quality/quantity permits, standards and regulations	Number	-	0	0
Three years of total water discharge data is disclosed by destination - Total	Cubic meters	800,000.00	600,000.00	500,000.00 *
Three years of total water withdrawal data is disclosed by source - Municipal potable water	Cubic meters	3,400,000.00	3,000,000.00	2,800,000.00 *
Three years of total water withdrawal data is disclosed by source - Total	Cubic meters	3,400,000.00	3,000,000.00	2,800,000.00 *
Occupational Health and Safety				
Bursa C5(a) Number of work-related fatalities	Number	0	2	0
Bursa C5(b) Lost time incident rate ("LTIR")	Rate	0.90	0.70	0.60
Bursa C5(c) Number of employees trained on health and safety standards	Number	10,825	57,352	65,100
Percentage of sites with OHSAS 18001 certification	Percentage	100.00	100.00	100.00
Number of work-related employee fatalities, over last 3 years	Number	0	1	0
Number of work-related contractor fatalities, over last 3 years	Number	0	1	0
Diversity and Inclusivity				
Bursa C3(a) Percentage of employees by gender and age group, for each employee category				

Internal assurance

External assurance

No assurance

(*)Restated

Bursa Malaysia Three-Year Sustainability Performance Data

Indicator	Measurement Unit	2021	2022	2023
Diversity and Inclusivity				
Age Group by Employee Category				
Senior Management Under 30	Percentage	0.00	0.00	0.01
Senior Management Between 30-50	Percentage	0.27	0.29	0.26
Senior Management Above 50	Percentage	0.27	0.30	0.30
Management Under 30	Percentage	0.10	0.04	0.05
Management Between 30-50	Percentage	1.79	1.73	1.70
Management Above 50	Percentage	0.45	0.47	0.56
Executive Under 30	Percentage	3.93	3.68	3.74
Executive Between 30-50	Percentage	6.16	6.92	7.18
Executive Above 50	Percentage	0.52	0.50	0.64
Non-executive Under 30	Percentage	48.67	48.00	44.42
Non-executive Between 30-50	Percentage	35.69	35.71	38.53
Non-executive Above 50	Percentage	2.15	2.36	2.61
Gender Group by Employee Category				
Senior Management Male	Percentage	0.50	0.50	0.50
Senior Management Female	Percentage	0.10	0.10	0.10
Management Male	Percentage	1.60	1.60	1.50
Management Female	Percentage	0.70	0.70	0.80
Executive Male	Percentage	7.50	7.40	7.80
Executive Female	Percentage	3.20	3.70	3.80
Non-executive Male	Percentage	78.00	77.00	76.90
Non-executive Female	Percentage	8.40	9.00	8.60
Bursa C3(b) Percentage of directors by gender and age group				
Male	Percentage	70.00	70.00	70.00
Female	Percentage	30.00	30.00	30.00
Under 30	Percentage	0.00	0.00	0.00
Between 30-50	Percentage	10.00	10.00	10.00
Above 50	Percentage	90.00	90.00	90.00
Bursa C6(c) Total number of employee turnover by employee category				
Senior Management	Number	-	-	No Data Provided
Management	Number	-	-	No Data Provided
Executive	Number	-	-	No Data Provided
Non-executive	Number	-	-	No Data Provided
Percentage of global staff with a disability.	Percentage	0.04	0.04	0.05
Percentage of women in the global workforce.	Percentage	12.40	13.50	13.30
Number of Board Directors	Number	10	10	10
Number of independent Directors on the board	Number	5	5	5
Number of women on the board	Number	3	3	3
Talent and Labour Management				
Bursa C6(a) Total hours of training by employee category				
Senior Management	Hours	-	471	1,086
Management	Hours	-	3,038	7,608
Executive	Hours	-	37,865	47,800
Non-executive	Hours	-	317,926	286,352
Bursa C6(b) Percentage of employees that are contractors or temporary staff	Percentage	19.00	14.60	16.50
Bursa C6(d) Number of substantiated complaints concerning human rights violations	Number	0	0	0
Community Management				
Bursa C2(a) Total amount invested in the community where the target beneficiaries are external to the listed issuer	MYR	5,700,000.00	6,200,000.00	€300,000.00
Bursa C2(b) Total number of beneficiaries of the investment in communities	Number	510,000	160,000	860,000 *

Bursa Malaysia Three-Year Sustainability Performance Data

Notes:

1. The performance data table was generated from the custom template of Bursa Malaysia's ESG reporting platform.
2. Indicators labeled "-" signified that the information is not available.
3. Data boundaries for the table are as follows:
 - a. Indicators that included data aggregated from our smelting facilities (PMBtu and PMS):
 - Disclosure of three years of Nitrous Oxides (NOx) emissions (tonnes)
 - Disclosure of three years of Sulphur Oxide (SOx) emissions (tonnes)
 - b. Indicators that included data aggregated from our midstream (PMBtu, PMS, PMAR) and downstream (PMBA, PMI, PMIT) facilities:
 - C4(a), C5(a), C5(b), C5(c), C7(a), C8(a), C9(a), C10(a), C10(a)(i), C10(a)(ii), C11(a), C11(b), C11(c)
 - Percentage of sites covered by recognised environmental management systems such as ISO14001 or EMAS
 - Disclosure of three years of hazardous waste generation (tonnes)
 - Disclosure of three years of waste recycled (tonnes)
 - Total costs of environmental fines and penalties during financial year
 - discloses the number and/or proportion of facilities, assets, production, revenue in water-stressed regions
 - Does the company disclose the number of incidents of non-compliance with water quality/quantity permits, standards and regulations
 - Three years of total water withdrawal data is disclosed by source - Municipal potable water
 - Three years of total water withdrawal data is disclosed by source - Total
 - Percentage of sites with OHSAS 18001 certification
 - Number of work-related employee fatalities, over last 3 years
 - Number of work-related contractor fatalities, over last 3 years
 - c. Indicator that included data aggregated from our facilities at PMBA and PMI only:
 - Three years of total water discharge data is disclosed by destination - Total
4. For indicator C5(b), data differed from our Sustainability Report 2022 disclosure as different calculation methodology was adopted.
5. For more information on our sustainability performance, please refer to the Sustainability Report section of this IAR 2023 from page 87 to 186.