

S U S T A I N A B I L I T Y S T A T E M E N T

Since our inception, Paramount Corporation Berhad (**Paramount or the Company**) and its subsidiaries (**the Group**) have always been committed to operating in a manner that leaves a positive impact on our stakeholders. Our footprint in the property development and education sectors is testament to this as we seek to create a lasting legacy of socio-economic development while preserving our rich natural heritage.

In 2017, the Board of Directors of Paramount revisited the Group's vision and mission as part of its continuous efforts to ensure that we remain on track towards greater growth and progress. Within this context, the vision and mission was also assessed in terms of its effectiveness in embedding sustainability within the Group, given the growing relevance of Economic, Environmental and Social (**EES**) developments which may potentially impact Paramount.

With this, the Group has developed a new vision while further strengthening its mission statement with the addition of two new pillars. Our TRIBE values have been retained towards supporting the new vision and strengthened mission in the cultivation of a desired sustainability mind-set and culture.

We have related our sustainability journey with the 5 Pillars (**5P**) of Sustainability i.e. People, Planet, Prosperity, Partnership and Peace, in line with the Sustainable Development Goals (**SDGs**)¹ of the United Nations (**UN**). This Sustainability Statement (**Statement**) has been prepared in line with the Main Market Listing Requirements of Bursa Malaysia Securities Berhad (**Bursa Malaysia**). It provides a view of our sustainability efforts and achievements and the overall progress made in 2017.

SCOPE AND MATERIAL BOUNDARY

The scope of this inaugural Statement covers the Group's corporate office and its two business divisions, Paramount Property and Paramount Education. It does not include the Group's value chain consisting of third party contractors, suppliers and vendors.

The Statement focusses on the most pertinent projects, initiatives and activities of the Group rather than every aspect of operations. Progressively, we will endeavour towards providing more comprehensive disclosure going forward.

Unless stated, our reporting period is from 1 January 2017 to 31 December 2017.

Reporting period:

1 January 2017 to 31 December 2017

Reporting Cycle:

Annually

Principal Guidelines:

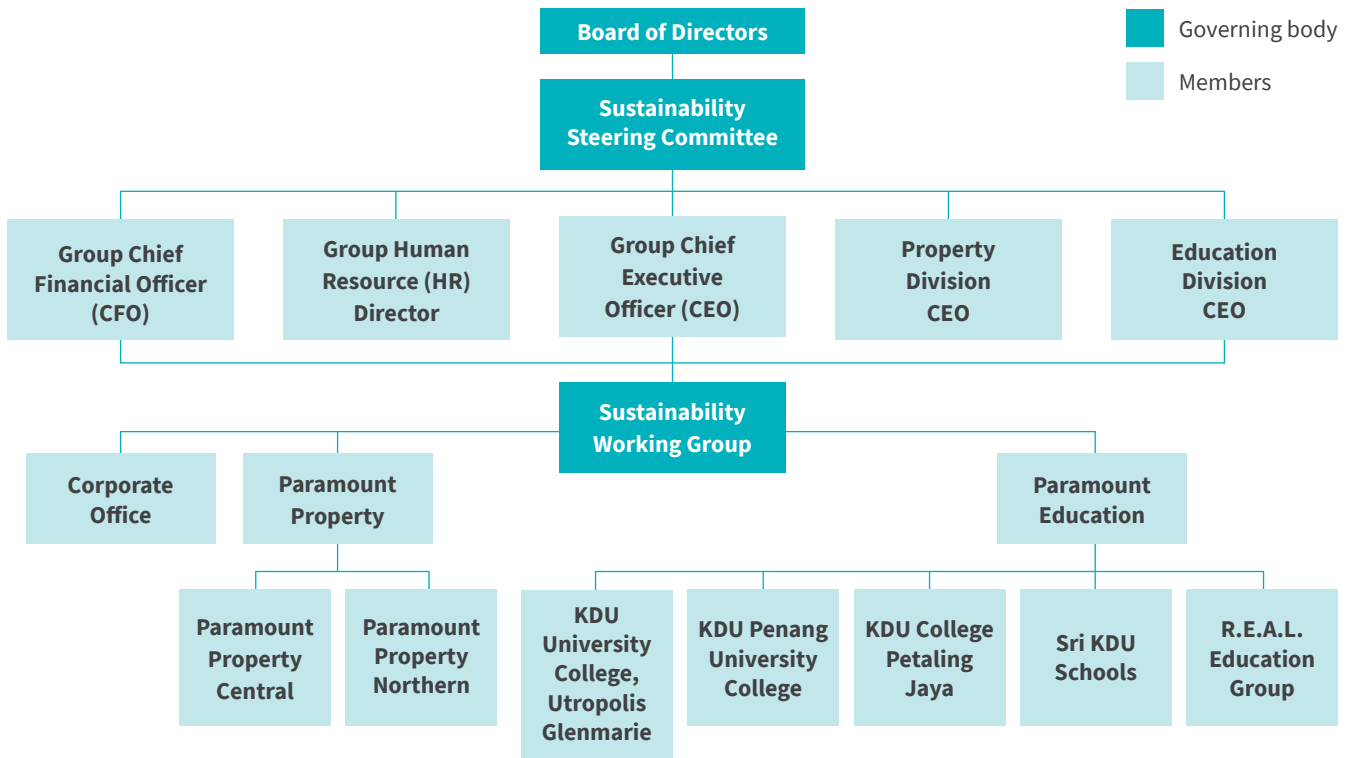
Bursa Malaysia's Main Market Listing Requirement Practice Note 9 Article 6.

¹ In 2015, 193 countries including Malaysia adopted the 2030 Agenda for Sustainable Development of the UN and its 17 SDG's. By doing so, governments, businesses and civil society together with the UN are mobilising efforts to achieve this Sustainable Development Agenda by 2030.

SUSTAINABILITY STATEMENT

GOVERNANCE & FRAMEWORK

A two-tier sustainability governance structure drives Sustainability within the Group. The first tier consists of the Sustainability Working Group (**SWG**) followed by the Sustainability Steering Committee (**SSC**). The SWG reports to the SSC, and in turn, the SSC is accountable to the Company's Board of Directors (**the Board**). Clear lines of responsibility have been established to operationalise sustainability across the Group as shown below:



SUSTAINABILITY STEERING COMMITTEE

- Comprises the Group CEO, CEOs of the Property and Education Divisions, Group CFO and Group HR Director
- Reviews and approves the sustainability strategy and ensures that they are aligned with the Company's vision and mission
- Prioritises strategies based on available budgets
- Ensures that executed sustainability projects are aligned with approved sustainability strategies
- Reviews and recommends sustainability statement/reports to the Board for approval
- Provides advice and guidance on business and operational functions directly related to sustainability strategies and initiatives
- Endorses sustainability targets for the forthcoming years
- Oversees, reviews and evaluates sustainability performance against the defined metrics

SUSTAINABILITY WORKING GROUP

- Comprises representatives responsible for sustainability strategies and projects
- Executes approved sustainability projects
- Monitors the progress of projects and progress to the SSC
- Tracks the data and ensures that all outlined activities achieve defined targets
- Recommends sustainability related projects to the SSC

SUSTAINABILITY STATEMENT

During the year, two (2) meetings were held to deliberate management's approach to sustainability issues, objectives and targets. During these meetings, the following were discussed: the Group's sustainability governance structure including reporting structures, sustainability policies and strategies, the results of the conducted materiality assessment and stakeholders engagement exercises.

On 27 February 2018, the Sustainability Statement was tabled to the Board for review and was approved on the same day.

STAKEHOLDER ENGAGEMENT

The Group is of the view that stakeholders' views are essential to ensuring the robustness of our sustainability strategy and efforts. Stakeholders are defined as those who are impacted by the Group's business presence and activities, or have the potential to impact or influence the Group's operational and / or financial performance as well as overall brand perception.

The various departments represented in the SWG have identified and prioritised our key stakeholders whom we regularly engage with through meetings, workshops, site visits and other forms of active communication. The following table lists out our stakeholder engagement activities in 2017:

Stakeholder Engagement Table

STAKEHOLDER	ISSUES OF CONCERN	FORM OF ENGAGEMENT
Employees	<ul style="list-style-type: none"> Employee wellbeing, health and safety Succession planning 	<ul style="list-style-type: none"> Evaluation of employees' benefits and compensation package Employee health and wellness activities Induction for newly recruited employees Town hall meetings Circulation of HR policies Skills development programmes Talent management programmes Sport club activities
Certification Bodies	<ul style="list-style-type: none"> Green Building Certification Conformance to International Organisation for Standardisation (ISO) 9001, 14001 and OHSAS 18001 Standards 	<ul style="list-style-type: none"> Ad-hoc meetings On-site inspections Compliance site visits Update and networking sessions
Investors / Shareholders	<ul style="list-style-type: none"> Group's financial and operating performance Corporate governance Dividend and capital appreciation 	<ul style="list-style-type: none"> Annual General Meetings Quarterly results announcements 'Investor Relations' page on the Company's website Investor briefings – ongoing engagement sessions with analysts and shareholders Annual reports


SUSTAINABILITY STATEMENT

STAKEHOLDER	ISSUES OF CONCERN	FORM OF ENGAGEMENT
Regulators	<ul style="list-style-type: none"> Approval and permit Compliance with regulatory requirements of Bursa Malaysia, Companies Commission of Malaysia, Ministry of Health, Ministry of Housing (MOH), local authority, Construction Industry Development Board (CIDB), Department of Safety and Health (DOSH), Department of Environment (DOE), Ministry of Education (MOE), Ministry of Higher Education (MOHE) and Malaysian Qualifications Agency (MQA). 	<ul style="list-style-type: none"> Regular discussions and meetings with authorities Public consultations with residents' association and local authorities Site inspections Seminars, briefings and training
Community	<ul style="list-style-type: none"> Environmental and social impact Community engagement Management of properties 	<ul style="list-style-type: none"> Corporate social responsibility activities Community engagement and outreach programmes Strategic partnerships
Customers	<ul style="list-style-type: none"> Support services Product quality Latest announcements on project releases Timely delivery Product/service pricing and packages 	<ul style="list-style-type: none"> Customer call centres Websites/social media Consumer surveys Sales promotions Student portals School visits/ talks/ workshops Events and activities
Vendors / Suppliers	<ul style="list-style-type: none"> Service delivery Service scope and payment schedule Pricing of services and product/service quality 	<ul style="list-style-type: none"> Business communication on a daily basis Vendor/supplier registration Performance evaluation Contract negotiation Purchasing contracts Site visits and meetings
Media	<ul style="list-style-type: none"> Company reputation 	<ul style="list-style-type: none"> Regular engagement sessions Press releases
Bankers	<ul style="list-style-type: none"> Breach of covenants Negative public perception 	<ul style="list-style-type: none"> Business communication such as email Face to face meetings Quarterly reporting

















SUSTAINABILITY STATEMENT

MATERIALITY ASSESSMENT & MATRIX

Having engaged with multiple key stakeholders and drawing from our own internal insights and perspectives, the Group held its first materiality assessment workshop on 18 September 2017. The workshop saw participation from senior management as well as key management staff (i.e. Heads of Department or Strategic Business Units). The findings from the materiality assessment workshop was submitted for final deliberation by the SSC and subsequently the Board of Directors. From this, Paramount identified eight key materiality matters, which have been plotted on the matrix on the right based on order of significance and impact to the Group. Each has been mapped with the corresponding UN SDG's and categorised under the respective EES perspectives.

 Economic Indicators	 Environmental Indicators	 Social Indicators
---------------------------------------------------------------------------------------------------------	--------------------------------------------------------------------------------------------------------------	-------------------------------------------------------------------------------------------------------



MATERIAL SUSTAINABILITY MATTER	RELEVANT SDG	5 PILLARS OF SUSTAINABILITY
Economic		
1 Product and Service Quality		
2 Ethics and Integrity / Corporate Governance		
Environment		
3 Waste Management, Energy and Water Conservation		
4 Green Building and Design		
5 Recycling & Environmental Awareness		
Social		
6 Occupational Health and Safety		
7 Talent Retention & Development & Succession Planning		
8 Community Development & Enrichment		

The rest of this Statement provides a narrative on the Group's management approach in addressing these materiality matters as well as reports on progress made and areas for further improvement.

SUSTAINABILITY STATEMENT



PEOPLE

Caring for the safety and health of our people, and developing their talents through empowerment and enabling them to maximise their potential



PLANET

Identifying, managing and minimising the environmental impact of our business operations



PROSPERITY

Delivering superior products and services that benefit society and growing our business to deliver sustainable shareholder return



PARTNERSHIP

Developing and enhancing partnerships that will advance our sustainability aspirations and performance



PEACE

Fostering peaceful relations throughout the organisation and the community at large

4 QUALITY EDUCATION



Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all

Paramount is a pioneer in both property and education concepts. We believe in continuously exploring new ways to deliver better living and teaching environments for the communities in which we operate, which will in turn create new opportunities for growth.

5 GENDER EQUALITY



Achieve gender equality and empower all women and girls

We engage in community efforts to support women within vulnerable communities, and provide opportunities to women in our workplace, universities and schools, so as to ensure their full and effective participation at all levels of decision-making.

8 DECENT WORK AND ECONOMIC GROWTH



Promote inclusive and sustainable economic growth through full and productive employment and decent work for all

We brought sustainable economic growth to the local communities by creating more job opportunities and supporting local businesses. We recruit and develop our people on merit, and we provide opportunities for capacity building and development to them. We believe in long-term goals, built on high levels of performance and corporate reputation to execute our growth as well as our profit strategies and targets.

9 INDUSTRY, INNOVATION AND INFRASTRUCTURE



Build resilient infrastructure, promote sustainable industrialisation and foster innovation

A variety of environmental friendly and innovative concepts have been designed and built into the exteriors, fixtures and fittings of our properties and schools. We continuously challenge the status quo and embrace new ideas and concepts that ultimately lead to improved products, services and businesses.

11 SUSTAINABLE CITIES AND COMMUNITIES



Make cities and human settlements inclusive, safe, resilient and sustainable

Whether homes, offices, schools, shops or green spaces, we recognise that the built environment contributes to improving the quality of life of a community. We engage with vulnerable communities through our outreach programmes with the aim of helping them strengthen and build resilience.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS



Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

We have policies and procedures in place to mitigate corruption and bribery, and to encourage effective, accountable and transparent business transactions. We also ensure responsive, inclusive, participatory and representative decision-making at all levels.

SUSTAINABILITY
STATEMENT

ECONOMIC



ENVIRONMENTAL



SOCIAL



ECONOMIC

This section provides insights into our interactions with the marketplace and outlines how our business activities influence the economic conditions of various stakeholders.

PRODUCT AND SERVICE QUALITY

Quality is key in meeting customer satisfaction, enhancing brand reputation and ensuring value for customers. The pursuit of quality is essentially a commitment towards sustainability, as the ultimate outcomes are repeat buyers, strong customer satisfaction, enhanced brand goodwill and ultimately sustainable revenue and profits.

Quality also means that our products and services must be safe for both people and the environment. The following principles define our approach to quality excellence:

- Quality should be backed by key standards and industry recognised benchmarks
- Excellent quality must be assured at every stage of the production cycle or value chain, not just focussed at the end-product / service delivery stage

SUSTAINABILITY STATEMENT

- Quality is defined in the eyes of the customers, not merely based on our own standards and assumptions, i.e. quality equates to customer satisfaction
- Quality excellence should also include intangibles, i.e. service delivery and the human touch.

Excellent Quality via Industry Benchmarks & Standards

Testament to our commitment to quality, our property division, stringently adheres to the requirements of CIDB's Construction Industry Standard (CIS) 7:2006 for quality assurance at construction sites. It has also been certified under the ISO9001 standards on Quality Management System (QMS).

Our education division has received the following industry recognition in 2017:

- International Schools Quality Mark (ISQM) Gold Accreditation

The ISQM verification inspection by the Centre For British Teachers Education Trust (CfBT) provides objective assurance that Sri KDU International School (SKIS) meets rigorous quality standards. Gold accredited status, which is the highest level attainable, is awarded when the school is outstanding in the following three sections:

- Standards and achievement
- Teaching and learning
- Leadership and management

- World Wide Fund (WWF) Eco School - Green Flag Award

The Green Flag Award was awarded to SKIS for their environmental work under the Eco-Schools Programme in Malaysia. Only six schools nationwide, including SKIS, have received this prestigious award.



- A member of the Federation of British International Schools in Asia (FOBISIA) (membership attained in December 2016 and retained in 2017).

Sri KDU retained its prestigious memberships in FOBISIA in 2017. SKIS gained entry to this prestigious organisation after an extremely rigorous assessment procedure to confirm that it has met with the high standards expected of British International Schools in the region.

- 5-Star (Excellent) rating under by the Malaysia Quality Evaluation System for Private Colleges or MyQUEST 2016/2017.

KDU College was awarded a 5-Star MyQUEST 2016/2017 rating by MQA. Held biennially since 2011, MyQUEST is a MOHE developed rating system for assessing the quality of private colleges in Malaysia. Colleges are rated from a scale of 1 to 5 stars.

- Tier 4 (Very Good) in SETARA 2017 by MQA

KDU University College was awarded a Tier 4 (Very Good) status in the rating system for higher education institutions in Malaysia by MQA within the purview of the MOHE.

The SETARA rating system is a basis for quality assurance of higher education and the reference point for the criteria and standards of academic qualifications offered at universities and university colleges in Malaysia.

SUSTAINABILITY STATEMENT

Setting Quality Benchmarks

Under the industry recognised Quality Assessment System in Construction (**QLASSIC**), Paramount Property continues to set new benchmarks for quality excellence.

QLASSIC is a system adopted by CIDB to evaluate the workmanship quality of a building's construction based on the CIS 7:2006. It is an independent method of quantifying and evaluating quality in workmanship and construction based on approved standards.

PROJECT	QLASSIC SCORE
Phase 1 of Sejati Residences	81%
Sekitar26 Business	79%
Pangsapuri Kemuning Aman, Kemuning Utama	77%
KU Suites, Kemuning Utama	72%
Utropolis Suites @ Utropolis Glenmarie	74%
Lifestyle Suites @ Utropolis Glenmarie	76%
Phase 2, Bukit Banyan	77%
Phase 3, Bukit Banyan	75%

Quality through Customer Satisfaction

In 2017, Paramount Property continued to embellish its proud record of accomplishment by ensuring buyers receive their keys on or ahead of time.

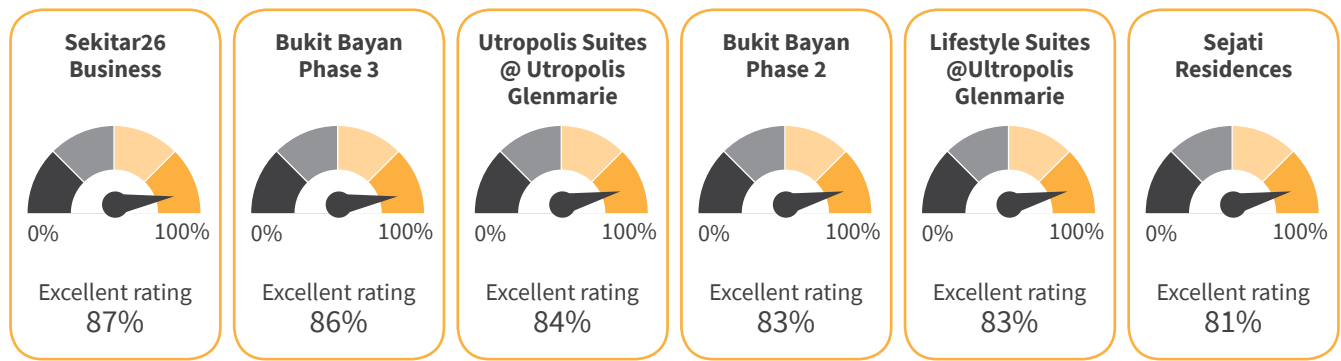
PROJECT	DELIVERY
Utropolis Glenmarie	Phase 1 – Utropolis Suites: handed over five months ahead of schedule
	Phase 2A – Lifestyle Suites: handed over one week ahead of schedule
Sejati Residences	Phase 2A handed over three months ahead of schedule
	Phase 3C handed over six months ahead of schedule
Bukit Banyan	Phase 1 and 2 handed over to buyers six and four months ahead of schedule, respectively
	Phase 3 handed over three months ahead of schedule
Sekitar26 Business	Handed over six months ahead of schedule

SUSTAINABILITY STATEMENT

Measuring Quality through Customer Satisfaction

Measuring our customer satisfaction is essential to help us continuously improve our product and service quality. Paramount Property has developed its internal Customer Satisfaction Index (CSI) to assess buyers' quality perception of Paramount Property's products and overall service experience.

CSI Results



Measuring Quality through Service

We have invested considerable resources and effort to ensure that our customer service meets and exceeds expectations. Launched in July 2016, the Paramount Property Customer Service Charter serves as the defining guide in educating employees on the importance of good customer service and engagement.

PARAMOUNT PROPERTY CUSTOMER SERVICE CHARTER (CSC)

At Paramount Property, we view customer engagement as the key to our success – a privilege and a responsibility which we wholly embrace.

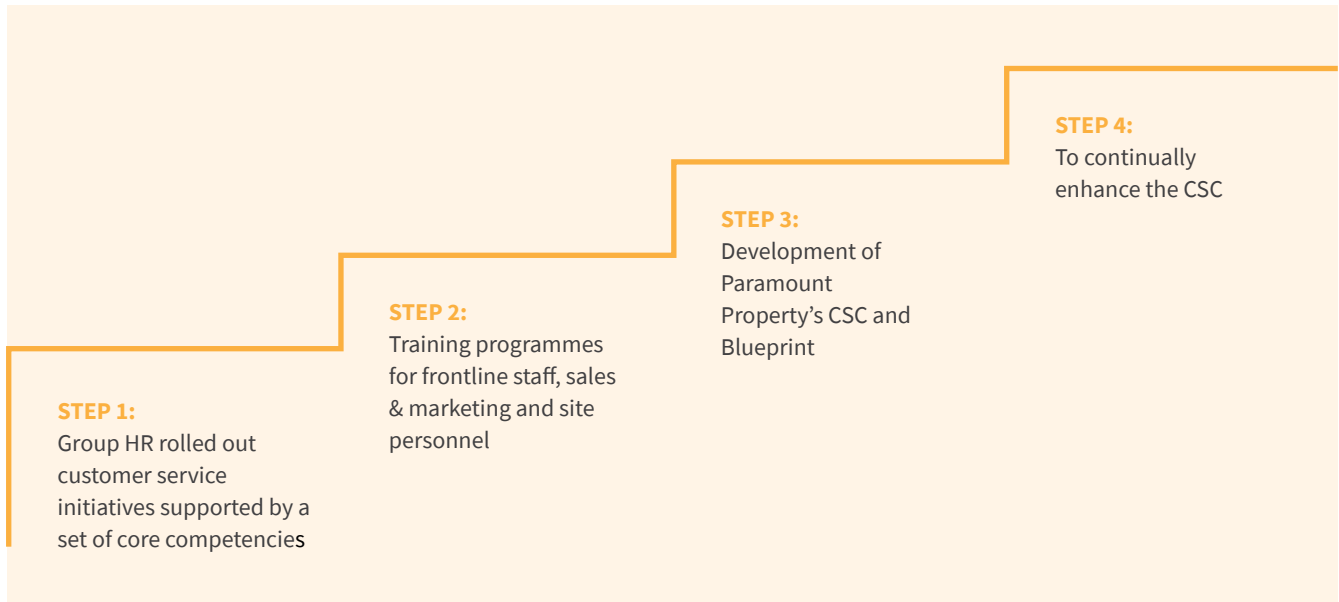
We will strive to continually earn our customers' trust and confidence in us.

The CSC is further supported by the following core competencies or parameters to ensure the delivery of excellent customer service:

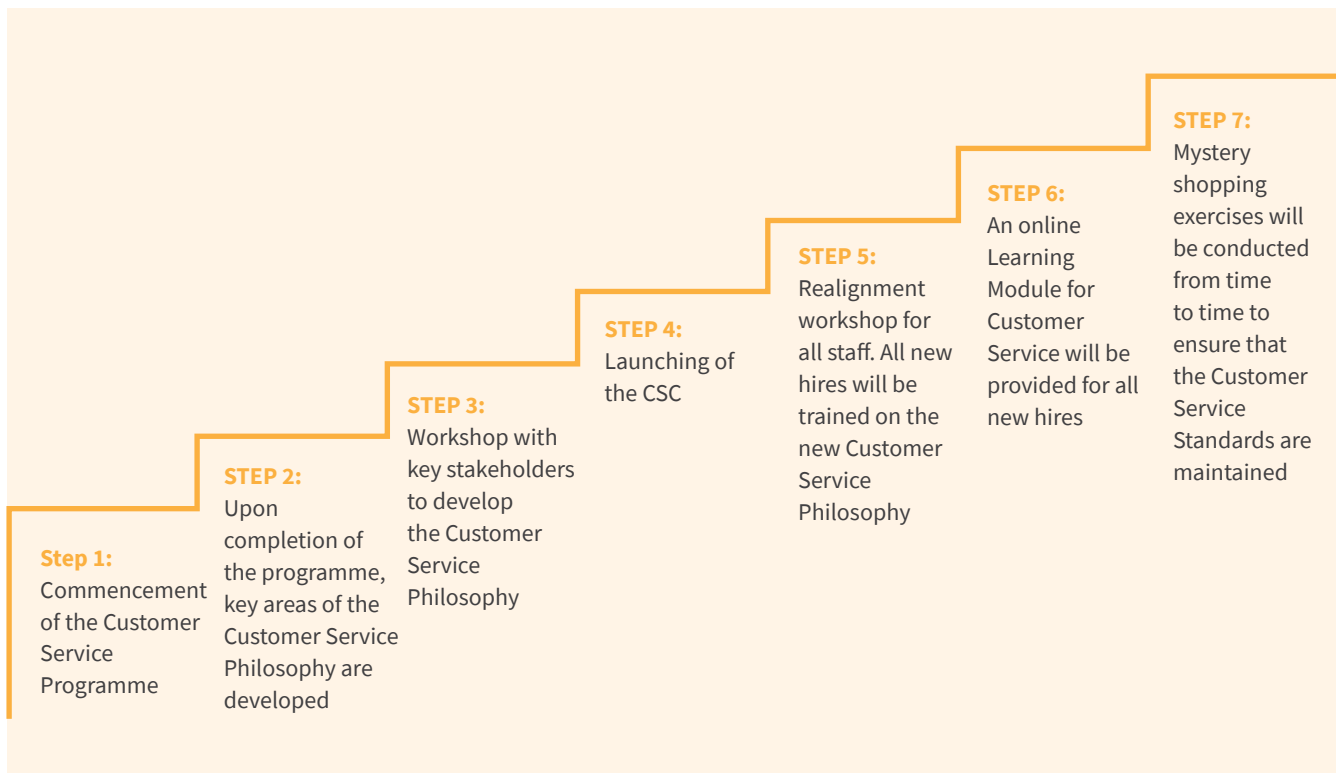
CORE COMPETENCY	DESCRIPTION
Exceeding expectations	<ul style="list-style-type: none"> Ability to deliver excellent customer service that will grow our customer base. Ability to identify ways that add value to customer relations and exceed expectations.
Ability to address customers' concerns	<ul style="list-style-type: none"> Ability to address customers' concerns professionally and effectively allay those concerns.
Emotional intelligence	<ul style="list-style-type: none"> Ability to identify different personalities and adopt different approaches to engage with them.
Good listening skills	<ul style="list-style-type: none"> Ability to listen to the customers' needs and wants to ensure that their expectations are met.
Effective frontline skills	<ul style="list-style-type: none"> Ability to use good communication skills to maintain good rapport with prospects.

SUSTAINABILITY STATEMENT

The CSC was cascaded across the entire organisation through the following processes:

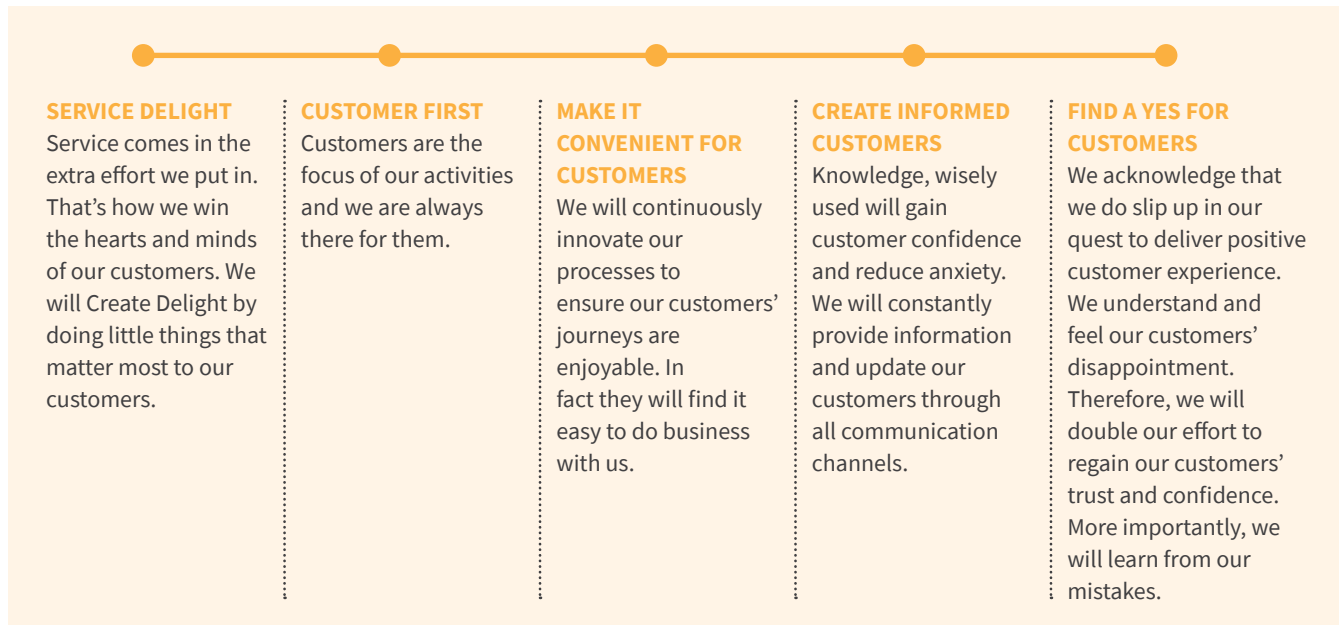


Customer Service Excellence Programme (Property Division)



SUSTAINABILITY STATEMENT

Paramount Property Core Values for Excellent Customer Service



These values will exemplified in all interactions with our customers from the moment they encounter with our Paramount Property brand or products.

Producing Employable Graduates

We take pride in Paramount Education's legacy of producing skilled knowledge workers and talents who are employable in the job market. This is a critical success factor and a testament to the relevance of our courses and programmes in meeting today's needs for talent, more so when there is a high level of unemployed graduates in the market.

More importantly, we are proud to have not just produced employable graduates, but have indirectly contributed to nation building and also in uplifting the socio-economic status of our graduates and their families while helping them realise their full potential.

ETHICS & INTEGRITY

The Group has always emphasised the need for strong corporate values and principles to guide its actions. Ethics and integrity serve as pillars upon which the Group may avoid bad business practices while creating a positive impact and influence on the economy, environment and society.

All new employees are inducted on the Code of Business Conduct and Ethics so that they are aware of expected behaviours and norms within the Group.

Testament to the Group's commitment to upholding high standards of ethics, integrity and corporate governance, Paramount clinched the Minority Shareholders Watchdog Group's Excellence Award for Overall Corporate Governance & Performance for the mid-market capitalisation category in 2017.

The Group's Whistleblower Policy allows for anyone to have a confidential, safe and secure channel to voice any potential wrongdoings, incidents of fraud, or harassment. The Policy outlines the mechanism by which such concern(s) can be raised while protecting the identity of the whistleblower, thus removing the fear of victimisation or reprisal.

Contents of the Whistleblower Policy can be viewed at our corporate website. Those who wish to make a report under the policy can email to whistleblower@pcb.my or fax to 03 7712 3344.

There were no reported incidents of fraud, harassment or discrimination in 2017.

SUSTAINABILITY STATEMENT



ENVIRONMENT

We are committed to identifying, managing and minimising the impact of our business operations to the environment.

Our commitment to environmental sustainability is a natural extension of our mission statement, which is to grow our businesses while continuing to protect and preserve the environment.

Given the nature of our business activities, which is property development and provision of education services, there is a disparity between the two in terms of environmental footprint and impact. The former is certainly more likely to have a greater exposure to environmental issues. Nevertheless, we have undertaken various strategies within both business divisions to create meaningful positive impact on the environmental landscape. Our Corporate office has also initiated various measures to reduce its impact on the environment.

The Group's property development activities are ISO 14001:2015 certified, and the status of such certifications are as follows:

Entity	Certification
Paramount Property Northern	
Paramount Construction (PG) Sdn. Bhd.	ISO 14001:2015 Valid until April 2020
Paramount Property Utara Sdn. Bhd.	ISO 14001:2015 Valid until December 2020
Paramount Construction Sdn. Bhd.	ISO 14001:2015 Valid until April 2020
Paramount Property Central	
Paramount Property Development Sdn. Bhd.	ISO 14001:2015 Valid until September 2020
Paramount Property Construction Sdn. Bhd.	ISO 14001:2004 Valid until March 2020

For development projects that fall within the list of Prescribed Activities under the Environmental Quality (Prescribed Activities) (Environmental Impact Assessment) Order 2015, we strictly comply with the regulations by conducting Environmental Impact Assessments and Environmental Management Plans to manage our construction sites according to the conditions stipulated by the Department of Environment (**DOE**).

WASTE MANAGEMENT (CONSTRUCTION)

Management of Construction Waste

In common construction practice, most of the construction waste goes into landfills, which increases the burden on landfill loading and operation. Therefore, we segregate and recycle them as much as possible to conserve raw materials and reduce construction waste that ends up in landfills.

Our Initiatives to Reduce Construction Waste

1. Designating a recycling collection area at every project site.
2. Sending recyclable timber and rebars to recyclable centres.
3. Reusing materials that can be recycled directly in current or future construction projects.
4. Drawn up policies to reduce waste output from our construction sites.

Waste Management (Laboratory waste)

Laboratory waste accumulated at the Group's university college campuses are managed in accordance with the 'Disposal of Chemical Wastes from Laboratory' Guidelines published by the DOE.

We are registered with DOE for scheduled waste disposal and have outsourced the management of scheduled waste to a DOE-certified and compliant waste management contractor under the Environment Quality Regulation.

SUSTAINABILITY STATEMENT

EMBRACING GREEN BUILDING DEVELOPMENT

Since 2016, the Group has voluntarily committed itself to promoting sustainability in the built environment, and has worked towards higher conformance to the Green Building Index (GBI) promoted by the Malaysian Institute of Architects in association with the Association of Consulting Engineers Malaysia.

This resulted in the Utopolis Glenmarie campus of KDU University College (KDUUC), garnering a provisional GBI certification in 2017.



**Green Building Features
(Energy Consumption
Reduction) at Utopolis
Glenmarie campus of KDUUC**

GREEN BUILDING FEATURES (CARBON FOOTPRINT REDUCTION) AT THE KDU UNIVERSITY COLLEGE, UTROPOLIS GLENMARIE CAMPUS



Energy-efficient centralised chilled water air conditioning system



Digital power meters to track energy consumption for reporting and improvement



Naturally ventilated courtyard and corridors



Building automation system to monitor energy usage



Educational displays showing real time energy performance of the buildings



More than 30% of the campus is well-lit by natural day light



Energy-efficient artificial lighting design and fittings



Demand-controlled ventilation control system using CO₂ sensors for lecture theatres



Advance Building Management System with scheduling capabilities to programme the usage of all air-conditioning and lighting systems according to class schedules



Good passive cooling technique design with Overall Thermal Transfer Value (OTTV) of less than the minimal solar heat gain of 45 w/m²

SUSTAINABILITY STATEMENT

BUILDING FEATURES THAT REDUCE CARBON FOOTPRINT



Achieved 16.3% of green footprint
(above the local authority
minimum requirement of 10%)



Tobacco smoke free
campus



Dedicated preferred car park for
green vehicles



Reduction in electricity
consumption which will in turn
reduce the generation of electrical
power and emission of CO₂

Green Building Features (water consumption reduction) at KDU University College, Utropolis Glenmarie

- Harvested rainwater used for landscape irrigation and cooling towers
- Water efficient sanitary fittings
- Water leak detection system for conservation of water

We continue to improve our building designs and layouts by incorporating green features and innovations as much as possible. The following is a summary of our efforts and progress in this area:

Development / Building

Green features incorporated

Paramount Property
Northern Corporate
Office and Sales
Gallery

- Designed to be compliant with GBI or GreenRE (promoted by the Real Estate and Housing Developers' Association of Malaysia) certification requirements.
- Energy efficient and eco-friendly features such as Industrialised Building System (IBS), motion sensors, energy-saving lifts and Variable Refrigerant Volume (VRV) air-conditioning system will be used.

Bukit Banyan, Bandar
Laguna Merbok
& Atwater

Engaged GBI facilitators to assist in meeting 6 key criteria of the GBI certification, i.e. energy efficiency, indoor environmental quality, sustainable site planning & management, material and resources management, water efficiency and innovation.

SUSTAINABILITY STATEMENT

RECYCLING & ENVIRONMENTAL AWARENESS

Reflecting on our commitment to building an innovative organisation, we have undertaken various recycling projects, the most prominent of which was our award-winning Chengal House project at the Sejati Residences development.

Chengal House is the country's first purpose-built structure that features roof trusses and columns made from upcycled 200-year-old chengal wood salvaged from a 70-year old factory owned by Paramount Property.

Eco-Friendly Innovation

- Rainwater harvesting for landscape irrigation.
- Well-insulated and ventilated roof space to reduce heat gain.
- Heat resistant paint for exterior walls.
- Intelligently designed window placement for well-shaded living areas and good cross-ventilation.
- High energy-saving hybrid direct current hot water systems.
- Water-saving tap aerators and dual flush toilet system.

Awards Won:

- FIABCI International Property Award 2017, Purpose-Built Category (Silver)
- StarProperty.my Awards 2017, Earth Conscious category
- Malaysian Wood Awards 2017, Chengal Award Public/Commercial Category
- FIABCI-Malaysia Property Awards 2016, Purpose-Built Category
- GreenRE Gold Award, Residential Category
- Malaysian Construction Industry Excellence Award (MCIEA) 2015 - The Best Project Award in the Small Project, Building Development category for pushing construction boundaries in the use of reclaimed timber with the construction and completion of Chengal House
- MCIEA 2015 - The Green Construction Special Award in recognition of Chengal House's green construction concepts and practices as well as environmental impact
- 8th Malaysia Landscape Architecture Awards 2015 - An Honour Award in recognition of Chengal House's landscape concept

- Property Insight's Prestigious Developer Award 2015 - Best Boutique Development Award for Sejati Residences



SUSTAINABILITY STATEMENT



Chengal timber for dining table at Paramount Corporation Berhad's boardroom

Today, Chengal House serves as a Paramount Corporation Berhad brand ambassador and stands proudly as the clubhouse of Sejati Residences. It is visited by students and the public during their study tours or educational visits. The clubhouse has also received much media attention. We have also continued to find means to incorporate the Chengal wood across our footprint.



Chengal timber in Co-labs at Utropolis Marketplace, Glenmarie



Chengal timber for photoframe at Paramount Property Flagship Sales Gallery at Section 13, PJ



Chengal timber in Food Park at Utropolis Marketplace, Glenmarie

In 2016, we used our Chengal timber to enhance the interior design of the Co-Labs and Food Park at Utropolis Marketplace and the sales gallery of Atwater, Paramount's latest flagship integrated development in Section 13, PJ, Selangor. We have also used the wood for the Paramount Corporation Berhad boardroom dining table.

SUSTAINABILITY STATEMENT

Promoting Native Species within Our Developments

Another key initiative is the introduction of native plants into our developments as part of our commitment to preserve Malaysia's rich and diverse flora.

Over the years, there has been an emphasis on using aesthetically pleasing foreign species for landscaping whether in towns and cities, along highways or in residential areas. The use of native plants is, however, currently viewed as a better approach.

As such going forward, Paramount will introduce the concept of planting rainforest saplings and vegetation at its various landed developments. These designated areas will then be transformed into public education areas on local flora – serving to promote greater awareness of the environment among the local communities.

Separation of Waste Via Bins

KDUUC and KDU Penang University College (**KDU PG UC**) have long adopted the practice of segregating their recyclable and non-recyclable waste, and designating specific recycling areas for the collection of recyclable waste.

Our Education Division has also achieved various environmental accolades and achievements such as the following:

First Runner Up of Low Carbon Building Award 2017 by the Shah Alam City Council

Category : Commercial and Institution
Institution : KDUUC

Most Sustainable Brand Award 2017 by The Brand Laureate

Category : Education – Private University College
Institution : KDUUC



Green Flag Award by WWF Eco School (December 2016)

Category : Education and Learning
Institution : SKIS

Promoting Green Awareness to Stakeholders

Similarly, Paramount Education has launched various environmental awareness activities at our schools and institutions with the aim of educating our younger generation of stakeholders to be more conscious of environmental sustainability issues.

One of such activities is the implementation of a Sustainability Day at KDUUC on every 1st Wednesday of the month, where staff and students are encouraged to use the stairs, as all elevators and lifts will be switched off for the whole campus throughout the day.

Other initiatives include:

- A ban on the use of plastic bags and polystyrene containers by all vendors throughout the campus.
- KDU Environment Day with activities such as exhibitions and talks to create awareness among students about the importance and need for sustainability efforts.

SUSTAINABILITY STATEMENT



SOCIAL

To build community resilience and promote sustainable development within the larger society

Beyond building goodwill and relationships, our sustainability focus with regard to community relations is to create a lasting legacy that delivers mutually beneficial outcomes across generations of stakeholders. Our strategies, action plans and desired results must echo across time and continue to enrich people irrespective of social, cultural and ethnic backgrounds.

More importantly, we believe in reaching out to the marginalised, the underprivileged and those left out of the mainstream of development through our business footprint of property development and provision of education services.

OCCUPATIONAL HEALTH AND SAFETY

In FY2017, Paramount Property achieved a Health, Safety and Environment (HSE) track record of 44.41 million cumulative manhours without a Lost Time Incident (LTI). The number is an aggregate score derived from all on-going construction projects.

No.	Projects	Man Hours	(LTI)
1	Sejati Residences, Cyberjaya	1,843,588	0
2	Atwater, Section 13 PJ	9,100	0
3	Utropolis, Shah Alam	3,128,626	0
4	Greenwoods, Salak Tinggi	200,970	0
5	Sekitar 26, Shah Alam	129,940	0
6	Bukit Bayan, Sg. Petani	30,278,406	0
7	Utropolis, Batu Kawan	8,821,296	0

While there were some near misses and minor incidents, none of them led to any major injuries or disruption to the overall construction activities. Incorporating the lessons learnt from these incidents, Paramount Property has implemented the following initiatives:

- 1) Requiring all third-party contractors to comply with standard operating procedures, guidelines and work instructions.
- 2) Conducting HSE inductions, toolbox meetings & implementing more effective daily HSE briefings to mitigate substandard acts and substandard conditions, potential hazards, and risks.
- 3) Increase inspection of machineries and tools, work practices, work conditions, work site, etc.
- 4) Implementing periodic site safety meetings involving all parties.

The status of our Occupational Health and Safety Assessment Series OHSAS 18001:2007 and MS 1722:2011 (certification for Paramount Property) is displayed in the table below.

Entity	Certification
Paramount Property Northern	
Paramount Construction (PG) Sdn. Bhd.	OHSAS 18001:2007 Valid until April 2020
	MS 1722:2011 Valid until April 2020
Paramount Property (Utara) Sdn. Bhd.	
	OHSAS 18001:2007 Valid until December 2020
Paramount Construction Sdn. Bhd.	OHSAS 18001:2007 Valid until April 2020
	MS 1722:2011 Valid until April 2020
Paramount Property Central	
Paramount Property Development Sdn. Bhd.	OHSAS 18001:2007 Valid until September 2020
Paramount Property Construction Sdn. Bhd.	OHSAS 18001:2007 Valid until March 2020

SUSTAINABILITY STATEMENT

Occupational Safety and Health (OSH) Committees

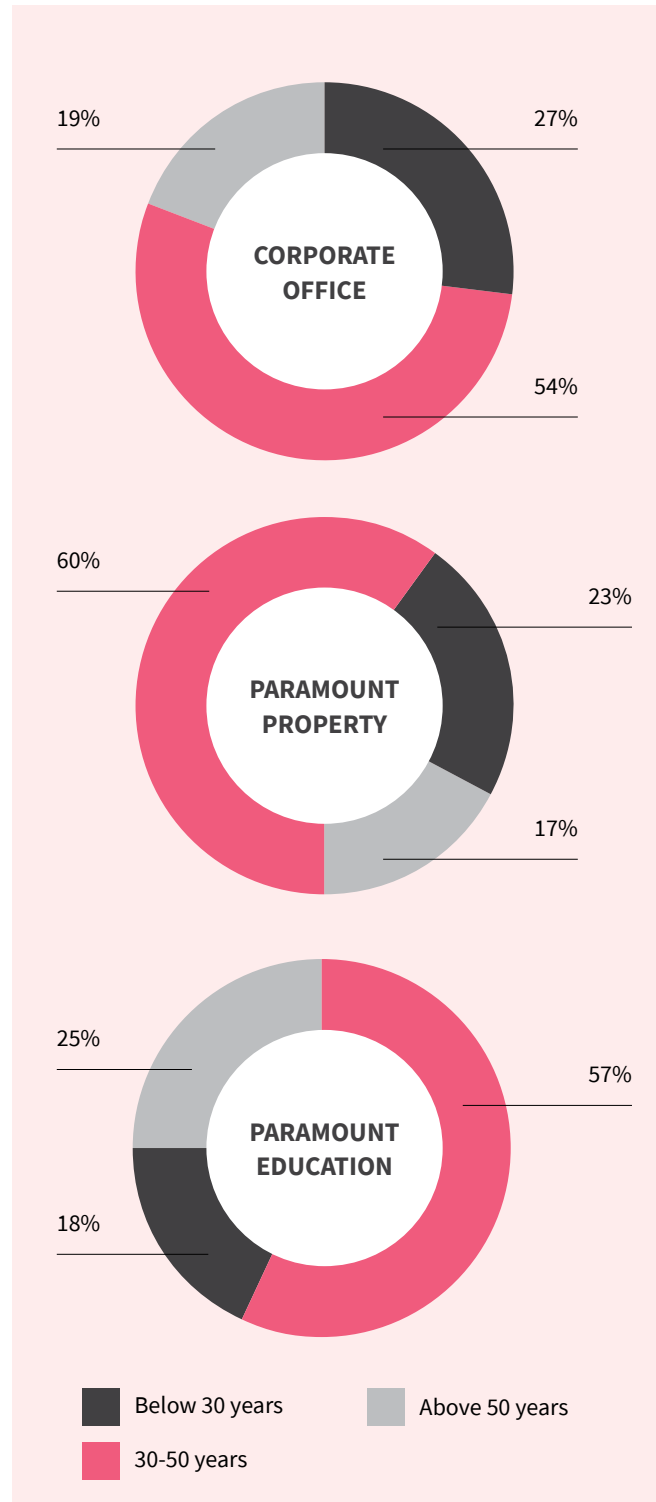
Our Group places significant emphasis on our employees' health and safety. Hence, we have established Occupational Safety and Health (OSH) Committees at our Property and Education divisions to maintain a safe work environment by minimising the risk of accidents, injury and exposure to health hazards. Currently, OSH Committees have been established at Paramount Property's central and northern offices, Sri KDU Schools, KDUUC, KDU PG UC and KDU College. Regular safety and health training covering new-hire induction, periodic refresher training and drills have also been conducted to instil safe work practices and attitude among employees.

TALENT RETENTION & DEVELOPMENT

Talent is a crucial component to the Group, more so in today's competitive environment. Our talent strategy is essentially simple, i.e. to retain our present workforce, develop their competencies and to attract new high-calibre potentials to join the Paramount family.

In cultivating talent, we believe that organisational culture is key, so is understanding the different aspirations of the varying demographics within the Group. Gen Y employees may have different requirements to older employees and vice versa. Non-executive staff may have differing priorities compared to Executive or Management personnel.

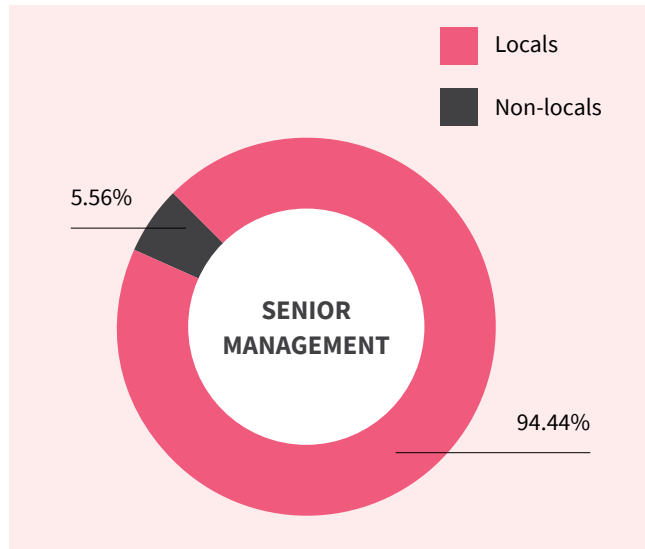
Hence, our approach to talent retention and development is to first identify the different talent groups across the organisation. Naturally, the nature of operations within each division would, to a certain extent, dictate the composition of each segment. We are pleased to report that we have a healthy balance of employees across all age brackets with the majority within the 30-50 age bracket.



SUSTAINABILITY STATEMENT

Talent Recruitment

The Group adopts a policy of recruitment by merit, where new hires are selected based on their abilities, achievements, experiences and qualifications as the main criteria. Where possible, the Group believes in hiring Malaysians. This is especially reflected in the hiring of senior management. At present, 94.44% of our senior management constitutes Malaysians.



Rewarding Talent

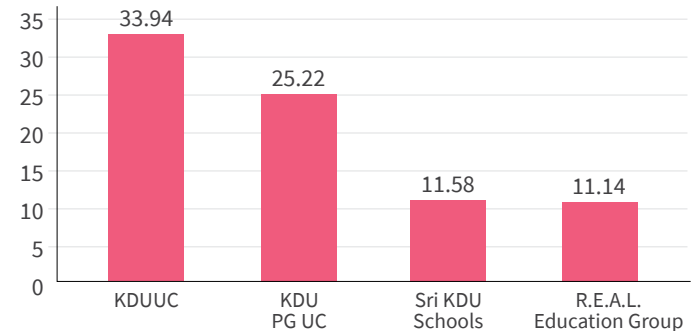
Members of our senior management and selected employees recognised for their contribution to the Group's growth are rewarded via the Company's Long term Incentive Plan (LTIP).

Talent Development

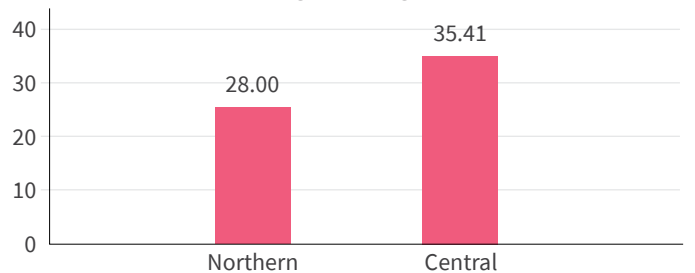
In 2017, the average training hours per employee at our corporate office with a staff strength of 41 employees was 12.47. The average training hours per employee for our Education and Property Divisions are represented in the following tables:

TALENT RETENTION & DEVELOPMENT

Paramount Education Average Training Hours



Paramount Property Average Training Hours



In continuing to develop the competency and knowledge of our staff, a wide range of internal and external training programmes were offered to relevant personnel at no cost to them. The following is a list of training programmes provided to our staff in 2017:

Division	Programmes
Corporate Office	Enterprise Risk Management
	Innovation Awareness Workshops
	Finance / Accounting:
	• National Goods and Services Tax (GST) Conference 2017
	• Association of Chartered Certified Accountants (ACCA) Annual Conference 2017
	Internal Audit:
	• Effective Ways to Improve Performance and Results for Internal Audit
	• Internal Audit's Role in Information Technology (IT) Development to Drive Business Innovation
	Human Resource:
	• Employee Benefits Asia 2017
	• Training and Development Asia 2017

SUSTAINABILITY STATEMENT

Division	Programmes
Paramount Property	<p>Customer Service:</p> <ul style="list-style-type: none"> Customer Service Excellence Series Customer Service Bootcamp for Key Stakeholders <p>Environment, Safety & Health:</p> <ul style="list-style-type: none"> First Aid Training Workshop 9th Occupational Safety & Health Conference 2017 Total Chemical Safety Management <p>Finance & Accounting:</p> <ul style="list-style-type: none"> Guided Approach to Deferred Taxation Series The Fintech Future Workshop Income Tax and GST Implication Recent GST Changes & Analysis of GST Audit File Regime & Malaysian Private Entities Reporting Standards for Accounting Staff <p>Innovation:</p> <ul style="list-style-type: none"> Innovation Awareness Workshops <p>Property Project & Construction Management:</p> <ul style="list-style-type: none"> Smart Strata 2017 Modern Construction Technologies Strata Management Dialogue 2017 Qlassic Training <p>Quality, Risk Management, Business Continuity & Sustainability:</p> <ul style="list-style-type: none"> Regional Economic & Business Outlook Conference 2017 DATUM Green KL 2017 <p>Compliance:</p> <ul style="list-style-type: none"> ISO Awareness Programmes Practical Solutions to Legal Problems <p>Sales & Marketing:</p> <ul style="list-style-type: none"> Digital Marketing Malaysia 2017 Sales Series Programme <p>Other Programmes:</p> <ul style="list-style-type: none"> 10th Malaysian Property Summit The Global Leadership Summit 2017 World Class Sustainable Cities 2017

Division	Programmes
Paramount Education	<p>Training Programmes for Teaching Staff</p> <p>Environment, Safety & Health:</p> <ul style="list-style-type: none"> Occupational Safety & Health Conference 2017 Manage & Design Fire Evacuation Plan Workshop First aid, Cardiopulmonary Resuscitation and Automatic External Defibrillator <p>Finance & Accounting:</p> <ul style="list-style-type: none"> Withholding Tax in Malaysia Capital Goods Adjustment Seminar ACCA Annual Conference 2017 Accounting for Deferred Taxation <p>Human Resource:</p> <ul style="list-style-type: none"> Malaysian Employers Federation (MEF) Taxation & Employers Seminar 2017 MEF - Hours of Work, Overtime & Holidays Seminar Talent Ecosystem Conference 2017 Strategic Compensation & Benefits Management Conference 13th MECA Industrial Relations Convention <p>Quality, Risk Management, Business Continuity & Sustainability:</p> <ul style="list-style-type: none"> Institute of Enterprise Risk Practitioners - Enterprise Risk Global Conference 2017 Risk Assessment Workshop for School of Engineering Staff <p>Sales & Marketing:</p> <ul style="list-style-type: none"> Intensive Telemarketing & Sales Training Mastering Facebook Advertising Social Media Analytics Workshop <p>IT:</p> <ul style="list-style-type: none"> Cyber Risks & Impact on the Organisation Workshop Pin & Pay Awareness Workshop Android Application Development Essential Training <p>Customer Service:</p> <ul style="list-style-type: none"> Delivering Service Quality Handling Difficult Customers

SUSTAINABILITY STATEMENT

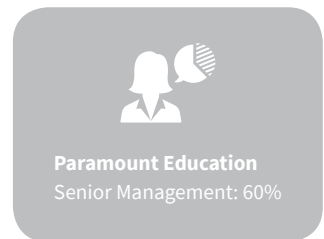
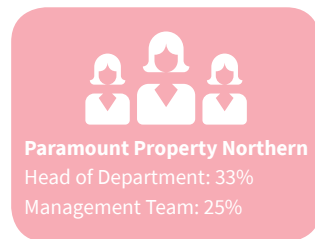
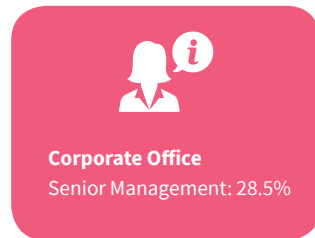
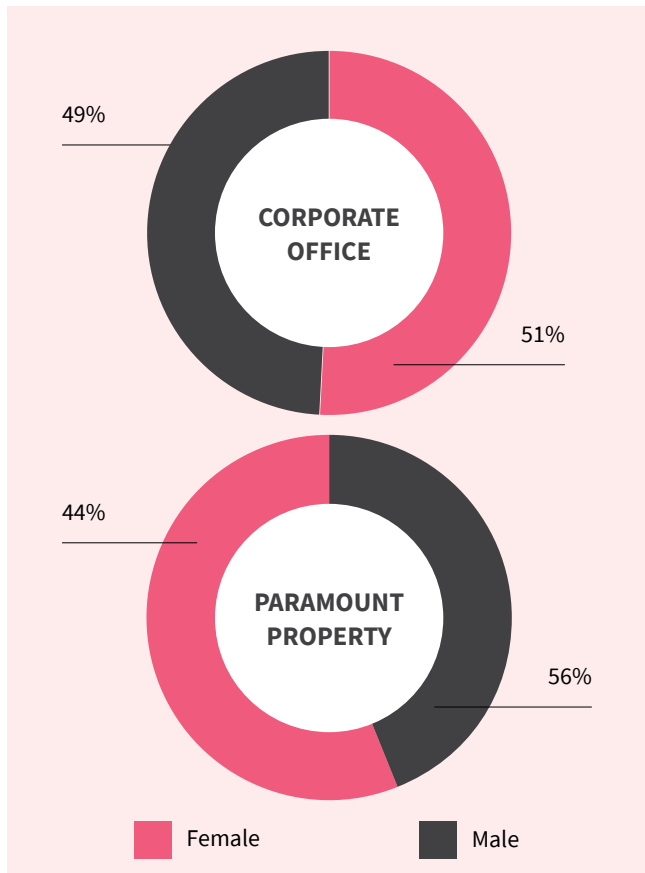
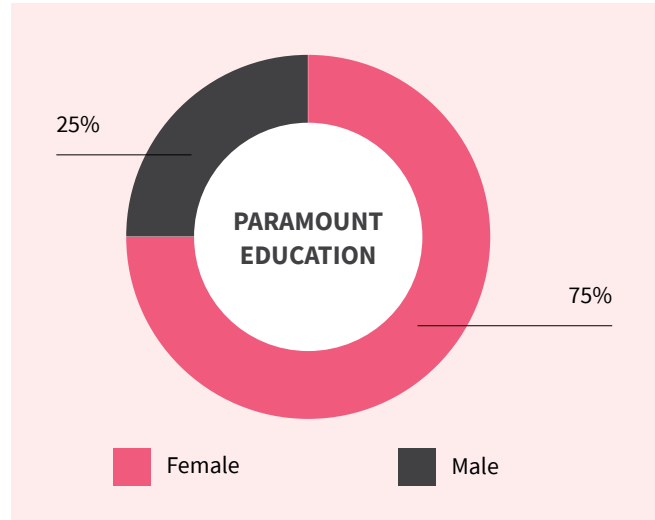
WORKFORCE DIVERSITY

The promotion of gender balance serves as one of our main priorities, especially increasing our women employees in leadership positions at management levels.

In 2017, the Board of Directors has set a target of 30% female representation on the Board by 2020. At present, Paramount has one female Director serving as an Independent Non-Executive Director.

As of September 2017, women constitute 48.57% of our senior management across all divisions. At the corporate office, there is a balance of men (49%) and women (51%) employed. Naturally, certain sectors may see a gender imbalance but this is expected given the nature of certain industries.

At Paramount Property, men represent 56% of the total employees while at the Education Division, women form a significant majority of 75%.

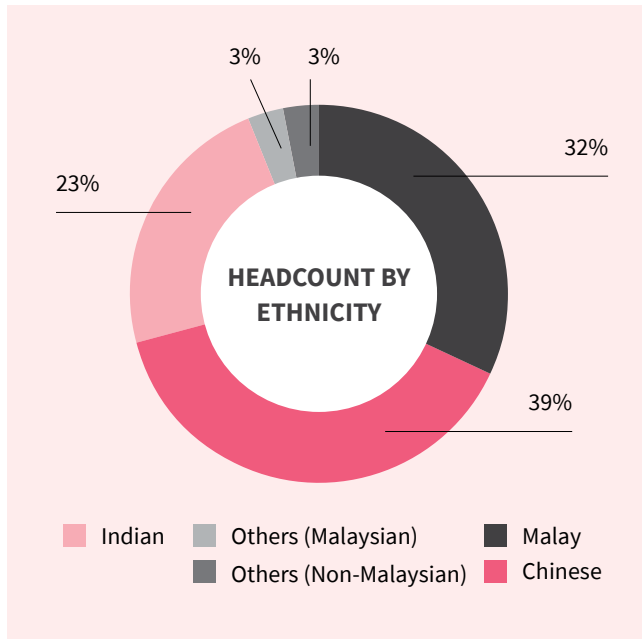


As a whole, the Group has a healthy balance between male and female employees across all levels of the organisation. We are cognisant of the fact that we can improve further in this area.

Promoting an Ethnically Diverse Workforce

As we champion gender equality, we also continue to pursue a policy of unity in diversity, where we hire talent irrespective of race, religion or their social and cultural backgrounds. We encourage multi-culturalism in the working environment and continue working towards creating an equal opportunity workplace.

SUSTAINABILITY STATEMENT



SUCCESSION PLANNING

In ensuring the long-term sustainability of the Group, management has invested in the development of its leadership bench; the next echelon of Senior Managers and Managers across the Group.

This is essential in ensuring a seamless succession and to preserve the values and culture of Paramount and its brand. More importantly, we are not merely grooming leaders for the Group, but also for the respective industries in which we operate.

Hence, the Group has initiated three succession planning programmes targeted at senior management, middle management and executive-level employees.

Thus far, over 114 candidates have been selected to participate in these programmes.

Succession Planning Programme	Targeted Employee Level	Training Provided in 2017	No. of participants
Sustainable Talent Acceleration and Retention Strategy (STARS)	Senior management	<ul style="list-style-type: none"> Leadership Coaching Global Transformation Forum Innovation and Design Thinking 	38
Leading with Energy and Passion (LEAP)	Middle management	<ul style="list-style-type: none"> Strategic Thinking Change Management Developing Business Acumen 	Batch 1: 41 (36 completed) Batch 2: 19 (ongoing)
Emerging Leaders in Transition (ELITE)	Executive-level employees	<ul style="list-style-type: none"> Communicating and Managing Up Conflict Management 	16 (ongoing)

SUSTAINABILITY STATEMENT

COMMUNITY DEVELOPMENT

Re-development of SJK (C) Khe Beng at Kemuning Utama

Given our established presence in the Kota Kemuning enclave, it was appropriate that we undertake community development projects for the local populace. Leveraging on our construction expertise and given our focus on education, it made perfect sense for us to assist in a school related project.

SJK (C) Khe Beng was facing an acute problem of space constraint with overcrowded and cramped classrooms, and teachers having to hot-desk i.e. share tables and chairs in the staff room.

Paramount Property worked closely with the Selangor state government and the local school authority to assist in alienating a four-acre piece of land to the school for its expansion plans.

The same school was also hit by a thunderstorm, and Paramount Property came to the rescue by providing manpower and expertise for the repairs to the classrooms and school facilities.

Setting up of OSH School Committee

On 9 January 2018, Paramount Property Northern Region met with the local district education authority to discuss the introduction of a health and safety programme for schools in Sungai Petani. On 25 January 2018, we were invited to participate in the first HSE meeting of Sekolah Kebangsaan Laguna Merbok, a school that was adopted by Paramount Property as part of an initiative to inculcate a safety-first mindset and culture among students. There will be periodical monitoring to ensure that the school stays on track in this initiative.

In Support of Penan Women via the Woven Bag Campaign

We strongly believe in reaching out and supporting small or challenged communities who may not have been fully integrated into or benefitted from the mainstream of development. Hence, in collaboration with the 10Ringgit Club, in May 2017, we supported the hard-working ladies of the indigenous Penan community from the Borneo rainforests.

Essentially, we procured 816 bags woven by these ladies to support them financially.

The bags were given out as part of the handover kit to our property buyers. The bags will go a long way in helping these Penan women send their children to school and to put food on the table. For more information, please visit: www.pcb.my/penanwomenproject

Community Engagement Programmes

Paramount Division	Community Programmes
Paramount Property	Participation in the Klang City Rejuvenation (KCR) Committee: With Paramount Property's Chief Operating Officer sitting on the Board of the Klang City Rejuvenation Committee, Paramount Property continues to support efforts in the makeover of Klang town. In 2017, we participated actively in various KCR activities and provided sponsorship for the 'We love Klang Amazing Treasure' and 'Klang Heritage Fest programmes'. This is a long-term project and one which we remain resolute to pursue in the best interest of the Klang community.

SUSTAINABILITY STATEMENT

Paramount Division

Community Programmes

Paramount Education

KDUUC and KDU College

Student Alumni Centre

Institut Onn Ja'afar Programmes

- **Buku Jalanan:** A weekly volunteering programme in which 8 of our student volunteers share their knowledge with underprivileged children.
- **Jom Sahur:** 40 of our students participated in this volunteer programme to provide breakfast to the underprivileged for Sahur during the fasting month.
- **Jom Bekpes:** In 2017, 30 of our students participated in this volunteer programme to provide breakfast and food to underprivileged students and the homeless at Hang Lekiu, Jalan Tunku Abdul Rahman and Pusat Transit. This is an ongoing collaboration that helps inculcate the spirit of helping others and learning the values of charity amongst our students.
- **Buku Jalanan:** In 2017, our students volunteered to help the less fortunate children in their studies. This is an on-going collaboration where our students provide tuition and mentorship in subjects such as English, Mathematics and Science.

KDUUC's School of Hospitality, Tourism and Culinary Arts (SHTCA)

CSR Project with the Emirates House of Satun, Haatyai, Thailand: In 2017, our SHTCA students organised sponsorship for items such as toiletries, towels, bathrobes for the orphanage.

Level Up at School: In May 2017, our School of Computing and Creative Media collaborated with the Malaysia Digital Economy Corporation and the State Educational Technology Division to conduct the 'Level Up at School' programme to foster interest and develop skills in game development. More than 11 selected schools were invited to participate in this programme, with students and teachers exploring game development.

KDU College's School of Pre-University Studies (SPUS)

Children Cancer Charity (PPUM): This is an annual event organised by SPUS and involves various activities to raise funds for the children's cancer ward of PPUM. Apart from cash, SPUS also donated medical supplies to PPUM in 2017.

KDU PG UC

"Start Today, Save Tomorrow" Mud Ball Project: KDU PG UC collaborated with the Junior Chamber International (JCI) Batu Kawan to organise the "Start Today, Save Tomorrow" Mud Ball Project held at Sungai Junjung on 14 October 2017. Lecturers and staff of KDU PG UC hosted workshops for a week at 9 secondary schools in Seberang Perai Selatan on topics related to environmental protection and river pollution awareness. The preparation of mud balls involved about 600 teachers and students as well as parents. The main objective of this project is to create awareness amongst students on the importance of maintaining clean and healthy rivers.

Development programme for secondary school teachers: In October 2017, lecturers from KDU PG UC's School of Engineering, Computing and Built Environment conducted a staff development programme for 200 staff (both academic and non-academic) of Chung Ling High School. The teachers will benefit by gaining exposure to the latest 21st century teaching & learning techniques as well as Information and Communication Technology expertise from KDU PG UC.

SUSTAINABILITY STATEMENT

Paramount Division	Community Programmes
Paramount Education	<p>Formed a disaster relief team: In November 2017, KDU PG UC together with Asia-Pacific University (APUCEN), formed a disaster relief team consisting of 250 volunteers to help the flood victims in Penang. KDU PG UC deployed 50 staff and students to the flood affected areas and collected cleaning materials and food for the flood victims. About 30 homes were cleaned by the relief team.</p> <p>Development programme for school scouts: In June 2017, KDU PG UC was invited by Chung Ling High School to conduct an environmental awareness workshop for boy scouts. The objective of the workshop was to nurture young scouts on their role in preserving the environment.</p> <p>Sri KDU Schools</p> <p>In 2017, the Sri KDU Schools donated RM112,375.90 in total to various charities, organisations, homes and foundations, including the National Cancer Society of Malaysia, Pride Foundation, WWF- Malaysia, Women's Aid Foundation, Trinity Community Children's Home, Pertubuhan Kebajikan Thangam Illam, Persatuan Penyayang Nur Iman Kuala Lumpur dan Sela and PAWS Animal Shelter.</p> <p>The HOPE Ripples project initiated by Sekolah Sri KDU Primary School received unanimous support from all staff, students and parents. The cumulative amount totalling RM60,125.00 was donated to Pertubuhan Kebajikan Thangam Illam and Persatuan Penyayang Nur Iman, both homes for under privileged children, which were in need of funds for maintenance of their homes.</p> <p>Fundraising for Dignity School: In February 2017, RM12,924.00 was raised through the 'ReadATon' project at SKIS, which sum was donated to Dignity School via the Dignity for Children Foundation for the acquisition of a new library.</p> <p>International Baccalaureate Programme (IB): 918 IB students from academic years 2015-2017 visited orphanages and refugee centres to provide English and Mathematics tuition to Myanmar (Burmese) children. A few of them undertook voluntary community work for non-profit organisations and animal shelters.</p> <p>R.E.A.L. Education Group</p> <p>Show Heart and Compassion: In July 2017, the staff and Parents Support Group (PSG) of R.E.A.L Kids SS19, Subang Jaya organised a visit to Ephrata Home in Rawang, Selangor. This community outreach event was aimed at spreading the spirit of goodwill and compassion amongst the 107 children and adults who were present at the event. The SS19 team raised and donated RM3,700 to the Home in addition to a generous amount of groceries sponsored by parents from R.E.A.L Kids SS19.</p>