

SUSTAINABILITY STATEMENT



OUR
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ECONOMIC ENVIRONMENT SOCIAL

PESTECH International Berhad (“**PESTECH**” or “**the Group**”) established that its Sustainable Development Goal is to develop and create solutions and technology towards sustainable development of electric power generation and construction of electrical infrastructure in bringing power for the sustainable development of community all around the globe.

SUSTAINABILITY GOVERNANCE

The Board of Directors (“**the Board**”) determines PESTECH’s strategic direction and ensures our compliance to laws, internal regulations, risk management and control. The Board commits to drive change through innovation and drive from the top to reinforce sustainability in the operations and management of natural resources, energy, utilities, environment, biodiversity, waste management, greenhouse gas emissions and use of alternative resources to systematically and sustainably maximise system efficiency.

The Board discusses and assesses PESTECH’s progress on economic, environmental and social issues as well as the degree to which sustainability principles have been integrated into the various divisions, decisions on the long-term sustainable development strategy and sustainability-related areas of action are to be endorsed at Board level.

SUSTAINABILITY STATEMENT

The Sustainability Working Group assists the Board in fulfilling its responsibility for oversight of relevant sustainability's strategies and programs of the Company, the appropriateness of the Group's health, safety, environment and social performance and the Group's overall performance in sustainability matters.

SUSTAINABILITY FRAMEWORK

Our sustainability framework focuses on meeting the 17 Sustainable Development Goals called by the United Nations Member States, recognising the urgent need to end poverty and other deprivations, to improve health and education, reduce inequality, and spur economic growth all while tackling climate change and working to preserve oceans and forests.

Aligned to the above, the Group develops Sustainability framework with assessment of environment, economic and social factors that revolve around the business environment, industry, countries and various stakeholders that we are operating and working with, to address our sustainability agenda and align our business focus towards driving sustainability growth. We hold onto our framework as a tool to lead us to an effective long-term sustainability journey.



PESTECH has never neglected the needs to evolve and bring innovations to the business to keep abreast with the developments in the power system infrastructure and energy sectors, with sustainable practices underpins our approach to business. Whilst we constantly engage in new energy initiatives with various stakeholders and keep innovation at the heart of our ongoing development, formalising and improvising the business processes and structures for sustainably growth have seemingly embedded into our working culture without us realising it. Sustainability matters coupled with detailed presentations of green renewable businesses were constantly deliberated at the Board level and Management meetings, to address and consider the new ways of doing things and drive change within Group to build a sustainable business fit for the future. Nonetheless, we reckon that development of and constant review of a structured sustainability framework for the Group on a cohesive manner is necessitated as the Group keeps extending its reach to conduct its businesses in a sustainable way in the region.

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ECONOMIC



<p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>	<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p>13 CLIMATE ACTION</p>
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“Solar rooftop installed at our premise provides affordable and clean energy.”

“We establish in-house solar team to cater the needs for NEM and expansion into renewable energy market.”

“We partner with regional players, Sungrow China and Maschinenfabrik Reinhausen to accelerate our presence in the decarbonisation and digitalisation scene.”

“Over 160,000 units of smart meters will be supplied by PESTECH to TNB for consumers to access their electricity consumption digitally.”

“We power up 24 houses at the rural area in Tapah through our state-of-the-art renewal-based microgrid solution.”

SUSTAINABILITY STATEMENT

Energy is the foundation that supports and spurs the socio-economic development of a country. Development is not possible without energy and sustainable development is not possible without sustainable sources of energy.

New technologies and increased use of renewables such as biomass, solar energy, hydro and geothermal and wind power will introduce a considerable number of diversified systems into the power grid, in addition to traditional large scale power plants. This paradigm shift will bring about emergence to new technologies and concepts where energy efficiency and savings can be better addressed through integrated distribution networks.

While PESTECH remains steadfast in its foray into ASEAN market for its power system transmission and distribution network, we are vigilant towards transformative global megatrends towards decarbonisation and digitalisation are the future pathway for sustainably growth. We are to ready ourselves in place to take on new opportunities and challenges.

Renewable Energy has becoming the centre of the transition to a less carbon-intensive and more sustainable energy system. Harnessing the renewable energy forces in an age which is very conscious of the environmental effects of burning fossil fuels, and where sustainability is an ethical norm, has becoming more attractive.

The gradual but rapid shift in the landscape we are operating in requires us to engage, deliver and adapt renewable energy initiatives into our business strategically to promote sustainable business development responsibly. Over the years, the Group has been exploring into the following areas to encroach into renewable energy market as well as bringing more green initiatives to our clients:-



ENERGISING GROWTH SUSTAINABLY

Shah Alam Office

Under the Net Energy Metering (“NEM”) implemented by Sustainable Energy Development Authority (“SEDA”), the concept of NEM is that the energy produced from the installed solar PV system will be consumed first, and any excess solar PV generated energy will be exported back to the grid on a “one-on-one” offset basis.

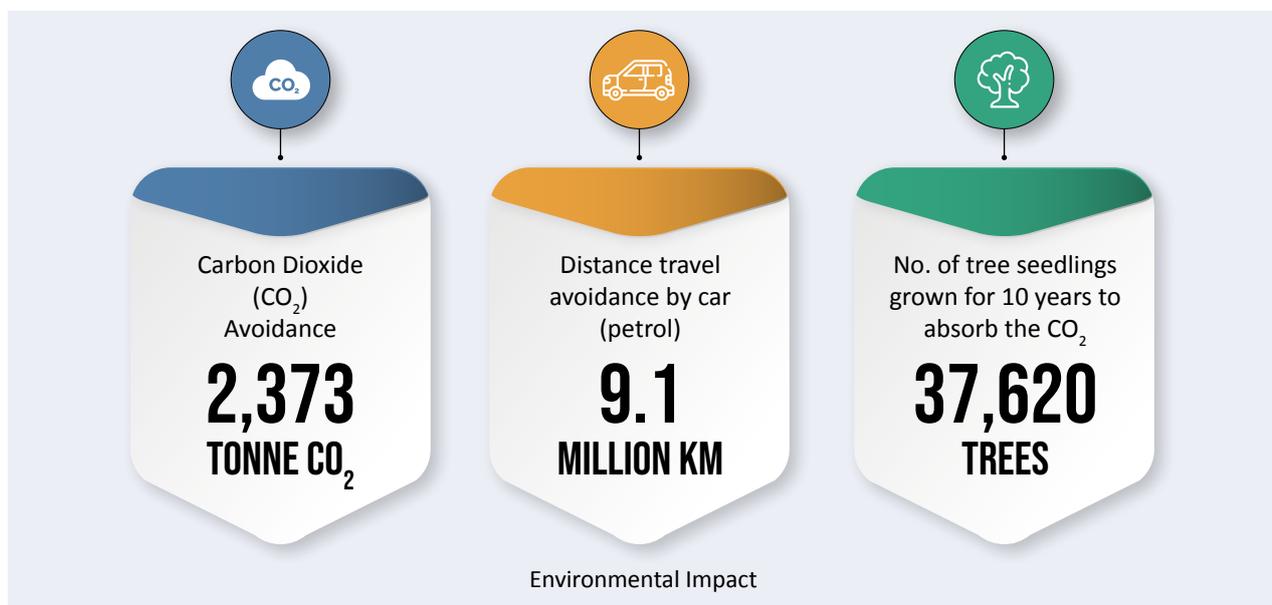
To demonstrate our commitment towards driving green initiatives sustainably, we had developed and installed 114kWp rooftop solar PV system at our head office in Shah Alam under the NEM scheme. Solar PV captures the light energy emitted by the sun and convert it into electrical energy producing clean, eco-friendly form of energy. It is an indefinite and sustainable source of energy which does not produce any health hazards, pollution or harmful gases.



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Beside seeing immediate reduction in electricity bill since installation, the rooftop solar installed at our Shah Alam's head office, at a size of 114kWp:-

- is installed with 340 pieces solar panels that are able to produce approximately 152,100kWh per year, bringing down the electricity importing from power grid by 70%;
- will be able to serve the needs of 416.7kWh per day for about 119 staff in our Shah Alam's office;
- assuming the solar PV system's life span of 25 years, the electricity generated by solar amounting to 3,551,300kWh for 25 years; and
- this will bring about **reduction in carbon footprint by 94.92 tonne CO₂ per year or 2,373 tonne CO₂ over the life lifespan of a solar PV system of 25 years.**



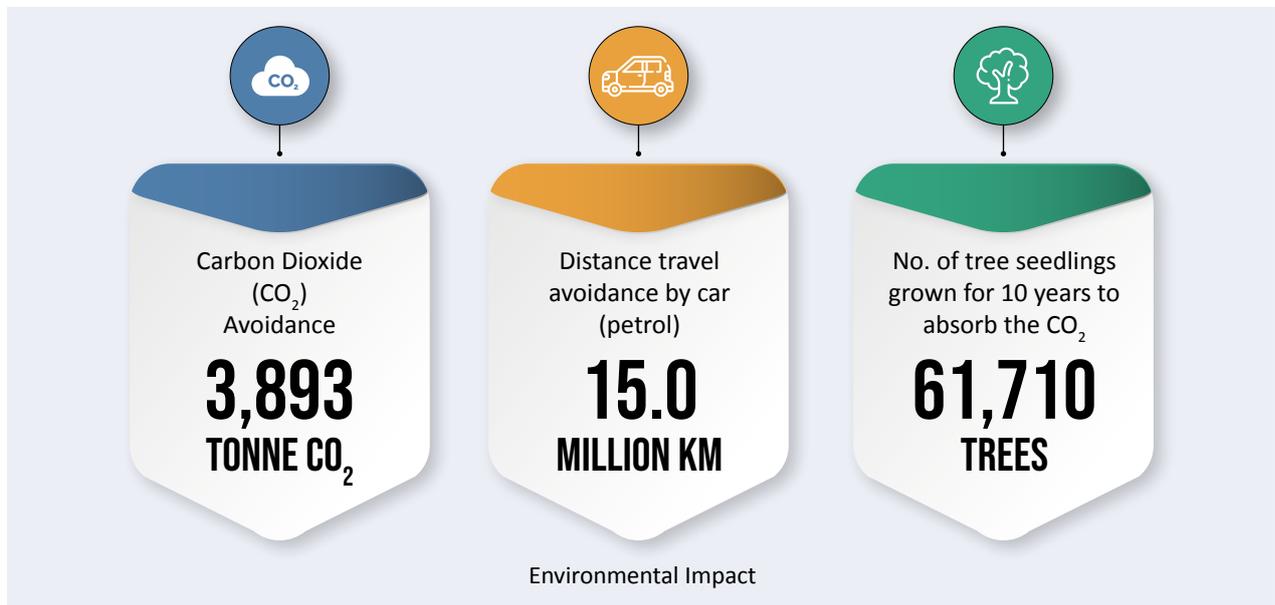
Bukit Beruntung Office

Our upcoming project is to construct a 190kWp rooftop solar PV system at our office in Bukit Beruntung. Currently, we are in the planning stage of conducting site feasibility as well as planning and designing of the PV system. Upon installation, the solar PV system will become a sustainable and cost-effective energy alternative for PESTECH in Bukit Beruntung.

Subject to finalisation of the power system study and choice of solar PV panels for our office in Bukit Beruntung's office, we estimate that:-

- installation of approximately 400 pieces of solar panels (assuming 465Wp panel) to generate 247,000kWh per year, is expected to reduce importation of electricity from power grid by 37%;
- assuming the solar PV system's life span of 25 years, the electricity generated by solar amounting to 5,786,100kWh for 25 years; and
- this will bring about reduction in carbon footprint by **155.72 tonne CO₂ per year or 3,893 tonne CO₂ over the life lifespan of a solar PV system of 25 years.**

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During the year, our in-house solar team, has vastly equipped themselves with engineering, procurement and construction and operation and maintenance know-how, to serve the renewable energy segment that PESTECH is venturing into. The team was provided with constant solar technical trainings to understand the power flow of the distribution network, voltage requirements and how to determine and improve the integration capacity of PV power rationally.

To accelerate our growth in this segment of business, we have been working with solar players in the region on collaboration basis to draw their technical expertise and experience that they have. In 7 August 2019, we had inked a Memorandum of Understanding with a Chinese inverter manufacturer, Huainan Sungrow Floating Module SCI. & Tech Co., Ltd for collaboration to explore the possibility of complementing each other's core competencies, technical capabilities and references to co-operate jointly on exploring floating solar system solution, localisation of parts and other possible co-operations in the region of Southeast Asia.

On the local front, as the quota allocation for NEM is 500MW up to year 2020, the Group is actively pursuing opportunities for roof top solar to bring clean energy to the country.

LIGHTING UP RURAL COMMUNITIES

Electricity is a necessity and an important sector for the economic development of any country. Provision of affordable and reliable electricity to the rural villages would empower these communities to lead a more productive lifestyle.

For underdeveloped and developing countries, there are many rural villages which do not have access to electricity. In ASEAN region, around 120 million people still do not have access to reliable electricity supply, this is due to there were no grid-tied connectivity that allows the remote areas to be served with electricity supply. Challenges of bringing electricity grid to the remote undeveloped areas include, range of capital investment considerations versus its cost and benefit as well as impact to the environment.

The least expensive way to bring electricity to remote rural areas which are still deprived of electricity access is by way of stand-alone sustainable microgrid solution with renewable energy sources.

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Below are some of the projects that we have successfully implemented and secured during the financial year in support of promoting sustainable electricity supply to remote areas, giving the communities access to better quality of living.

MALAYSIA

Tapah

In our efforts to expand in this area, we have implemented a Renewable-Based Microgrid Solution at Kampung Batu 23, Tapah where we bring round-the-clock electricity supply to **24** families of Orang Asli who had never have access to electricity in their village for more than 20 years. Our solution consists of 3.4kW solar panels and Super Capacitor Energy Storage with Hydrogen SRFC. It is a sustainable and cost-efficient solution due to its high durability and low maintenance cost, with a storage life cycle of 45 years at minimal replacement and disposal costs. In addition, the equipment is environmentally friendly as the Super Capacitor storage is non-toxic and has no risk of thermal runaway.



PAPUA NEW GUINEA

Papua New Guinea (“PNG”) has, in fact, one of the most acute energy access challenges in the world. Only 13% of the population of over 8 million people are connected to the electricity grid.

PNG’s challenging geography and demography adds complexity to infrastructure and business development. Steep mountains stretch across the main island of PNG, reaching elevations of over 4,000 meters. In addition, the country encompasses more than 600 smaller islands. Most are not easily accessible. Dense forests and rivers contribute to the isolation of individual populations. With grid electrification efforts being pursued by the Government of Papua New Guinea, it is believed that off-grid energy will remain a cornerstone of the country’s energy supply strategy.

(Source: Going the Distance: Off-Grid Lighting Market Dynamics in Papua New Guinea, published by International Finance Corporation in partnership with Australian Aid)

Nokon Village and Namatani Hospital, Namatanai District, New Ireland, PNG

In view of the above electricity requirement in PNG, we were offered to provide the same Renewable-Based Microgrid Solution to Nokon Village, Namatanai District in the island of New Ireland at PNG.

The microgrid solution will be powering **24** families in the Nokon Village. The PV Solar generates 34kWp from the sun producing 100kWh of energy available for use per day. The Hydrogen SRFC Solution provides energy storage for 24 hours and self-recharging fuel cells for 12 hours. The Nokon Village microgrid will generate a total of approximately 36,500kWh electrical energy per year. The clean energy microgrid assures reliable and sustainable electricity supply.

Similar microgrid solution will also be provided to Namatanai Hospital to replace the existing diesel gensets, that serves a community of approximately **80,000** people in the Namatanai District. The PV Solar generates 40kWp from the sun producing 150kWh of energy available for use per day. The Hydrogen SRFC Solution provides energy storage for 24 hours and self-recharging fuel cells for 6 hours. Upon installation, the Namatanai hospital microgrid will generate a total of approximately 54,750kWh per year.

No Diesel fuel or Diesel Generator is required for Hydrogen SRFC Solution in the event the solar PV does not provide the energy due to weather conditions. The only “fuel” that the community needs is the use of water for electrolysis of hydrogen fuel cell.

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In short, during the last financial year, the Group had invested and created revenue totalling approximately **RM8 million** in sustainable renewable energy business. Our effort enables a production of an estimated **499,894kWh** of new renewable energy per year in the pursuit of promoting sustainable development of electric power generation.

With the ASEAN Plan of Action for Energy Cooperation for 2016-2025 sets actions to increase renewable energy to 23% of ASEAN's energy mix by 2025, we ride on our current power know-how and competencies and poise our readiness steadily as we embark into new power energy business.

DIGITALISATION AT YOUR DOORSTEP

Excerpted from an article from Sustainable Development Impact Summit, the three (3) trends that will transform the energy sector are:-

- As energy use falls, electrification and renewable energy will keep expanding.
- A distributed energy network will replace the traditional utility business model.
- Digital transformation is critical to the success of this new model.

Started since 2018, our digitalisation offers great potential in improving process efficiency and competitiveness in engineering and services sectors. Supporting technologies such as artificial intelligence, Internet of Things and blockchain are critical to analysing demand and adjusting how much power is drawn from where across the distributed grid. Keeping abreast with global trend, our digitalisation segment is accelerating their growth in technical and know-how for development of state-of-the-art data-based solutions.

Our technologies such as smart meters are able to record power usage and communicates automatically to the utility company via radio-frequency waves for monitoring and billing. Through direct monitoring, the smart meter is able to read power usage and can provide a more accurate reading for billing and energy efficiency.

Our other digitalisation technology includes the electric vehicle ("EV") charging infrastructure where we aim to provide reliable EV charging infrastructure in order to meet the rapid development of EV. Our EV Charging infrastructure is able to model charging process, quantify electrical demand as well as assessing impact on the distribution network and optimising the charging infrastructure.

In conjunction with the above, PESTECH had entered into a collaboration with Maschinenfabrik Reinhausen ("MR"), a German-based manufacturer of electrical and electronic equipment as well as solution provider in the field of power quality solutions, to explore the possibility of complementing each other's core competencies and technical capabilities in the offering of digitalisation systems, solutions and applications.

With technical collaboration with MR, we are able to offer remote performance monitoring of our transmission assets and provide better grid performance monitoring to the utility on real time basis, thus enabling the utility to have preventive and protective measures in providing reliable power supply.

1. EV CHARGING STATIONS

The growth of EV charging infrastructure is an exciting chapter in the vehicle electrification process. EVs can reduce the emissions that contribute to climate change and smog, improving public health and reducing ecological damage. Charging the EV car on renewable energy such as solar or wind minimises these emissions even more.

Malaysia is one of the countries in ASEAN that has deployed a number of EV chargers, while applying different models or concepts for charging. PESTECH is well placed and experienced in developing grid and electrical networks from high voltage to distribution network. Our aim is to not only develop standalone EV chargers, but also to develop EV Grid in order to provide Charging as a Service ("Caas"). We have the capabilities in modelling of the charging process, quantifying the electrical demand, assessing impact on the distribution network and optimising the charging infrastructure.

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As of the date of this Statement, we have delivered and developing charging stations at the following areas mainly in Klang Valley:-

a) EV Charging Station at Wisma Tenaga Nasional, Jalan Timur, Kuala Lumpur

PESTECH have installed 7kW and 3.7kW EV Chargers at Wisma Tenaga Nasional located at Jalan Timur, Kuala Lumpur. These EV Chargers facilitate the authorised VIP users to charge their Battery Electric Vehicles ("BEVs") and Plug-in Hybrid Electric Vehicles ("PHEVs") with charging authentication via holistic myEVC Mobile Application solution.



c) EV Charging Station at Shaftsbury Square, Cyberjaya

PESTECH has installed EV Charging Stations consists of 2 units of 22kW EV Charger at Shaftsbury Square, Cyberjaya. The installation is essential for the Malaysia's first EV ride-sharing platform with Malaysia's leading car sharing network, SOCAR. The EV Chargers are tethered with predominantly used Type 2 Gun supplying a resilient charge of 22kW for the primarily used Battery Electric Vehicle, Renault Zoe.



b) EV Charging Station at Kompleks Perbadanan Putrajaya

PESTECH has installed a 7kW EV Charger at Putrajaya Corporation Complex as to showcase our expertise in digitalisation during the Digital Putrajaya Conference with TNB Smart City. The EV Charger can be used by any of EV users in Putrajaya.



d) EV Charging Station at DPulse Shopping Mall

PESTECH's 22kW EV Chargers were installed at DPulse Shopping Mall, Cyberjaya. The EV Chargers are tethered with predominantly used Type 2 Gun supplying a resilient charge of 22kW for the primarily used Battery Electric Vehicle Renault Zoe.



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e) EV Charging Station at Atria Shopping Gallery

PESTECH is in the midst of completing the installation of 7kW EV Chargers in Atria Shopping Mall at Damansara Jaya, Selangor. This is in partnership with Park Easy, a local parking bay reservation service provider. PESTECH will deploy, operate and maintain 3 units of the EV Chargers in the mall.



As of the date of this Statement, our EV chargers have supplied around 4,285kWh of energy, assuming an average electric car consumes approximately 0.20kWh/km, this has generated 21,425km of fuel saved.

2. SMART METERS

The Energy Market has vastly evolved over the last few decades and the shift towards sustainability is driven further through the adoption of digitalisation. PESTECH advocates the large-scale adoption of Smart Meters and Advance Metering Infrastructure. We are able to provide integrated solution of smart meter, communication technology and meter data management system, specialising in using power line communication and wireless protocols to provide an end-to-end platform from hardware to communication.

With Tenaga Nasional Berhad's ("TNB") plans to install 9.1 million smart meters by 2026, where almost every household in Peninsular Malaysia will be able to track their power usage and patterns through the Advance Metering Infrastructure, or simply known as the smart meter.

PESTECH was awarded a contract for the supply and delivery of over 160,000 units of Smart Meters for Klang Valley consumers. The Smart Meters will allow records consumption of electricity and communicates the information to TNB for monitoring and billing through radio frequency powerline or GSM. Transition to smart meters may help TNB to balance the load on the system and provide better energy efficiency.

Smart meters aren't just deployed for billing purposes and to keep track of energy consumption. Utility also use them to monitor power quality and enhance the power flow, improve service, and intervene faster in case of issues such as outages.

For TNB customers, they are able to control and monitor electricity usage while getting educated on energy savings. Smart meter can significantly benefit the environment by reducing consumption of fossil fuel resources, thereby reducing emission of greenhouse gases and other air pollutants. Given the ability to monitor energy usage in greater detail, customers may begin turning off unneeded appliances, change to more efficient lighting, adjust thermostats and make other energy-saving changes. Conserving energy brings down production of power, thereby reduce emissions from decreased power generation.

PESTECH will continue investing in our smart meter capability and market the product to the utility in the regions, for them to derive better management on energy efficiency and avoid unnecessary power wastage and consumption. As of the date of this Statement, we are pursuing smart meter opportunities with utility in PNG and Bali, Indonesia.

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STRENGTHENING OUR MARKET PRESENCE

Southeast Asia is well on the way to achieving universal access to electricity by 2030 and overall energy demand grows by 60% to 2040. The growth in electricity demand, at an average of 6% per year, has been among the fastest in the world. The region's economy more than doubles in size over this period, and a rise of 120 million in the population is concentrated in urban areas. Steering the region on to a healthier and more sustainable path would require concerted action across all parts of the energy sector, driven by a major increase in investment that includes significantly higher private sector financing.

(Source : <https://www.iea.org/reports/southeast-asia-energy-outlook-2019>)

PESTECH has grown to becoming one of the key market leaders in the region since our inception in the power infrastructure industry 28 years ago. With track records of international projects across 23 countries such as Cambodia, Philippines, Papua New Guinea, Thailand, Kyrgyzstan and etc, demand for energy is expected to increase significantly driven by increases in prosperity in the developing world. Building of power infrastructure are necessitate for a sustainable development path and shaping new economic development to the countries meaningfully. While ASEAN remains our main target market, we do not limit our boundaries to where we are operating and are ready to create our presence wherever there are opportunities in any part of the world.



SUSTAINABILITY STATEMENT

ENVIRONMENT



“We established the Environmental Policy in line with ISO 14001:2015 Environmental Management System and Environmental Quality Act 1974.”

“Reduction, recycling and reuse for the general waste from production and consumption.”

“We seek for waste-to-energy opportunities with identified partner to provide state-of-art automation solutions for all types of industrial, municipal and wood waste.”

ENVIRONMENTAL ASPECT IDENTIFICATION AND IMPACT ASSESSMENT (“EAIA”)

PESTECH is committed to protect the environment and comply with applicable environmental laws and regulations. We have established the Environmental Policy in line with ISO 14001:2015 Environmental Management System (“EMS”) and Environmental Quality Act 1974 (“EQA”) to enable the Group to practice environmental control and improve its environmental performance. We continue to put in place relevant measures to monitor, protect and conserve the environment as well as implementing EAIA to achieve sustainability in the working environment that we are operating in.

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We have implemented the Environmental Aspect Identification and Impact Assessment (“EAIA”) to identify and evaluate the environmental aspect and impact related to organisation activities, products and services respectively.

The environmental aspects that most likely lead to significant impact are identified proactively from the Group activities, products and services. The associated impact from the identified environmental aspect such as air pollution, water pollution, soil pollution and erosion, resource depletion and etc. are being studied, analysed and reviewed. PESTECH has established EAIA procedure as a reference for employees when performing the assessment.

During the impact assessment, PESTECH has taken into consideration the prevailing environment laws and regulations, consequences and severity of the issue and possibility of occurrence. The assessment on the significance of the impact is then evaluated based on the established criteria, i.e. scale of severity/risk, duration of the impact, probability of occurrence and etc. From the outcome of the assessment, PESTECH will establish effective action plans and control to mitigate the significant impacts.

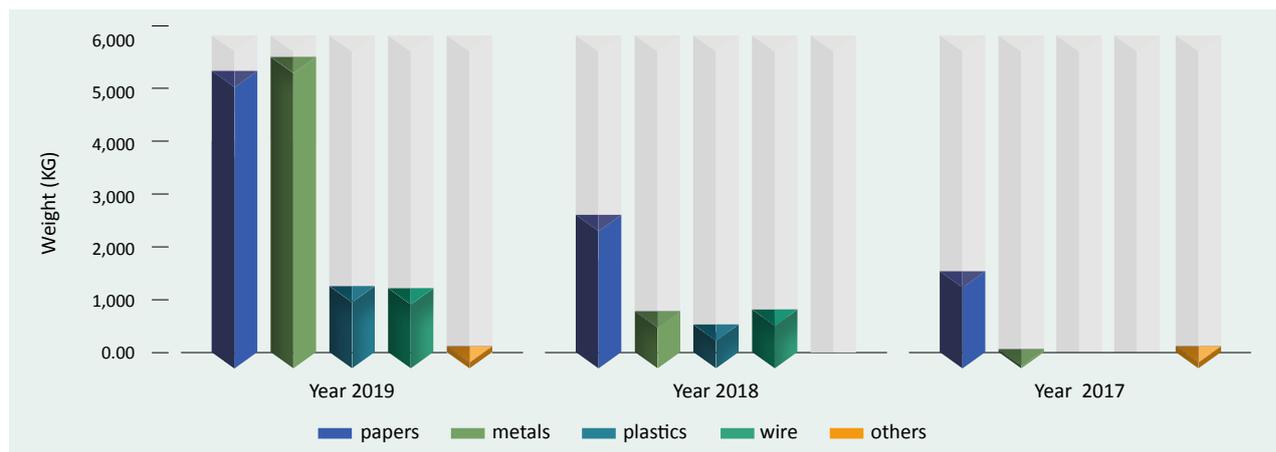
At PESTECH, we ensure that EAIA is performed before the commencement of new projects to find out the impact before the development will occur.

WASTE MANAGEMENT

We always maintain a comprehensive waste management procedure that is applicable to all aspects of our business operating activities, products and services, to meet the UN target to substantially reduce waste generation with the aim to decrease the amount of waste production.

PESTECH is making every effort through prevention, reduction, recycling and reuse for the general waste from production and consumption. It calls for an increase in the ratio of recyclable materials, further reusing of raw materials and manufacturing wastes, and overall reduction in resources and energy used. We always ensure that the Group diligently adheres to all rules and regulations, and follows the guidelines pertaining the waste management.

By recycling, reusing and reducing waste, the amount of waste that is sent to the landfills is minimised, thus protecting the dwindling resources, reducing emissions, pollution and contamination, generating savings by selling salvaged resources and contributing to the waste reduction targets for the community.



We have also developed a scheduled waste procedure that is applicable to all aspects of our business activities, in line with the Environment Quality (Scheduled Wastes) Regulations 2005 to define a method for handling scheduled waste generated in the corporate offices and project sites.

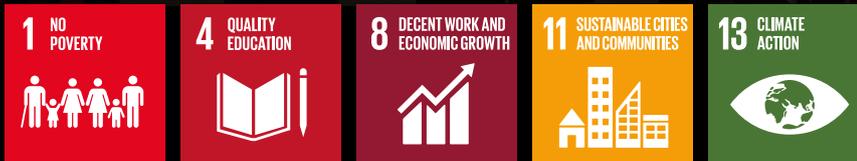
WASTE-TO-ENERGY

In addition to our targets to provide the clean and affordable energy, we are also committed to protect the environment. Indiscriminate disposal of waste has caused environmental degradation such as flooding, draining obstruction, widespread of infectious disease and other plagues.

Aligned with our renewable energy initiatives that PESTECH has taken on, PESTECH has always been in the look out for sustainable waste-to-energy opportunities with identified partner to provide state-of-art automation solutions for all types of industrial, municipal and wood waste.

SUSTAINABILITY STATEMENT

SOCIAL



“PESTECH Group’s Total Manhours in project execution without Loss Time Injury since year 2010 until Sept 2020 amounted to 10,755,517 hours.”

“We do not discriminate on the basis of ethnicity, age, gender, nationality, political affiliation, religious affiliation, marital status, education background or physical ability.”

“We offer PESTECH CARE Undergraduate/ Postgraduate Scholarship Programme to support tertiary education and attract talents.”

“Our completed projects in Cambodia provide access to reliable and affordable electricity that has increased their productivity and allow Cambodian communities to enjoy better income and living.”

“Our CSR activities revolve with the underlying principles of C.A.R.E. have contributed back to the society through many ways we can.”

SUSTAINABILITY STATEMENT

HEALTH AND SAFETY AT THE WORKPLACE

It is our priority to look after the wellbeing of our employees. We are committed to protect the occupational health and safety (“OHS”) of our employees and stakeholders wherever they work. An OHS policy and procedures in accordance of ISO 45001:2018 Occupational Health and Safety Management System (“OHSMS”) has been established to monitor OHS aspects of our workplace.

PESTECH Sdn. Bhd. (“PSB”) has adopted ISO 9001:2000 management system since 2002 (now being upgraded to ISO 9001:2015), OHSAS 18001:2007 management system since 2010 (subsequently changed to ISO 45001:2018 management system since 2019) and ISO 14001: 2004 since 2013 (now being upgraded to ISO 14001: 2015).

PESTECH Energy Sdn. Bhd. has adopted ISO 9001:2000 management system since 2002.

Since 2017, PESTECH Technology Sdn. Bhd. (“PTE”) has adopted ISO 9001:2015 management system and OHSAS 18001:2007 (now being upgraded to ISO 45001:2018 OHSMS). In year 2019, PTE obtained ISO 14001:2015 EMS certification since in 2019.



PESTECH Group implements high quality standard in its day-to-day operations, where the importance of traceability, consistency and reliability are emphasised throughout the organisation.

As part of our safety and health requirements, Hazard Identification Risk Assessment and Determining Control process is imposed in our business operations and has been executed and recorded systematically. This process helps to identify the potential hazard in our working environment in order to provide applicable and suitable control measures.

We instil a strong preventive culture that integrates safety, health and well-being at work, our Quality, Health, Safety and Environment (“QHSE”) team engages and educates our employees on regular basis. Trainings and awareness programmes are conducted to equip our employees and subcontractors (if necessary) with relevant and updated information to meet safety and health requirements.

PESTECH Group’s **Total Manhours in project execution without Loss Time Injury** since year 2010 (when PSB was certified for OHSAS 18001:2007) until Sept 2020 amounted to **10,755,517 hours**.

SUSTAINABILITY STATEMENT



EMPLOYEE MANAGEMENT

Our employees are the most important asset in our Group that drive our long-term growth and success. Through skilful employee management, we create a functional and efficient workplace by capitalising on the strengths of our employees and motivate them to contribute effectively to the Group performance.

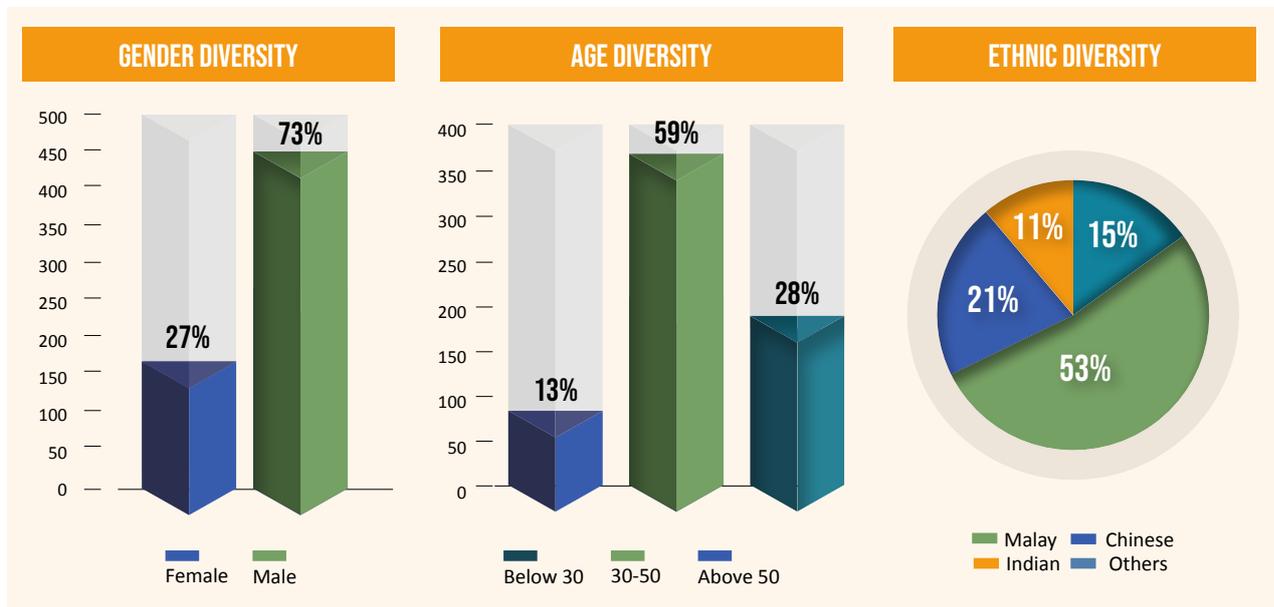
The Group creates a healthy competitive workplace that embraces diversity and mutual respect in order to attract and build loyalty in the employees. By hiring employees with diverse background and proficiency, it helps to boost creativity as employees can offer a range of perspectives and ideas.

In PESTECH, we do not discriminate on the basis of ethnicity, age, gender, nationality, political affiliation, religious affiliation, marital status, education background or physical ability.

We adopt the practice of equal employment opportunities to realise and respect the actual worth of the individual based on his knowledge, skills, abilities and merit. Fair access is given to all employees for development opportunities, available jobs, training, promotional opportunities, benefits and services.

As our business is expanding, the number of employees has increased from 507 employees in year 2019 to 615 employees in year 2020. Among these, there are 73% male employees and 27% female employees in various sectors.

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TALENT BUILDING

We believe that sustainable talent building is vital to thrive in a volatile and competitive business environment. The talent of our future leaders is critical to our future success.

We always emphasise in enhancing our employee's proficiency by developing their soft skills and technical skills. We also encourage our employees to continuously attend learning and development courses as it is fundamental in creating an efficient and excellent workforce.



PESTECH CARE UNDERGRADUATE/POSTGRADUATE SCHOLARSHIP

In previous financial year, we have developed PESTECH CARE Undergraduate/Postgraduate Scholarship Programme as part of our initiatives to contribute positively towards the nation building. This programme is an opportunity for us to create a vibrant and sustainable pool of talents for the Group in the future. The programme offers financial assistance to talented students to pursue undergraduate/postgraduate studies in any courses such as electrical and electronics, mechanical and civil, business and management, human resources and other courses which meets PESTECH's needs. The scholarship covers all tuition fees, room and board as well as one-time study allowance. The program is rolled out on annual basis for application by qualified candidates, subject to fulfilment of the requirements and criteria set by us.

SUSTAINABILITY STATEMENT

EMPOWERING COMMUNITY

We believe access to electrical power facilities is crucial in breaking the poverty cycle in developing countries such as Cambodia. In Cambodia, power shortages are a common issue in the rural area. The Cambodia Government is making constant effort to establish electrical infrastructure in their country in providing electrical access to the rural communities.

During the year, we have successfully completed another two (2) contracts in Cambodia, i.e. Sihanoukville – Bekchan 230kV/500kV transmission line system and the Siem Reap – Oddor Meanchey 115kV transmission system together with a 115/22kV Oddor Meanchey substation, and a 230/22kV Bekchan (Porsenchey) substation project (“Siem Reap Oddor Meanchey Project”). The Siem Reap Oddor Meanchey project connects East Siem Reap to a new 115kV Oddor Meanchey substation. The substation is the first grid substation in the Oddor Meanchey area to provide electricity supply for the area.

Completion of the aforesaid projects, has allowed electricity be connected to the rural areas where villages are widespread. While monetary donation is commendable, we believe the real core of social responsibility lies in getting behind causes that are meaningful for our business. The feedback we gathered from through our engagement with the villagers below on how electricity connection has brought tremendous changes to their lives, was aspiring and encouraging. We eye to expand our good cause to more communities around the regions whilst doing our business sustainably.

“““

MENG LY

*Aged 65,
Farmer from Kabao Village, Bekchan*

Previously, we do not have access to electricity and always live in the dark. Now, I can live a better life where we can use electrical appliances such as rice cooker for cooking and lights to illuminate our house at night.



“““

EK SOKON

*Aged 45,
Meal Seller from Tropang Po Village, Bekchan*

Previously, there was always power cut-off in my area and I was afraid to use the television and fridge. With the improvement of electrical infrastructure, my life has been improved as electricity became more stable. As a meal seller, I see increase in sales. Now, I can use more electrical appliances such as rice cooker and freezer. I can also install fans at my food stall for my customers' convenience.



SUSTAINABILITY STATEMENT

CORPORATE SOCIAL RESPONSIBILITY

It has always been PESTECH's goal to bring value through our existence by creating a positive impact on our employees and community. We are committed to give back to the society that we serve in the way we can. During the year, we have undertaken the following CSR programmes, revolves with four (4) underlying principles of **Community**, **Advancement**, **Recuperation** and **Environment**.

C – COMMUNITY

- **Sponsorship of the IEM Engineering Week 2019**

PESTECH supported Institute of Engineers Malaysia in actively promoting the engineering industry and creating awareness on the versatility of the engineering profession.



- **Sponsorship of the Bursa Bull Charge 2019**

PESTECH supported Bursa Malaysia's efforts in raising funds for charity organisations, which include various types of causes that are related to women, children, arts and culture.



SUSTAINABILITY STATEMENT

A - ADVANCEMENT

- **Participation in ACEiC 2019**

PESTECH participated as a Platinum Sponsor in the International Automation and Control Enhancing Innovation Competition ("ACEiC") 2019 to support activities that contribute towards nation building. This competition provides an excellent platform for students to share their creative ideas and innovative products from their research and development in automation and control related areas to the industrial players.



- **Contribution to Kriyalakshmi Mandir Shree Sai Gurukul ("KMSSG") Charitable Society Kuala Lumpur**

PESTECH has been supporting KMSSG since 2013 by providing a monthly contribution for them to provide healthy meals for their students who are from the poor urban families. These families are unable to provide extra learning classes for their children such as after-school tuition classes nor any other classes of the children's' interests.

SUSTAINABILITY STATEMENT

A - ADVANCEMENT

- **Donation of 150 School Bags to Students in Sarawak**

In collaboration with Sarawak Energy Berhad, we sponsored and distributed 150 school bags to the underprivileged students of three (3) schools in Sri Aman, Sarawak, namely Sekolah Kebangsaan Selanjan, Sekolah Kebangsaan St. Martin and SJK(C) Chung Hua Bangkong.

SJK(C) Chung Hua Bangkong



SK Selanjan



SK St. Martin



SUSTAINABILITY STATEMENT

R - RECOVERY

- **Donation to Cambodia Red Cross**

Since 2014, we have been contributing to the Cambodian Red Cross to support them in aiding emergency assistance, disaster relief, and disaster preparedness education.

- **Contribution to Persatuan Penjagaan Kanak-Kanak Terencat Akal Johor**

Our contribution to this association since 2014 has helped them to improve the living conditions of the center and provide the underprivileged children with better supporting equipment.

- **Contribution to Hospis Malaysia**

Our contribution to Hospis Malaysia since 2012 has allowed them to provide professional palliative care to patients and families living in this country as well as supporting the nation via palliative care education, training and advocacy initiatives.

- **Contribution for COVID-19**

A total of **5,000** PPE suits and **55,000** face masks were contributed to Selangor State Government, National Disaster Management Agency Malaysia ("NADMA") as well as Union of Youth Federation of Cambodia to protect the medical professionals in their fight with COVID-19.



E - ENVIRONMENT

Our environmental program is an initiative to inspire our employees to care the nature and instil a sense of environmental responsibility within them. We collaborated with Malaysia Nature Society ("MNS") in organising environmental program activities such as beach cleaning, mangrove cleaning and tree planting. Recently, we have donated **100 Merbau Trees** to preserve Bukit Persekutuan in Kuala Lumpur, Malaysia one of the Kuala Lumpur's last remaining green lungs.

