

# Sustainability Report

## Labour Practices (Employment)



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### WHY IS THIS IMPORTANT?

The Group places a significant emphasis on Talent Management, recognising our employees as the cornerstone of our operational efficiency and effectiveness. Our mission statement articulates our commitment to become the employer of choice for the most suitable talents. Regardless of the business sectors we operate in, we prioritise fairness, ethics, and cultivate a healthy and positive working culture that emphasises work-life balance.

Furthermore, the Group extends internship and employment opportunities to young talents from local universities and underprivileged backgrounds.

### OUR APPROACH

As a Group, we are committed in upholding local labour and employment-related laws in all aspects of our human resources practices and management. Our organisational culture is guided by our Core Values, which include being Result Oriented, taking Ownership, maintaining Customer Focus, embracing a Knowledge-Driven approach, upholding Integrity, and promoting Teamwork. These values not only influence our interactions with people but also shape the overall ethos of our business.

Aligned with our dedication to ethical business practices, we endorse the United Nations Global Compact (UNGC) Ten Principles and uphold the Universal Declaration of Human Rights. Additionally, we strictly adhere to relevant laws and regulations governing our operations.

To ensure transparency and accountability, we have communicated our grievance handling process and whistleblowing policy to all employees and workers. Our whistleblowing channels provide a secure and confidential avenue for reporting any breaches of labour practices, disputes, or inappropriate behaviour anonymously. We are committed to safeguarding the identity of whistleblowers throughout the investigation process, and all reports are treated with the utmost seriousness.

As an integral component of the Group’s Human Resource (HR) 5-year strategic plan (2023 – 2027), the primary focus areas will encompass:

- Driving HR excellence and innovation
- Deploying recruitment and retention strategies
- Investing in our employees’ development
- Enhancing the employees’ experience

In FY2023, the Group initiated the process of conducting human rights due diligence in the majority of our operations within Malaysia. This effort will be expanded to encompass all our global business operations in the subsequent phases. Furthermore, all our employees have successfully completed the human rights e-learning module, and we have conducted 10 on-site human rights training sessions involving contractors.

### Process and Technology Improvement

As part of our HR transformation initiative, the HR department has advanced its journey toward digitalisation, which is part of our critical success factor to move forward, by streamlining various processes in the employee lifecycle through e-technology. The following enhancements have been implemented:

- Upgrading the existing employee e-kiosk system to a more advanced version.
- Launching an e-recruitment system to streamline the recruitment process.
- Introducing a payroll internal reporting dashboard for the Management Team.
- Implementing HR Service survey with real-time feedback mechanisms.
- Improving information sharing through Inet.
- Enhancing HR work processes and e-forms for increased efficiency.
- Achieving full flow automation and successfully implementing the Performance Development System (PDS).



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### Performance of our People

At Protasco, we staunchly adhere to our guiding principles of being result-driven, accountable, collaborative, and fostering shared success to enhance both individual and team performance. In our commitment to cultivate a high-performance culture, we have implemented a structured performance review process and measurement system, encompassing employees' KPIs. At the outset of each year, we initiate expectation-setting conversations to align goals.

Conducting a comprehensive year-end performance review for all employees is an integral part of our approach. This process allows employees the opportunity to engage in self-assessment, provide feedback, participate in competency discussions, and receive the necessary coaching and support.

We actively acknowledge and celebrate achievements when individuals demonstrate exceptional performance within their peer group, deliver high-quality results, and exhibit outstanding behaviour. Recognition is manifested through bonuses and promotions as a testament to our appreciation for their contributions.

### Succession planning

We enhance our commitment to talent management by pinpointing individuals with the capacity to assume crucial roles in our succession planning strategy. In FY2023, we have identified and planned the implementation of a pilot model for selected key positions. This talent pool will be nurtured with the necessary leadership skills and competencies. Concurrently, we foster the development of the next-generation talent pipeline through our protégé programme.

### Employee engagement initiatives

We place a significant emphasis on employee feedback, and as part of this commitment, we initiated an HR Service Survey in June 2023. This survey serves as a valuable tool to gain insights into our employees' experiences, expectations, and to comprehend their needs and concerns.

### KEY ACHIEVEMENTS & ACTIVITIES IN FY2023

- Introduced e-LATiH Corporate Access platform – a free learning and development system that enables employees and company to apply, track, and monitor their learning journey.
- Conducted 24 employee engagement sessions within the Group.
- Implemented the e-Recruitment system through Inet.
- Conducted HR Happiness Score Survey with an overall happiness score of 93%.
- Conducted employee appreciation programmes such as long service awards.
- Organised festive celebrations throughout the year.

### ONGOING INITIATIVES

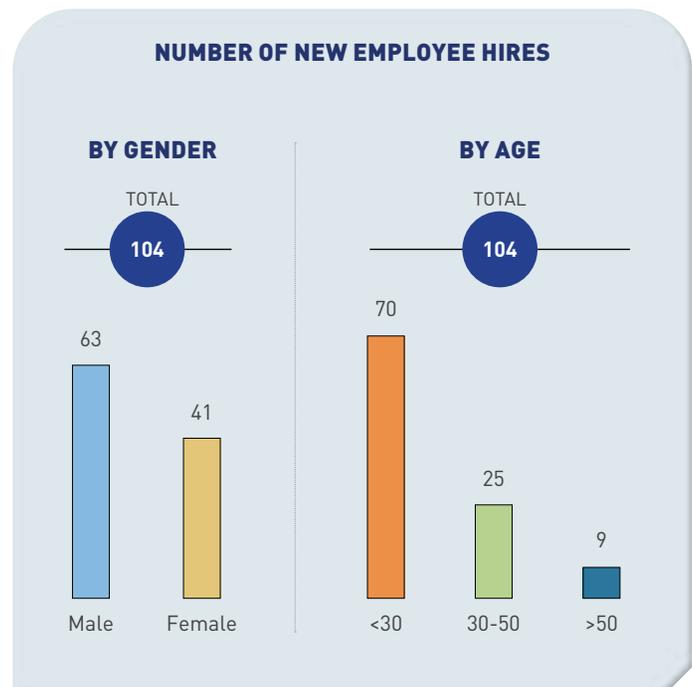
- Feedback system through HR Happiness Score Survey – improving employee experience.
- Engagement Sessions
- Revision of HR Policy and HR Manual
- Integrates e-Recruitment system
- Length of Service Recognition Programme
- Extend Succession Planning Pilot Programme
- Career and personal growth
- Employee Wellness Programme

We envision the future, with great anticipation and enthusiasm. We are currently in the process of revising our HR Strategic Plan and HR Manual. Our commitment remains steadfast in collaborating closely with all members of the Group to uphold service excellence, foster learning empowerment, and champion wellness initiatives.

### OUR PERFORMANCE

#### Employee retention and attrition

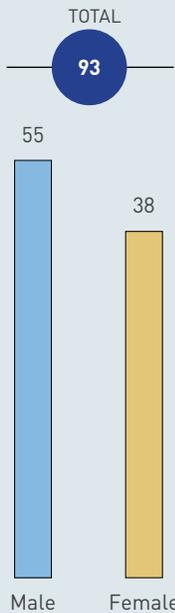
The table presented below offers an overview of the Group's hiring and turnover. The Group diligently monitors turnover to ensure it remains below 10%. Currently, the turnover rate stands at 1.7%.



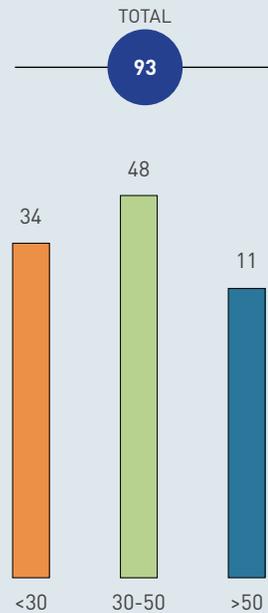
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## NUMBER OF EMPLOYEE TURNOVER

### BY GENDER



### BY AGE

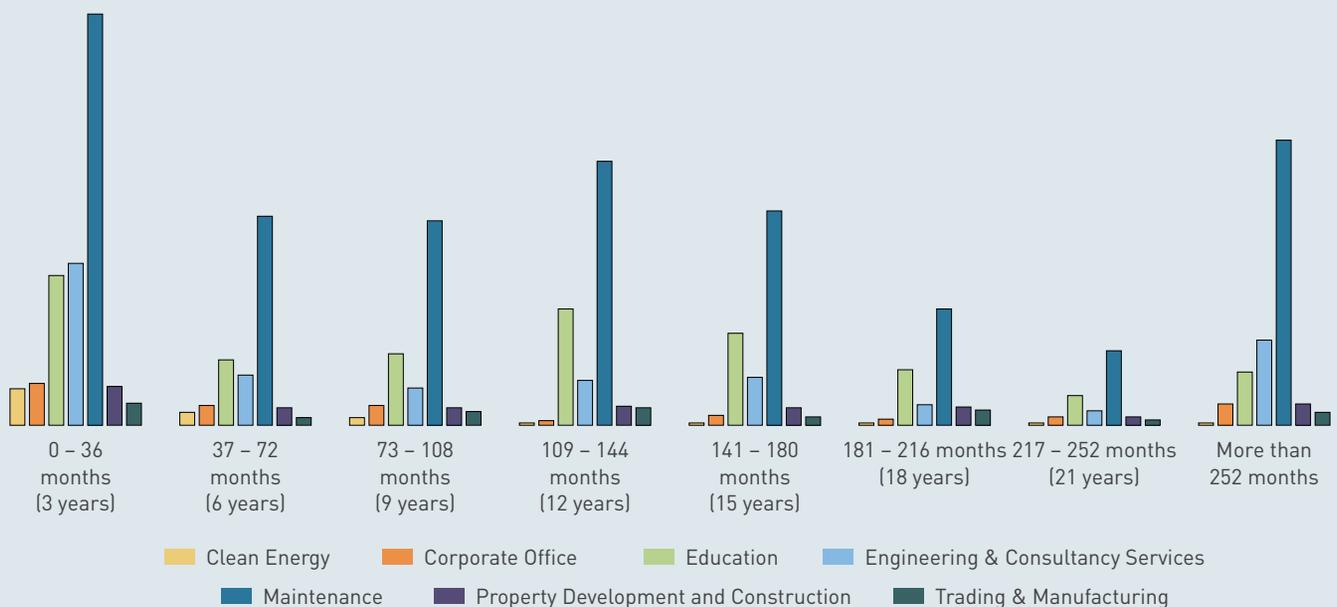


Protasco Berhad takes pride in its deeply committed workforce, a testament to the enduring tenure of our employees. On average, our employees remain with us for approximately more than 10 years. The table below illustrates the distribution of our employees' tenure.

Nos	No. of Years in Service	No. of Employees	Percentage
1.	0 – 36 months (3 years)	362	26.06%
2.	37 – 72 months (6 years)	159	11.45%
3.	73 – 108 months (9 years)	154	11.09%
4.	109 – 144 months (12 years)	196	14.11%
5.	141 – 180 months (15 years)	163	11.74%
6.	181 – 216 months (18 years)	96	6.91%
7.	217 – 252 months (21 years)	58	4.18%
8.	More than 252 months	201	14.47%

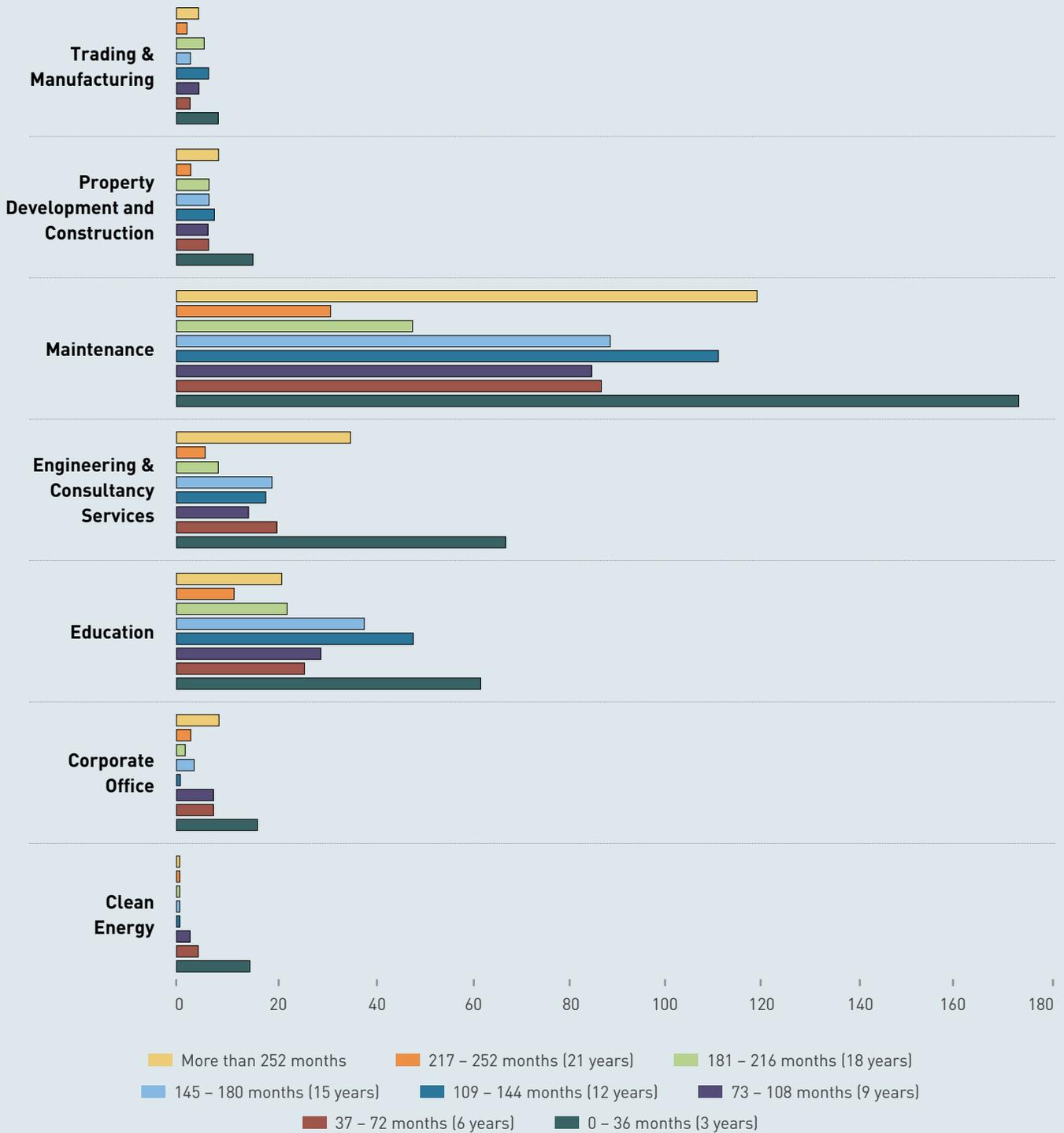
The chart illustrates that the Group boasts a well-balanced distribution of employees across different lengths of tenure, fostering an optimal blend for improving operations and business growth. This diversity facilitates the exchange of ideas, drawing from the wealth of knowledge and experience among both new and existing staff.

## FY2023 GROUP'S EMPLOYEES YEARS OF EMPLOYMENT



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### YEARS OF SERVICE (Based on Business Unit)



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With a larger workforce in the Maintenance BUs, the distribution leans more heavily towards it, followed by Engineering & Consultancy Services and Education. Across all BUs, there is a noticeable influx of new talent, with a significant portion joining the Group within the past three years.

During our GMD's visits to each BU, he not only engaged with the employees but also presented certificates of appreciation and tokens of gratitude to long-serving staff, acknowledging their unwavering support to the Group.



The group's Sexual Harassment Policy is designed to safeguard the rights of female employees and protect them from any form of sexual harassment. We are pleased to report that there have been no incidents of sexual harassment, or any human rights violations reported within the group, affecting both male and female employees. Since the inception of our business, we have consistently prioritised human rights and have implemented strict penalties for offenders.

	FY2023	FY2022	FY2021
Number of substantiated complaints concerning human rights violations	0	0	0

More than 80% employees receives additional benefits in addition to their salaries. Our HR policy grants both paternity and maternity leave with full pay for those who are eligible.



Employee Benefits	Total
Total payments made to employees in terms of salaries, bonuses, and benefits	RM70,157,000
Total statutory payments made for employees' retirement benefits (EPF)	RM7,182,000
Total payments in medical insurance (SOCSO) for employees	RM7,026,000
Payments made for life insurance, including death and disability	RM1,281,517
Staff Training	RM626,165
<b>Total</b>	<b>RM86,272,682</b>

### Parental Leave

