

# ADJUSTING OUR SAILS

Navigating Through Change & Growth



Sustainability Report 2024



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## ABOUT PEC LTD

[GRI 2-1, 2-2a,  
2-6a, 2-6b, 2-6c]

**P**EC Ltd. ("PEC") prides ourselves on our expertise in plant and terminal engineering. Established in 1982, we have been diligently maintaining the quality of our engineering, procurement & construction ("EPC") and maintenance services in the Energy, Petrochemical, Oil and Chemical Terminals and Pharmaceuticals sectors. Over the years, we gradually expanded our capabilities in providing process modular fabrication. At the end of 2023, our wholly owned subsidiary, PEC Process Systems Pte Ltd achieved a major milestone by completing its first Floating Production Storage and Offloading ("FPSO") topside process modules fabrication project.

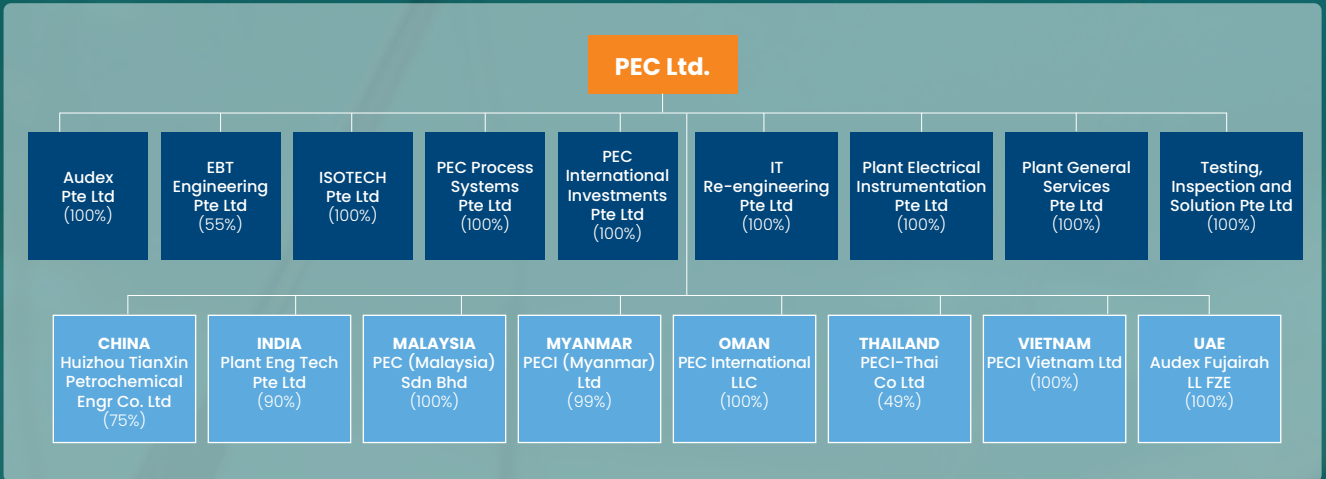
Headquartered in Singapore, we have engineering facilities and offices in Singapore, China, India, Malaysia, Myanmar, Oman, Thailand, United Arab Emirates ("UAE") and Vietnam collectively known as the PEC Group<sup>1</sup>, to support our extensive customer base across Asia and the Middle East. With the expertise of our 5000 employees, PEC provides a 'one-stop' service to our customers.



PEC was listed on the Singapore Exchange Mainboard since 7th August 2009. Upholding our core values as a **caring** organization, we emphasize **continuous learning, customer focus, competencies** and **commitment** to deliver **cost-effective** services at the highest potential in both safety and quality.

<sup>1</sup> The list of entities included is per our annual report. PEC Construction Equipment Leasing Company (Huizhou) Ltd and PEC (Myanmar) Ltd are excluded from this reporting because in the process of winding-up.

# ABOUT PEC LTD



## Vision

PEC's vision is to be the leading service provider and preferred business partner for EPC, construction and maintenance services in the process industries.



## Mission

Meeting and exceeding customers' expectations in the areas of Health, Safety, Security & Environment (HSSE), Quality, Schedule and Cost-effectiveness

Seeking market leadership through skilled human resources, commitment to Information Technology, application of best practices and continual improvement

Inspiring employees to be their best by encouraging trust, integrity, teamwork, innovation and creativity

Promoting a caring environment which values people, community and society

# OVERVIEW OF SUSTAINABILITY REPORT FY2024

[GRI 2-2, 2-3, 2-4, 2-6, 2-14]

This sustainability report marks our seventh annual sustainability report covering financial year 2024 (“FY2024”) from 1 July 2023 to 30 June 2024. This report details our sustainability management approach and performance across the PEC group operating in Asia and the Middle East as defined in our audited financial statement and the previous section ABOUT PEC LTD unless otherwise stated<sup>2</sup>. Given the involvement of multiple entities in this reporting, a standardized reporting framework has been adopted across all entities to ensure consistency in reporting practices and to streamline consolidating information. The selection of material topics, consolidation of information and disclosure across all subsidiaries were done based on the Global Reporting Initiative Sustainability Reporting Standards (“GRI Standards”) 2021<sup>3</sup>. The sustainability performance data presented in this report has been obtained from formal documents and operational statistics of PEC Group. There were no significant changes<sup>4</sup> in our operational structure, activities and value chain during the reporting period of this report. This report contains no restatement.

## SUSTAINABILITY REPORTING FRAMEWORK

[GRI 2-4]

This report is presented in compliance with the sustainability reporting requirements set out in the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Rules 711A and 711B. It incorporated the six primary components stated in SGX Listing Rule 711B on the “Comply or explain” basis, which includes – 1. Material ESG factors; 2. Climate-related Disclosures; 3. Policies, Practices and Performance; 4. Targets; 5. Sustainability Reporting Framework;

and 6. Board Statement. While we disclose a comprehensive range of sustainability initiatives in our report, targets were set for priority material topics to drive positive change in areas that matter most.

Sustainability disclosures in this report are prepared in accordance with the GRI Standards 2021, following the GRI Reporting Principles for defining report quality—ensuring accuracy, balance, clarity, comparability, completeness, sustainability context, timeliness, and verifiability. Our GRI content index can be found on pages 59–67 of the report. Alongside, our climate-related disclosures adopted the guidelines from Task Force on Climate-related Financial Disclosures (“TCFD”). As the two reporting frameworks have wide adoption globally, they were chosen for higher comparability with our peers in the industry.

## CONFIRMATION AND APPROVAL

[GRI 2-3c]

The policy, practice and performance data presented in this report was obtained from formal documents and operational statistics of our entities. The sustainability report has received endorsement from the Board of Directors on 28 August 2024 and was published on 10 October 2024.

## FEEDBACK

[GRI 2-3d]

We welcome feedback from our stakeholders for further improvement in our sustainability performance and reporting. For inquiries regarding the Group’s sustainability initiatives or the content of this report, please contact us at

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Tel: (65) 6268 9788  
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## ASSURANCE AND REVIEW

[GRI 2-5]

PEC is committed to upholding the highest standards of transparency and accuracy in our reporting. In line with the requirements outlined in SGX Practice Note 7.6 Sustainability Reporting Guide, we seek both internal and external review for our sustainability reports.

Internal audits are conducted annually under the oversight of our Audit and Risk Management Committee (“ARMC”) to ensure the robustness and effectiveness of our reporting processes. External assurance further emphasizes our commitment to transparency ensuring that our sustainability disclosures meet the highest levels of credibility and compliance with internationally recognized benchmarks

This sustainability report has undergone independent external assurance conducted by CSRWorks International Pte Ltd according to the AA1000 Assurance Standards v3 (“AA1000AS v3”) and GRI Standards 2021. CSRWorks conducted a Type 2 assurance at moderate level of assurance on the nature and extent of PEC’s adherence to the AA1000 AccountAbility Principles (2018), and the reliability and quality of the specified sustainability performance information contained in this report. For details, please refer to the assurance statement that can be found on pages 55–58 of the report.

<sup>2</sup> PEC Ltd is mentioned as PEC Singapore for the definition of data reporting coverage.

<sup>3</sup> The set of GRI Standards used included the most recent versions of the standards available as of 30 June 2022.

<sup>4</sup> PEC Group maintained our operational size, structure, business activities, value chain and sector of operation compared to FY2023. No minority interests, mergers and acquisitions, opening, closing, or expansion of entities occurred during FY2024.

# FY2024 Highlights

The following table summarizes PEC's performance against targets set in FY2023 and lists the short- and long-term targets set this year.

Material Topics	Targets set in FY2023	Performance in FY2024	Future Target	
			Short-Term Target	Long-Term Target
<b>GOVERNANCE</b>				
Anti-Corruption	To have a zero-tolerance approach to bribery and corruption as per the applicable laws and regulations and ensure policy of anti-corruption is applied by all our stakeholders to conduct our work in an honest and ethical manner.	Zero incidents of corruption	Maintain zero incidents of corruption through to FY2026	Maintain zero incidents of corruption through to FY2030
<b>ECONOMIC</b>				
Economic Performance	At least 85% procurement spending on local suppliers	Achieved 89% of our total procurement spend on local suppliers	Expand monitoring to cover more operations, and maintain at least 85% procurement spending on local suppliers until FY2026	Maintain at least 85% procurement spending on local suppliers through to FY2030
Customer	Average 80% satisfaction rating	Achieved 92.04% customer satisfaction rating	Achieve at least 80% customer satisfaction rating through to FY2026	Maintain at least 80% customer satisfaction rating through to FY2030
<b>SOCIAL</b>				
Employment	Progressively lower turnover rate and achieve better retention rates	Reduced turnover rate by 0.8% for male and 1.27% for female compared to FY2023	Achieve 2.6% overall turnover rate by FY2026	Achieve 2.6% turnover rate for all subcategories by gender and employee category by FY2030
Training and Education <i>(PEC Singapore operations only)</i>	Continue to maintain at least 80% for employee satisfaction in our biennial Employee Satisfaction Survey	95.96% employee satisfaction in FY2024 Biennial Employee Satisfaction Survey	<ul style="list-style-type: none"> <li>Expand the monitoring of annual performance appraisal percentage to all subsidiaries</li> </ul>	<ul style="list-style-type: none"> <li>Achieve 100% annual performance appraisal coverage for all employees under the categories 'Manager' and 'Supervisor'</li> </ul>

Material Topics	Targets set in FY2023	Performance in FY2024	Future Target	
			Short-Term Target	Long-Term Target
<b>SOCIAL</b>				
Training and Education <i>(PEC Singapore operations only)</i>		<p>\$737.30 average spending per employee on learning and development</p> <p>\$2.06 mil spent on training and development</p> <p>28.49 hours of training received per employee on average</p> <p>83.44% of our workers have one or more certified skills</p>	<ul style="list-style-type: none"> <li>Allocate 2% of payroll for learning expenditure through to FY2026</li> </ul>	<ul style="list-style-type: none"> <li>Allocate 2% of payroll for learning expenditure through to FY2030</li> </ul>
Diversity and Equal Opportunity	Continue to maintain ZERO incidents of non-compliance relating to discrimination, forced labor, child labor or freedom of association	Zero non-compliance incident	Continue to retain and employ senior workers through to FY2026	Increase proportion of employees above 50 years old to 20% by FY2030
Occupational Health and Safety	Aim to maintain zero lost-time incidents	Achieve zero lost-time incident	Maintain zero lost-time incident through to FY2026	Maintain zero lost-time incident through to FY2030
<b>ENVIRONMENT</b>				
Energy Consumption (Scope 1 + 2) <i>(PEC Singapore operations only)</i>	Continue to monitor our energy consumption and adopt more energy efficient technologies and practices, where feasible	Consumed 55TJ of energy in total, operated at an energy intensity of 2.5TJ per million hours	<ul style="list-style-type: none"> <li>Improve quality of energy consumption data</li> <li>Expand monitoring of energy consumption to cover operations in China and UAE by FY2026</li> </ul>	Expand monitoring of energy consumption to cover all subsidiaries
Greenhouse Gas (GHG) Emissions (Scope 1 + 2) <i>(PEC Singapore operations only)</i>	Continue to monitor our greenhouse gas emissions and identify opportunities to reduce our carbon footprint	Emitted a total of 4,490 tCO <sub>e</sub> , operated at a GHG emission intensity of 207 tCO <sub>e</sub> per million hours	<ul style="list-style-type: none"> <li>Improve data quality of GHG inventory</li> <li>Expand GHG inventory to cover operations in China and UAE by FY2026</li> </ul>	<ul style="list-style-type: none"> <li>Expand GHG inventory to cover all subsidiaries</li> <li>Achieve 25% reduction in emission intensity by FY2028<sup>5</sup></li> </ul>

5 PEC is assessing the performance to set the base year for this target.

# Message from the Board

[GRI 2-22]

DEAR STAKEHOLDERS,

## The Year In Brief

The focus on achieving net-zero emissions by 2050 has intensified in recent years and 2024 was a year of notable sustainability initiatives on the global stage. Leading energy companies are expanding their business portfolio with increasing investments in renewable energy and carbon capture, and storage (“CCS”) projects to help reduce carbon emissions from its refineries and petrochemical operations. Across the globe, countries have initiated discussions and investments in hydrogen as part of their national decarbonization strategy. For instance, the UAE is scaling up its blue and green hydrogen production, aiming to enhance its position as one of the largest producers of hydrogen by 2030.

## Global Trends and Challenges

While PEC is excited about the emerging business opportunities, we remain mindful of the backdrop of continued and emerging geopolitical tension and conflict, as well as an uncertain economic outlook. Additionally, we are witnessing a global trend where aging population and changing labor market dynamics are leading to skill shortages, especially among engineers, posing major challenges to our operations. The high pass-through costs from suppliers are also expected to drive our operational and project costs higher in the coming years.

Navigating uncharted waters, PEC remained resilient and steadfast in providing innovative and quality services to meet customers’ expectations. We continue to uphold compliance with evolving sector-specific requirements. Leveraging our qualifications in training and certification, we invest in talents both locally in Singapore and globally across our operations in Asia and the Middle East. We bring in overseas engineers to be trained in Singapore before they are deployed back to their home countries. To manage increased pass-through costs due to shortages caused by supply chain



PEC is committed to reducing our carbon emissions in support of Singapore’s national climate target of net zero emissions by 2050.





disruptions and geopolitical events, we collaborate with diverse vendors and monitor price fluctuations of key commodities, maintaining resilience against market volatility.

### Sustainable Transformation

In joining global climate change mitigation effort, PEC conducted a qualitative scenario analysis this year to strengthen our preparedness and guide our climate strategy. The Board considers science-based targets to reduce PEC's carbon footprint. Our strategy includes several initiatives: (1) electrifying equipment and vehicles, (2) utilizing renewable energy, and (3) participating in sustainable energy projects such as ammonia and hydrogen facilities.

Amid rising costs, we are constantly streamlining our work processes and continually seeking innovative solutions to optimize resource utilization and operational efficiency. We embrace technology and digitalization to make PEC more future-resilient. Our in-house developed Procurement Engineering Construction Maintenance Management System ("PECMMt") provides on-demand information at the users' fingertips, enhancing our efficiency, quality and productivity.

### Our Sustainability Journey: Present and the Way Forward

Year after year, we assess our performance and refine our targets to achieve business growth while addressing economic, social and environmental ("ESG") challenges. Continuing our support for local businesses, we exceeded our target of 85% procurement spending on locally-based suppliers. Our biennial Employee Satisfaction Survey in FY2024 showed a 96% satisfaction rate among our employees in terms of career satisfaction, work environment and welfare. We also maintained zero lost-time incidents this year. Measuring against our target for a 25% reduction in our headquarter's emission intensity by FY2028, FY2024 marked a 2% reduction compared to FY2023.

We are grateful for our employees' dedication to driving PEC forward. At PEC, nothing is more important than safety. Our 'Nobody Gets Hurt' mindset means everyone does their part to eliminate every injury or incident. Our commitment to workplace safety and health was again recognized by the Singapore Workplace Safety and Health ("WSH") Council. This year PEC was awarded a total of 19 WSH Awards for achieving

excellence in workplace safety and health by implementing exemplary management systems.

PEC is committed to reducing our carbon emissions in support of Singapore's national climate target of net zero emissions by 2050. Led by the Board and spearheaded by the Management, we incorporate climate and socially-aligned initiatives to ensure consistent growth, anchoring our business for long-term sustainability. We believe in a future where profitability and sustainability coexist. By combining our technical expertise with our commitment to sustainability, PEC aims to achieve corporate stewardship that upholds the interests of our stakeholders.

Sincerely,

**BOARD OF DIRECTORS  
PEC LTD.**

# STEERING SUSTAINABILITY: Board-Level Integration and Leadership

[GRI 2-9, 2-11, 2-17, 2-18, 2-19]

**A**t PEC, the Board of Directors (“the Board”) has the overall responsibility for setting the Group’s strategic direction and approving the Group’s sustainability targets to uphold our long-term shareholder values. The Board comprises seven Directors: one Executive Chairman, one Group Chief Executive Officer (“Group CEO”), one Non-Executive and Non-Independent Director, and four Independent Directors. Among the four Independent Directors is the Lead Independent Director, appointed by the Board to address shareholders’ concerns when the Executive Chairman is conflicted. The responsibilities within the organization are clearly delineated between the leadership of the Board and Management, ensuring that no single individual holds unchecked decision-making authority. This separation of duties fosters a balanced governance structure, reinforcing accountability and safeguarding the integrity of our decision-making processes

Supporting the Board are the Audit and Risk Management Committee (“ARMC”), Nominating Committee (“NC”) and Remuneration Committee (“RC”) (collectively the “Board Committees”). The Board Committees exercise oversight over sustainability-related decisions, sharing responsibilities for PEC’s overall sustainability approaches as follows.

**ARMC:** The ARMC takes on the responsibility of overseeing risk governance within PEC, ensuring that Management integrates sustainability in risk management and internal controls. With the assistance of internal auditors,

the Board and the ARMC review the adequacy of the PEC’s internal controls concerning sustainability, ensuring that the risk management and internal controls are aligned with PEC’s long-term values. During the reporting year, an outsourced internal auditor conducted a review of PEC’s Sustainability Reporting Process to evaluate its efficiency and effectiveness. The review identified key processes related to sustainability reporting that should be incorporated into the internal audit plan for ongoing review and monitoring. The annual internal audit plan is reviewed and approved by the ARMC.

The following are areas of review in the internal audit plan:

Board Responsibility
Management Responsibilities
Materiality Assessment and ESG Factors Identification
Climate-Related Risk Identification and Assessment
Performance Measurement
Policies and Procedures
Sustainability Targets
Sustainability Reporting

**NC:** Guided by the PEC “Board Diversity Policy”, the NC drives sustainability by ensuring that the Board is equipped with the right mix of skills, experience, and perspectives to effectively oversee the company’s sustainability agenda. This includes identifying and recommending candidates who are committed to sustainable practices, as well as ensuring ongoing

education for Board members on emerging sustainability trends and regulations. By considering sustainability criteria in the Board’s performance evaluation, the NC helps to embed sustainability into the core of governance and decision-making processes, fostering long-term value creation.

**RC:** The RC reviews the remuneration framework for the Board and PEC’s key Executive Officers. In this reporting year, the Board’s performance review mechanism has been revised to incorporate sustainability elements, ensuring the remuneration package commensurate with the Board’s performance in sustainability governance. This integrated approach ensures that sustainability is not only a strategic priority but also a key factor in executive performance and reward structures.

The Board members’ respective tenures, independence, gender, skills competency and significant positions are disclosed in our Annual Report FY2024 on pg 17-20.

The Board continually updates its sustainability knowledge through completion of training prescribed by SGX and keeping abreast of relevant regulations and industry trends. All the Directors have completed the sustainability training courses organized by the Singapore Institute of Directors (“SID”) as required by the enhanced SGX sustainability reporting rules.

The Board was also updated on the adoption of the International Sustainability Standards Board (“ISSB”) standards for sustainability reporting from FY2025 onwards.

## Prevention of Conflict of Interest in the Board

[GRI 2-15]

The Board addresses any conflicts of interest that arise during the reporting year, ensuring they are resolved in a manner that preserves the integrity of the Group's governance framework. In the instances where a director encounters a conflict or potential conflict of interest, they are required to immediately disclose the issue to the Board and recuse themselves from any discussions and decision-making process related to the matter.

For information on Risk Management and Internal Controls, please refer to pages 26–28 of the AR FY2024. During this reporting period, none of the Directors hold a directorship or chairmanship in other listed companies. No director is involved in deciding his or her own remuneration. Moreover, no employees are substantial shareholders of the Group, nor are they immediate family members of a Director, the Group CEO, or a substantial shareholder with remuneration exceeding \$100,000 during FY2024.

## Board Nomination

[GRI 2-10]

The NC, comprising four Independent Directors, holds a critical responsibility in shaping the leadership of the company. This committee is entrusted with developing and implementing procedures for the selection, appointment, and re-appointment of Board members and the Group CEO. The NC's role extends beyond mere recommendations; it is instrumental in ensuring that the Board is composed of individuals who possess the right mix of skills,

experience, and perspectives to guide the company effectively.

When considering re-nomination and re-election, the NC thoroughly assesses each Director's competencies, level of commitment, contributions to Board discussions, and overall performance. This evaluation process is rigorous and designed to ensure that the Board remains effective and aligned with the company's strategic goals.

To enhance the quality of its nominations, the NC has access to a variety of resources, including external search consultants, industry experts, and personal networks. These resources are invaluable in identifying and shortlisting potential candidates who not only meet the technical requirements of the role but also bring fresh perspectives and a commitment to the company's long-term success.

The Board incorporates the views of stakeholders including shareholders in the nomination process. Directors appointed by the Board are subject to election by shareholders at the Annual General Meeting ("AGM"). Thereafter, Directors are subject to re-election according to the provisions in the Company's Constitution.

More detail on board nomination and board membership can be found in our Annual Report FY2024 pg 20–23.

## Evaluation of Board's Performance

[GRI 2-18]

The NC is responsible for establishing evaluation procedures for the Board's performance,

proposing a set of evaluation criteria for the Board's approval. The Board's effectiveness is periodically assessed as a whole, as Board Committees and individually.

The performance criteria for the Board consider the Board size and composition, access to information, adherence to processes, accountability, effective discharge of principal functions and fiduciary duties, diversity, communication with the Management and adherence to standards of conduct. This year, the NC implemented new evaluation criteria in the structured questionnaire to assess the Board and its members. The evaluation questionnaire was updated to include sustainability-related questions, assessing the Board's effectiveness in overseeing the Group's management of ESG risks and opportunities. The average score for the sustainability governance section of the questionnaire was 20 out of 25 for FY2024. The results indicate that the Board has an appropriate level of oversight on material ESG issues relevant to PEC.

The summary of the responses is discussed at the NC meeting to identify ways to enhance the effectiveness of the Board. Based on this evaluation result, the Chairman, in consultation with the NC, will propose new appointment or resignation as needed.

More detail on board performance can be found in our Annual Report FY2024 pg 23.

## Determining Remuneration

[GRI 2-19, 2-20]

The Board has a formal and transparent procedure for

## STEERING SUSTAINABILITY: Board-Level Integration and Leadership

developing policies on director and executive remuneration, and for fixing the remuneration packages of individual directors and key management personnel. The Group's remuneration policy considers the prevailing economic condition and remuneration terms based on industry benchmarks. Reviewed by the RC and designed to align with shareholders' interests, the Executive Director's and key management personnel's remuneration packages are based on their performance. No Director is involved in determining his/her own remuneration.

RC carried out a regular review of compensation and remuneration framework, including base/fixed salary, variable or performance-related income/bonus, Director's fee, benefits in kind, conditional award of performance shares, fixed allowances, allowance, and share-based incentives and awards. Executive Directors do not receive Directors' fees while Independent Directors receive Directors' fees in accordance with their level of contributions. In setting the remuneration packages of the Executive Directors, the Company takes into account the performance of the Group and that of the Executive Directors.

In terms of termination payment, the RC reviews the Group's obligations contained in the contract of service to prevent the inclusion of overly generous termination clauses. PEC also has a PEC Performance Share Plan to award shares as an incentive to eligible Executive Directors and employees.

On an annual basis, PEC submits the Directors' fees to the shareholders for approval at the AGM. In FY2024,

remuneration consultants were not engaged. Nevertheless, PEC will continue to monitor the need to engage external remuneration consultants going forward.

The Board is confident that the current remuneration policy delivers multiple positive ESG outcomes, such as improved governance, reduced conflicts of interest, bolstered reputation, and increased trust among stakeholders, among other benefits. More details on remuneration matters including the remuneration breakdown of the Directors and the Top 5 key management personnel can be found in our Annual Report FY2024 pg 23-26.

### Strategic Oversight [GRI 2-12, 2-13]

The Board recognizes the importance of sustainability in driving PEC's long-term value creation and guides the management of ESG principles. Under the Board's leadership, the Management is responsible for identifying, administering, and monitoring material ESG factors, ensuring that sustainability is embedded at every level of PEC's operations. This approach to sustainability governance establishes clear lines of accountability, enabling effective and purposeful decision-making.

Supporting the Board in maintaining the integrity of PEC's sustainability management and reporting are the ARMC and the Sustainability Management Council. The ARMC stays informed on sustainability trends and assesses PEC's risk profile, ensuring that sustainability- and climate-related risks are adequately managed. Meanwhile,

the Sustainability Management Council, comprising members of the management team and head of departments, is led by the Group CEO. This council collaborates closely with a dedicated sustainability disclosure project team to ensure the accurate and timely preparation of PEC's annual sustainability report. Key responsibilities of the Sustainability Management Council include:

- Evaluating the performance of material topics, including reviewing metrics, targets, policies, processes, and their ongoing tracking
- Managing and monitoring sustainability and climate-related risks and opportunities
- Collaborating closely with a dedicated sustainability disclosure project team to ensure the accurate and timely preparation of PEC's annual sustainability report.

To further enhance our structure, a Business Excellence ("BE") Committee, composed of senior management experts from various departments, is formed. The BE committee, which reports directly to the Group CEO, focuses on identifying sustainability challenges, shaping strategies, setting targets, and overseeing performance. The sustainability strategies and targets, once endorsed by the Group CEO, are reviewed annually to ensure they are effectively implemented.

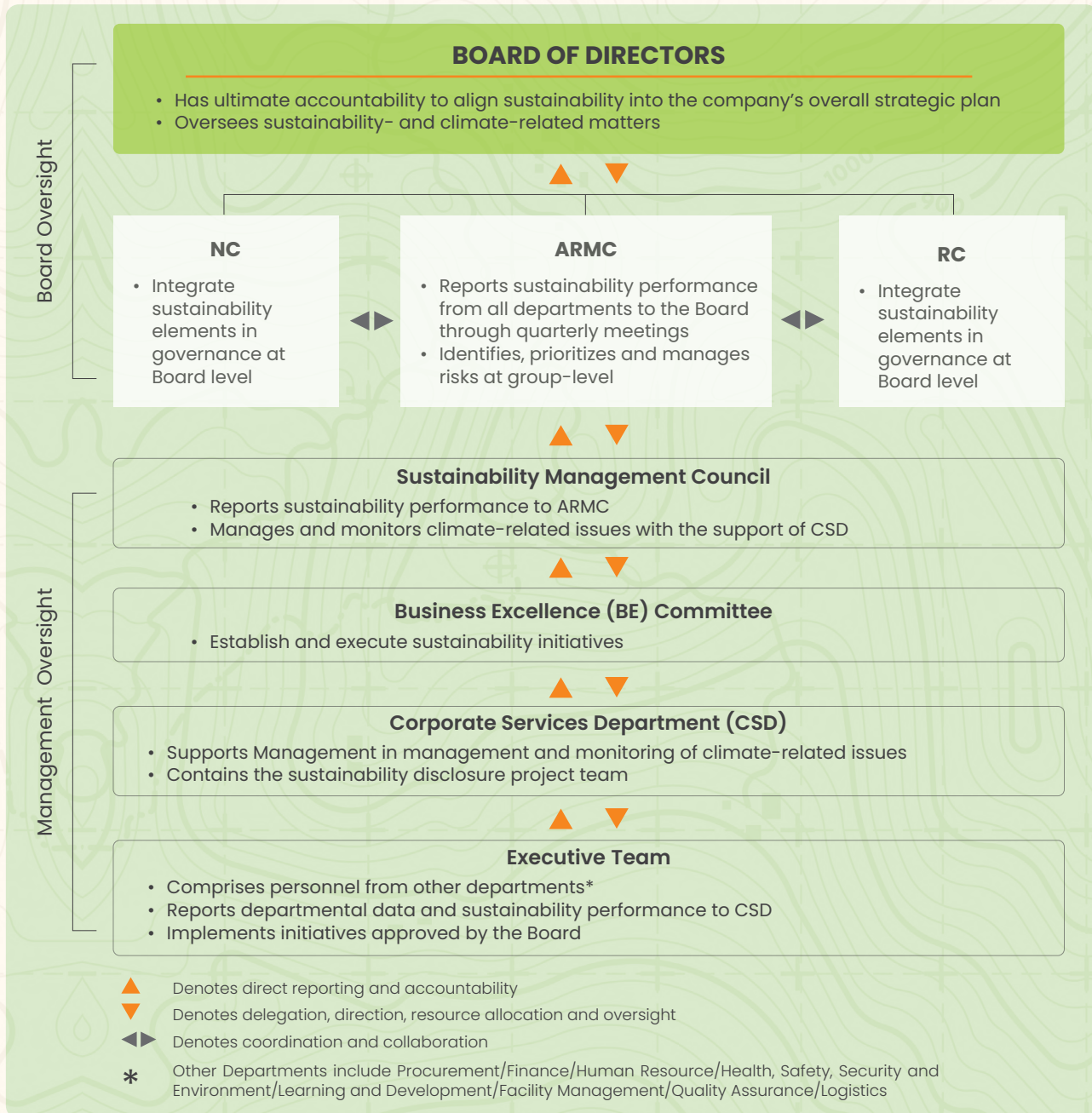


Figure 1 Sustainability Structure and communication flow in delegation of work and execution of sustainability initiatives

## Board's Role in Sustainability Reporting

[GRI 2-12b, 2-14]

The Board plays a crucial role in overseeing the Group's sustainability reporting framework by actively addressing ESG issues impacting the business. This involves allocating resources for external sustainability consultants to aid in the preparation of the sustainability report, staying updated on the latest SGX sustainability practices through meetings

with sustainability consultants, and incorporating sustainability reporting into the Board's agenda. The Board also reviews the material topics and gives final approval for the sustainability report to ensure it meets all required standards.

To drive continuous improvement, findings from internal audits are used by the Board to assess the effectiveness of the sustainability reporting process and refine it for further enhancement.

# Policies and Practices

[GRI 2-16, 2-23, 2-24, 2-25, 2-26, 2-27]

PEC is committed to responsible business conduct, ethical operations and upholding employees' well-being. Guided by PEC's Core Values, the Board oversees the implementation of PEC's policies and practices across the Group, ensuring that these policies, signed off by the CEO, are integrated into our operations and business activities by all employees. The following section highlights our key policies approved by the Board. All new employees were briefed on our policies as part of their onboarding, and all employees can access our policy manuals on the Group's intranet. Any changes to the policies are updated to all employees by the Human Resources or Corporate Services Department.

## Anti-Bribery and Corruption Policy



- Provides information and guidance to employees on recognizing and dealing with potential bribery and corruption issues
- Sets out the Group's and every employee's responsibility in observing and upholding the Group's position on bribery and corruption
- Supplemented by an Annual Declaration Form
- Provided to clients during project pre-qualification stage

## Code of Business Ethics and Conduct Policy



- Sets out basic principles to guide all employees in situations of conflict of interest, insider trading and handling of gift and entertainment
- In accordance with applicable laws and regulations
- Supplemented by an Annual Declaration Form

## Human Rights Protection



- Sets out PEC's commitments to treat others with respect and dignity, encourage diversity, provide safe working conditions and promote equal opportunity for all
- Prohibits harassment, bullying, discrimination, child labor, compulsory or forced labor, and human trafficking

## Whistle Blowing Policy



- Provides avenues<sup>7</sup> for employees to raise concerns about malpractices<sup>8</sup> within the Group
- Defines handling process of reported concerns
- Reassures whistleblowers of confidentiality and protection against reprisal
- Develops a culture of openness, accountability and integrity
- In FY2024, there was one whistle-blowing case and it was resolved.

## Health, Safety, Security & Environment ("HSSE") Policy



- Enhances employees' knowledge on health, safety, security and environment through continuous education and training
- Eliminates unsafe practices to attain workplace safety
- Promotes healthy lifestyle through work-life balance
- Publicly available on [PEC's website](#)

## Quality Policy



- Communicates PEC's commitment to achieving high quality standards in all projects
- Sets out requirements for quality assurance plan, quality audit and customer feedback gathering
- Publicly available on [PEC's website](#)

## Learning and Development



- Provides avenues and opportunities to groom and develop all employees
- In compliance with ISO 29993 standard
- Conducts training programs that comply with PEC's OHSEQ requirements to enhance core skill and competency
- Publicly available on [PEC's website](#)

## Environmental Responsibility



- Covered under General Terms and Condition
- Accounts for environmental issues with regard to recycling, waste management, packaging and transportation

<sup>7</sup> Channels for whistleblowing include immediate supervisor, manager/head of department, Head of Human Resources or Head of CSD, or ARMC.

<sup>8</sup> Malpractices reportable under the whistle blowing policy covers critical concerns including but are not limited to financial governance matters, impropriety, corruption, acts of fraud, theft and misuse, offense or breach of law, conflict of interest without disclosure, breach of Group's policies or code of conduct, and concealing of malpractice or misconduct.

We strive to be transparent to our employees, partners, and the public to make clear our stance on handling critical issues and reinforcing ethical business conduct. By publicly sharing our HSSE, Quality, and Learning and Development Policies, we not only demonstrate our dedication to upholding these standards but also invite collaboration from our stakeholders.

PEC diligently complies with all applicable laws and regulations within its operational jurisdiction. In July 2023, a Notice of Composition was issued by the Singapore Civil Defence Force ("SCDF") on a non-compliance raised following a site inspection that took place in March 2023. This fire safety offense is non-recurring and PEC has since rectified the offense within the time specified.

### PEC's Core Values

PEC strives to be a Caring organization emphasizing on Continuous Learning, Customer Focus, Competencies and Commitment to deliver Cost effective services at the highest potential in both safety and quality.

#### Caring



We care for our colleagues, care for the company assets, care for the community and care for the society.

#### Continuous Learning



We strive to continuously improve our services by keeping abreast with the latest technology and know-how.

#### Customer Focus



We offer services to the best of our ability and build consensus to maintain an everlasting relationship.

#### Competencies



We strongly believe our service is competencies driven and we will take every opportunity to upgrade our competencies.

#### Commitment



We are second to none in terms of delivery of Health, Safety, Security & Environment (HSSE), Quality and Schedule.

#### Cost Effective



We are resourceful, confident and willing to benchmark our productivity, sales and profit.

# Climate-Related Risks and Opportunities

[GRI 2-12, 2-13, 2-14, 3-1]

Our group is pleased to present the progress made in our transition to a lower-carbon economy in our second-year TCFD report. This year, following the phased approach recommended by SGX, we conducted a qualitative scenario analysis to understand the impact of climate-related risks identified for our business.

The effects of climate change can be highly disruptive to the business, despite being a global challenge, climate change has unique local implications. As a group operating in multiple locations, we considered both global and domestic risks impacting our operations. We have studied the various impacts and urgency of the risks based on the business location, industry, and vulnerability. Our finalized list of risks aligns towards reducing GHG emissions from our operations, reinforcing our commitment to addressing these challenges.

PEC has channelled the group's efforts into addressing climate change impacts; the Board carries the core responsibility for overseeing and ensuring accountability in sustainability-related matters. The board is responsible for sustainability governance and sets the tone and direction for the Group's sustainability and climate-related strategies. In terms of implementation, the board

- Oversees the Group's overall sustainability climate-related practices, and ESG risks and opportunities.
- Reviews and considers ESG and climate-related issues when overseeing the formulation of and approving overall long-term strategic objectives and directions.
- Approves and constantly updates key sustainability policies, ensuring a sound system of risk management and internal controls, and monitors performance against them; and
- Sets and instills the right culture throughout the Group and ensures sustainability is embedded throughout all levels of the Organisation.

Amid uncertainty and unprecedented challenges, PEC has successfully navigated uncharted waters, swiftly adapting to market volatility with the support of our efficient team. We stay vigilant and informed about the impacts of climate change on our operations, constantly exploring innovative solutions to mitigate these effects.

## Risk Management

The risks identified in our previous year's risk identification survey are still material to our business. Below are the four risks identified, out of which three are transition risks and one is physical risk, as the outcome

of the survey analysis and buy-in from the board. As a quick summary, the risks are mentioned below:

- Uncertainty in market signals – Market transition risk rated as medium in the risk matrix.
- Costs to transition to lower emissions technology – Technology transition risk rates as medium in the risk matrix
- Enhanced emission reporting obligations – Policy and legal transition risk rated as high in the risk matrix
- Rising mean temperatures – Chronic physical risk rated as medium in the risk matrix

To better understand the potential impacts and opportunities posed by these risks, we collaborated with the consultants to conduct qualitative scenario analyses using two Shared Socioeconomic Pathways ("SSP") scenarios: SSP1 and SSP5.

These scenarios were chosen for PEC to model the impact under each trajectory, in accordance with IPCC guidelines, considering both the societal choices and emission pathways. The five SSP narratives depict different future societal scenarios (Figure 2). Each SSP explores how different level of GHG, Representative Concentration Pathways ("RCPs") could occur, based on the underlying socioeconomic



factors and shared policy choices. In SSP1, transition risks are significant, but physical risks are relatively low in both intensity and frequency. Conversely, SSP5 presents prevalent physical risks due to the extensive use of fossil fuels and the lack of climate policy enforcement.

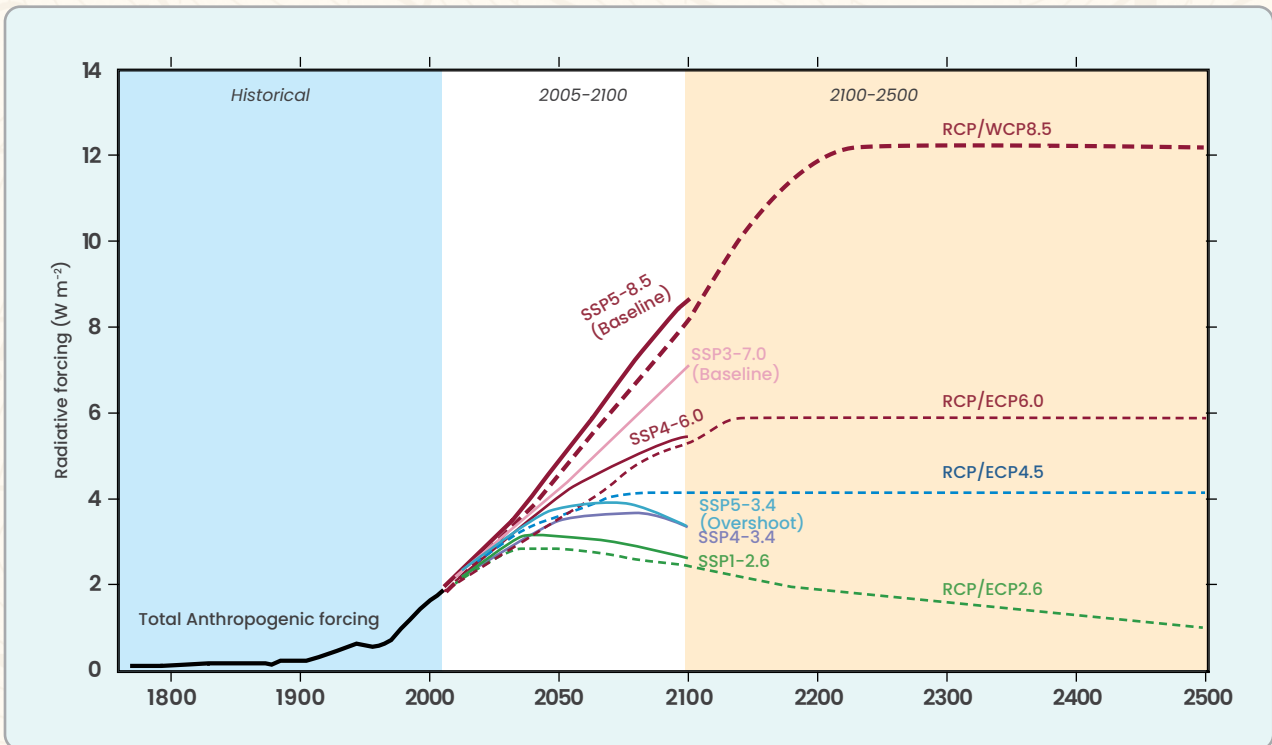


Figure 2 SPP and RCP representation chart<sup>9</sup>

The scenario analysis, based on desktop research using reputable tools and leveraging internal and external industry expertise, enhances understanding of potential business impacts or opportunities in each scenario. This helps the Board make informed decisions on mitigation and adaptation strategies for future sustainability. To ensure a comprehensive analysis, all four transition risks and physical risk impacts are assessed against the two SSP scenarios, as shown in tables below.

<sup>9</sup> [https://www.ipcc.ch/site/assets/uploads/sites/3/2019/11/SROCC\\_FinalDraft\\_Chapter1-SM.pdf](https://www.ipcc.ch/site/assets/uploads/sites/3/2019/11/SROCC_FinalDraft_Chapter1-SM.pdf)

# Climate-Related Risks and Opportunities

**Definition of time horizon by PEC is: Short Term – 1 to 2 years, Medium Term – 3 to 9 years, Long Term – Above 10 years**

**Table 1 Transition risks scenario analysis under SSP 1**

## TRANSITION RISKS scenario analysis under SSP1 scenario

SSP1 (temperature varying from 1 to 1.9°C) is the only pathway that meets the Paris Agreement's goal of limiting global warming to below 1.5°C. In this scenario, societies adopt sustainable practices, prioritize well-being over economic growth, and increase investments in education and health to accelerate demographic transition. Inequality is reduced both across and within countries.

Transition risks are not applicable under the SSP5 scenario because all mitigation measures have failed, leading to a worst-case situation.

## Impact of Transition risks

Transition risks are a high priority, while physical risks are a low priority, assuming mitigation measures are effective.	Increased emphasis on policies and regulations to reduce emissions	Rapid technological advancements	Target for net zero by 2050 and limit global warming to 1.5°C (aspirational scenario by IPCC)	Create economic uncertainties that impact industries and markets.  Generate social impacts that alter employment patterns and restrict access to the labor force.
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Risk Type	Potential Impacts	Adaptation or Mitigation Strategies
<p><b>Enhanced emission reporting obligations</b></p> <p>Policy and legal transition risks are assessed as high over the short to medium term in our risk matrix.</p>	<ul style="list-style-type: none"> <li>Regulators are expecting more comprehensive disclosures on climate actions with financial impacts analyzed with metrics. Companies failing to comply may face huge penalties and face challenges to operate the business.</li> <li>The energy transition in clients' decarbonization and investment shifts (greener energy) to meet the 2050 net zero target has an impact in reporting obligations. For our Singapore operation, the Group is required to comply with the latest rules and regulations imposed by SGX (such as emission reporting, TCFD and Scope 3).</li> <li>Local and global regulations on hiring talent due to policy changes.</li> </ul>	<ul style="list-style-type: none"> <li>PEC understands the regulations set by governing bodies and has begun efforts to comply with these mandates. This year, to enhance our understanding of GHG accounting and our supply chain's emissions, PEC has started accounting for Scope 3 emissions in our reporting.</li> <li>Despite the shortage of skilled engineers, PEC continues to invest in training employees on the skills needed to operate globally and mobilize as required.</li> </ul>

Risk Type	Potential Impacts	Adaptation or Mitigation Strategies
<p><b>Uncertainty in market signals</b></p> <p>Market transition risks are assessed as medium over the short to medium term in our risk matrix.</p>	<ul style="list-style-type: none"> <li>• PEC relies heavily on the supply chain for materials tailored to client project requirements.</li> <li>• Geopolitical tensions cause supply chain disruptions, increasing the cost of goods and materials.</li> <li>• Materials such as steel are sensitive to market volatility and have energy-intensive production processes, leading to frequent variations in energy prices that impact profit margins and overall financial performance.</li> </ul>	<p>As a mitigation strategy, PEC is taking appropriate measures to minimize the risk exposure in their supply chain by implementing strategies such as</p> <ul style="list-style-type: none"> <li>• Adding buffer time for the projects where there is a requirement for equipment that requires a long lead time for delivery.</li> <li>• Maintaining a list of approved vendors to ensure availability of supply.</li> <li>• Maintaining a reasonable level of inventory for property, plant and equipment (“PPE”) and consumables along with price agreements with suppliers for up to two years.</li> <li>• Subscribing to steel index for commodities such as steel to monitor future pricing trends.</li> </ul>
<p><b>Costs to transition to lower emissions technology</b></p> <p>Technology transition risks are assessed as medium in our risk matrix.</p>	<ul style="list-style-type: none"> <li>• Transitioning to greener energy comes with increased costs and longer turnaround times. Without ongoing R&amp;D support in the rapidly evolving technology market, our business risks losing clients to competitors, as clients increasingly prefer low-emission technologies for their projects.</li> <li>• Operation of new technologies may require the hiring of a dedicated team of experts for the job, but due to labor shortage in the market, employment of new talents may result in increasing costs.</li> </ul>	<ul style="list-style-type: none"> <li>• PEC has implemented digitalization at our work sites to improve productivity and sent our employees for training.</li> <li>• PEC, where possible, has embarked on the path towards decarbonization and installed solar panels over our rooftops to reduce the reliance on energy supplied by the grid</li> <li>• Based on the availability of technology, we are switching to electrical equipment, electric buses and electric lorries.</li> </ul>

### Opportunities arising from the Transition Risks

In today’s outlook, energy and chemical companies are expected to become more cautious in spending amid the increasing market uncertainty and softening energy prices. We understand that each market faces unique challenges but may also present us with unique opportunities.

That said, national energy and chemical companies in the Middle East are expected to continue their capital expenditures (“CAPEX”) to expand their production capacities as well as to pursue low-carbon projects in a bid to diversify their business and lessen their dependence on hydrocarbons.<sup>10</sup>

To support our clients in the energy transition and capture opportunities in green energy, the Group is working hard to build up engineering capabilities and a track record in the area.

PEC is working towards the shift by participating in greener projects e.g., ammonia that can serve as a low-carbon fuel in power generation and marine bunker operations.

The skill shortage and regulatory changes have presented an opportunity for the group to optimize its workforce by investing in training and driving digitalization. This approach aims to enhance operational efficiency and ensure projects are delivered safely on time, and within budget.

<sup>10</sup> <https://www.theedgesingapore.com/capital/results/pec-limited-reports-96-y-o-y-surge-earnings-69-mil-1hfy2024>

# Climate-Related Risks and Opportunities

**Table 2 Physical risks scenario analysis under SSP 5**

**PHYSICAL RISKS scenario analysis under SSP5 scenario**

SSP5 (temperature varying from 5 to 8.5°C) is a Business as Usual (“BAU”) scenario, where the push for economic and social development is coupled with the exploitation of abundant fossil fuel resources and the adoption of resource and energy-intensive lifestyles around the world. The high-growth energy-intensive SSP5 shows the most overall emissions of any SSP, ranging from 104 GtCO<sub>2</sub> to 126 GtCO<sub>2</sub> in 2100, resulting in warming of 8.5°C.

**Impact of Physical Risks**

High physical risks	Minimal transition policies are expected to be in place	Rapid technological development, but high challenges to climate adaptation due to persistent inequality and poverty in many parts of the world	Severe physical risks driven by increased GHG emissions despite some technological advancements	Environmental degradation causing social inequality and health issues impacting the already squeezed labor market
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Risk Type	Potential Impacts	Adaptation or Mitigation Strategies
<p><b>Rising mean temperatures</b></p> <p>Chronic physical risk is assessed as medium risk over the medium to long term in our risk matrix.</p>	<p>Rising temperatures increase the frequency and duration of heat waves, which can be hazardous and lead to illnesses such as heat cramps and heat stroke, or even result in fatalities. This directly affects productive hours. Without progress at the project site, direct costs like labor expenses become unproductive, leading to decreased margins as these costs fail to generate income due to stalled work.</p> <p>The warmer it gets, the more severe the impacts on people and the environment like heavy rain, drought which causes supply chain delays.</p> <p>Higher temperatures can also lead to thermal discomfort, which may require greater use of air-conditioning, increasing energy demand and costs.</p>	<p>As a mitigation strategy, PEC has established company-specific requirements based on local requirements like:</p> <ul style="list-style-type: none"> <li>• Implementing Heat Stress Management Program and Guidelines (WBGT - Wet Bulb Globe Temperature) Item fixed by client at site to monitor the temperature. Some sites will download the App called ‘My ENV’ to monitor the heat temperature. We also revised the procedure “Heat Stress Management program” updating with the latest guidelines to prevent heat injuries.</li> <li>• Creating awareness in employees working at site office via toolbox meeting.</li> <li>• Reviewing the reported cases if it is climate-related injuries (so far, no climate related injury reported).</li> <li>• Implementing procedures for departments/sites to review and update their respective climate-related risk and opportunities under the risk and opportunity assessment (“ROA”)</li> </ul>

Risk Type	Potential Impacts	Adaptation or Mitigation Strategies
		<p>As part of Heat Stress Prevention measure, all the staff working in our premises or at sites are checked for,</p> <ul style="list-style-type: none"> <li>• Fitness to Work</li> <li>• Heat Acclimatization profile</li> <li>• Adequate work planning</li> <li>• Shaded rest areas setup</li> <li>• Adequate water intake via Water Parade</li> <li>• Proper Personal Protective Equipment (“PPE”) - breathable inner clothing, and cooling packs to be provided when needed</li> <li>• Effectiveness of toolbox meeting in creating the awareness</li> <li>• Readiness of the first responders and standard of practice (“SOP”) on how to seek medical help</li> </ul> <p>Follow local mandates by the regulators to avoid any fines or reputation losses such as.</p> <ul style="list-style-type: none"> <li>• The Ministry of Sustainability and the Environment (“MSE”) and the National Environment Agency (“NEA”) launched a Heat Stress Advisory for the public on 24 July 2023.</li> </ul> <p>PEC has developed policies to ensure these mitigation measures are actively applied.</p>

# Climate-Related Risks and Opportunities

## Qualitative Scenario Analysis

Qualitative scenarios analysis for the very high GHG emissions scenario is detailed in the paragraphs below for the four regions we operate in.

### Singapore

Singapore, being a small, low-lying city-state, is vulnerable to the consequences of climate change, such as rising sea levels, intense rainfall, dry spells and other extreme weather events.

Even though the impacts of the mean temperature rise are not being felt very frequently, moving forward with the BAU approach of running the business will continue to impact the island. Based on the Climate Central's Climate Shift Index<sup>11</sup>, the average temperature today is five times more likely to vary and 0.7°C hotter than normal due to climate change. We also compared across the timeline of 2030 and 2050 under SSP5 scenario, seeing a gradually increasing temperature (see Figure 3 in Appendix). Considering this trend, it is more likely the temperatures will be high for most of the days and business will have to be prepared with more stringent mitigation measures and strive towards achieving low carbon economy.

### Middle East

The climate change in the UAE is expected to result in warmer weather, less precipitation, droughts, higher sea levels and more storms. The UAE features a desert climate pattern that can affect weather globally. The country experiences an arid desert climate, chiefly influenced by its geographical location near the Tropic of Cancer. This strategic location exposes the region to influences from both the Arabian

Sea and the Rub' al Khali desert, contributing to the unique weather patterns witnessed in the UAE.

On the other hand, Oman is vulnerable to the impact of climate change due to sea level rise, temperature, and precipitation variability/extremes, effecting urban infrastructure, population health, and its water resources, which is critical as Oman is a water-stressed country.

Despite the overall research on locations, the vulnerability and the results from the climate shift index in Al Fujairah City, Abu Dhabi and Oman are 0. In another word, the influence of climate change on the daily average temperature is not detectable at this point in time. PEC's Management is keeping this risk in the matrix and monitoring over time. Refer to Figure 4 in the Appendix.

### People's Republic of China

China is a region that is sensitive to global climate change, a region where the impact will be significant. Average temperatures from March to May hit their highest since records began in 1961, according to official data. Summer temperatures at multiple southeastern and northwestern provinces including Guangdong and Fujian are expected to be 1 to 2°C above normal.

Based on the Climate Shift Index<sup>12</sup> rating of 5 in Guangdong and Fujian, climate change will likely make the daily average temperature at least

5 times more likely to vary. The average temperature at Huizhou is now 1.7°C hotter than normal. Zooming in on Fujian, we considered the climate change impact on our maintenance service bases in Quanzhou, Zhangzhou and Fuzhou. Quanzhou is now 1.3°C hotter than normal, while Zhangzhou is 1.8°C hotter and Fuzhou is 0.5°C hotter. The mean air temperature changes in China from 2030 to 2050 under SSP5 scenario are shown in see Figure 5 of the Appendix.

With Guangdong and Fujian experiencing rising mean temperatures, PEC's Management is monitoring the operational impact of climate change on our operation and maintenance services in the area.

### Southeast Asia (Malaysia, Myanmar, India, Thailand, Vietnam)

This region lies almost completely within the tropics so temperature is higher. Most of the air masses moving into this region will be warm, equatorial air due to its latitude. Heatwaves will lead to increased mortality, and the demand for air conditioning will rapidly accelerate as the result. By 2080, around 1 billion people in the cities of South and Southeast Asia are expected to experience around a month of extreme heat every year. Recent extreme heat event in New Delhi further adds to the studies that heat waves are becoming longer, more frequent and more severe.

11 Based on Climate Shift Index result for 8th August 2024. <https://csi.climatecentral.org/climate-shift-index?cityId=2988507&firstDate=2024-08-10&lat=48.85341&lng=2.34880&zoom=6>

12 Based on Climate Shift Index results on 8th August 2024.

Figure 6 and Figure 7 in the Appendix depict the comparison of mean temperature changes in the region compared across the timeline of 2030 and 2050 under SSP5 scenario. Based on the Climate Shift Index ratings in August 2024, the daily average temperatures at Johor Bahru, Malaysia and Rayong, Thailand are at least 5 times more likely to vary today, and 1.3°C and 0.8°C hotter than normal. On average, Southeast Asia's Climate Shift Index ratings average around the rating of 3, which alerts the Management to keep a watch over the operational impact on productivity and the supply chain.

### Summary of Scenario Analysis

#### Conclusion of our analysis: Impacts of rising temperatures on our labour productivity, supply chain and overall business across the locations

Rising temperatures and lethal heatwaves could affect liveability and effective working hours in major economies, causing regressive impacts within countries. Adaptation measures cannot be successful without understanding and tracking the intensifying climate risk<sup>13</sup>. The global spread of our operations has made us more vigilant in assessing our exposure to the climate change impacts and the associated opportunities on our business.

In the absence of further decarbonization, there is a growing risk on our entire operations' productivity. As a decisive step, PEC has already undertaken numerous steps to mitigate the risk and is monitoring the risks regularly. We have been working in line with

the local government guidelines to ensure that we do not lose our productive hours while keeping our people safe.

PEC have installed solar panels across office premises to reduce our dependence on non-green energy supplied by the national grid. We are also changing some of the equipment to electric ones such as welding machines. In the medium-term, PEC is assessing the options to shift to electric vehicles.

In order to have a sustainable business, PEC has been venturing into clean energy projects such as ammonia- and hydrogen-based projects to support our clients and our own journey towards decarbonization.

#### Risk Management, Metrics and Targets

PEC has implemented an Enterprise Risk Management ("ERM") matrix to identify and manage potential risks that could jeopardize business objectives. This risk assessment tool enables us to visualize the likelihood of risk occurrence against the severity of its potential impact. By categorizing risks into matrix quadrants, PEC can prioritize which risks require immediate attention. As part of our strategy, we have incorporated climate risk into the OHSEQS ROA. As we enhance our data capabilities in the coming years, we will endeavor to integrate climate-related risks with greater quantitative precision. We have already initiated several measures to reduce our environmental footprint. This year, we began monitoring our Scope 3 emissions, as detailed in the section Energy Efficiency and Decarbonization.

Each emission target has been clearly defined to ensure transparency and accountability.

Looking ahead to FY2025 and beyond, our focus is on fulfilling our commitment to reducing emissions by 25% by FY2028. We are dedicated to refining our reporting practices by quantifying our carbon impact in more detailed financial terms wherever possible. This includes expanding our Scope 3 emissions reporting categories to provide a more comprehensive view of our overall environmental footprint. By improving data quality, we will better monitor our progress, identify areas for improvement, and implement additional initiatives as necessary to stay on track. These ongoing efforts will not only help us meet our emission reduction targets but also set a benchmark for transparency and accountability in our environmental reporting.

In alignment with our sustainability goals, we have already begun to build capacity for clean energy projects and transition toward green initiatives in collaboration with our clients. As our clients shift towards decarbonization and invest in greener energy solutions to meet the 2050 net-zero target, we recognize the significant impacts these changes have on our reporting obligations. Specifically, for our Singapore operations, the Group is required to comply with the latest regulations set forth by the SGX, including mandatory emissions reporting, adherence to TCFD recommendations, and expanded Scope 3 emissions tracking. These regulatory requirements, which support the Nationally Determined Contributions ("NDC") pledges, underscore our commitment to sustainability and ensure that our actions align with both local and global environmental standards.

13 <https://www.mckinsey.com/capabilities/sustainability/our-insights/climate-risk-and-response-in-asia>

# Stakeholder Inclusioness

[GRI 2-25, 2-29]

The Group actively engages our stakeholders to understand their priorities and concerns. We identify stakeholders as individuals or companies who can affect or be affected by the Group's business and strategic directions. Sharing the stakeholder engagement responsibility across all levels from Board to general employees, we commit to regular dialogue and engagements via various platforms and feedback mechanisms, actively cultivating lasting partnerships and mitigating any negative impacts of our activities. Table 3 summarizes the stakeholder groups that we engage on an ongoing basis, the engagement approaches, stakeholders' interests and concerns, and our responses to them.

**Table 3 List of Stakeholders and Our Response to their Interests**

Stakeholders	Engagement Approaches	Interests and Concerns	Our Responses
<b>Employees</b>	<ul style="list-style-type: none"> <li>Regular departmental meetings (physical and virtual)</li> <li>Team building activities</li> <li>Performance appraisals</li> <li>Employee satisfaction surveys</li> <li>Training programmes</li> </ul>	<ul style="list-style-type: none"> <li>Fair remuneration</li> <li>Safe and healthy work environment</li> <li>Work-life balance</li> <li>Career development and training opportunities</li> <li>Group's direction and growth</li> <li>Diversity, equity and inclusion</li> <li>Ethical business conduct</li> </ul>	<ul style="list-style-type: none"> <li>Competitive compensation and benefits including PEC Performance Share Plan</li> <li>Strict implementation of HSSE Policy, Quality Policy and OHSEQ Management System based on ISO 9001:2015, ISO 45001:2018 and ISO 14001:2015</li> <li>Implementation of Learning and Development Policy</li> <li>Transparent communication on Group's or company direction via meeting or multimedia displays</li> <li>Implementation of Code of Business Ethics and Conducts</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Periodic meetings, calls and conferences</li> <li>Customer satisfaction surveys</li> <li>Social media interactions</li> <li>Regular feedback</li> </ul>	<ul style="list-style-type: none"> <li>Product quality</li> <li>Customer service and experience</li> <li>Ethical business practices</li> <li>Sustainability policies and performance</li> <li>Compliance with applicable laws and regulations</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of OHSEQ Management System</li> <li>Monitoring and assessment of customer satisfaction survey outcome</li> <li>Communication of PEC's Anti-Bribery and Corruption Policy</li> <li>Implementation of Code of Business Ethics and Conducts</li> <li>Ongoing monitoring and reporting of sustainability performance in sustainability report</li> <li>Strict implementation of compliance with laws and regulations</li> </ul>



Stakeholders	Engagement Approaches	Interests and Concerns	Our Responses
<b>Investors</b>	<ul style="list-style-type: none"> <li>Financial information and corporate announcements via <a href="#">sgx.com</a></li> <li>Annual Report and Sustainability Report</li> <li>Annual General Meeting (AGM)</li> <li>Dedicated webpage for <a href="#">Investor Relations</a> on corporate website</li> </ul>	<ul style="list-style-type: none"> <li>Timely and regular updates on financial performance, business strategies and other investment issues</li> <li>Higher financial return</li> <li>Regular dividend</li> <li>Market presence</li> <li>Transparency in disclosure</li> <li>Corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>Maintain half-yearly financial statements announcement</li> <li>Include latest announcements, press releases and share details on corporate website</li> <li>Adherence to Monetary Authority of Singapore's Code of Corporate Governance 2018</li> <li>Implementation of robust governance and risk management</li> </ul>
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Periodic procurement reviews</li> <li>Pre-qualification feedback</li> <li>Quotations and proposals</li> <li>Site visits</li> <li>Quality audits</li> </ul>	<ul style="list-style-type: none"> <li>Project timeline</li> <li>Product specifications</li> <li>Delivery timeline</li> <li>Payment as per contracts</li> </ul>	<ul style="list-style-type: none"> <li>Implementation of OHSEQ Management System</li> <li>Clarity of specifications and requirements</li> <li>Efficient processing of payment</li> </ul>
<b>Bank</b>	<ul style="list-style-type: none"> <li>Electronic communications</li> <li>Company communications on financial updates</li> </ul>	<ul style="list-style-type: none"> <li>Accounting/ administrative matters regarding financial transactions</li> </ul>	<ul style="list-style-type: none"> <li>Engagement of professional advisor</li> <li>Regular and clear communication</li> <li>Standardize reporting format</li> </ul>
<b>Local community</b>	<ul style="list-style-type: none"> <li>Volunteering activities</li> <li>Meetings and collaborative projects with community partners</li> </ul>	<ul style="list-style-type: none"> <li>Safe and healthy living environment</li> <li>Stimulation of local economy</li> <li>Humanitarian aid</li> </ul>	<ul style="list-style-type: none"> <li>Community engagement and outreach</li> <li>Fair business conduct and support for local suppliers</li> <li>Donations</li> </ul>

# Materiality Assessment

[GRI 2-12, 2-14, 2-29, 3-1, 3-2, 3-3]

**W**e conduct materiality assessment annually to determine the ESG issues relevant to our business and stakeholders. In FY2024, we identified our key sustainability and climate-related priorities of our stakeholders via multiple engagement channels including the register for ERM, employee satisfaction survey outcome and customer feedback. Factoring in the result of FY2023's stakeholder engagement survey, we carried out peer comparison, sectoral trend analysis and three-year comparison to prioritize the material topics for this reporting period.

Our materiality analysis is carried out based on the following six-step approach.

1. Identifying a list of sustainability issues that are relevant to the

Group's operations and the stakeholders.

2. Collecting stakeholder's opinions and feedback.
3. Reviewing and assessing stakeholders' feedback.
4. Responding to stakeholders' issues and concerns.
5. Prioritizing material topics.
6. Validation from the Board.

The materiality analysis revealed that the underlying factors driving these material topics, such as stakeholder expectations, industry trends, and peers' best practices have remained largely unchanged over the past year. Given the findings and the critical roles of these topics in guiding our strategic priorities and addressing key ESG challenges, these all nine ESG topics are still align with our sustainability strategy and priorities and remain relevant

## Material Topics for FY2024

■ GRI 205: Anti-corruption 2016

■ GRI 201: Economic Performance 2016

■ GRI 403: Occupational Health and Safety 2018

■ GRI 401: Employment 2016

■ GRI 405: Diversity and Equal Opportunity 2016

■ GRI 404: Training and Education 2016

■ GRI 302: Energy 2016

■ GRI 305: Emissions 2016

■ GRI 303: Water and Effluents 2018

### Legend

- Economic Topics
- Social Topics
- Environmental Topics

The nine material topics are reported under Responsible Business Practices, Environmental Protection and Stewardship, and Valuing Our People. Table 4 summarizes the stakeholders impacted by or impacting the Group with regards to each material topic.

Table 4 List of the Group's Material Topics for FY2023

Material Topics	Boundary, where impact of the material topic occurs								Impacts addressed in this Report
	Within Group's Operation <sup>14</sup>			Outside Group's Operation <sup>15</sup>					
	Board	Management	Other Employees	Customers	Investors	Suppliers	Bank	Local Communities	
Material topics identified through materiality assessment (in descending order of importance)									
1  Anti-Corruption (GRI 205)	✓	✓	✓	✓	✓	✓	✓	✓	ANTI-CORRUPTION
2  Economic Performance (GRI 201)	✓	✓	✓	✓	✓	✓	✓	✓	ECONOMIC PERFORMANCE
3  Occupational Health and Safety (GRI 403)	✓	✓	✓	✓	✓				OCCUPATIONAL HEALTH AND SAFETY
4  Employment (GRI 401)	✓	✓	✓					✓	DIVERSITY IN OUR WORKFORCE
5  Diversity and Equal Opportunities (GRI 405)	✓	✓	✓	✓				✓	DIVERSITY IN OUR WORKFORCE
6  Training and Education (GRI 404)	✓	✓	✓						TRAINING AND EDUCATION
7  Energy (GRI 302)	✓	✓	✓		✓	✓			ENERGY EFFICIENCY AND DECARBONISATION
8  Emission (301)	✓	✓	✓		✓	✓		✓	ENERGY EFFICIENCY AND DECARBONISATION
9  Water and Effluents (GRI 303)	✓	✓	✓		✓	✓		✓	WATER AND CONSERVATION

14 The Group's activities have contributed directly to this impact.

15 The Group contributes indirectly to this impact through its business relationships etc.

# Responsible Business Practices

## ANTI-CORRUPTION

[GRI 205]

### Our Governance Mechanism

[GRI 3-3]

PEC maintains our stand of zero tolerance against corruption and bribery. We recognize that corruption of any form could erode trust and discourage investment in our business. On a larger scale, corruption introduces instability that leads to the derailing of the market's development, ultimately resulting in a loss of economic growth in the sector. Contributing to the United Nation's Sustainability Development Goal ("SDG")<sup>16</sup>, we strive to substantially prevent corruption and bribery in all forms.

PEC stresses the importance of compliance with laws and vigilance in the offer or receipt of gifts and entertainment via our Code of Business Ethics and Conduct. Our Code of Business Ethics and Conduct lays down the principles of how our employees shall handle anything of value including but not limited to food and beverages, tickets, business lunches or dinners, or cultural/sporting events, that are out of the ordinary business. Offer of gifts and entertainment to customers, business partners and suppliers is subject to approval and governed by the guidelines, and only the Head of Departments

and Site-In-Charge are authorized to do so.

All permanent or contract employees are required to acknowledge that they have read and understood our Anti-Bribery and Corruption Policy and our Code of Business Ethics and Conduct policy. In the event that a potential conflict of interest arises, be it due to affiliation with another PEC employee or PEC's business partner, employees are required to declare the details of the conflict of interest via the annual declaration form.

### Risk Management

[GRI 3-3, 205-1]

Corruption is a moving target that requires continuous monitoring and management. As such, PEC's risk management system continues to prioritize fraud, bribery and corruption as one of the material risks facing our operations. The adequacy and effectiveness of our risk management policies and systems are reviewed regularly during the ARMC meeting, which was conducted quarterly.

Any non-compliance can be reported via the confidential whistle-blowing channel, with the ARMC being one of the designated report recipients. Investigation

findings will be conducted by the internal auditor and communicated to the ARMC. More details on our Whistle Blowing Policy can be found in the section POLICIES AND PRACTICES.

### Communication of Anti-Corruption Policy

[GRI 205-2]

Data in this section only cover PEC Singapore.

Aiming to build external awareness, PEC will make known to our suppliers and subcontractors PEC's Anti-Bribery and Corruption Policy as a part of our pre-engagement process. To track the effectiveness of this communication measure, we record the signed acknowledgments we receive, keeping track of the acceptance rate of our anti-corruption policy among our business partners before entering into a partnership. Besides, appropriate references to our Anti-Bribery and Corruption Policy are included in the general terms and conditions in the Group's purchase orders to our suppliers. As for communication with our downstream partners, we provide our anti-corruption policy, usually upon request, to our customers during the project pre-qualification stage.

**Table 5 External Communication of Anti-Corruption Policy to Upstream Business Partners in FY2024, by region**

Data Description		PEC Singapore	
		Local	Overseas
Active suppliers that anti-corruption policy has been communicated to	%	100%	100%
Active subcontractors that anti-corruption policy has been communicated to	%	100%	-

<sup>16</sup> Active suppliers or subcontractors are defined as suppliers and subcontractors that PEC Singapore has active partnerships with in FY2024. Three-year comparison is not available because FY2024 is the first year we monitor these data.

Communication and training transform a policy from a document into a culture. As a part of our annual exercise, PEC's Human Resources Department collects Annual Declaration Form from all employees to ensure their understanding of the latest Anti-Bribery and Corruption Policy. Newly appointed employees are briefed on the Anti-Bribery and Corruption Policy during the New Hire Orientation Programme, followed by submission of the Annual Declaration Form. All policies are approved by our Group CEO and made available on our intranet for employees' reference.

**Table 6 Internal Communication and Training of Anti-Corruption Policy, by region**

Data Description	PEC Singapore		
		Local	Overseas
Board of Directors that anti-corruption policy has been communicated to	headcount	7	–
	%	100%	–
Employees that anti-corruption policy has been communicated to	headcount	1300	–
	%	100%	–

Note: Training on anti-corruption is based on PEC Singapore's employees who underwent orientation in FY2024. Three-year comparison is not available because FY2024 is the first year we monitor these data.

In FY2024, we worked on instilling zero tolerance for bribery and corruption, ensuring our anti-corruption policy was communicated to and accepted by our employees, suppliers, subcontractors and clients. Continuing our zero-tolerance approach, we set a long-term target to maintain zero incidents of corruption. Throughout the reporting year, there were no incidents or public legal cases of non-compliance involving the company or our employees related to corruption, fraud, extortion, or money laundering. Additionally, no contracts with business partners were terminated or left unrenewed due to corruption-related violations.

**Table 7 Confirmed Incidents of Corruption**

Target Description	FY2024	FY2023	FY2022
Total number of confirmed incidents of corruption	0	0	0

# Responsible Business Practices

## ECONOMIC PERFORMANCE

[GRI 201]

### Our Governance Mechanism

[GRI 3-3]

The PEC Group is committed to delivering cost-effective services. We recognize the competitive edge our commitment brought us, supporting us towards economic sustainability. While our economic performance could contribute to SDG 8<sup>17</sup>, we are mindful of the potential negative impacts on local communities. To prevent disruption to the livelihood of small-scale contractors, forced resettlement and social inequalities, we strictly adhere to all relevant local laws and regulations, prioritizing ethical business practices. We also strive to allocate a significant portion of

our procurement budget to invest in the local economy, supporting local businesses and the community. Besides, our Board of Directors is local to Singapore, demonstrating a positive market presence.

### Membership Associations

[GRI 2-28]

Our memberships in several professional and industry organizations play significant roles in anchoring us toward good governance and keeping us updated on technical and sustainable development trends. We maintain long-term memberships in the following associations.



17 For SDG 8 Decent Work and Economic Growth, PEC works on contributing to local economic growth and job creation. [https://sdgs.un.org/goals/goal8#targets\\_and\\_indicators](https://sdgs.un.org/goals/goal8#targets_and_indicators)

## Our Performance

[GRI 201-1]

We employ a systematic approach to track our performance through regular monitoring, audits, and performance evaluations. This includes collecting financial and non-financial data, conducting reviews and audits, and engaging stakeholders to ensure that our actions align with our business direction.

Compiled based on PEC Group's audited financial statements across three years, Table 8 shows that FY2024 concluded with a total of S\$497.4 million of economic value generated, an improvement compared to S\$434.9 million in FY2023. Total expenses (including staff cost) constituted 96% of the revenue, a marginal reduction from the 98% in FY2023. As a result, FY2024 saw a turnaround in the economic value retained, shifting from a deficit to a surplus.

**Table 8 The Group's Economic Performance in FY2023 and FY2024**

	PEC Group		
	FY2024	FY2023	FY2022
	S\$ million	S\$ million	S\$ million
<b>Economic Value Generated</b>			
Revenues	491.0	430.9	428.0
Other Operating Income*	6.4	4.0	6.9
<b>Economic Value Distributed</b>			
Total expenses (including staff cost)	472.0	423.5	408.0
Dividend (declared and paid)	5.1	8.9	6.4
Income Tax Expenses	6.7	3.4	10.5
<b>Economic value retained</b>			
Direct economic value generated – Economic value distributed	13.6	(0.9)	10.0

\* Other Operating Income includes interest income, insurance claims, government grants, gain on forex, rental income, training income and etc.

## Commitment to Employee Benefits and Financial Subsidy from the Government

[GRI 201-3, 201-4]

We contribute to our employees' retirement savings according to the local governments' requirements. Besides, we also award fully paid shares to eligible full-time employees and Executive Directors upon the satisfaction of the prescribed performance conditions under PEC's Performance Share Plan.

We are also the grateful recipient of financial grants from the government. In FY2024, we received a total of S\$234,090 covering training grant, ESG mechanization subsidy, productivity project and jobs growth incentives, and employment credit payouts.

## Performance and Target

Data in this section only cover PEC Ltd, PEC Process Systems Pte Ltd, Audex Pte Ltd and Audex Fujairah LL FZE.

Year after year, we monitor our spending on local suppliers. Last year, we set a target of at least 85% procurement spending on local suppliers. In FY2024, we achieved this target by exceeding S\$67.8 million in spending on local suppliers.

**Table 9 Performance and Target for Economic Performance**

Target Description	FY2024	FY2023	FY2022
At least 85% procurement spending on local suppliers	89.04%	84.31%	86.34%

# Environmental Protection and Stewardship

## ENERGY EFFICIENCY AND DECARBONIZATION

[GRI 302, 305]

### Our Governance Mechanism

[GRI 3-3]

PEC group is mindful of the environmental footprint of our operations, acknowledging that our on-site energy consumption and upstream cradle-to-gate emissions from purchased goods and services collectively contribute to global warming. To minimize our environmental impact, we integrate environmental considerations into our core operations. Governed by our HSSE Policy, we strive to conserve natural resources, taking action to combat climate change and contribute to SDG 13<sup>18</sup>. As for project-relevant impacts, we assign designated quality audit teams to take care of all environmental issues and conduct regular briefings on-site. Extending our mitigation effort to procurement processes, we incorporate environmental requirements in our purchasing decisions with regard to recycling, waste management, packaging and transportation.

### Our Energy-Efficiency and Decarbonization Initiatives

[GRI 3-3, 302-4, 305-5]

Initiatives in this section only cover PEC Singapore.

To minimize our climate impacts, the Group defined the governance and strategy for the climate-related risks and opportunities identified this year (as included in the section CLIMATE-RELATED RISKS AND OPPORTUNITIES). We remain committed to increasing our reliance on renewable energy and adoption of green initiatives. As we monitor our energy consumption and emissions across the years, we are informed on the effectiveness of our existing green initiatives to make educated decisions on future investment and effort.

#### Diesel Reduction Initiatives

PEC Singapore uses diesel to power some of our on-site equipment. Besides, our company-owned vehicles used for transportation between facilities and project sites run on diesel. Conscious of the carbon footprint of fossil fuel, PEC Singapore prioritizes the replacement of our current lorries, buses and trucks with electric vehicles when they reach the end of their lifespan. We target to electrify our whole fleet by 2040.

#### Electricity Reduction Initiatives

PEC installed photovoltaic panels on our premises to diversify our energy and reduce our reliance on Singapore's predominantly natural gas-powered grid. Besides, we also embed energy efficiency measures in PEC Singapore's daily

operations. Our initiatives include adoption of smart lighting systems, switching to LED lighting, regulating air-conditioning settings at 24°C, and implementing switching off electronics when not in use.

More description of climate-related strategy and initiatives are covered in the subsection Summary of Scenario Analysis.

### Energy and GHG Emissions in FY2024

[GRI 302-1, 302-2, 302-3, 305-1, 305-2, 305-3, 305-4]

Data in this section only cover PEC Singapore.

PEC Ltd defines our organizational boundary based on operational control. The computation of activity data is based on invoices, receipts and electricity bills. As a part of our phased approach in energy and emissions monitoring, we are focusing our reporting on our operation at PEC Singapore. In FY2024, 48% of diesel consumption was for mobile combustion by company-owned vehicles, while the remaining 52% was for stationary combustion for on-site equipment. PEC installed contracted solar panels to diversify the source of energy.



**Table 10 Energy Consumption within PEC Singapore**

	PEC Singapore		
	FY2024	FY2023	FY2022
	GJ	GJ	GJ
<b>Total Fuel Consumption</b>			
Non-renewable Source (Diesel) <sup>1</sup>	46,203.74	43,028.40	35,263.03
<b>Total Electricity Consumption (both location-based and market-based approaches)</b>			
Grid-supplied Electricity <sup>2</sup>	5,773.11	8,136.34	9,764.35
Solar panel-supplied Electricity	3,411.98	–	–
<b>Total Energy Consumption</b>	<b>55,388.83</b>	<b>51,164.74</b>	<b>45,027.38</b>
Energy Intensity (per million manhours)	2,548.29	2,614.48	2,506.71

Notes:

1 Conversion factor for litre of diesel to gigajoules is 0.03655GJ/L based on 2006 IPCC Guidelines, Energy Chapter 1 Table 1.2 and Chevron diesel fuel tech review.

2 Conversion factor for electricity from kilowatt-hour to gigajoules is 0.0036GJ/kWh based on NEA

For emissions, we used the methodologies and reporting standards by GHG Protocol<sup>19</sup> and Global Warming Potential (“GWP”) from Intergovernmental Panel on Climate Change (“IPCC”) Fifth Assessment Report (“AR5”). This year, we started building our emissions inventory on Scope 3. Screened using financial spend analysis based on data available from FY2023, we identified our top 3 categories as Purchased Goods and Services, Fuel- and Energy-related Activities Not Included in Scope 1 or Scope 2, and Employee Commuting. Emission accounting for Purchase Goods and Services and Fuel- and Energy-related Activities Not Included in Scope 1 or Scope 2 were subsequently calculated using FY2024 data and spend-based method. Emissions from Employee Commuting were calculated based on distance-based method. We also accounted for emissions from Business Travel due to data availability. Emissions from Business travel were calculated using ICAO Carbon Emission Calculator.

**Table 11 Scope 1, 2 and 3 GHG Emissions from PEC Singapore**

	PEC Singapore		
	FY2024	FY2023	FY2022
	tCO <sub>2</sub> e	tCO <sub>2</sub> e	tCO <sub>2</sub> e
Scope 1 <sup>1</sup>	3,454.77	3,219.25	2,653.29
Scope 2 <sup>2</sup> (both location-based and market-based approaches)	1,035.11	916.92	1,100.39
Grid-supplied Electricity	650.60	916.92	1,100.39
Solar panel-supplied Electricity <sup>3</sup>	384.51	–	–
Total Scope 1 and 2	4,489.88	4,136.17	3,753.68
GHG emissions intensity (Scope 1 and 2, per million manhours <sup>4</sup> )	206.57	211.35	208.97
Scope 3 <sup>5</sup>	6,448.05	–	–

Notes:

1 Emission factors for gigajoules of diesel to kgCO<sub>2</sub>e is based on methodology provided by the Global Compact Network Singapore Carbon & Emissions Recording Tool = 75.2427 kgCO<sub>2</sub>e/GJ for transport and 74.343 kgCO<sub>2</sub>e/GJ for non-transport. GHG covered include CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O.

2 Electricity emission factor is based on Singapore’s Grid emission factor by Energy Market Authority (EMA): 0.4057. GHG covered include CO<sub>2</sub>.

3 Solar panel-supplied electricity is calculated based on Singapore’s Grid emission factor by Energy Market Authority (EMA): 0.4057 because environmental attribute is not covered in PEC’s solar power purchase agreement.

4 Number of worked manhours in FY2024 was 21,735,674.

5 Scope 3 categories covered are Purchased Goods and Services, Fuel- and Energy-related Activities Not Included in Scope 1 or Scope 2, Business Travel, and Employee Commuting. Industry average EFs used were from USEPA Supply Chain GHG EF version 1.2. GHG covered include CO<sub>2</sub>, CH<sub>4</sub> and N<sub>2</sub>O.

19 Methodologies used based on GHG Protocol cover seven GHGs: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbon (HFCs), perfluorocarbon (PFCs), sulfur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>).

# Environmental Protection and Stewardship

## Performance and Target

Our energy consumption in PEC Singapore saw a reduction of 66.2 GJ per million manhours, while total Scope 1 and 2 emissions in PEC Singapore reduced by 4.8 tCO<sub>2</sub>e per million manhours. Measuring against our target of 25% reduction in emission intensity by FY2028, we are seeing a 2% decrease in PEC Singapore's emission intensity in FY2024 compared to FY2023. We are targeting to expand our GHG inventories to cover operations in China and UAE in FY2025, and reassess our readiness to set a base year based on the data quality.

## WATER AND CONSERVATION

[GRI 303]

### Interactions with Water

[GRI 3-3, 303-1, 303-2]

We recognize the ongoing global water scarcity crisis, with our operations in Thailand, Vietnam, India and UAE located in water-stressed areas according to WWF Water Risk Filter<sup>20</sup>. Aside from subjecting our operations to water-related risks such as depleting water supply, operating in water-stressed areas also negatively

impacts the health and livelihood of local communities. Through our HSSE Policy, we strive to conserve natural resources and reduce water contamination, minimizing our impact on water availability and quality.

Water supply and discharge are connected by an interconnected natural water system. To contribute to SDG 6 on Clean Water and Sanitation<sup>21</sup>, PEC works on monitoring our water usage and understand our water discharge. Our primary water usage stems from hydrostatic testing and washing of modules during blasting and loading out at our operation. As for water discharge, we rely on municipal water reclamation and treatment services to ensure that the quality of effluent discharged to the natural water system is of acceptable standards.

### Water Saving Initiatives

[GRI 3-3, 303-1c]

We focus our water conservation efforts focus on integrating good water habits into daily activities and operations. Firstly, we raise employee awareness of the ongoing water-saving initiatives through posters in relevant areas across our operations. Thereafter, we

exercise preventive maintenance to eradicate water leakage in our water system. Lastly, we monitor our water withdrawal through utility bills to identify water leakage and spikes in usage. Through practicing good water habits, periodic maintenance and monthly monitoring, we aim to optimize our water withdrawal.

## Water and Effluent Performance

[GRI 303-2, 303-3, 303-4]

Data in this section only cover PEC Singapore.

PEC Singapore's operation relies on water supply from Singapore's national water authority, Public Utilities Board (PUB). PUB sources its water from local catchments, imported water, NEWater and desalinated water, ensuring water sustainability and resilience of Singapore's water supply. PEC Singapore's water effluent is also handled by PUB under its water reclamation system. While we do not have an internal water quality standard, we abide by PUB's Sewerage and Drainage Act and Sewerage and Drainage (Trade Effluent) Regulations to ensure that our discharge can be safely treated and contribute to the production of NEWater.

<sup>20</sup> According to WWF Risk Filter Suite, operations in Thailand, Vietnam and UAE are rated 'High Risk' for baseline water stress, while operation in India is rated 'Very High Risk' for baseline water stress. Baseline water stress measures withdrawal as a percentage of available flow based on average data from 1960 to 2014.

<sup>21</sup> <https://sdgs.un.org/goals/goal6>

In FY2024, our water withdrawal increased in proportion to an increase in manhours worked, resulting in a marginal improvement in water withdrawal intensity compared to FY2023.

**Table 12 Water Withdrawal within PEC Singapore**

Data Description	PEC Singapore		
	FY2024 megalitres	FY2023 megalitres	FY2022 megalitres
Water Withdrawal from third-party	42.24	39.06	38.87
Water Withdrawal Intensity (per million manhours)	1.94	2.00	2.16

Note: Number of worked manhours in FY2024 was 21,735,674.

We continuously evaluate the adequacy of our water management approach and monitoring measures. While we have not implemented water discharge and water consumption tracking, we remained committed to monitoring our operational water withdrawal and identifying opportunities for future improvements.

### Short-Term Target

[GRI 303-1d]

We are working on improving our water performance monitoring by expanding our reporting boundary to cover operations in UAE and China in FY2025. As our monitoring system matures, we will review our yearly performance and set a Group-level quantitative target for water withdrawal intensity.

# Valuing Our People

## DIVERSITY IN OUR WORKFORCE

[GRI 2-7, 2-8, 2-30, 401, 405]

### Human Resources Management

[GRI 3-3, 2-30, 401-2]

The Group emphasizes the importance of a caring environment as a part of PEC's core values. Our operations aspire to provide fair and equal employment opportunities for all, and we are committed to continue safeguarding the human rights of our employees as a part of our ethical business conduct.

We are committed to providing fair and competitive terms of employment alongside positive working conditions for all employees. While we do not engage in collective bargaining agreements, we are committed with employment terms guided by applicable local employment acts and minimum wage. All permanent and contract employees are provided with leave entitlement<sup>22</sup> and retirement provision according to the local government's labour laws and retirement schemes.

In terms of health care provision, our employees are covered under our Group Hospital and

Surgical Insurance, Group Major Medical Insurance and Workmen's Compensation Insurance. For a wider coverage of accidental bodily injuries, we provide Group Personal Accident Insurance coverage.

### Diversity of Governance Body and Employees

[GRI 3-3]

PEC is managing the diversity represented by the Board based on our Board Diversity Policy. Since 2020, we have been assessing the level and balance of skills, management experience, gender, age, ethnicity and other relevant factors in the composition of the Board. To ensure independence in evaluation, the NC holds the responsibilities of reviewing the robustness of the policy and its fulfilment at least on a yearly basis. The NC is also responsible for the identification and evaluation of suitable candidates for directorship.

Honouring our commitment to protect and advance human rights, we promote respect among our employees and encourage diversity in our workforce. Consistent with SDG 5 on Gender

Equality<sup>23</sup> and SDG 10 on Reduced Inequalities<sup>24</sup>, we strive to end all forms of harassment, bullying and discrimination in our Group as stipulated in our Code of Business Ethics and Conduct. Any violations are reportable via our whistle-blowing channel, empowering employees to report misconduct without fear of reprisal.

PEC also aligns our employment practices with Singapore Ministry of Manpower's support for senior employability. Our hiring policy targets to retain existing senior employees and provide career opportunities for senior above 60, contributing to senior citizens' retirement adequacy.

### Employee Demographics

[GRI 2-7, 2-8, 405-1]

As of 30 June 2024, our operations across all locations are sustained by 5,557 employees. Consistent with FY2022 and FY2023, we do not have non-guaranteed hours employees. The percentages for diversity were computed based on categorical total.

<sup>22</sup> Leave entitlement covers but is not limited to annual leave, sick leave and maternity leave.

<sup>23</sup> <https://sdgs.un.org/goals/goal5>

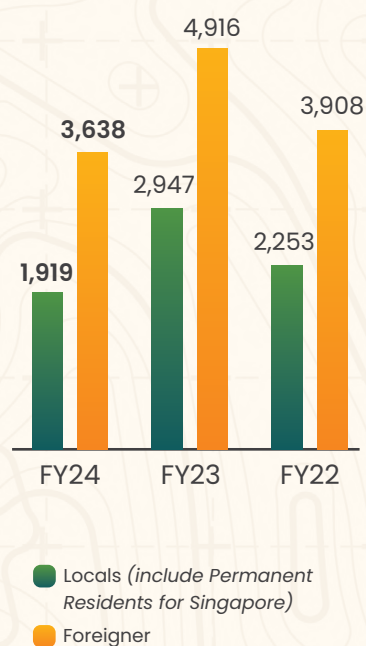
<sup>24</sup> <https://sdgs.un.org/goals/goal10>

**Table 13 Demographics of Employees within PEC Group**

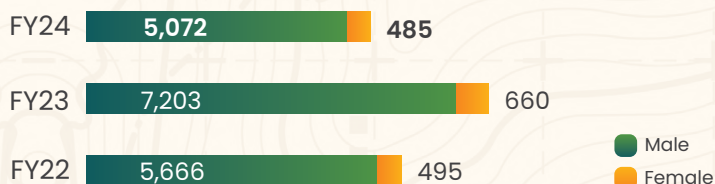
**Total Employees by Region**

Data Description	PEC Group		
	FY2024	FY2023	FY2022
	headcount	headcount	headcount
Singapore	3,539	4,784	3,825
Malaysia	55	288	66
Thailand	528	734	374
China	735	1,223	1,090
India	30	34	23
Myanmar	38	38	29
UAE	447	543	572
Vietnam	170	202	182
Oman	15	17	0

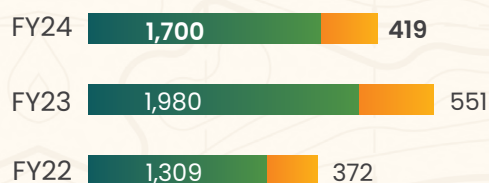
**Total Employees by Locality**



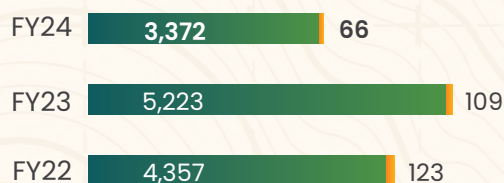
**Total Employees by Gender**



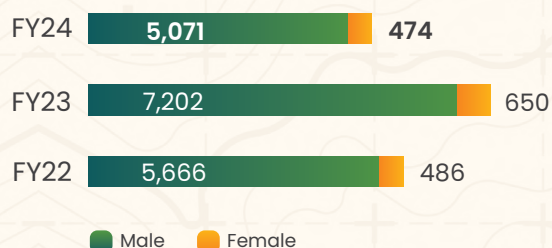
**Permanent Employees by Gender**



**Contract Employees by Gender**



**Full-Time Employees by Gender**



**Part-Time Employees by Gender**



# Valuing Our People

## DIVERSITY IN OUR WORKFORCE

Due to the nature of the EPC sector, our workforce mainly comprises of male employees.

**Table 14 Diversity of PEC Group's Workforce**

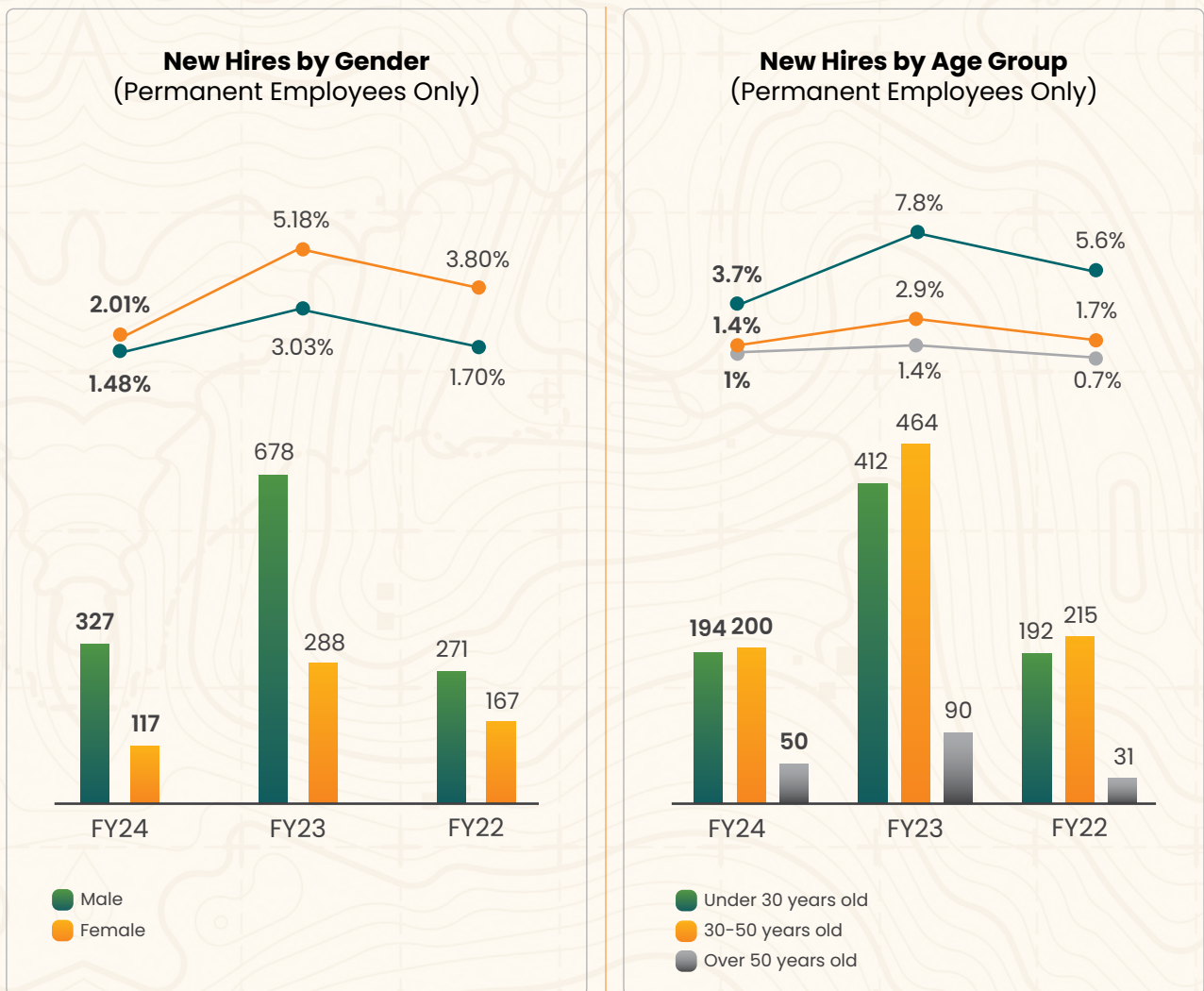
Data Description	PEC Group		
	FY2024	FY2023	FY2022
	%	%	%
<b>Composition of Board by Gender</b>			
Male	57.1%	62.5%	71%
Female	42.9%	37.5%	29%
<b>Composition of Board by Age Group</b>			
Under 30 years old	–	–	–
30-50 years old	–	–	–
Over 50 years old	100%	100%	100%
<b>Composition of Employees by Gender (including Board)</b>			
Male	91%	92%	92%
Female	9%	8%	8%
<b>Composition of Employees by Age Group (including Board)</b>			
Under 30 years old	17%	22%	18%
30-50 years old	67%	63%	66%
Over 50 years old	16%	15%	16%
<b>Composition of Senior management by Gender</b>			
Male	86%	87%	85%
Female	14%	13%	11%
<b>Composition of Middle management by Gender</b>			
Male	87%	88%	84%
Female	13%	12%	16%
<b>Composition of Professional by Gender</b>			
Male	94%	88%	88%
Female	6%	12%	12%
<b>Composition of Tradesmen by Gender</b>			
Male	91%	93%	95%
Female	9%	7%	5%

### New Hires and Turnover

[GRI 401-1]

Hiring talents in FY2024 continued to be challenging as we grappled with a shortage of skilled labour, especially engineers. Overall, FY2024's hire rates were lower in general compared to FY2023 but similar to that of FY2022.

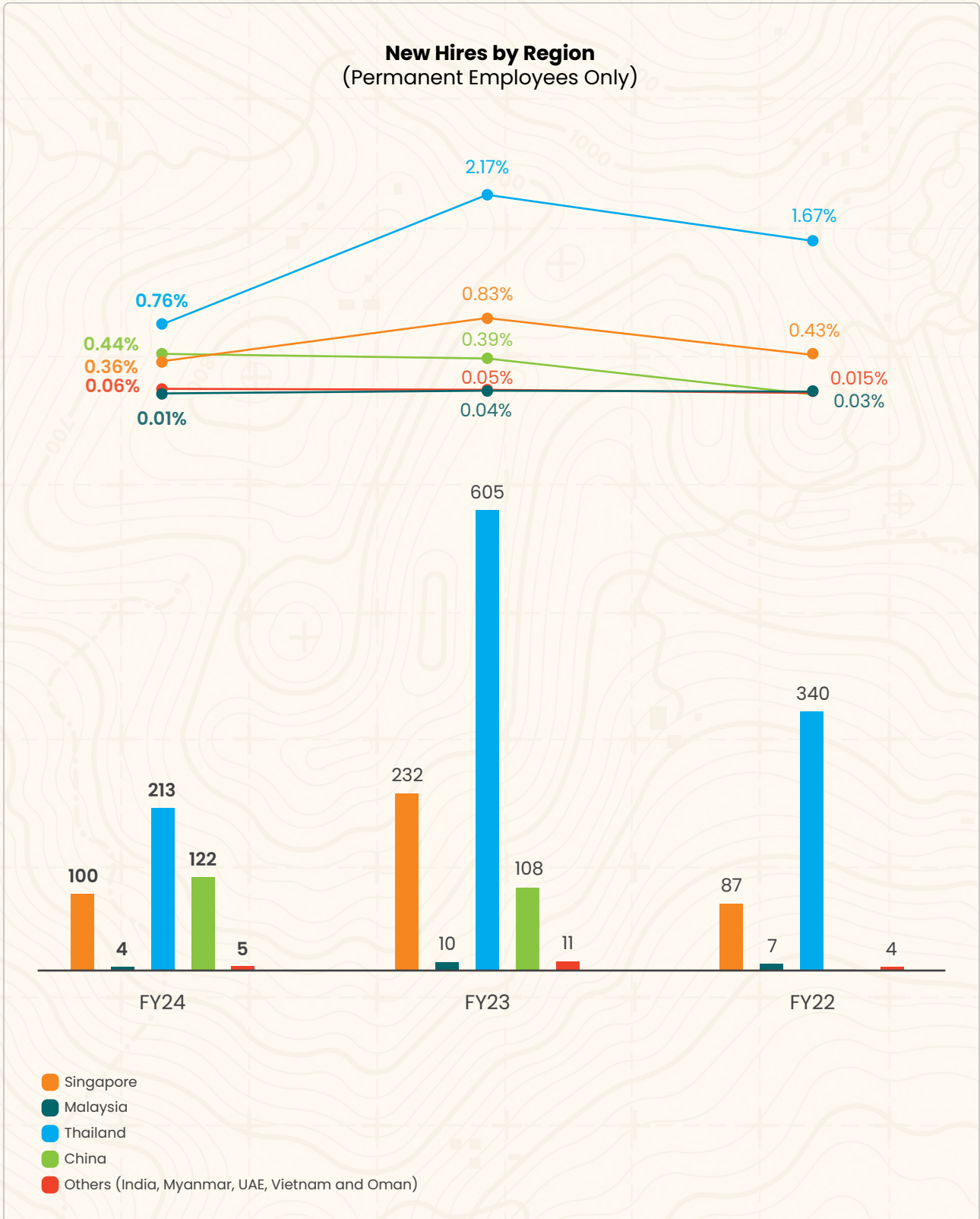
**Table 15 New Hires of PEC Group**



Note: New hire rates across breakdown by gender, age group and region were computed based on average new hire against average permanent employees of the respective categories. Bar charts are indicating headcount of new hires, while line graphs are indicating new hire rates.

# Valuing Our People

## DIVERSITY IN OUR WORKFORCE

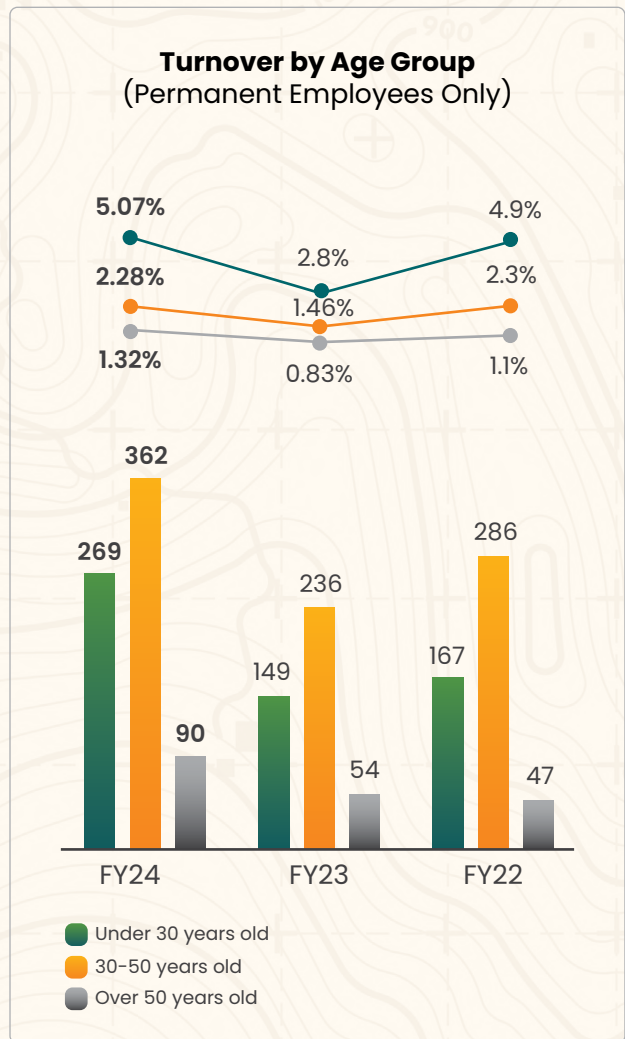
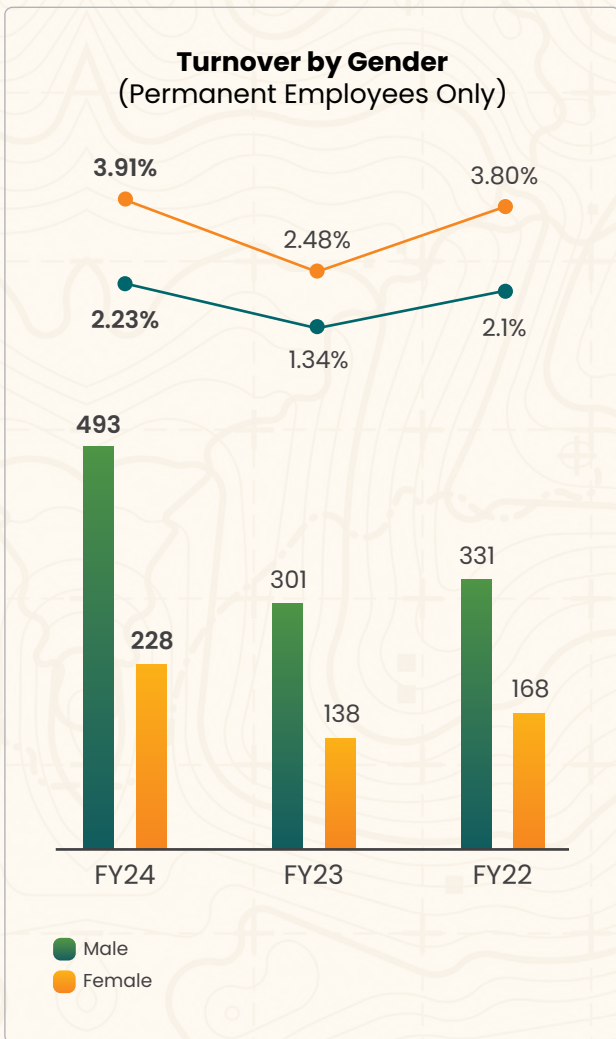


Note: New hire rates across breakdown by gender, age group and region were computed based on average new hire against average permanent employees of the respective categories. Bar charts are indicating headcount of new hires, while line graphs are indicating new hire rates.



During FY2023, we set a target to progressively lower turnover rates and achieve better retention. Performance in FY2024 demonstrated progress towards this target, with lower turnover numbers and rates compared to FY2023. FY2024's turnover performance also mirrored the increase in overall employee satisfaction, reflecting the effectiveness of our employment practices.

**Table 16 Turnover Number and Rates of PEC Group**

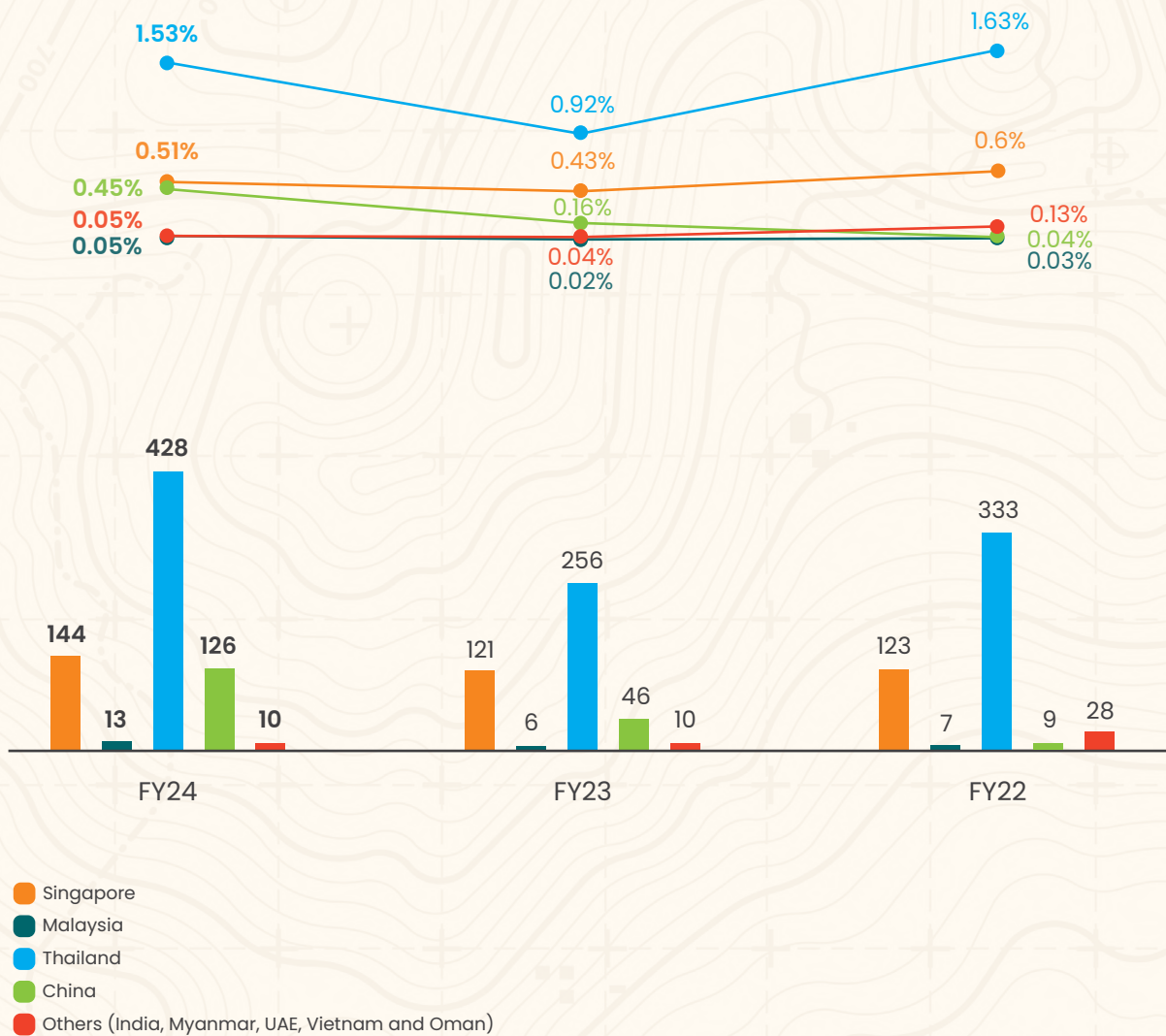


Note: Turnover rates across breakdowns by gender, age group and region were computed based on total resignees against monthly average of permanent employees of the respective categories. Bar charts are indicating headcount of turnover, while line graphs are indicating turnover rates.

# Valuing Our People

## DIVERSITY IN OUR WORKFORCE

**Turnover by Region**  
(Permanent Employees Only)



Note: Turnover rates across breakdowns by gender, age group and region were computed based on total resignees against monthly average of permanent employees of the respective categories. Bar charts are indicating headcount of turnover, while line graphs are indicating turnover rates.

## Parental Leave

[GRI 401-3]

In FY2024, 153 employees were entitled to parental leave<sup>25</sup> based on contractual agreements and governmental guidelines.

**Table 17 Parental Leave, Return to Work Rate and Retention Rate within PEC Singapore**

Data Description	PEC Group FY2024
<b>Parental Leave Entitlement by Gender</b>	<b>(headcount)</b>
Male	126
Female	27
<b>Employees that took Parental Leave in FY2024</b>	<b>(headcount)</b>
Male	102
Female	26
<b>Employees that Returned to Work in FY2024 after Parental Leave Ended</b>	<b>(headcount)</b>
Male	102
Female	26
<b>Employees that Returned to Work after Parental Leave Ended that were Still Employed 12 Months After Their Return</b>	<b>(headcount)</b>
Male	71
Female	25
<b>Return to Work Rate<sup>1</sup></b>	<b>(percentage)</b>
Male	100%
Female	100%
<b>Retention Rate<sup>2</sup></b>	<b>(percentage)</b>
Male	78%
Female	93%

Note: Monitoring of Return to Work Rate and Retention Rate commenced in FY2024.

- 1 Return to Work Rate is calculated based on Employees that Returned to Work in FY2024 after Parental Leave Ended divided by Employees that took Parental Leave in FY2024.
- 2 Retention Rate is calculated based on Employees that Returned to Work after Parental Leave Ended that were Still Employed 12 Months After Their Return divided by Employees that took Parental Leave in FY2023.

## Performance and Target

FY2024 ended with no reportable non-compliance relating to discrimination, forced labour, child labour or freedom of association. Our target for diversity and equal opportunity focuses on increasing the proportion of employees above 50. We believe that an age-diverse workforce will preserve skills and knowledge within our organization, inculcating a culture of knowledge transfer and mentorship in PEC.

<sup>25</sup> Parental Leave includes the following: Childcare Leave, Maternity Leave, Paternity Leave, Shared Parental Leave, Infant care Leave and Adoption Leave

# Valuing Our People

## OCCUPATIONAL HEALTH AND SAFETY (OHS)

[GRI 403]

Management approach and data in this section only cover PEC Singapore.

### Risk Management for Occupational Health and Safety

[GRI 3-3, 403-1, 403-2, 403-3, 403-7, 403-8]

As an energy industry service provider, we recognize the importance of maintaining strong occupational health and safety OHS standards for our workers. While our industry involves certain risks, such as exposure to hazardous materials and the use of heavy machinery, we are committed to fostering a secure and healthful work environment across all operational sites and minimizing risks through rigorous safety protocols, regular training, and the implementation of best practices. Our focus is on ensuring a safe and healthy work environment, addressing potential hazards proactively to protect the well-being of our team members. In project planning and employee deployment, we prioritize workers' occupational health and mental well-being, ensuring that resources are optimized effectively.

PEC HSSE Management System covers 100% of our workforce and aligns with the ISO 45001:2018 standard and encompasses all facets of our services, including engineering, procurement, construction, maintenance, and project management for civil, structural, mechanical equipment, piping, tankage, pressure

vessels, electrical systems, and instrumentation within industrial plants. The attainment of bizSAFE Star Level Certification validates our effective implementation of OHS management system guidelines. PEC is also a proud bizSAFE Partner, a testament to our unwavering commitment to workplace safety and health excellence. This achievement reflects our dedication to creating a safe and secure work environment for our employees, clients, and stakeholders, ensuring high standards in all aspects of our operations.

We have a hazard identification and risk assessment ("HIRA") process in place to ensure the timely implementation of mitigating measures for potential safety hazards and occupational health hazard at our workplace and the project sites. HIRA is conducted by a dedicated Risk Assessment team comprising skilled professionals who were specifically trained for the role. To ensure the robustness of the process, HIRA is periodically reviewed when there are process changes, incident occurrences or every three years minimally. Our OHSEQ system also carry out mandatory audits to cover project site's safety and health as one of the scopes.

Branching out of HIRA, we also established an occupational health procedure to conduct medical surveillance programs as a monitoring measure. The most common occupational health hazard facing our employees is

noise-induced deafness ("NID"). To ensure timely intervention, employees exposed to excessive noise are entitled to complimentary annual audiometry tests.

We mandate the reporting of all workplace incidents, including near-miss events. In the event of incident occurrence, ad-hoc incident investigation team, typically comprising site management, HSSE personnel, the affected subcontractor's representative(s) and the client's representative, shall be formed as per our HSSE procedure. The incident investigation team will go through the process of root cause determination and shortcomings analysis, followed by corrective actions to improve the system and prevent recurrence. To ensure proper implementation of corrective action, the site-in-charge will evaluate the effectiveness and timelines of the corrective action. The incident will be recorded in an incident investigation report, which will be shared among the PEC Corporate HSSE Committee for identification of preventive measures for system improvement.

Our OHS requirements are applicable to subcontractors who are working with us under our control. As for suppliers, they are required to comply with our requirements when they enter locations which is under PEC's control, such as PEC premises/PEC registered workplaces. As for pre-engagement evaluation and assessment, suppliers are first evaluated using the Vendor Assessment Form for

their OHS-related practices prior to engagement.

### HSSE Stewardship Among Employees

[GRI 403-4a]

PEC fosters a culture of employee participation in the development and improvement of HSSE Management System. Workers are encouraged to report safety observations in the workplace. They can raise their concerns through various communication channels or directly via the PEC SMS GO App, which allows them to report safety observations, concerns, and incidents without fear of reprisal. This empowers employees to avoid themselves from work situations they believe could cause injury or ill health. Besides, there are multiple platforms to facilitate consultation and communication of safety-related matters with the management. For instance, HSSE committee meetings, daily toolbox meetings, pre-task talks and Behaviour-Based Safety Observation ("BBSO") submissions

are among the few platforms available. Besides, employees are also engaged by the Top Management and Site Management for conversation during site walkabout and campaign.

### Corporate and Site-level HSSE Committee

[GRI 403-4b]

Our HSSE Committee governs OHS-related matters and drive safety initiatives at group-level. The HSSE Committee consists of HSSE key personnel, HSSE leaders from the headquarter and all subsidiaries, and the in-house representative. Convening every month, the HSSE Committee are responsible for reviewing safety performance, discussing key finding and initiatives proposed, and making decision for safety initiatives.

While the HSSE leaders from the headquarter and subsidiaries represent the general body of employees from the respective facilities, employees' concerns are more closely represented

by their in-house team leader. In-house team leaders are part of the site-level committee. During the monthly site-level HSSE committee meeting, HSSE leaders will discuss safety concern to contribute to the improvement of HSSE Management System.

### Health and Safety Initiatives

[GRI 403-5, 403-6]

Safety training forms the basis of our safety initiatives. Prior to undertaking their assigned duties, all employees undergo comprehensive training aligned with the company's HSSE Management System. Our safety training encompasses multiple programs including onboarding safety induction, site-specific safety induction, and periodic HSSE awareness training. The periodic HSSE awareness programs are conducted in-house and cover Hearing Conservation Program, HSSE Leadership Program, Loss Prevention System, Safe Work Opening of Process Equipment, Stored Energy Awareness Program and others.



PEC's Workplace Health Promotion Program

# Valuing Our People

## OCCUPATIONAL HEALTH AND SAFETY (OHS)



PEC's Workplace Health Promotion Program

Task-specific trainings, in addition to the Workforce Skills Qualifications ("WSQ") trainings mandated by Singapore, are delivered in-house to build competency and safety knowledge. It covers confined space safety attendant training, PEC Permit-to-Work ("PTW") system training, safe mechanical lifting, safe operation of overhead crane and others.

We also have a Workplace Health Promotion ("WHP") program in place to promote employees' adoption of a healthy lifestyle. The WHP team plans the health programs annually. Examples of health programs in the past include nature walks, gym session, kayaking, bowling tournament, health talks and health check-up.

All employees are entitled to the medical benefit based on their contractual arrangement with PEC. The health care provided includes

Group Hospital and Surgical Insurance, Group Major Medical Insurance and Workmen's Compensation Insurance. We also wish to contribute to our employees' emotional health. The PECare program was established to provide emotional support to employees. Dedicated PECare Champions and Coaches were trained to offer a listening ear to those in need. For employees requiring specialized mental health support, the Human Resource Department will facilitate referrals to professional services. Overall, we strive to provide our employees with access to quality health-care services and access to safe workplace, contributing to SDG 3<sup>26</sup>.

With the gradual increase in temperature, PEC is concerned about our workforce that are working outdoors. As such, we put forth a series of heat stress prevention

26 SDG 3 Good Health and Well-being aims to ensure healthy lives and promote well-being. <https://sdgs.un.org/goals/goal3>

measures in accordance with government's latest guidelines. Description of our heat stress management can be found in Table 2.

We consistently provide OHS training to our workers to ensure they are equipped with the knowledge and skills necessary for safe work practices. This training fosters a strong safety awareness, contributing to a secure working environment. More information of OHS training is available in the section TRAINING AND EDUCATION.

### Work-related Injury and Health

[GRI 403-9]

We define work-related injury as any unintended event that occurs in the course of work<sup>27</sup> that leads to an injury. PEC identifies sharp edges, strikes by falling objects,

inadequate communication, and slip and fall as the main hazards at our workplace. To eliminate these hazards and minimize the associated risks, we reinforce our work method statement, urging our employees to practice good housekeeping and maintain effective communication at all times.

In FY2024, there were five recordable work-related injuries, none of which resulted in more than 3 days of medical leave or hospitalization. Four injuries were caused by impacts of sharp or heavy objects, while one was due to slip and fall. Following the incidents, the incident investigation teams have identified the respective root causes and carried our Corrective Action and Preventive Action ("CAPA"). The incidents were also reported to the Group-level HSSE Committee for sharing purposes and to prevent recurrence.

**Table 18 Work-Related Injuries within PEC Singapore**

Data Description	PEC Singapore		
	FY2024	FY2023	FY2022
Number of Fatalities by Work-Related Injury	0	1	0
Rate of fatalities by work-related injury	0	0.05	0.00
Number of high-consequence work-related injuries (Excluding fatalities)	0	0	2
Rate of high-consequence work-related injuries (Excluding fatalities)	0	0	0.11
Number of recordable work-related injuries	5	5	3
Rate of recordable work-related injuries*	0.23	0.26	0.17
Number of hours worked	21,735,674	19,569,784	17,962,705

\* Rate of recordable work-related injuries is based on 1,000,000 hours worked

27 Work-related injury excludes injury that occurs during the course of domestic work.

# Valuing Our People

## OCCUPATIONAL HEALTH AND SAFETY (OHS)

**Table 19 Workplace Health and Safety Report and Statistics for PEC Singapore**

Data Description	PEC Singapore		
	FY2024	FY2023	FY2022
No. of Lost Time Incident	0	2	2
No. of Workdays Lost	0	43	17
Accident Frequency Rate (AFR)/Lost Time Injury Frequency Rate (LTIF)	0	0.10	0.11
Accident Severity Rate (ASR)/ Lost Time Incident Severity Rate (LTIS)	0	2.20	0.95
Workplace Injury Rate (WIR) / Lost Time Injury Rate (LTIR)	0	0.02	0.02

Note:

- The number in OHS section covers our Group data.
- Definition of Lost Time Incident (LTI) – Injured Person granted more than 3 days medical leave or admitted to hospital for at least 24 hour and also include fatalities.
- Formulas used  
 $LTIF = (\text{Number of LTI} \times 1,000,000) / \text{Total Exposure Manhour}$   
 $LTIR = (\text{Number of LTI} \times 200,000) / \text{Total Exposure Manhour}$   
 $LTIS = (\text{Number of Lost days} \times 1,000,000) / \text{Total Exposure Manhour}$

### Performance and Target

We successfully met our target of zero lost-time incidents this year. Moving forward, we assessed that the previous target is still representative and aligns with our ongoing sustainability direction. Therefore, we are adopting the same target as our static target through to 2030.

Our consistency in safeguarding our employees' health and safety is recognized for yet another year by the Workplace Safety and Health Council. PEC proudly highlights that FY2024 marks the highest number of Safety and Health Award Recognition for Projects ("SHARP awards") since 2012 when PEC also achieved 14 SHARP awards. Additionally, this is the first time PEC has won two WSH Innovation Awards in a single year. These accolades are a testament to our team's ingenuity and relentless pursuit of safety excellence.

- Two Workplace Safety & Health Performance Awards (Gold) – the award recognises companies with good safety and health performance, and workplace safety and health management systems.
- Two Workplace Safety & Health Innovation Award – the award recognises work teams who have come up with innovative solutions to improve safety and health standards in workplaces.
- One WSH Award for Supervisor – the award recognises supervisors who take care of their workers by improving the safety and health performance in their workplaces.
- Fourteen (14) Safety and Health Award Recognition for Projects ("SHARP") Awards – the award gives recognition to companies that have performed well in safety and health through the implementation of sound safety and health management systems.

These achievements would not have been possible without the collective effort, dedication, and commitment of all our employees. All the hard work, innovative thinking and adherence to safety protocols have led PEC to this remarkable success.



# Valuing Our People

## TRAINING AND EDUCATION

[GRI 404]

### Skills Development for Our Employees

[GRI 3-3, 404-2a]

We cultivate a learning-centric environment by providing employees with ongoing opportunities to enhance their skills through training and development. Ranging from annual site learning plans to on-the-job training, we invest in developing courses for employees based on their roles and responsibilities. Navigating the time of global labour shortage while maintaining our service quality is no easy feat. As we welcome engineers across the globe to join our operations, we are also prepared to allocate a significant budget to bringing overseas engineers to Singapore for training. We operate accredited training facility in Singapore for our employees to have hands-on practice of pipe fitting, general fitting, rotating equipment fitting and machinery alignment, including laser alignment and general welding.

OHS training is a critical focus area for us as well, ensuring that our workers are well-equipped with the knowledge to foster a safe work culture and environment. We offer courses on various topics, including work-related hazards, to provide our employees with the necessary skills to identify and mitigate risks in the workplace.

Since last year, our trainee engineers from Vietnam and Oman had attended a 12-month structure training program in Singapore. Through investments in our employees' technical skill development, we could ultimately promote growth and enhance career fulfilment in our employees. When it is to deploy them for our project works, PEC will reap the fruit of improved quality and increased productivity.

### PEC's Learning and Development ("LND") Policy

[GRI 3-3, 404-2a]

PEC has a dedicated LND Department to cater for training needs of the operation functions and facilitate the development of employees. Reporting directly to the Top Management, LND is responsible for compiling annual learning plans for employees to prepare a total learning plan at company level. Approved by Singapore Accreditation Council, Institute of Technical Education and SkillsFuture Singapore, our in-house trainers are qualified to provide certified trainings to our employees. Our employees who wish to pursue higher academic learning programs can also apply for sponsorship through LND.

### Career Advancement

[GRI 3-3, 404-2b, 403]

Data in this section only cover PEC Ltd, PEC Process System Pte Ltd, Plant General Services Pte Ltd, Testing, Inspection and Solution Pte Ltd and ISOTECH Pte Ltd.

Performance appraisals help us recognize employees' strengths and identify areas for improvement. Aside from the ongoing assessment by the direct supervisor, we conduct annual performance appraisals ("APA") to guide and motivate our permanent employees in career growth. A separate contract renewal performance appraisal ("CPA") is carried out for contract staff. Renewed on a biyearly basis, the relevant head of department or site-in-charge appraises contract staff's performance to prepare for renewal or non-renewal.

Other than permanent employees that are under probation or serving resignation notice, all employees are covered either under APA or CPA.

# Valuing Our People

## TRAINING AND EDUCATION

**Table 20 Percentage of Employees Receiving Performance Review in PEC Ltd, PEC Process System Pte Ltd, Plant General Services Pte Ltd, Testing, Inspection and Solution Pte Ltd and ISOTECH Pte Ltd**

PEC Ltd, PEC Process System Pte Ltd, Plant General Services Pte Ltd, Testing, Inspection and Solution Pte Ltd and ISOTECH Pte Ltd	
Data Description	FY2024
	%
Employees receiving APA or CPA by gender	
Male	99.5%
Female	98.8%
Employees receiving APA or CPA by Employee Category	
Top Management	100%
Senior Management	100%
Middle Management	98%
Professional	99%
Tradesmen	100%

Note: Computation of percentage was against the categorical total. Employees not covered by the APA or CPA were ineligible due to probation or notice of resignation during the appraisal exercise.

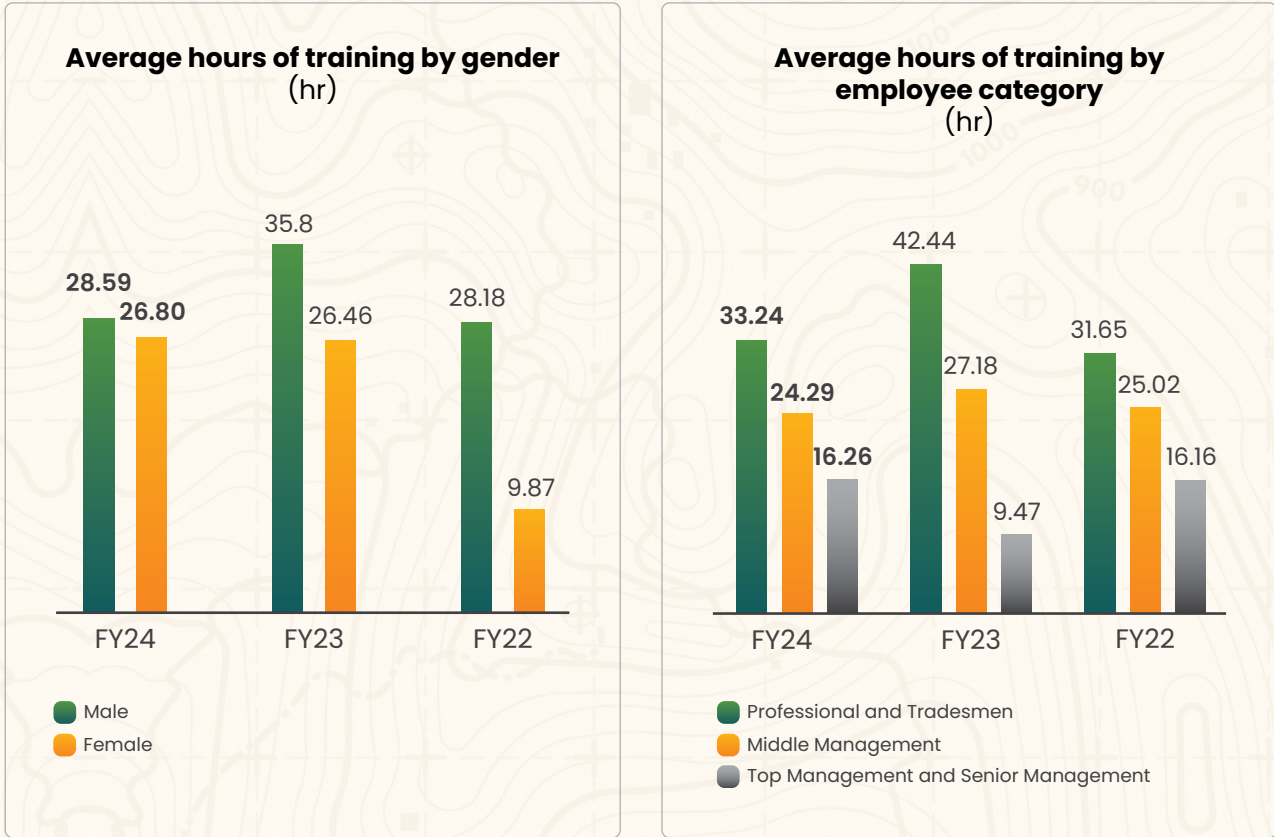
### Performance and Target

[GRI 404-1]

Data in this section only cover PEC Singapore.

Although the oil and gas sector is traditionally male-dominated, this year, we successfully reduced the disparity in average training hours between male and female employees, resulting in a more equitable distribution of training resources across genders. The decrease in the average training hours for Professional and Tradesman category was due to reduction in foreign worker quota from 1:7 to 1:5 in FY2024.

**Table 21 Average Training Hours within PEC Singapore**



PEC continues to prioritize training our employees and instill a corporate value of continuous learning. Moving forward, we target to allocate 2% of payroll on training our workforce, striving to maintain our service quality and customer satisfaction.

**Table 22 PEC Singapore’s Customer Satisfaction Ratings**

Target Description	FY2024	FY2023	FY2022
Average 80% customer satisfaction ratings	92.0%	92.2%	91.4%

# Corporate Social Responsibilities

Data in this section only cover PEC Singapore, Audex Fujairah LL FZE, PECL (Myanmar) Ltd and PECL Vietnam Ltd.

The PEC Group recognizes the shareholder value created by community engagement and volunteering programs. Operating within different communities across the world, we want to interact with people living within the vicinity of our operations and business activities through direct engagement, understanding their lives, needs and priorities. In FY2024, the highlight of our community activities was the pot painting workshop with seniors at St John's Home. Through close interaction and support, we were able to create an enjoyable session with the seniors, bringing home smiles and handicrafts at the end of the event. Another honorable mention is the marine debris clean-up cum kayaking event. During this unique Eco Tour with Kayak, our PEC volunteers had the opportunity to recover some of the environmental damages at Pasir Ris. Visit to the gathering points of marine debris along the coastline and at areas with slow current near the mangrove also brought realization of the grave impact resulted from littering, bringing awareness to our volunteers on the lasting damages caused by irresponsible disposal of waste.



PEC Singapore Community Activity and Volunteering in FY2024

Our team in UAE also took the initiatives to organize multiple clean-ups and sports events in FY2024 from World Clean-up Day, Clean UAE Campaign, Food Distribution, Health Check-Ups to NBF Run and UAE Sports Day. Our volunteers were able to contribute 287 hours of community work and volunteering.



Audex Fujairah Community Activity and Volunteering in FY2024

# Corporate Social Responsibilities

Besides, PECEI Vietnam team contributed total 8 hours and PECEI Myanmar team contributed total 60 hours to the communities through donations, providing support to children in need and the monks.



PECEI Vietnam Community Activity and Volunteering in FY2024



PECEI Myanmar Community Activity and Volunteering in FY2024

In total, PEC as a group created meaningful moments and lasting impacts through 783 hours of volunteering.

## Vision for the Future

PEC aspired to continue our contribution to the community through community engagements and volunteering activities. Recognizing the empowering effects of giving, we want to continue making a difference through donations, particularly to seniors. Besides, we also plan to create more environmental value through coastal cleaning and tree planting, creating a greener, cleaner, and more vibrant world for all.

# APPENDIX

Figure 3 Mean temperature changes in Singapore, in 2050 vs 2030<sup>28</sup>

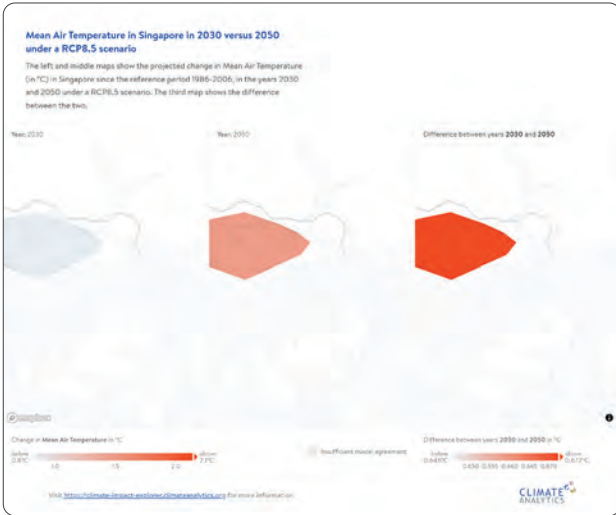


Figure 4 Mean temperature changes in UAE, in 2050 vs 2030

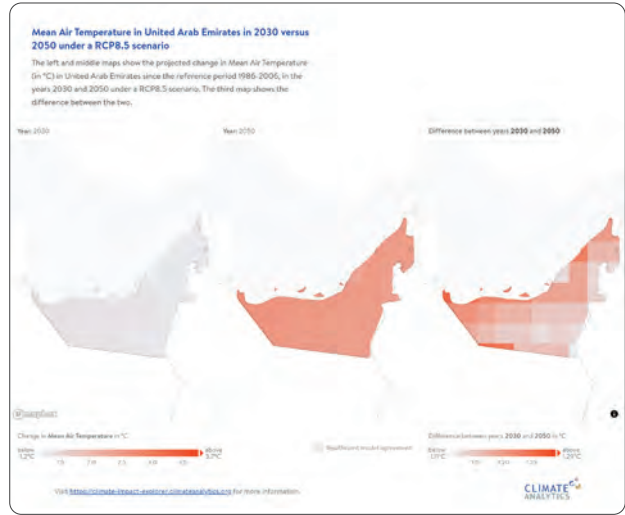
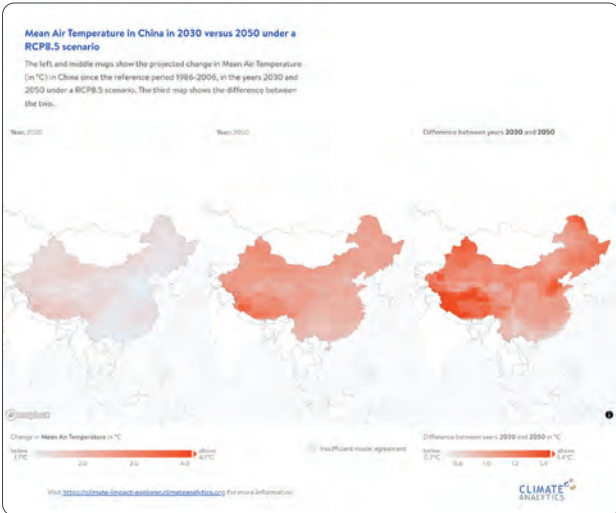


Figure 5 Mean temperature changes in China, in 2050 vs 2030



28 <https://climate-impact-explorer.climateanalytics.org/>

# APPENDIX

Figure 6 Mean temperature changes in Johor, Malaysia, in 2050 vs 2030

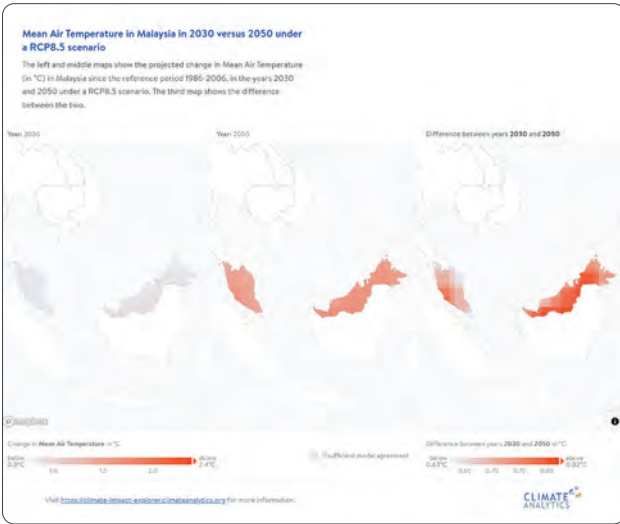
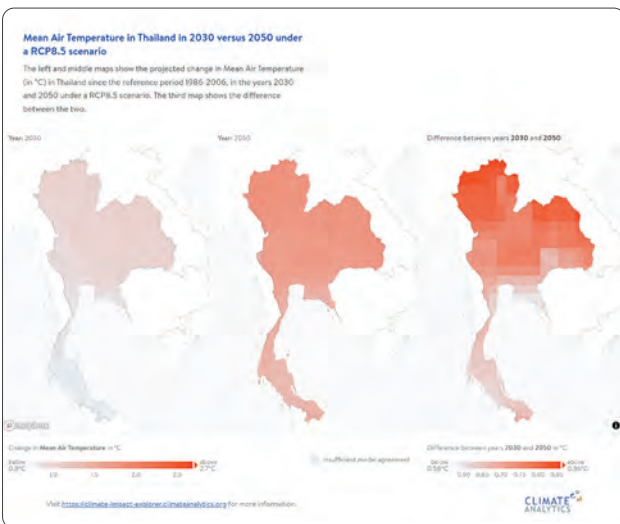


Figure 7 Mean temperature changes in Rayong, Thailand, in 2050 vs 2030





# INDEPENDENT ASSURANCE STATEMENT

**C**SRWorks International Pte Ltd (“CSRWorks”) has been engaged by the Management of PEC Limited (“PEC” or “the Company” with Company Registration No.:198200079M) to carry out an independent assurance engagement for its Sustainability Report FY2024 in its printed version, including references to its website (“the Report”).

The Report has been prepared by the Company in accordance with the requirements set out in the Global Reporting Initiative (“GRI”) Standards and the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Rules 711A and 711B, and covers the sustainability performance of PEC Group’s operations across Asia and the Middle East from 1st July 2023 to 30th June 2024 (“the reporting period”).

Our assurance was conducted based on a Type 2 Moderate level of engagement as per AccountAbility’s AA1000 Assurance Standard (“AA1000 AS v3”). This statement presents our opinion as an independent assurance provider to the Management of PEC (“the Management”), based on the assurance engagement planned and conducted by us during September 2024.

## Responsibilities of The Management and The Assurance Provider

The Management of PEC bears the sole responsibility for preparation of the Report as well as collecting, collating, analysing and presenting the information and data in the Report. PEC is also responsible for maintaining the integrity of its website as well as any referenced disclosures on its sustainability performance. The Management of PEC is the sole intended user of this Statement. CSRWorks’ responsibility in presenting the outcomes of our independent assurance engagement is to the Management and is based the scope of work and terms of reference agreed upon with the Company. We expressly disclaim any liability for any decision, investment or otherwise, that a person or entity may make based on this Statement. Our assurance engagement is based on the assumption that the information and data to presented to us as part of our work has been provided in good faith and is free from material misstatements.

## Assurance Scope, Criteria and Limitations

The reporting scope, subject matter and boundary covers PEC Group’s sustainability performance during the reporting period for its engineering facilities and operations across Singapore, Asia and the Middle East, as brought out in the Report under the sections “About PEC Limited” and “Overview of Sustainability Report FY2024”.

Our assurance engagement has been planned and performed based on the requirements set out in AA1000 AS v3 towards providing a Type 2, Moderate level of assurance opinion of the Report’s adherence to AA1000 AccountAbility Principles (2018). As part of our engagement, we have also evaluated the Report’s adherence to the GRI Standards chosen for reporting by PEC.

During the engagement, we did not come across any limitations to the agreed terms of reference. Our assurance takes into account an uncertainty level of  $\pm 5\%$  for any errors in measurement or estimation and omission. Selection of samples of sustainability data, information and evidences are based on our professional judgement and perceived risks within the effort and time allocated and hence, related limitations will persist. Any reported data on financial performance are based on audited financial statements issued by PEC’s financial auditors and is not within the terms of reference of our engagement.

Our engagement also excludes any evaluation of the adequacy or effectiveness of PEC’s strategies and management approaches for sustainability issues, including performance versus goals and targets. This Statement does not provide any assurance on internal controls within the Company. Any forward-looking statements and expressions of opinion and belief provided within the Report have been excluded from the terms of reference for our work of assurance. We have not reviewed the accuracy and reliability of information and data outside the reporting period within the Report, such as historical performance information presented for the purposes of comparability. The

# INDEPENDENT ASSURANCE STATEMENT

evaluation of the level of adherence to global reporting frameworks beyond the GRI Standards chosen by PEC for reporting is also not part of this engagement.

## Assurance Methodology

As part of our assurance process towards arriving at our assurance opinion and conclusions, and based on the terms of reference agreed upon with PEC, we carried out the following activities:

- Desk review of the draft version of the Report and development of an assurance engagement plan.
- Interactions with management personnel at PEC's headquarters in Singapore who have been tasked with driving the Company's sustainability strategies related to the following topics:
  - Supply chain, Energy and Emissions, Water, Employment and Diversity, Training and Education, Economic Performance, CSR Activities, Occupational Health and Safety, Anti-corruption, and Sustainability Governance and Reporting.
- Review of PEC's approaches towards materiality determination and stakeholder engagement, and its outcomes as presented in the Report.
- Review of PEC's adherence to the AA1000 Accountability Principles (2018) of Materiality, Inclusivity, Responsiveness and Impact.
- Review of policies, practices, principles, governance mechanisms, and performance as presented in the Report, and an assessment of underlying management and reporting processes.
- Assessment of specified performance information and disclosed information related to identified material topics towards evaluating the reliability and quality of data and information presented including:
  - Verification of data through sample evidence gathering and an evaluation of the accuracy, reliability, traceability and completeness of data capture systems and processes used for collating and validating reported information, including methodologies and assumptions considered.
  - Interactions with senior managers and data owners responsible for collecting, collating, reporting and validating sustainability performance data.
- Assessment of the Report's adherence to the requirements of GRI Standards 2021 and its most recent revisions selected for reporting by PEC, and as referenced in the Report. The following GRI Topic Standards related to identified material topics have been reviewed:
  - GRI 201: Economic Performance 2016: 201-1, 201-2, 201-3, 201-4; GRI 205: Anti-corruption 2016: 205-1, 205-2, 205-3
  - GRI 302: Energy 2016: 302-1, 302-3, 302-4; GRI 303: Water and Effluents 2018: 303-1, 303-2, 303-3; GRI 305: Emissions 2016: 305-1, 305-2, 305-3, 305-4, 305-5
  - GRI 401: Employment: 401-1, 401-2, 401-3; GRI 403: Occupational Health and Safety 2018: 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 404-8, 403-9; GRI 404: Training and Education 2016: 404-1, 404-3; GRI 405: Diversity and Equal Opportunity 2016: 405-1
- Review of overall balance and neutrality in reporting, and verification of supporting evidences for claims, initiatives and case studies presented in the Report on a sample basis.

CSRWorks was free to choose interviewees, and obtain evidences and samples of data sets as planned and required for performing our assurance engagement towards arriving at our assurance opinion. We carried out our interviews and interactions remotely through video-teleconferencing and collaboration platforms. We did not interact with any external stakeholders as part of this engagement.

## Conclusions and Opinions

Based on the assurance engagement undertaken, nothing has come to our attention to suggest that PEC's Sustainability Report FY2024 does not provide a fair, faithful and reliable account of the Company's material issues, sustainability strategies, management approach and performance information, nor does not adequately adhere to requirements of the GRI Standards chosen by the Company and referenced within the Report.

Our opinion on the Report's adherence to the AA1000 AccountAbility Principles (2018) is as follows:

## Inclusivity

"People should have a say in the decisions that impact them".

PEC has identified employees, customers, investors, suppliers, banks, and the local community as its key stakeholders who can affect or be affected by the business and its strategies. The Report brings out the modes of engagement that the Company has in place to interact with these stakeholders, along with their interests and concerns, and PEC's responses in the form of strategies and management approach.

**Nothing has come to our attention to suggest that the Report has not adequately adhered to the principle of Inclusivity.**

## Materiality

"Decision makers should identify and be clear about the sustainability topics that matter."

The Report describes PEC's materiality assessment process towards determining its most material topics. This process has taken into account reviews of stakeholder priorities identified through its stakeholder engagement survey carried out in 2023, as well as peer and sectoral issues. The issues identified were gauged for relevance to Group operations, and prioritised and validated by the Board to arrive at nine material topics.

**Nothing has come to our attention to suggest that the Report has not adequately adhered to the principle of Materiality.**

## Responsiveness

"Organisations should act transparently on material sustainability topics and their related impacts."

The Report brings out PEC's sustainability performance during the reporting period through descriptions of

its policies, strategies and targets, management approach and performance data related to its nine identified material topics using relevant GRI Standards. PEC has considered multiple engagement channels such as its risk management framework, employee satisfaction surveys, customer feedback and stakeholder engagement surveys towards identifying and responding towards identified concerns and issues.

**Nothing has come to our attention to suggest that the Report has not adequately adhered to the principle of Responsiveness.**

## Impact

"Organisations should monitor, measure, and be accountable for how their actions affect their broader ecosystems."

The Report brings out the mechanisms through which PEC monitors and evaluates the significant impacts related to its material impacts on the business as well as on its key stakeholders. The Report brings out sustainability performance data and metrics related to its material topics, as well as describes actual and potential impacts identified through its risk management processes.

**Nothing has come to our attention to suggest that the Report has not adequately adhered to the principle of Impact.**

## Reliability and Quality of Specified Sustainability Performance Information

The methodologies and processes developed by PEC for collecting, collating, analysing and reporting data and information related to the Company's sustainability performance were found to be generally acceptable. Data owners and managers were able to demonstrate the traceability of the majority of the qualitative and quantitative data brought out within the Report and which was sampled by us.

**On the basis of a Type 2 moderate level of assurance engagement, nothing has come to our attention to suggest that the information presented by PEC to us was inconsistent, inaccurate and unreliable.**

# INDEPENDENT ASSURANCE STATEMENT

CSRWorks has presented a detailed Management Report with detailed conclusions and recommendations which is meant towards further strengthening the process of sustainability reporting at PEC in future reporting periods. The content of this Management Report is however, generally consistent with the Management's objectives and have not influenced the opinions and conclusions presented within this Statement.

## Independence and Competence of The Assurance Provider

CSRWorks is a leading provider of sustainability services focused on advisory, training and thought leadership, and a licenced provider of AA1000 Assurance Services with detailed processes for ensuring quality and competency. It has over 18 years of track record in sustainability reporting, integrated reporting, external assurance, ESG assessment and ratings, climate change disclosures and sustainable procurement.

We maintain our independence and adherence to relevant ethical requirements as detailed within the AA1000 AS v3 Code of Practice and the International Ethics Standards Board for Accountants' International Ethics Standards for Sustainability Assurance (including International Independent Standards), as well as our internal codes for responsible conduct. This engagement has been planned and performed by an independent multi-disciplinary team of sustainability and assurance professionals with requisite skills, experience and competencies – the team members have no business relationship with PEC nor its employees beyond this engagement.

CSRWorks confirms that we have not been involved in any engagement with PEC during the reporting period that constitutes any conflict of interest, or could potentially compromise the independence, impartiality and objectivity of our opinion. We were not involved in the preparation of any data or statements within the Report except for this Assurance Statement.

For CSRWorks and on behalf of the Assurance team

CSRWorks  AA1000  
Licensed Assurance Provider  
000-113



**Rajesh Chhabara**  
MANAGING DIRECTOR  
CSRWORKS INTERNATIONAL PTE LTD

26th September 2024, Singapore

 AA1000  
Licensed Report  
000-113/V3-GU8SK

This Assurance Statement shall be only valid when published within or referenced to the Report to which it refers. It may only be reproduced in its entirety.

# GRI Content Index

## Statement of use

PEC Ltd. has reported in accordance with the GRI Standards for the period 1 July 2023 to 30 June 2024.

## GRI 1 used

GRI 1: Foundation 2021

GRI Standard	Disclosure	Reasons for Omission	Section and Page number	SGX Requirement
<b>General Disclosures</b>				
GRI 2: General Disclosures 2021	2-1 Organizational details		ABOUT PEC LTD, pg 01	
	2-2 Entities included in the organization's sustainability reporting		OVERVIEW OF SUSTAINABILITY REPORT FY2024, pg 03	
	2-3 Reporting period, frequency and contact point		OVERVIEW OF SUSTAINABILITY REPORT FY2024, pg 03 FEEDBACK, pg 03	
	2-4 Restatements of information		OVERVIEW OF SUSTAINABILITY REPORT FY2024, pg 03	
	2-5 External assurance		ASSURANCE AND REVIEW, pg 03	
	2-6 Activities, value chain and other business relationships		ABOUT PEC LTD, pg 01 ECONOMIC PERFORMANCE, pg 28	
	2-7 Employees		DIVERSITY IN OUR WORKFORCE, pg 34 - 35	
	2-8 Workers who are not employees	Information unavailable because monitoring not implemented		
	2-9 Governance structure and composition		STEERING SUSTAINABILITY: Board-Level Integration and Leadership, pg 08 AR FY2024, pg 15 , 17 - 20	
	2-10 Nomination and selection of the highest governance body		Board Nomination, pg 09 AR FY2024, pg 20 - 23	
	2-11 Chair of the highest governance body		STEERING SUSTAINABILITY: Board-Level Integration and Leadership, pg 08 AR FY2024 pg 20	

# GRI Content Index

GRI Standard	Disclosure	Reasons for Omission	Section and Page number	SGX Requirement
GRI 2: General Disclosures 2021	2-12 Role of the highest governance body in overseeing the management of impacts		Strategic Oversight, pg 10 - 11	
			Board's Role in Sustainability Reporting, pg 11	
	CLIMATE-RELATED RISKS AND OPPORTUNITIES, pg 14 - 15			
	2-13 Delegation of responsibility for managing impacts		Strategic Oversight, pg 10 - 11	
	CLIMATE-RELATED RISKS AND OPPORTUNITIES, pg 14			
	2-14 Role of the highest governance body in sustainability reporting		Board's Role in Sustainability Reporting, pg 11	
	2-15 Conflicts of interest		Prevention of Conflict of Interest in the Board, pg 09	
	AR FY2024, pg 26 - 28			
	2-16 Communication of critical concerns		POLICIES AND PRACTICES, pg 12	
	AR FY2024, pg 30 - 31			
	2-17 Collective knowledge of the highest governance body		STEERING SUSTAINABILITY: Board-Level Integration and Leadership, pg 08	
	2-18 Evaluation of the performance of the highest governance body		Evaluation of Board's Performance, pg 09	
	AR FY2024, pg 23			
2-19 Remuneration policies	Determining Remuneration, pg 09 - 10			
AR FY2024, pg 23 - 24				
2-20 Process to determine remuneration	Determining Remuneration, pg 09 - 10			
AR FY2024, pg 23 - 26				
2-21 Annual total compensation ratio	Confidential constraints due to the sensitive nature of the data			
2-22 Statement on sustainable development strategy	MESSAGE FROM THE BOARD, pg 06 - 07			

GRI Standard	Disclosure	Reasons for Omission	Section and Page number	SGX Requirement
GRI 2: General Disclosures 2021	2-23 Policy commitments		POLICIES AND PRACTICES, pg 12 - 13	
	2-24 Embedding policy commitments		POLICIES AND PRACTICES, pg 12 - 13	
	2-25 Processes to remediate negative impacts		POLICIES AND PRACTICES, pg 12	
	2-26 Mechanisms for seeking advice and raising concerns		POLICIES AND PRACTICES, pg 12	
	2-27 Compliance with laws and regulations		POLICIES AND PRACTICES, pg 13	
	2-28 Membership associations		ECONOMIC PERFORMANCE, pg 28	
	2-29 Approach to stakeholder engagement		STAKEHOLDER INCLUSIVENESS, pg 22	
	2-30 Collective bargaining agreements		DIVERSITY IN OUR WORKFORCE, pg 34	
GRI 3: Material Topics 2021	3-1 Process to determine material topics		MATERIALITY ASSESSMENT, pg 24	
	3-2 List of material topics		MATERIALITY ASSESSMENT, pg 24 - 25	
<b>Economic Performance</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics		ECONOMIC PERFORMANCE, pg 28	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed		ECONOMIC PERFORMANCE, pg 29	
	201-2 Financial implications and other risks and opportunities due to climate change		Risk Management, pg 14 - 19 Summary of Scenario Analysis, pg 21	
	201-3 Defined benefit plan obligations and other retirement plans		ECONOMIC PERFORMANCE, pg 29	
	201-4 Financial assistance received from government		ECONOMIC PERFORMANCE, pg 29	

# GRI Content Index

GRI Standard	Disclosure	Reasons for Omission	Section and Page number	SGX Requirement
<b>Anti-Corruption</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics		ANTI-CORRUPTION, pg 26  POLICIES AND PRACTICES, pg 12	
GRI 205: Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	Information incomplete because monitoring of number and percentage of operation assessed is not implemented.		
	205-2 Communication and training about anti-corruption policies and procedures		ANTI-CORRUPTION, pg 26 - 27	
GRI 205: Anti-Corruption 2016	205-3 Confirmed incidents of corruption and actions taken		ANTI-CORRUPTION, pg 27	
<b>Energy Efficiency and Decarbonization</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics		ENERGY EFFICIENCY AND DECARBONIZATION, pg 30  Risk Management, pg 14 - 19	
GRI 302: Energy 2016	302-1 Energy consumption within the organization		ENERGY EFFICIENCY AND DECARBONIZATION, pg 30 - 31	
	302-2 Energy consumption outside of the organization	Information incomplete because upstream Scope 3 categories are accounted for their emissions only due to data availability.		
	302-3 Energy intensity		ENERGY EFFICIENCY AND DECARBONIZATION, pg 31	
	302-4 Reduction of energy consumption	Partial disclosure, overall reduction was reported in GJ/million manhours	ENERGY EFFICIENCY AND DECARBONIZATION, pg 30 - 32  Risk Management, pg 17  Summary of Scenario Analysis, pg 21	
	302-5 Reductions in energy requirements of products and services	Information unavailable because it is not considered material		



GRI Standard	Disclosure	Reasons for Omission	Section and Page number	SGX Requirement
<b>Energy Efficiency and Decarbonization</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics		ENERGY EFFICIENCY AND DECARBONIZATION, pg 30  Risk Management, pg 14 - 19	
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions		ENERGY EFFICIENCY AND DECARBONIZATION, pg 30 - 31	
	305-2 Energy indirect (Scope 2) GHG emissions		ENERGY EFFICIENCY AND DECARBONIZATION, pg 30 - 31	
	305-3 Other indirect (Scope 3) GHG emissions		ENERGY EFFICIENCY AND DECARBONIZATION, pg 31	
	305-4 GHG emissions intensity		ENERGY EFFICIENCY AND DECARBONIZATION, pg 31	
	305-5 Reduction of GHG emissions	Partial disclosure, overall reduction was reported in tCO <sub>2</sub> e/million manhours	ENERGY EFFICIENCY AND DECARBONIZATION, pg 30 - 32	
GRI 305: Emissions 2016	305-6 Emissions of ozone-depleting substances (ODS)	Information unavailable because monitoring not implemented		
	305-7 Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	Information unavailable because it is not considered material		
<b>Water and Conservation</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics		WATER AND CONSERVATION, pg 32	
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource		WATER AND CONSERVATION, pg 32	
	303-2 Management of water discharge-related impacts		WATER AND CONSERVATION, pg 32 - 33	
	303-3 Water withdrawal		WATER AND CONSERVATION, pg 32 - 33	
	303-4 Water discharge	Information unavailable because it is not considered material		
	303-5 Water consumption	Information unavailable because it is not considered material		

# GRI Content Index

GRI Standard	Disclosure	Reasons for Omission	Section and Page number	SGX Requirement
<b>Diversity in Our Workforce</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics		DIVERSITY IN OUR WORKFORCE, pg 34	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover		DIVERSITY IN OUR WORKFORCE, pg 37 - 40	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		DIVERSITY IN OUR WORKFORCE, pg 34	
	401-3 Parental leave		DIVERSITY IN OUR WORKFORCE, pg 41	
<b>Occupational Health and Safety</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics		OCCUPATIONAL HEALTH AND SAFETY (OHS), pg 42	
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system		OCCUPATIONAL HEALTH AND SAFETY (OHS), pg 42	
	403-2 Hazard identification, risk assessment, and incident investigation		OCCUPATIONAL HEALTH AND SAFETY (OHS), pg 42	
	403-3 Occupational health services		OCCUPATIONAL HEALTH AND SAFETY (OHS), pg 42	
	403-4 Worker participation, consultation, and communication on occupational health and safety		OCCUPATIONAL HEALTH AND SAFETY (OHS), pg 43	
	403-5 Worker training on occupational health and safety		OCCUPATIONAL HEALTH AND SAFETY (OHS), pg 43 - 45	
	403-6 Promotion of worker health		OCCUPATIONAL HEALTH AND SAFETY (OHS), pg 44	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		OCCUPATIONAL HEALTH AND SAFETY (OHS), pg 42 - 43	

GRI Standard	Disclosure	Reasons for Omission	Section and Page number	SGX Requirement
<b>Occupational Health and Safety</b>				
GRI 403: Occupational Health and Safety 2018	403-8 Workers covered by an occupational health and safety management system		OCCUPATIONAL HEALTH AND SAFETY (OHS), pg 42	
	403-9 Work-related injuries		OCCUPATIONAL HEALTH AND SAFETY (OHS), pg 45 - 46	
	403-10 Work-related ill health	Information unavailable because monitoring not implemented		
<b>Training and Education</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics		TRAINING AND EDUCATION, pg 47	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee		TRAINING AND EDUCATION, pg 49	
	404-2 Programs for upgrading employee skills and transition assistance Programs	404-2(b), Information unavailable because relevant programs were not implemented	TRAINING AND EDUCATION, pg 47	
	404-3 Percentage of employees receiving regular performance and career development reviews		TRAINING AND EDUCATION, pg 47 - 48	
<b>Diversity in Our Workforce</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics		DIVERSITY IN OUR WORKFORCE, pg 34	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees		DIVERSITY IN OUR WORKFORCE, pg 36	
	405-2 Ratio of basic salary and remuneration of women to men	Information unavailable because monitoring not implemented		

# Sector Standard: Oil & Gas

GRI Standard	Disclosure	Reasons for Omission	Page number(s) and/or URL(s)
GRI 11: Oil and Gas Sector 2021	Topic 11.1 GHG emissions		ENERGY EFFICIENCY AND DECARBONIZATION
	Topic 11.2 Climate adaptation, resilience, and transition		CLIMATE-RELATED RISKS AND OPPORTUNITIES  ENERGY EFFICIENCY AND DECARBONIZATION
	Topic 11.3 Air emissions	PEC primarily engages in providing engineering services for the energy industries. Therefore, this topic does not hold material significance for the Group.	
	Topic 11.4 Biodiversity	PEC primarily engages in providing engineering services for the energy industries. Therefore, this topic does not hold material significance for the Group.	
	Topic 11.5 Waste	This topic was not identified as a material topic.	
	Topic 11.6 Water and effluents		WATER AND CONSERVATION
	Topic 11.7 Closure and rehabilitation		TRAINING AND EDUCATION
	Topic 11.8 Asset integrity and critical incident management	PEC primarily engages in providing engineering services for the energy industries. Therefore, this topic does not hold material significance for the Group.	
	Topic 11.9 Occupational health and safety		OCCUPATIONAL HEALTH AND SAFETY (OHS)
	Topic 11.10 Employment practices		DIVERSITY IN OUR WORKFORCE
	Topic 11.11 Non-discrimination and equal opportunity		DIVERSITY IN OUR WORKFORCE
	Topic 11.12 Forced labour and modern slavery	This topic was not identified as a material topic.	
	Topic 11.13 Freedom of association and collective bargaining	This topic was not identified as a material topic.	
	Topic 11.14 Economic impacts		ECONOMIC PERFORMANCE
	Topic 11.15 Local communities		CORPORATE SOCIAL RESPONSIBILITIES
	Topic 11.16 Land and resource rights	PEC primarily engages in providing engineering services for the energy industries. Therefore, this topic does not hold material significance for the Group.	

GRI Standard	Disclosure	Reasons for Omission	Page number(s) and/or URL(s)
	Topic 11.17 Rights of Indigenous peoples	This topic was not identified as a material topic.	
	Topic 11.18 Conflict and security	PEC primarily engages in providing engineering services for the energy industries. Therefore, this topic does not hold material significance for the Group.	
	Topic 11.19 Anti-competitive behaviour	This topic was not identified as a material topic.	
	Topic 11.20 Anti-corruption		ANTI-CORRUPTION
	Topic 11.21 Payments to governments		ECONOMIC PERFORMANCE
	Topic 11.22 Public policy	PEC primarily engages in providing engineering services for the energy industries. Therefore, this topic does not hold material significance for the Group.	