



**PEC LTD.**

Catching the  
**Winds**  
of **Change**

Sustainability Report  
**2023**

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# SUSTAINABILITY REPORT

## Section 1: FY 2023 Highlights

### About PEC Ltd. (PEC)

[GRI 2-1a to d] - Organization details

[GRI 2-6] - Activities, value chain and other business relationships

Note: PEC, PEC Group mentioned in the report refers to the whole Group. Unless specified to specific subsidiaries.

PEC LTD. (PEC) has established itself as a reliable engineering specialist providing Project Works, Maintenance Services, and other related services to the energy, petrochemical, oil, and chemical terminals, and pharmaceutical industries in Asia and the Middle East. With our sizeable pool of skilled labour force, as well as a large fleet of construction equipment, PEC can provide single-source full turnkey engineering, procurement, construction, and maintenance services.

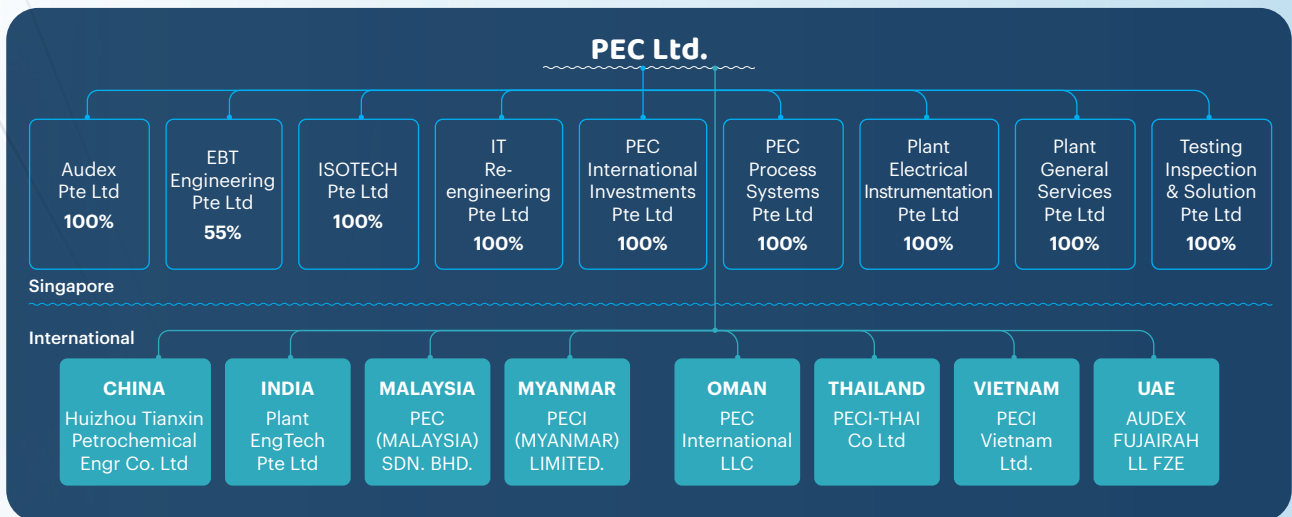
Our reputation for being a reliable and trusted provider of engineering solutions has won over a growing number of customers in the industries we serve, including prominent MNCs. Over the years, these relationships have allowed us to establish a firm foothold in Asia and the Middle East, where we continue to expand our presence.

One of PEC's core businesses is project works, under which we provide engineering, procurement

& construction (EPC), EPC project management and project management consultancy services. Providing plant maintenance services, including plant turnarounds, and upgrading, makes up our other core business, where we offer customers all the advantages of a 'one-stop' service.

With our established processes and methodologies, PEC aims to be the engineering specialist of choice for customers. To better meet client needs, we are constantly enhancing and deepening our capabilities to broaden our outreach.

Our headquarter is situated in Singapore and our international network spans across Asia (China, India, Malaysia, Myanmar, Singapore, Thailand, and Vietnam) and the Middle East (Oman and UAE). PEC has been serving diverse needs of its local and international customers via its subsidiaries. The Group comprises PEC Ltd, and its local and overseas subsidiaries as illustrated in the Organisation Chart below.



At PEC, we pride ourselves on our deep commitment to doing things right, the first time, every time. We have received numerous awards in recognition of our operating excellence, the enterprising spirit of our experienced management team, as well as our innovative use of technology to enhance our business. Moreover, we place a strong emphasis on staff learning and development and are committed to the most rigorous safety, health, and environment and quality standards.

We believe that the fact that some of our customers have been with us since our inception attests to our ability to deliver on time and perform to the exacting standards of our customers. We will continue to build on our strengths and our established reputation to achieve our vision of becoming a leading service provider and preferred business partner.

# SUSTAINABILITY REPORT

## Section 1: FY 2023 Highlights

### About this Report

PEC is focused on growing the business on a sustainable basis and the reporting promotes transparency, helping decision makers make informed decisions. PEC is proud to present the sixth annual sustainability report which presents the key aspects of our Environmental, Social and Governance (ESG) strategies and policies and the approach in integrating sustainability into them. Through this report, PEC hopes to share its commitment towards sustainability and build stronger relationships with its stakeholders and the community.

#### Scope of the Report

[GRI 2-3a] - Reporting period, frequency, and contact point.

[GRI 2-2a] - Entities included in the organization's sustainability reporting.

This report covers our sustainability performance of the financial year 2023, from 1 July 2022 to 30 June 2023 for the Group operating in Asia (China, India, Malaysia, Myanmar, Singapore, Thailand, and Vietnam) and the Middle East (Oman and United Arab Emirates) unless otherwise stated. There was no significant change to the Group's size, structure, ownership, or supply chain during the reporting period. This report contains no restatement.

#### Reporting Framework

This report has been prepared in accordance with the Singapore Exchange Securities Trading Limited's (SGX-ST) Listing Manual Rules 711A and 711B. It has also been developed while referencing the six primary components stated in SGX-ST Listing Rule 711B on the "comply or explain" basis, which includes – 1. Material ESG factors, 2. Climate-related Disclosures consistent with the recommendations of TCFD, 3. Policies, Practices and Performance, 4. Targets, 5. Sustainability Reporting Framework and 6. Board Statement and associated governance structure for sustainability practices.

The Global Reporting Initiative (GRI) Standards 2021 have been selected as it is an internationally recognised reporting framework that covers a comprehensive range of sustainability disclosures that is relevant to the energy sector.

#### Confirmation and Approval

[GRI 2-3c] - report the publication date of the report or reported information.

The sustainability performance data presented in this report has been obtained from the formal documents and operational statistics of PEC Group. The sustainability report has received endorsement from the Board of Directors on 29 August of 2023 and was published on 12 October 2023.

#### Report Assurance and Review

[GRI 2-5] – External assurance

In line with the requirements outlined in SGX Practice Note 7.6 Sustainability Reporting Guide, an internal audit of the sustainability reporting process has been introduced at PEC. This internal audit function is built on the Group's existing governance structure, internal controls, and risk management systems to ensure the accuracy and reliability of the ESG data disclosed in this report.

Our external assurance statement can be found on pages 37 to 39 of the report. This external assurance was conducted in accordance with AA1000 Assurance standards.

#### Feedback

[GRI 2-3d] – Contact point for questions about the report or reported information.

We value all feedback from stakeholders as they are crucial to the sustainability reporting process and long-term success of PEC. If you have any feedback and questions about this report, please contact us at

Address:  
14 International Business Park, Singapore 609922  
Email: [ir@peceng.com](mailto:ir@peceng.com)  
Tel: +65 6268 9788  
Fax: +65 6268 9488

## FY2022 and FY2023 Status, Future Targets

The following table highlights our sustainability performance in the past year and directs our sustainable path moving forward.

### Key Performance Highlights and Targets

	FY2022 Status	FY2023 Status	Future Targets
<b>GOVERNANCE</b>			
<b>Anti-Corruption &amp; Compliance</b>	Maintain zero incidents of corruption and non-compliance in our organisation	<b>Zero</b> incidents of corruption or non-compliance	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.
<b>ECONOMIC</b>			
<b>Economic Performance</b>	Achieved 86.34% of our total procurement spend on local suppliers with a total value of \$76 mil	Achieved <b>84.31%</b> of our total procurement spent on local suppliers with a total value of <b>\$123 mil</b> . This year we met the number of suppliers but did not achieve the purchase value and the spending percentage as we need to follow the clients Approved Vendor List (AVL) and majority are located overseas.	At least <b>85%</b> of procurement spending on local suppliers
<b>SOCIAL</b>			
<b>Employment</b>	PEC will continue to devise measures to retain talent and create sense of belonging among employees.	PEC has improved average training hours and implemented Annual Site Learning Plan for self-learning which includes development courses for employees.	Progressively lower turnover rate and achieve better retention rates

## SUSTAINABILITY REPORT

### Section 1: FY 2023 Highlights

	FY2022 Status	FY2023 Status	Future Targets
<b>Training and Education</b> (PEC Singapore operations only)	82.00% participation achieved for our Employee Satisfaction Survey for FY2022.  On average \$592.87 per employee spent on learning and development.  \$1.96 mil spent on training and development.  22.88 hours of training received per employee on average.  89.16% of our workers have one or more certified skill compared with 95.6% last year	Employee Satisfaction Survey is conducted every 2 years and the next will be conducted on FY2024.  <b>\$892.63</b> spent on average per employee on learning and development.  <b>\$3.55 mil</b> spent on training and development.  <b>35.42 hours</b> of training received per employee on average.  <b>75.36%</b> of our workers have one or more certified skills.	Continue to maintain at least <b>80%</b> for employee satisfaction in our biennial Employee Satisfaction Survey
<b>Diversity and Equal Opportunity</b>	ZERO incidents of non-compliance relating to discrimination, forced labour, child labour or freedom of association	<b>ZERO</b> incidents of non-compliance relating to discrimination, forced labour, child labour or freedom of association	Continue to maintain <b>ZERO</b> incidents of non-compliance relating to discrimination, forced labour, child labour or freedom of association
<b>Occupational Health and Safety PEC Group</b>	0.02 Lost Time Incident Rate (LTIR)  0 fatalities  17.71 hours of safety training per employee, compared to 23.08 hours previous year.  14 Workplace Safety and Health (WSH) Awards from Workplace Safety and Health Council Singapore	<b>0.02</b> Lost Time Incident Rate (LTIR)  <b>1</b> fatality  <b>25.30 hours</b> of safety training per employee  <b>11</b> Workplace Safety and Health (WSH) Awards from Workplace Safety and Health Council Singapore	Aim to maintain <b>ZERO</b> lost-time incidents
<b>ENVIRONMENT</b>			
<b>Energy Consumption (Scope 1 + 2)</b> PEC SG operations	2,507 total energy intensity in gigajoules/million man-hours worked	<b>2,614</b> total energy intensity in gigajoules/million man-hours worked	Continue to monitor our energy consumption and adopt more energy efficient technologies and practices, where feasible
<b>Greenhouse Gas (GHG) Emissions (Scope 1 + 2)</b> PEC SG operations	208.4 total GHG emissions intensity in tonnes of CO <sub>2</sub> e/million man-hours worked	<b>211.36</b> total GHG emissions intensity in tonnes of CO <sub>2</sub> e/million man-hours worked	Continue to monitor our greenhouse gas emissions and identify opportunities to reduce our carbon footprint

## Message from the Board

[GRI 2-22a] – Statement on sustainable development strategy

The business landscape remains challenging due to geopolitical uncertainties stemming from the ongoing Russia-Ukraine war and trade tensions between the US and China, impacting business sentiment on a global scale. Amidst all these, energy companies reported record profits in 2022, because of tight supplies and high fuel prices. Those dynamics are likely to continue into 2023.

The Group's business and prospects have recovered well from the lows of the COVID pandemic. The Group has been able to respond quickly to take advantage of the opportunities that presented themselves following the re-opening of the economy both globally and locally. This speaks well of the Group's resilience. The Group's risk management process ensures that the Board and Management remain sensitive to risks and challenges posed by emerging trends in financial, economic, political, social, or climate-related aspects.

Based on the latest developments, the shift from fossil fuels to renewable energy poses new growth opportunities to transform our business in alignment with global efforts to reduce the effects of global warming and climate change. We understand as temperatures rise and weather patterns change, working conditions for field employees may change.

With rapidly evolving societal concerns and developments related to climate change and managing GHG emissions, energy majors are taking steps to address these concerns as they reshape their investments and portfolio. PEC is prepared to embrace the transition and exploit the business opportunities it offers.

The Group's strategy will make efforts to progressively address the risks and opportunities identified in the sectors we operate in. The risks and opportunities are interrelated with our clients rapidly evolving landscape to stay in step with the pace and extent of the energy transition. The energy transition provides us with opportunities in clients' decarbonisation and investment shifts (greener energy) to meet the 2050 net zero target.

Aligned with worldwide climate initiatives and Singapore's sustainability goals, PEC is committed and focused to do the business on a sustainable basis. Ensuring the long-term growth and survival of the Group underlies the basis of our business decisions, the way in which our people and other resources are managed, and the way in which our much-valued client relationships are cultivated and maintained. The Group embraces innovation and a readiness to transform itself in response to, and in anticipation of, developments in industry and technology.

**The Group's strategy will make efforts to progressively address the risks and opportunities identified in the sectors we operate in.**

Within PEC, the Board is supportive of Management's initiatives to grow the business at a sustainable pace, and to invest in new opportunities to transform the business in line with industry developments. The Board is fully aligned with Management in taking a long-term view of the sustainability of the business and prioritises its initiatives accordingly. We are making a concerted effort to reduce our carbon emissions by installing solar panels across our premises to reduce our dependence on 'non-green' energy supplied by the grid and other green initiatives. PEC aims to reduce its carbon emissions by 25% over the next 5 years.

The group firmly believes good corporate governance is essential to the long-term sustainability of the Group's businesses and performance, we strive to adapt to the energy transitions happening around us and focus on building long-term resilience and creating sustainable value for all our stakeholders.

Sincerely  
**Board of Directors**  
PEC Ltd.

## Towards Sustainable Business

### Governance Structure

[GRI 2-9] – Governance structure and composition

[GRI 2-11] – Chair of the highest governance body

Our Board of Directors (referred to as “the Board”) safeguards and augments long-term shareholder value while supervising the strategic direction of the company’s operations. The Board comprises eight (8) Directors, of whom two (2) are Executive Directors, two (2) are Non-Executive and Non-Independent Directors, and four (4) are Independent Directors. The Board has three (3) standing Committees, Audit and Risk Management Committee (“**ARMC**”); Nominating Committee (“**NC**”), and Remuneration Committee (“**RC**”). Responsibilities are distinctly divided between the leadership of the Board and the Management, ensuring that no single individual possesses unchecked decision-making authority. The Committees exercise oversight over sustainability-related decisions. Below, the roles and responsibilities of the respective Committees pertaining to PEC’s overall sustainability approach are delineated:

**ARMC:** The ARMC focuses on the compliance with legal and auditing standards. The Board through the ARMC also provide oversight on broader sustainability trends, risks and opportunities to connect sustainability with the corporate purpose and strategy of PEC. The ARMC keeps abreast of the sustainability and climate related risks facing PEC.

**NC:** The NC develops and maintains a transparent and formal process for the appointment of new Directors. The NC strives to establish a diverse and inclusive board that derives performance and long-term values.

**RC:** The RC reviews and make recommendations to the Board on a framework of remuneration for the Directors and key management personnel and determine specific remuneration packages for each Executive Director. Given the growing focus by regulatory on governance and sustainability performance, the RC will consider creating remuneration plans that are linked to long-term environmental, social and governance (ESG) objectives, considering the challenges associated with determining realistic timelines for meeting targets.

Key information regarding the duration of members’ tenure on the governance body, significant positions held by each member, their gender, skills, and competency can be found in the Board of Directors

and the Directors’ Statement sections of the Annual Report, page 35 to 40.

[GRI 2-10] – Nomination and selection of the highest governance body

The NC consists of Non-Executive and Independent Directors who are responsible for establishing protocols and providing recommendations to the board regarding the selection, appointment, or reappointment of Board members and the Group CEO. The NC assesses the independence of each Director to ensure the Board have balanced and diversity skills, experience, and knowledge, thereby enabling Management to gain valuable insights from a diverse range of perspectives and ensuring high-quality Board management. When conducting its search and nomination process for new Directors, the NC utilizes external search consultants, personal networks, and recommendations to create a shortlist of potential candidates. When assessing and providing recommendations to the Board regarding the re-nomination and re-election of current Directors, the NC evaluates factors such as the Directors’ skills, dedication, contributions, and their performance during Board meetings. This evaluation includes their attendance, level of preparation, active participation, and openness in discussions. Directors appointed by the Board are subject to election by shareholders at the following Annual General Meeting (“AGM”) and thereafter, Directors are subject to re-election according to the provisions in the Company’s Constitution.

[GRI 2-18] – Evaluation of the performance of the highest governance body

[GRI 2-19] – Remuneration policies

The Board conducts regular assessments of its collective performance, as well as the performance of each of its board committees. The NC periodically reviews the performance and appointments of committee members, while the RC periodically reviews their compensation packages. The NC suggests objective performance criteria to the Board, aligning them with industry peers and emphasizing long-term shareholder value. This leads to established processes for evaluating the overall Board, its Committees, and individual Director contributions to Board effectiveness. The criteria used to evaluate the NC and the overall Board’s performance consider



factors such as the Board and Committee size and composition, access to information, adherence to processes, accountability, effective discharge of principal functions and fiduciary duties, communication with Management, and the Directors' adherence to standards of conduct. In the reporting year, the NC implemented a new evaluation process, utilizing a questionnaire format completed by the NC committee, the Board, and individual Directors. The responses from Directors were consolidated into a summary report, discussed at the NC meeting, and used to consider recommendations for improving the Board's effectiveness. Additionally, each Director completed a self-assessment form to evaluate their contributions to the Board's effectiveness.

[GRI 2-20] – Process to determine remuneration  
[GRI 2-21] – Annual total compensation ratio

The Board has a transparent process for setting policies on director and executive compensation and determining individual Director and key management personnel remuneration. Non-Executive Directors do not have service contracts while Independent Directors receive Directors' fees that are commensurate with their contributions, considering factors such as time, effort, and responsibilities. On the other hand, Executive Directors are not entitled to Directors' fees; instead, they receive compensation as part of the Management team. This compensation includes a fixed salary component and a variable component, the annual bonus, contingent on both the Group's overall performance and their individual contributions. At PEC, no Director is involved in deciding his or her own remuneration. Implementing this policy is expected to yield several positive ESG impacts, including strengthened governance, diminished conflict of interest, enhanced reputation for PEC, and the cultivation of trust among stakeholders, among others.

The RC's responsibilities encompass the examination and supervision of remuneration affairs, which includes evaluating and proposing a remuneration framework for the Directors and Group CEO, as well as determining individual remuneration packages for each Executive Director. At PEC, the RC is composed exclusively of Non-Executive and Independent Directors. The Company submits the quantum of Directors' fees of each year to the shareholders for approval at each AGM. The Company has not engaged any remuneration consultants in FY2023

Detail information regarding the Board's remuneration and policy can be found in the AR FY2023 page 26 to 28.

### Oversight and Management Decision

[GRI 2-13] – Delegation of responsibility for managing impacts

[GRI 2-14] – Role of the highest governance body in sustainability reporting

At PEC, our approach to sustainability governance centers on the leadership of our Board. The Board carries the core responsibility for overseeing and ensuring accountability in sustainability-related matters. They conduct thorough assessments of significant ESG factors and serve as the central decision-making body for all strategic policies and planning related to sustainability.

In parallel, our Sustainability Management Council, led by our Group Chief Executive Officer (CEO), works closely with the Board, providing essential support and reporting directly to them as and when needed. This council is composed of management team members and functional leaders, collaborating with a dedicated sustainability disclosure project team.

Complementing this structure, our Business Excellence (BE) Committee brings together subject matter experts from senior management across various departments. This committee, which reports to the Group CEO, identifies sustainability challenges, propels the development of sustainability strategies, sets targets, and monitors sustainability performance, all with the guidance and advice of the Board. Sustainability strategies and targets are officially endorsed by the Group CEO and undergo annual reviews to ensure effective execution.

[2-14] – Role of the highest governance body in sustainability reporting

The Board oversees the Group's sustainability reporting framework by monitoring the ESG issues that impact the Group's sustainability of its business. At the Board meetings, the Board examines the sustainability reporting process and annually approves material topics and content of sustainability report.

**Risk Governance**

[2-15] – Conflicts of interest

All Director diligently exercises their independent judgment to make decisions that prioritize the Group’s best interests. If a Director encounters a conflict or potential conflict of interest on any matter, they are required to promptly disclose it during a Directors’ meeting or through written notice to the Company. This notice should provide clear details about their interest and the conflict. Subsequently, the Director must abstain from participating in the discussions and avoid any involvement in the Board decisions.

Moreover, in addition to the above governance mechanism, the Board conducts thorough reviews of various aspects, including the adequacy and effectiveness of internal financial controls, operational and compliance controls, as well as risk management policies and systems established by Management. They also evaluate the effectiveness of both internal and external audit efforts and address matters related to potential conflicts of interest during the

reporting year. This comprehensive approach ensures robust governance and risk management practices throughout the organization.

More Risk Management and Internal Controls information is available in AR FY2023 Page 28 to 29.

Presently, none of the Directors occupy directorship roles or chairmanships in other listed companies except for one Director. There are no employees who are substantial shareholders of the Group or who are immediate family members of a Director, Group CEO or a substantial shareholder of the Group and whose remuneration exceeds S\$100,000 during FY2023. The Board is confident that sufficient safeguards exist to prevent any single individual from consolidating a significant concentration of power.

Detail information regarding the key information on the Directors can be found in the AR FY2023 page 12 to 13.

## Strategy, Policies and Practices

[GRI 2-23 to 2-27]

As part of responsible business conduct, we at PEC comply with all laws and regulations in the jurisdictions where we operate, respecting internationally recognised labour rights. We also strive to have zero tolerance towards corruption, bribery and to have no negative impact on the environment or society. Our policies listed below guide us to maintain high ethical standards. We communicate the policies during the onboarding of our employees and are available on the Group's intranet. Any changes are updated via emails.

### Anti-Bribery and Corruption Policy

- This policy applied to all employees and set out Group's responsibilities and the responsibilities of every employee in observing and upholding the Group's position on bribery and corruption and
- Provide information and guidance to employees on recognizing and dealing with potential bribery and corruption issues.

### Learning and Development Policy

- Learning and Development Department is abbreviated by LND, develops this manual to demonstrate compliance with the requirements of ISO 29993 standard. This manual expresses the top management commitment to learning and it defines the rules and procedures that govern and influence the standard and scope of training in the organization.

### Code of Business Ethics and Conduct

- This Code of Business Ethics and Conduct covers a wide range of business practices and procedures. It sets out basic principles to guide all employees of the Group.
- All employees must conduct themselves accordingly and seek to avoid any improper behavior.

### Whistleblowing Policy

- To provide avenues for employees to raise concerns with regards to malpractices within the Group and define a way to handle these concerns, to enable Management to be informed at an early stage about acts of misconduct.
- To reassure employees that they will be protected from punishment or unfair treatment for disclosing concerns in good faith in accordance with this procedure, to help develop a culture of openness, accountability and integrity.

### Quality Policy

- Company ensures to train employees on the principles and method of quality improvement.
- Enable employees to identify and eliminate obstacles to improve the quality of their own work.
- Doing things right for the first time and for every time.

### HSSE Policy

- Enhance employees knowledge on health, safety, security and environment through continuous education and training. Company provides appropriate resources to eliminate unsafe practices to attain workplace safety.
- Promotes healthy lifestyle through work-life balance.

### PEC Group BCP Manual

- An overview of the response framework, and Group Business Continuity Team (GBCT) and the Site/Department / Subsidiary Business Continuity Team (SBCT) responsibilities, structure and roles of supporting departments.
- A summary of the essential processes, from start-up to stand-down and list of emergency phone numbers.

**Section 2: Climate and Sustainable Governance**

PEC diligently complies with all applicable laws and regulations within its operational jurisdictions, consistently upholding the principles outlined in the SGX guidelines for transparent reporting. During the current fiscal year, PEC has encountered instances of non-compliance and a composition fine under Workplace Safety and Health Act.

The infraction which resulted in the imposition of the fine was due to inadequate measures in safeguarding workers against noise hazards. Whereas, non-compliance (non-monetary sanctions) incidents were related to air monitoring, audiometric test, noise control and Noise Induced Deafness (NID) reporting.

PEC analyzed the root cause and identified actions to be taken. The Group HSSE Committee implemented operational modifications, conducted air quality test and audiometric examinations, and provided employee trainings to proactively prevent similar incidents from occurring in the future, complying with Workplace Safety and Health requirements.

The instances of non-compliance have afforded us valuable insights into the enhancement of our HSSE (Health, Safety, Security, and Environment) policies, specifically regarding the well-being and safety of our workforce.

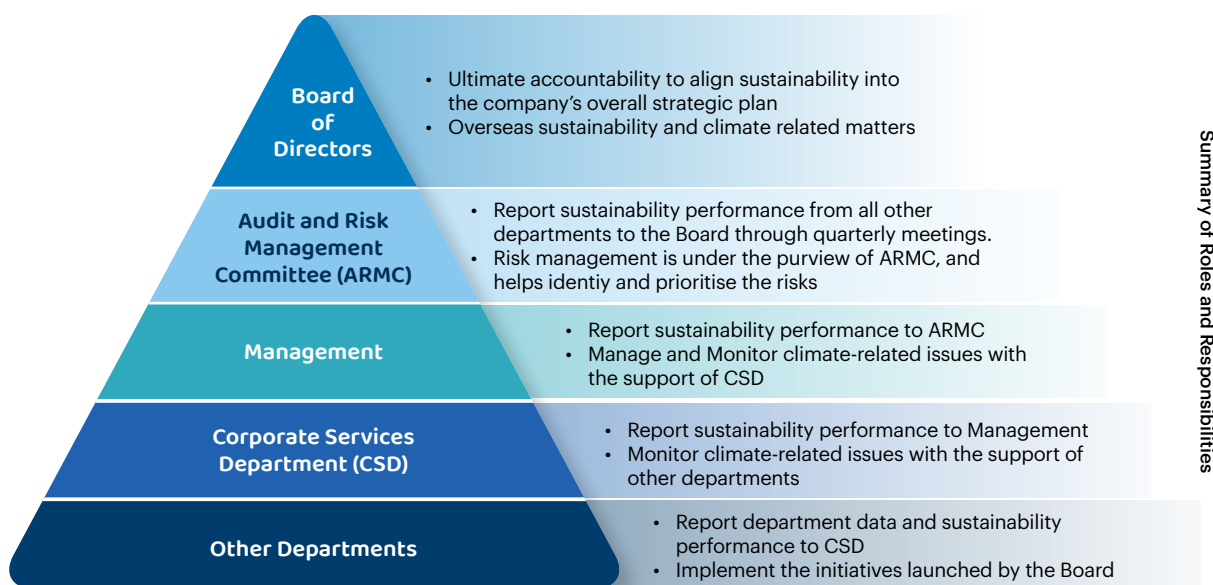
**Sustainable Structure**

PEC’s Board of Directors oversees the implementation of our sustainability policies and practices across the Group. Good governance is fundamental to ensure ethical practices throughout our operations. The Board ensures that the Group fulfils its obligations towards its people and our community by providing a safe working environment, encouraging diversity and inclusiveness, enabling professional development, and giving back to the communities via CSR activities.

The Group is committed to identify, manage, and minimise the environmental impact of our operations by implementing energy efficiency initiatives, adhering to regulatory measures and by raising awareness of the climate change issue and the goal set by Intergovernmental Panel on Climate Change (IPCC) to limit average global temperature increase to 1.5 degrees.

For our operations to be aligned as per our corporate sustainability policy, the Board sets the tone from the top, and is cascaded down the line. Key roles and responsibilities of the sustainability structure is depicted in the Figure 1 below.

**Figure 1 Sustainability Structure**



**Note:** Other Departments include Procurement/Finance/Human Resource/Health, Safety, Security and Environment/Learning and Development/Facility Management/Quality Assurance/Logistics/ICT.

## PEC's Core Values

PEC values a Caring environment, Continuous Learning, Customer Focus, Competencies and Commitment to deliver Cost effective services.

### The 6 "C"s are as follows:



# SUSTAINABILITY REPORT

## Section 2: Climate and Sustainable Governance

### PEC's Innovations and Achievements

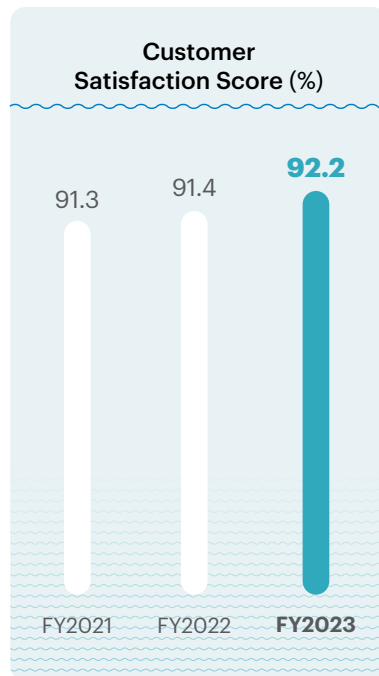
**Digitization** – Technological Innovations for collaboration and improving productivity as guided by the core value of Competencies is depicted in Figure 2 below.

PEC developed its PECMmt as a Project Wide ICT Platform for capturing critical Procurement, Engineering, Construction, Maintenance management and execution data, enabling contracts to be successfully delivered. It also enhances employee's collaboration and productivity and simplifies Client Reporting.

A recent application developed by PEC's ICT Department on this platform was favourably highlighted by one of our clients during its Contractor Health, Environment & Safety Management (CHESM) Assessment in December 2022 Audit report.

The client has presented to PEC an Award for achieving Exemplary HSE Performance in the 2022 Contractor Health, Environment & Safety Management (CHESM) Assessment.

**Customer Satisfaction** – Guided by its core value of Customer Focus, PEC strives to maintain a strong relationship with its customers by delivering high-quality, cost-effective services. PEC has achieved 92.23% score in FY2023 Customer Satisfaction exceeding the target of 80%.



**Awards** – Guided by the core value of Commitment, we strive to continuously improve our services by keeping abreast with the latest standards, technology, and know-how.

Our subsidiary PEC International LLC incorporated in Oman has been awarded with the following ISO certification (new certification, refer to Figure 3) for,

- **ISO 9001:2015** Certification in Quality Management Systems
- **ISO 14001:2015** Certification in Environmental Management Systems
- **ISO 45001:2018** Certification in Occupational Health and Safety Management Systems



No.	Group	Hose Type	Item Code	Item Name	Gas Hose Status	Last Inspection Date	Next Inspection Date	Remark
1	THAM	Oxy-Acetylene	PEC-SRC-1050	SRC-MNT-GH-TH-01	STANDBY	19/12/2022	31/12/2023	
2	THAM	Oxy-Acetylene	PEC-SRC-1051	SRC-MNT-GH-TH-02	IN USE	17/07/2023	30/07/2023	
3	THAM	Oxy-Acetylene	PEC-SRC-1052	SRC-MNT-GH-TH-03	IN USE	17/07/2023	30/07/2023	
4	THAM	Oxy-Acetylene	PEC-SRC-1053	SRC-MNT-GH-TH-04	IN USE	17/07/2023	30/07/2023	
5	THAM	Oxy-Acetylene	PEC-SRC-1054	SRC-MNT-GH-TH-05	IN USE	17/07/2023	30/07/2023	
6	THAM	Oxy-Acetylene	PEC-SRC-1055	SRC-MNT-GH-TH-06	IN USE	17/07/2023	30/07/2023	
7	ALFA	Oxy-Acetylene	PEC-SRC-1056	SRC-TANK-GH-001	STANDBY	31/10/2022	31/10/2022	
8	ALFA	Oxy-Acetylene	PEC-SRC-1057	SRC-TANK-GH-002	IN USE	27/07/2023	31/10/2022	
9	ALFA	Oxy-Acetylene	PEC-SRC-1058	SRC-TANK-GH-003	STANDBY	31/10/2022	31/10/2022	
10	ALFA	LPG hose	PEC-SRC-1059	SRC-TANK-GH-004	STANDBY	31/10/2022	31/10/2022	
11	ALFA	Oxy-Acetylene	PEC-SRC-1060	SRC-TANK-GH-005	STANDBY	04/10/2022	31/10/2022	

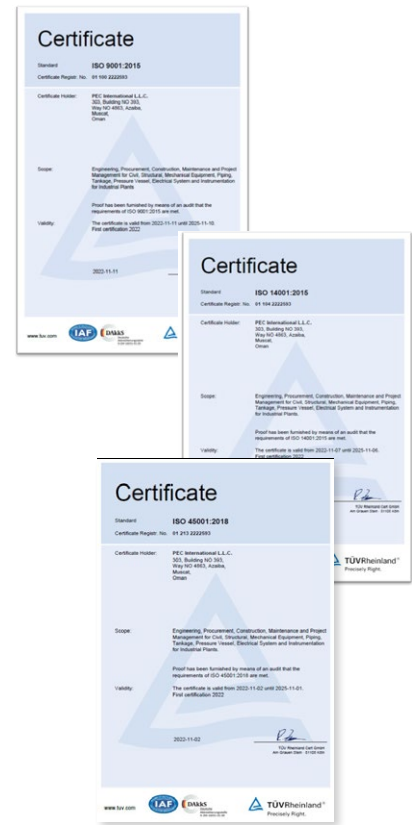


Figure 2 PEC Exemplary HSE Performance and Example of Inspection

Figure 3 PEC International LLC, Oman ISO Standards Certificates

## PEC's Way of Giving Back to Communities

**Risk Integration** – In line with its Commitment core value, PEC strives to maintain high standards of safety and quality throughout its operations, by continually assessing the operational risks throughout the life of every project. Risks are systematically evaluated and mitigated throughout each project. The Occupational Health, Safety, Environmental, Quality and Security (OHSEQS) Committee ensures that we achieve high quality standards to fulfil and exceed our customers' expectations.

**Climate Resilience** – climate risk has been added into the risk management strategy in OHSEQS Risk and Opportunity Assessment (OHSEQS ROA).

PEC regularly engages with community via various activities and community partners. This FY2023 PEC contributed 615 hours of volunteering – close to double our annual target. We work on the projects along side community partners to generate a positive impact in the community. We had participated in the following volunteering activities in Singapore.

- Community Garden Program partnering NParks.
- Share-A-Gift and Packing of Gift partnering Yong-En Care
- Art Jamming partnering RSVP Eldercare Home
- Learning Journey to Singapore Flyer partnering RSVP with Seniors Activity Centre
- Coastal Cleaning cum Cycling at Coney Island
- Pottery Workshop partnering Singapore Children's Society (SCS)



PEC's Volunteering Activities in Singapore

## SUSTAINABILITY REPORT

### Section 2: Climate and Sustainable Governance

Our team in Myanmar volunteered their services to the local community during the festive season which marks the full moon of TAZAUNGME (the end of the rainy season), as well as during the Kathina festival (where monks are offered alms including new robes). These activities create awareness of respecting and accepting other cultures and people and improves a person's mental wellbeing.



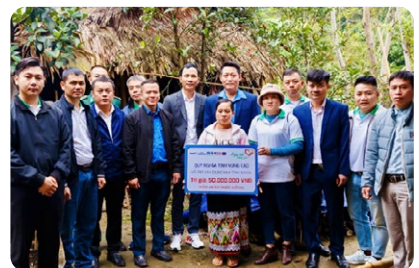
PEC's Volunteering Activities in Myanmar

Our teams in the Middle East (Fujairah) and Vietnam participated in the following volunteering CSR Activities during FY2023.

- CLEAN UAE Campaign, Masafi
- Clothes Donation, Fujairah
- Tree Plantation, Seven Hills, UAE
- PECl Charity Dec 2022, Vietnam
- Donation to Support House Building project for poor families, Vietnam



PEC's Volunteering Activities in the Middle East



PEC's Volunteering Activities in Vietnam



## Climate-Related Risk and Opportunities

### Risk Management

[GRI 2-12] - Role of the highest governance body in overseeing the management of impacts.

[GRI 2-13] - Delegation of responsibility for managing impacts.

[GRI 3-1] - Process to determine material topics (Climate-related risks as recommended by SGX).

In December 2021, the Singapore Exchange Regulation announced that all issuers must provide climate reporting on a 'comply or explain' basis in their sustainability reports from FY2022 onwards. This requirement is mandatory for the Energy sector from 1 January 2023. PEC is categorized under the Energy sector which makes it mandatory to report climate-related disclosures, consistent with the TCFD recommendations.

The Group is proud to present its climate-related disclosures starting from this year. Risk and opportunities related to environment, social and governance topics have been identified, reviewed, and managed. We acknowledge and recognise that the impact of climate change is already being felt and will influence our financial performance. We have identified physical and transitional risks which are consistent with the TCFD's (*Task Force on Climate-Related Financial Disclosures*) recommendations.

### Process of identifying risks

In FY2023, we began the process of identifying climate-related risks and opportunities by:

- Gathering stakeholder perspectives on climate-related risks via an online survey.
- Prioritising the most relevant climate-related risks based on the survey results and considering the approach taken by industry peers, industry trends, and the Group's strategic direction.
- Validation from the Board.

In the medium to long term, climate change and the global trend of moving towards decarbonization poses several risks to our business. The key risks which help PEC define strategic outlook are identified in the table below:

No.	Pillar/Recommendation	Key Points
<b>GOVERNANCE:</b>		
<b>Disclose the organization's governance around climate-related risks and opportunities</b>		
1	Describe the board's oversight of climate related risks and opportunities	<p>PEC's Board and the Management are focused on growing the business on a sustainable basis. They oversee sustainability related matters. The Board considers sustainability issues during the formulation of the Group's strategic direction. The Board understands that ensuring the long-term growth and survival of the Group underlies the basis of our business decisions.</p> <p>Oversight of climate-related risks has enabled the Board to understand the risk and opportunities, and decide on mitigation strategies and initiatives, in the transition towards a low carbon economy.</p> <p>The Board understands the risks and opportunities associated with climate-related risks (like temperature rise and weather patterns). It is mindful of the need to mitigate these risks by aligning the business with the global efforts to decarbonize the economy.</p>
2	Describe management's role in assessing and managing climate related risks and opportunities.	<p>PEC has built a structure in the company to oversee the sustainability and climate-related risks. The Roles and responsibilities of each department is depicted in Figure 1 Sustainability Structure.</p> <p>Sustainability management comes under the purview of the Board. ARMC oversees the sustainability aspects of the Group which is monitored by the Management and supported by CSD and relevant departments. ARMC and Management receives updates periodically.</p> <p>The ARMC and Board hold quarterly meetings. The annual Sustainability Report is the main channel of communication with other stakeholders.</p>

No.	Pillar/Recommendation	Key Points
<b>STRATEGY:</b>		
<b>Disclose the actual and potential impacts of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning where such information is material</b>		
3	Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	<p>PEC engaged an external consultant to conduct an assessment to identify material and climate-related risks identification. Through a stakeholder engagement survey, three material transition (Market, Technology and Policy) risks and one chronic physical risk were identified, in relation to our business. The risks are.</p> <ul style="list-style-type: none"> <li>• Uncertainty in market signals,</li> <li>• Costs to transition to lower emissions technology,</li> <li>• Enhanced emission-reporting obligations and</li> <li>• Rising mean temperatures</li> </ul> <p>Addressing climate change and emissions reduction are the key ESG material issues for PEC. The board has defined the time horizons as depicted in the legend table below.</p>
4	Describe the impact of climate-related risks and opportunities on the organization’s businesses, strategy, and financial planning	<p>The Group’s strategy is shaped in response to risks and opportunities identified in the sectors we operate. The risks and opportunities are interrelated with our clients rapidly evolving landscape to stay in step with the pace and extent of the energy transition. The energy transition provides us with opportunities in clients’ decarbonisation and investment shifts (greener energy) to meet their 2050 net zero target. For our Singapore operation the Group is required to comply with the latest rules and regulations imposed by SGX (such as emission reporting) and globally to address our client’s requirements on sustainability disclosures (such as EcoVadis).</p>
5	Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<p>PEC will continue to adopt a progressive approach in improving its climate-related disclosures based on recommendations from the Task Force on Climate-related Financial Disclosure and SGX’s phased approach.</p> <p>This year we have set targets to reduce our GHG emissions by installing solar panels on office roofs and other energy efficiency measures such as maintaining aircon temperature and other energy saving initiatives at our offices and workshops.</p>
<b>RISK MANAGEMENT:</b>		
<b>Disclose how the organization identifies, assesses, and manages climate-related risks</b>		
6	Describe the organization’s processes for identifying and assessing climate-related risks.	<p>Each business function within the Group is required to identify, determine, and evaluate the ROA as per ISO 9001, ISO14001 and ISO45001 requirements. On the Corporate level we have an Enterprise Risk Management matrix that helps the organization identify and manage anticipated risks that threaten business objectives. Risk assessment matrix helps the organisation to visualize the probability of risk occurrence against the severity of its potential impact. By allocating potential risks into a matrix quadrant, the organisation can then determine the risks to prioritize. PEC has begun to report on TCFD’s recommendations and has added climate related risks into the core risk management strategy in OHSEQS ROA.</p>

No.	Pillar/Recommendation	Key Points
7	Describe the organization's processes for managing climate-related risks.	<p>Risk management is under the purview of the Audit and Risk Management Committee. The Enterprise Risk Management matrix incorporates inputs from all departments in collating relevant risks and their mitigation factors. These are integrated into the enterprise-wide risk framework.</p> <p>The Group embraces innovation and readiness to transform itself in response to, and in anticipation of developments in industry and technology. As part of the risk identification activity for climate change risks, PEC has identified the potential impact on business activities (e.g., work disruption, delay in work processes, additional administrative processes, property damage).</p> <p>The following responses have been identified:</p> <ol style="list-style-type: none"> <li>1. Adhering to local authorities' regulatory requirements, instructions, and guidelines (e.g., advisory from Ministry of Manpower and National Environment Agency).</li> <li>2. Establish region specific requirements as per local requirements to minimise operational disruptions (e.g., business continuity plan, Emergency preparedness, Emergency response plan etc).</li> <li>3. Implement applicable requirements and alternative arrangements to ensure business continuity (e.g., work from home arrangements).</li> </ol>
8	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	<p>This year PEC initiated a survey of its key stakeholders to identify relevant climate-related risks. The results of this survey have been incorporated into the risk framework as part of the OHSEQS ROA system.</p>
<b>METRICS &amp; TARGETS:</b>		
<b>Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</b>		
9	Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.	<p>PEC has embarked on the TCFD journey from this year to better evaluate the climate-related risks and opportunities. We intend to reference local and global comparisons to progressively improve our data analysis.</p> <p>Metrics used are in terms of productivity loss (man-days), Asset loss (\$), Fines or Fees (\$)</p>
10	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	<p>PEC Scope 2 emissions are mostly due to the power used from the grid. Scope 1 emissions are from the company owned vehicles. Scope 3 emissions are not disclosed at this point of time, However PEC has started the data collection on overseas business travels.</p>
11	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.	<p>PEC targets to reduce scope 1 and scope 2 emissions by 25% over the next 5 years from the base year number referred from FY2022 Sustainability Report.</p> <p>Initiatives which help PEC achieve the targets are.</p> <ol style="list-style-type: none"> <li>1. Installation of solar panels across our office premises to reduce our dependence on 'non-green' energy supplied by the grid.</li> <li>2. Promotion of recycling to reduce waste.</li> <li>3. Aircon temperature raised to 24 degree C at our office premises.</li> <li>4. Electric Energy Management Initiative such as installing motion sensors lighting.</li> </ol> <p>PEC is planning to progressively shift from conventional vehicles to EVs.</p>

**Managing climate-related risks and opportunities**

During the assessment of risks materiality, several physical risks and transition risks were assessed. After engagement with stakeholders, reviewing existing practices and analysing best practices among industry peers, PEC has streamlined a few risks and assessed their implications. As the risk assessment is a dynamic process that continues to evolve, Management will review existing responses and fine-tune where necessary.

<b>RISKS</b>				
	<b>Uncertainty in market signals</b>	<b>Costs to transition to lower emissions technology</b>	<b>Enhanced emission-reporting obligations</b>	<b>Rising mean temperatures</b>
<b>Descriptions</b>	Oil price fluctuations due to uncertain market or demand	Capital investments in technology development. Costs to adopt/deploy new practices and processes	Increased operating costs due to lack of credible information or higher compliance costs or increased insurance premiums	Increase in operating costs such as energy costs to maintain optimum workable conditions
<b>Likelihood</b>	Frequent	Likely	Likely	Possible
<b>Impacts</b>	Volatile and unstable global markets causing volatility in commodity price (energy market) and reduced economic activities leading to lower sales and reduced profits	Lack of adaptability to innovation limits the opportunities for PEC	Regulators with more stringent policies and regulations around climate change for the energy industry	Scarcity of water, electricity, or excess water due to heavy rains which makes it difficult to access work areas
<b>Time Period</b>	Short-term	Medium-term	Short-term	Long-term
<b>Financial Implications</b>	Not quantified this year	Not quantified this year	Not quantified this year	Not quantified this year
<b>Methodology</b>	PEC is aware of the risk of shifting from shift from fossil fuels to renewable energy. This poses a significant risk to PEC’s existing business. But PEC management takes this as an opportunity to transform and grow its business in alignment with global efforts to reduce the effects of global warming and climate change.	Investment in technologies to reduce GHG emissions, water usage and waste management and optimising the existing processes.	PEC shall disclose the information in the report in line with the regulator guideline promoting transparency and helping management make informed decisions.	At this point in time, we do not have the data. We will investigate data granularity either locally or rely on global databases to quantify these physical risks and understand their financial implications.
<b>Management Response</b>	The Board is supportive of the management initiatives to grow the business sustainably and invest into new opportunities that the energy transition brings along with it.	Continue to work closely with the departments to understand the opportunities and impacts on business.	PEC shall continue to follow the SGX regulations year-on-year as advised	Recent events in Singapore of monitoring heat stress using Wet Bulb Globe Temperature (WBGT) have laid certain measures for workers by regulatory bodies. We shall abide by the regulations and monitor the global trends towards the use of renewable energy which presents us a tremendous opportunity to transform and grow our business in alignment with global efforts to reduce the effects of global warming and climate change.

**Definition of time horizon by PEC**

Likelihood	Definition
Short-term	• 1 – 2 Years
Medium-term	• 3 – 9 Years
Long-term	• Above 10 Years

**Definition of likelihood**

Likelihood	Definition
Frequent	• Up to once in 2 years or more
Likely	• Once in 2 years up to once in 25 years
Possible	• Once in 25 years up to once in 50 years
Unlikely	• Once in 50 years up to once in 100 years
Rare	• Once in 100 years or less

## Materiality Assessment and Stakeholder Inclusiveness

### Stakeholder Engagement

[GRI 2-29] – Approach to Stakeholder Engagement

Stakeholder engagement is about knowing who the stakeholders are, understanding them and knowing how best to involve them in our business. They are individuals or companies who can affect or would be affected by the organisation’s strategic directions.

We believe in building positive relationships and actively engaging our internal and external

stakeholders. We have identified the following stakeholders to have the most influence on our operations: Internal and External Stakeholders

Through regular dialogue and engagement on an extensive range of topics by using various platforms and feedback mechanisms, we gain a deeper understanding of our stakeholders and their emerging needs and concerns. Table below depicts PEC’s stakeholders and their response to specific stakeholder concerns.

Stakeholders (Internal and External)	Approach to stakeholder engagement	Key topics	Frequency of Engagement
<b>Board of Directors</b>	<ul style="list-style-type: none"> <li>Quarterly meetings (Physical/Virtual)</li> <li>Ad hoc meetings (as needed)</li> </ul>	<ul style="list-style-type: none"> <li>Financial Update</li> <li>Corporate Governance</li> </ul>	<ul style="list-style-type: none"> <li>Quarterly meetings</li> </ul>
<b>Senior Management (Senior managers and above)</b>	<ul style="list-style-type: none"> <li>Fortnightly or monthly meetings with the Management</li> </ul>	<ul style="list-style-type: none"> <li>Progress update</li> <li>Clear roadblocks</li> </ul>	<ul style="list-style-type: none"> <li>Fortnightly meetings and Need basis meetings</li> </ul>
<b>Management (Superintendent to Manager/Principal)</b>	<ul style="list-style-type: none"> <li>Regular Project Meetings</li> <li>Workshops / Focus group discussion</li> </ul>	<ul style="list-style-type: none"> <li>Sharing of best practices</li> <li>Collaborating practices</li> </ul>	<ul style="list-style-type: none"> <li>Fortnightly meetings and Need basis meetings</li> </ul>
<b>Professional (supervisors/executive to Senior Sup/Exec)</b>	<ul style="list-style-type: none"> <li>Project discussions</li> <li>Meetings</li> <li>Electronic communications</li> </ul>	<ul style="list-style-type: none"> <li>Specific subject matters including Legal, Accounting</li> </ul>	<ul style="list-style-type: none"> <li>Frequent communications on regular basis</li> </ul>
<b>Head of In-House Teams</b>	<ul style="list-style-type: none"> <li>Regular stand-up meetings</li> </ul>	<ul style="list-style-type: none"> <li>Employee wellbeing</li> <li>Work life balance</li> </ul>	<ul style="list-style-type: none"> <li>Daily or Weekly meetings</li> </ul>
<b>Investors</b>	<ul style="list-style-type: none"> <li>Dedicated Investor Relations</li> <li>Annual General Meetings, meetings (Physical/Virtual)</li> <li>Annual Reports</li> <li>Financial information, SGX announcements and circulars</li> <li>Corporate website</li> </ul>	<ul style="list-style-type: none"> <li>Vision, strategy, and direction                             <ul style="list-style-type: none"> <li>– Economic performance</li> <li>– Corporate governance</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>Timely and transparent disclosures</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Meetings, calls, and conferences</li> <li>Customer satisfaction surveys</li> <li>Regular feedbacks</li> </ul>	<ul style="list-style-type: none"> <li>Product quality</li> <li>Customer service and experience</li> <li>Ethical business practices</li> </ul>	<ul style="list-style-type: none"> <li>Periodic surveys</li> </ul>
<b>Beneficiaries</b>	<ul style="list-style-type: none"> <li>Meetings, calls, and conferences</li> </ul>	<ul style="list-style-type: none"> <li>Provide feedback or directions on the business</li> </ul>	<ul style="list-style-type: none"> <li>As required</li> </ul>
<b>Banks</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>As required</li> </ul>
<b>Key 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>Delivery timeline</li> <li>Product specifications</li> <li>Project timelines</li> <li>Payment as per contracts</li> </ul>	<ul style="list-style-type: none"> <li>Frequent communications on regular basis</li> </ul>

**Process of Identifying Material Topics**

[GRI 3-1] – Process to determine material topics

Understanding our stakeholders’ concerns and sustainability topics that are important to them is crucial to PEC. Internal stakeholders consist of the Board of Directors, Management, and Employees. External stakeholders consist of Investors, Customers, Beneficiaries, Banks, and Key Suppliers.

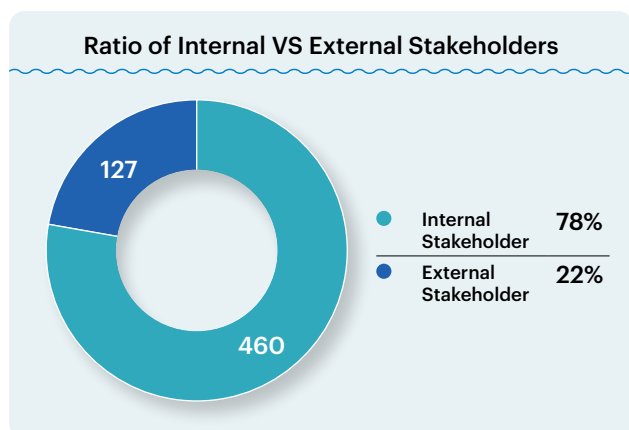
Stakeholder engagement was conducted through questionnaires via online forms to understand stakeholder priorities and views on material issues to the Group. Of all respondents, 78% were internal stakeholders and 22% were external stakeholders as shown in Figure 4.

To facilitate our materiality analysis through stakeholder engagement, we adopted the 6-step stakeholder engagement process:

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 through digital channels such as online surveys on material issues.
3. Reviewing and assessing stakeholders’ feedback.
4. Responding to stakeholders’ issues and concerns.
5. Prioritizing material topics.
6. Validation from the Board.

**Stakeholder Engagement**

**Figure 4** Distribution of Respondents Participating in the Questionnaire Survey.



**Material Topics and Management**

[GRI 3-2] – List of Material Topics

[GRI 3-3] – Management of Material Topics

Materiality assessment is a process that allows PEC to analyse, where our operations have the greatest impact on the economy, environment, and the society. This ensures that our sustainability efforts are focused on the topics that are most significant to our business. The materiality assessment is conducted annually and in FY2023, we have identified and prioritised the material topics that matter most to PEC and our stakeholders.

Outcome of the survey with the stakeholders and the six-step approach of past year reporting analysis, peer disclosures and industry recommendations done by the consultants, PEC has identified 9 material topics out of the 31 material topics of GRI that are relevant to the Group and are listed in Table 1.

The new topic Diversity and Equal Opportunity has replaced Non-discrimination to cover the overall aspects recommended by SGX as one of the primary components in disclosing the ESG factors.

**Material Topics**

**Table 1** PEC’s List of Material Topics

●	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
- Environmental Topics
- Social Topics

The 9 material topics are reported under the section of Securing Responsible Business Practices, Bettering the Planet and Supporting People and Communities. Table 6 summarises the stakeholders impacted by or impacting the Group with regards to each material topic for ease of reference.

## List of material topics, its importance, and its boundaries

Material Topics	Boundary, where impact of the material topic occurs										Impacts addressed in this Report.	
	Within PEC's Operation <sup>1</sup>					Outside PEC's Operation <sup>2</sup>						
	Board of Directors	Senior Management	Management	Professional	Head of In-House Teams	Investors	Customers	Beneficiaries	Bank	Key Suppliers		
<b>GRI material topics identified through the stakeholder engagement survey (Based on the rank from the survey and grouping under Economic, Social and Environment pillars)</b>												
1	<b>Anti-Corruption (GRI 205)</b>	X	X	X	X	X	X	X			X	Securing responsible business practices
2	<b>Economic Performance (GRI 201)</b>	X	X	X	X		X	X	X	X		Securing responsible business practices
3	<b>Occupational Health and Safety (GRI 403)</b>	X	X	X	X	X		X				Supporting people and communities
4	<b>Employment (GRI 401)</b>	X	X	X	X	X						Supporting people and communities
5	<b>Diversity and Equal Opportunities (GRI 405)</b>	X	X	X	X	X		X			X	Supporting people and communities
6	<b>Training and Education (GRI 404)</b>	X	X	X	X	X						Supporting people and communities
7	<b>Energy (GRI 302)</b>	X	X	X	X	X	X					Bettering the planet
8	<b>Emission (GRI 301)</b>	X	X	X	X	X	X					Bettering the planet
9	<b>Water and Effluents (GRI 303)</b>	X	X	X	X	X	X					Bettering the planet

1 PEC's operation has contributed directly to this impact.

2 PEC contributes indirectly to this impact through its stakeholders, suppliers etc.

## Securing Responsible Business Practices

[GRI 2-28] – Membership Associations

[GRI 205] – Anti-Corruption

[GRI 201] – Economic Performance

Business being responsible also means being sustainable. PEC understands that a responsible business can build greater trust and strengthens its relationships with its stakeholders on every level, including its customers, employees, investors and the communities it operates in, which generates greater value over time. Applying sustainable business practices can also help reduce costs, and drive innovation, which are both positive contributors to its business. PEC has recognised the potential of responsible practices to provide important benefits in terms of risk management, cost savings, access to capital, customer relationships, employee satisfaction, sustainability of operations, ability to innovate and profit.

### Membership of Associations

[GRI 2-28]

We recognise that industry association can have significant influence on corporate members' sustainability and providing expertise on critical issues related to sustainability development and legitimacy of corporate operation. As industry trends continue to evolve, we joined the following associations to keep ourselves up to date on best practices and trends.





## Anti-Corruption

[GRI 205] Communication and training about anti-corruption policies, procedures, and incidents

*Note: Anti-Corruption section details is for PEC Group.*

PEC as a group is fully committed to conducting business with integrity and high ethical standards and comply with all the laws and regulatory requirements stipulated by the regulators where we operate in to prevent corruption and bribery. Bribery or corrupt acts means offering or receiving of financial and non-financial advantage or anything of value.

We ensure all employees comply with our anti-bribery and corruption policy. To ensure the awareness of this policy, PEC shares this policy in the onboarding programme and a copy is made available in the intranet for easy access and reference. Also, we make sure all new employees submit the annual declaration in writing acknowledging their understanding and adherence to the policy.

PEC's Code of Business Ethics and Conduct policy works in line with the anti-bribery and corruption policy. This document sets out basic principles to guide all employees of PEC to conduct business in a legal and ethical way. This policy addresses the following:

- Conflict of Interest – which restricts the employee to represent the employers' interests in the best possible way.
- Human Rights – To treat each other with respect and dignity, encourage diversity and provide safe working conditions for all.

The Group adopts a whistleblowing policy which provides whistleblowers a confidential avenue to report incidences of fraud corruption to the management or ARMC without fear of reprisals or victimisations. This policy helps develop a culture of openness, accountability, and integrity.

Employees of PEC have been informed about the latest revision to the anti-bribery and corruption policy (effective from 14th July 2023) via email.

Appropriate references to the anti-bribery and corruption policy are included in the general terms and condition in the Group's purchase orders, so that vendors are made aware of this policy.

**Target** – In FY2023, there was no reported incident of corruption and bribery within the Group. PEC aims to maintain this record of zero incidents of corruption and maintain the awareness of this policy among our employees and other stakeholders along our value chain.

## Economic Performance

[GRI 201 1 to 4] – EVG, EVD, EVR

*Note: Economic Performance section and numbers are for PEC Group.*

Economic performance encompasses numerous indicators covering financial performance, operational performance, and organizational effectiveness. PEC Group's commitment to Cost Effectiveness gives it a competitive edge over its competitors and enable them to sustain their business in the longer term and create wealth for stakeholders and benefit local economies.

During the reporting year FY2023 PEC Group generated S\$430.9 mil revenue. An excerpt of the economic performance from the detailed financial summary (Annual Report) is presented below.

### PEC's Economic Performance Disclosures

M = Million k = Thousands

	FY2023 S\$ million	FY2022 S\$ million	FY2021 S\$ million
Revenue	430.9	428.0	379.4
Profit After Tax	8.1	16.9	23.6
Total expenses (including staff costs)	428.4	418.3	371.6
Staf cost/Employee benefits expenses	168.0	165.6	155.6
Net GST Payables	3.1	1.6	2.6
Income Tax Expense	3.4	10.5	2.3
Retained Earnings	182.9	185.0	177.2
Dividend (declared and paid)	8.9	6.4	1.3

## Bettering the Planet

Climate change is a global challenge, we at PEC understands the risks it brings to businesses and everything around us. We as a Group are committed to take action to do our part to build a sustainable future.

### Energy and Emissions

[GRI 302, GRI 305]

*Note: Energy, Emissions, Water and Waste data is for PEC Singapore operations only.*

PEC is mindful of the impact of its activities on the Environment For instance, PEC takes early precautionary measures to minimise any harmful effect on the environment. In the event of new activities, the HSSE team will identify any environmental concerns and devise environmental risk control measures.

PEC seeks to manage the environmental impact of its activities, where appropriate PEC's Procurement procedure specifies environmental requirement as part of procurement process.

Environmental protection is a key aspect to our Health, Safety, Security and Environment (HSSE). The Group aims to conserve natural resources where possible, by reducing waste generation. The Group also aims to reduce contamination of air, water and land that might occur because of the company's operations. All employees are responsible for complying to the initiatives launched at the premises as part of conservation practices.

We have been monitoring our efforts for our PEC Singapore (PEC SG) operation towards reducing our emissions and remain committed to optimize our energy footprint in our day-to-day operations. These are some of the actions taken towards this end:

- Installation of solar panels across our office premises to reduce our dependence on 'non-green' energy supplied by the grid.
- Promotion of recycling waste materials.
- Aircon temperature set at 24-degree Celsius.
- Achieve energy efficiency by
  - Installing motion sensors lighting (smart lighting system).
  - Shifting to LED lightings is ongoing.

We remain committed to increasing the adoption of renewable energy and other green initiatives. Our emissions cover scope 1 – direct emissions, and scope 2 – indirect emissions. The major energy source comes from diesel consumption by our vehicles and equipment and by our electricity consumption. Carbon emission is factored in all types of GHGs covered by the Kyoto Protocol: carbon dioxide (CO<sub>2</sub>), methane (CH<sub>4</sub>), nitrous oxide (N<sub>2</sub>O), hydrofluorocarbons (HFCs), perfluorocarbons (PFCs), sulphur hexafluoride (SF<sub>6</sub>) and nitrogen trifluoride (NF<sub>3</sub>). Each of these gases affect the atmosphere differently and remain in the atmosphere for different lengths of time. Rather than reporting on each gas separately, gases are expressed as a CO<sub>2</sub> equivalent (CO<sub>2</sub>e). In the calculation of our carbon emissions, we do so in line with the Greenhouse Gas Protocol Initiative. PEC uses the operational control method in the calculation.

Scope 1 emissions are direct emissions from sources within the operational boundary that are either owned or controlled by the company in this case PEC SG. Diesel usage as mobile combustion for our fleet of vehicles used for transportation between facilities and project sites and as stationary combustions to power some of our onsite equipment. PEC SG has started measuring our emissions since 2021.

#### Fuel Consumption and Emissions

Year	Scope 1 – direct emissions, diesel consumption (Litres)	Scope 1 – direct emissions, diesel consumption (Gigajoules)	Energy Intensity (gigajoules per Million-man hours)	Scope 1 – direct emissions (tonne CO <sub>2</sub> ) <sup>3</sup>
FY2023	1,177,247.70	43,028.40	2198.72	3,219.25
FY2022	976,274.50	35,263.03	1963.12	2653.29
FY2021	1,311,020.90	47,354.07	2216.32	3,563.05

#### Note:

- Fuel consumption is for both stationary and mobile combustion. Manhours recorded as on 30 June 2023 is 19,569,784.
- Energy and Emissions data only covers premises in Singapore.

<sup>3</sup> Conversion factor 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 = 74.343 kgCO<sub>2</sub>e/GJ for transport and 75.2427 kgCO<sub>2</sub>e/GJ for non-transport.

## Diesel Reduction Initiatives

In our endeavour to reduce the consumption of fossil fuels, PEC has planned to progressively replace its fleet of ICE (Internal Combustion Engine) lorries, buses, trucks to Electric Vehicles (EV) on or before 2040.

### Electricity Consumption and Emissions

Year	Scope 2 – direct emissions, diesel consumption (Litres)	Scope 2 – direct emissions, diesel consumption (Gigajoules)	Energy Intensity (gigajoules per Million-man hours)	Scope 2 – direct emissions (tonne CO <sub>2</sub> ) <sup>4</sup>
FY2023	2,260,094.00	8,136.34	415.76	916.92
FY2022	2,712,320.00	9,764.35	543.59	1,100.39
FY2021	1,846,286.00	6,646.63	311.08	749.04

**Note:** Environmental and emission data only covers premises in Singapore, there is no heating, cooling, or steam consumption. In the calculation of our carbon emissions, electricity emission factor is based on Singapore's Grid Emission factor by Energy Market Authority (EMA): 0.4057.

## Electricity Reduction Initiatives

PEC SG is constantly making efforts to reduce their dependence on the electricity by grid for their operations. In pursuit of this, PEC SG has installed solar panels on rooftops of 3 of its premises. By 2028, PEC group targets to reduce their emissions by 25% of the total emissions.

Other initiatives include the energy efficiency measures where PEC SG shall switch to smart lighting system, maintain the aircon temperature to 24 degrees and promote habit in employees to switch off the lights, aircons, printers when not in use and switch off computers/monitors when not required.

## Water and Effluents

[GRI 303]

Access to fresh water is essential for human life and wellbeing and is recognised by the United Nations (UN) as a human right. We recognise that the amount of water withdrawn and consumed by us, and the quality of our discharges can impact the functioning of the ecosystem around us. At PEC we understand the intertwined relationship with this resource for human life and businesses and strive to have a balance by not adding to the scarcity or quality of water.

Water is used at hydrostatic testing and washing of modules during blasting and load out at our operations. This year's water withdrawn is 39.06 megalitre of water with the water intensity at 2.00 megalitre per million man-hours. Our water source is from the tap provided by the water service provider in that country or region and is measured in terms on monthly invoices.

### Water Withdrawn

Year	Total water withdrawn (megalitre)	Water withdrawn intensity (megalitre per million man-hours)
FY2023	39.06	2.00
FY2022	38.87	2.16
FY2021	37.85	1.77

**Note:** Water data covers only premises in Singapore.

## Water reduction initiatives

We continue to monitor our water reduction initiatives which include water saving awareness posters at relevant places across our operations and periodic maintenance of the water system and leakages. PEC aims to look for available technological advancements in the market to optimise their consumption of water in the coming years.

4 Electricity emission factor is based on Singapore's Grid Emission factor by Energy Market Authority (EMA): 0.4057.

## SUSTAINABILITY REPORT

### Section 3: Material Topics

#### Waste

[Referencing GRI]

We at PEC understand that waste is an inevitable part for any business, and we are being a service provider and business partner for Engineering, Procurement, Construction and Maintenance Services for oil and gas industries, we have been tracking our hazardous and non-hazardous waste generated by our operations and from our offices and worksites.

Note: PEC belongs to the value chain of oil and gas providing engineering services and do not have actual operations of oil and gas industries. We generate insignificant amount of hazardous and non-hazardous waste from our operations.

At PEC SG we have a procedure to dispose of the hazardous waste. Our hazardous waste is disposed of in line with the Mandatory Waste Reporting procedures by National Environment Agency (NEA), we report the disposal of all solid and liquid hazardous waste to NEA's online portal as part of their Waste Resources Management System initiatives. There are two types of hazardous waste namely solid toxic waste and used hydraulic oil, which is stored in drums and disposed by an authorised waste collector. Our hazardous and

non-hazardous waste is very insignificant; however, we wish to disclose the hazardous waste data disposed and keep monitoring for any changes over the years. Our environmental policy provides a manual to conducting our business in a manner that protects the environment and as such, there was zero significant breaches of environmental regulations and spills.

Following table provides the details of the hazardous waste disposed of this year as per NEA guidelines.

#### Waste Data

Year	Total Hazardous Waste Generated (volume, Litres)
<b>FY2023</b>	<b>1,672</b>
FY2022	408
FY2021	3,580

**Note:** Waste data is presented is for PEC Singapore operations only.

# Supporting People and Communities

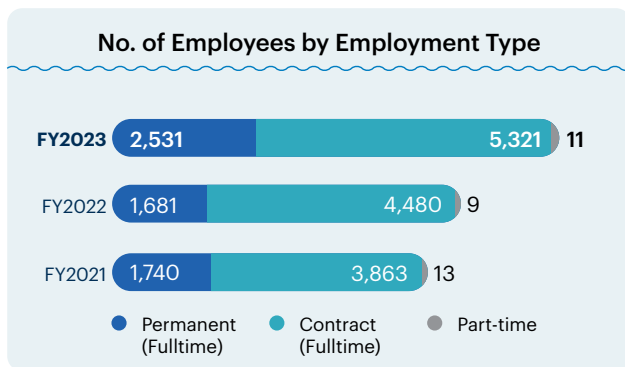
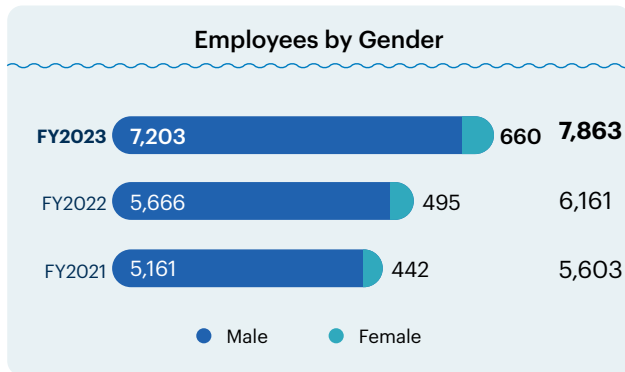
## Our People

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

Employees have always been the key pillar of the Group’s growth and success. We at PEC recognise that attracting and retaining talent are essential for us to grow and achieve our objective of sustainable business. Employees are employed under fair and equitable terms and are treated with dignity and respect.

Appreciation for our employee’s contribution is best represented by providing the safe and good working conditions including competitive compensation, insurance, medical, leave benefits. We actively seek to improve our approach to retain the talent and target to have low attrition and high retention rates for our employees.

### Employee Headcount at PEC



**Notes:**

- The total number of employees is as of 30 June 2023 of the reporting period.
- Employees by gender includes both local and foreign employees across the group.
- Full-time employees comprise of permanent and contract employees.

PEC do not have collective bargaining agreements. Employment terms are determined by labour legislation and personal employment contracts. PEC is committed to building a strong employee/employer relationship based on mutual trust and respect.

## Employment

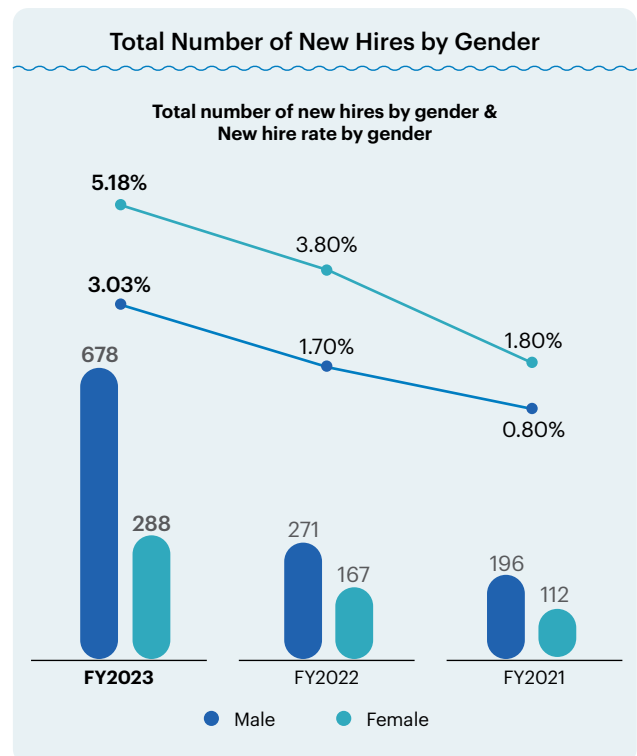
[GRI 401- a] – New Hires

Note: Employment section and numbers are for PEC Group.

PEC applies inclusive recruitment and fair employment practices. Our hiring process is emphasized on merit basis to attract diverse and qualified employees. We onboard people with right skills and technical capabilities regardless of gender, age, region, or any other classification.

PEC indicators on new hires, hiring rate, turnover rate and employee benefits are provided in the below tables. All the rate calculations under this material topic are based on PEC permanent employees only.

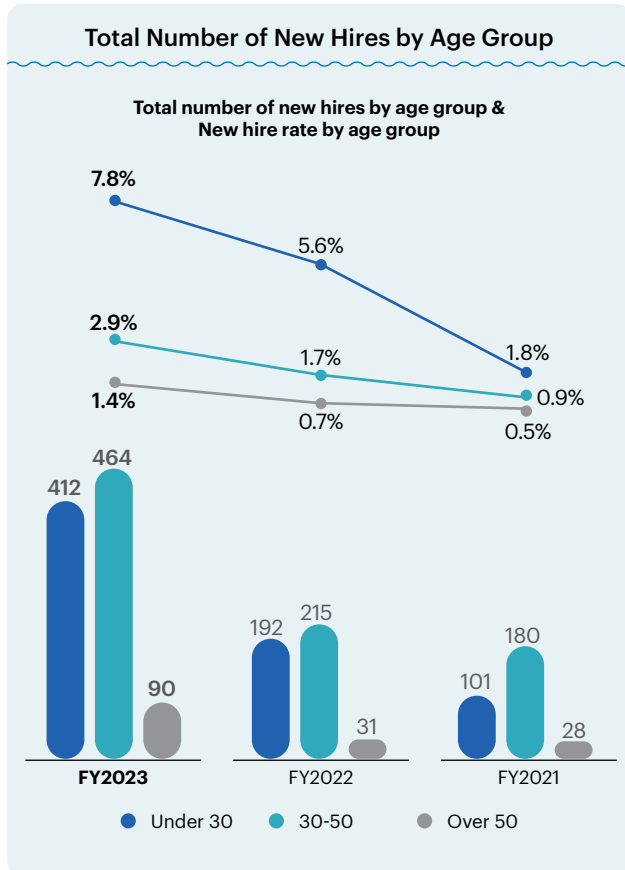
### Total Number of New Hires by Gender



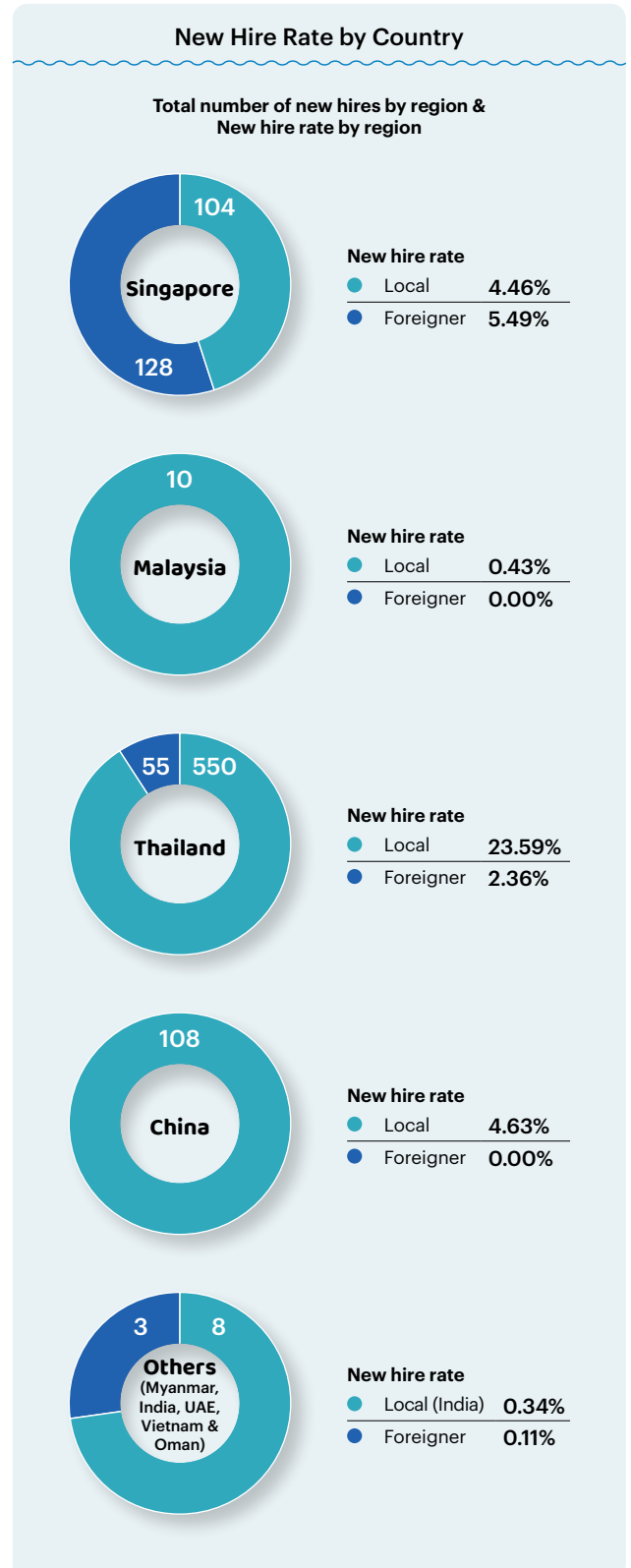
Note: Formula: Average monthly new hired (by gender)/Average monthly Permanent by Gender

**SUSTAINABILITY REPORT**  
**Section 3: Material Topics**

**Total Number of New Hires by Age Group**  
 Formula used: Average New hire/Average Perm Employees



**New Hire Rate by Country**  
 Formula used: Total New hire (Local/Foreigner) divided by Average monthly All Perm Staff

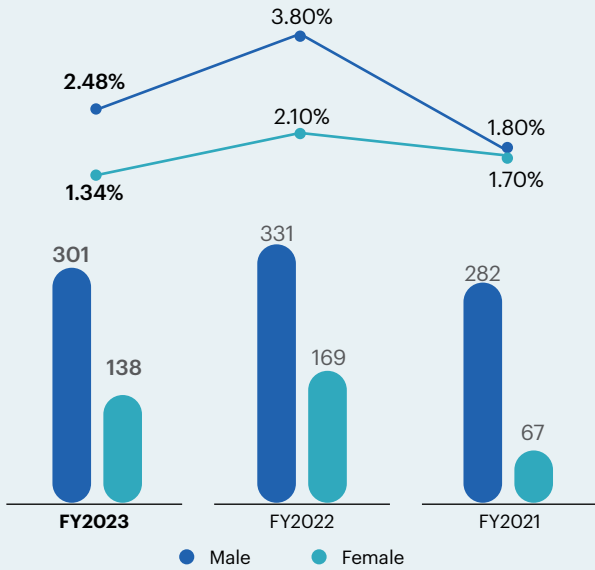


## Employee Turnover

[GRI 401-1b]

### Total Number of Employee Turnover by Gender

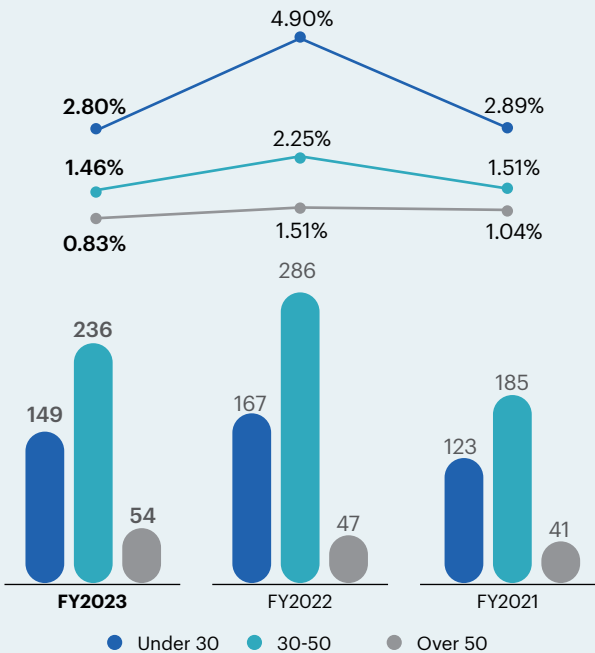
Total number of employee turnover by gender & Employee turnover rate<sup>17</sup> by gender



Note: Turnover rate is calculated based on the voluntary resignations

### Total Number of Employee Turnover by Age Group

Total number of employee turnover by age group & Employee turnover rate by age group

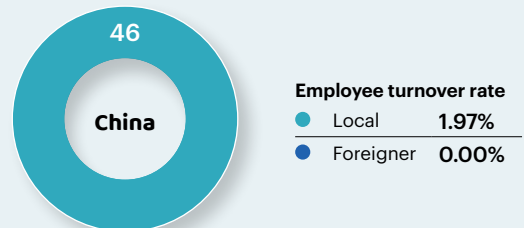
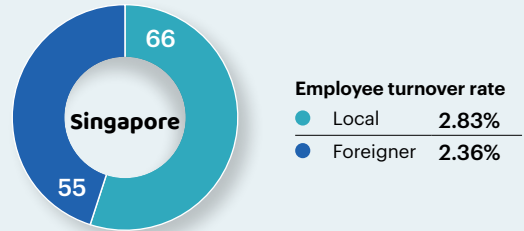


## Employee Turnover Rate by Country

Formula used: Total Resignee (Local/Foreigner) divided by Average monthly All Perm Staff

### Employee Turnover Rate by Country

Total number of employee turnover by country & Employee turnover rate by country



# SUSTAINABILITY REPORT

## Section 3: Material Topics

### Employee Benefits

[GRI 401 3a-e]

Our organizational policies provide parental leave entitlements for all our employees based on their contractual agreements and governmental guidelines.

#### Employees who took Parental Leave

PEC Level Disclosure	Male	Female
Total number of employees that took parental leave	138	37

**Note:**

- Parental Leave includes the following: Childcare Leave, Maternity Leave, Paternity Leave, Shared Parental Leave, Infant care Leave and Adoption Leave

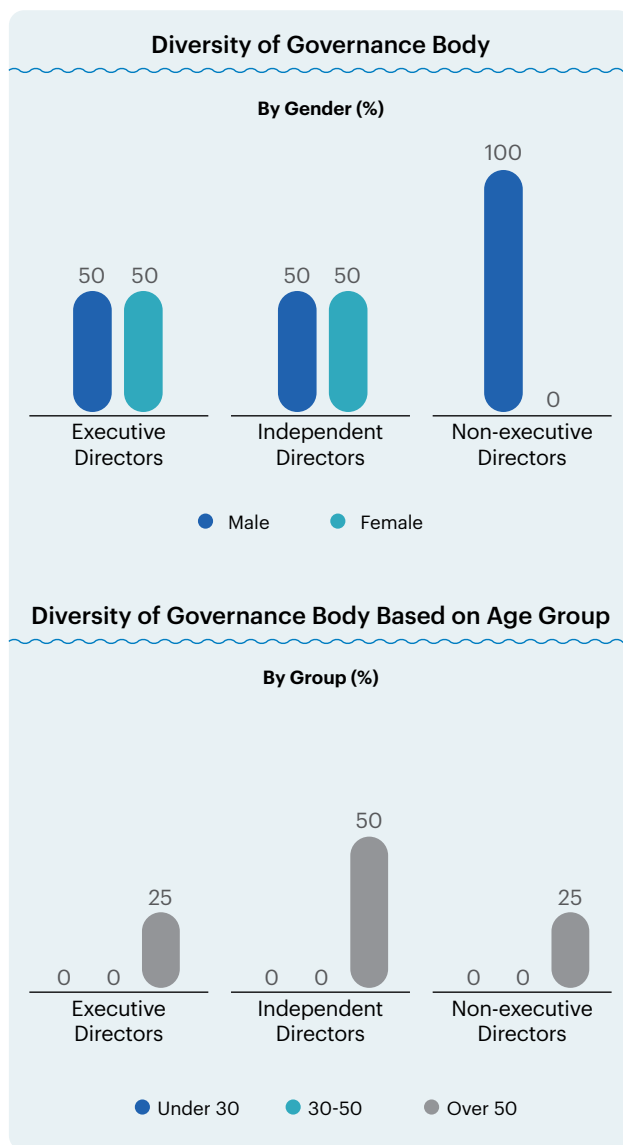
### Diversity and Equal Opportunity

[GRI 405]

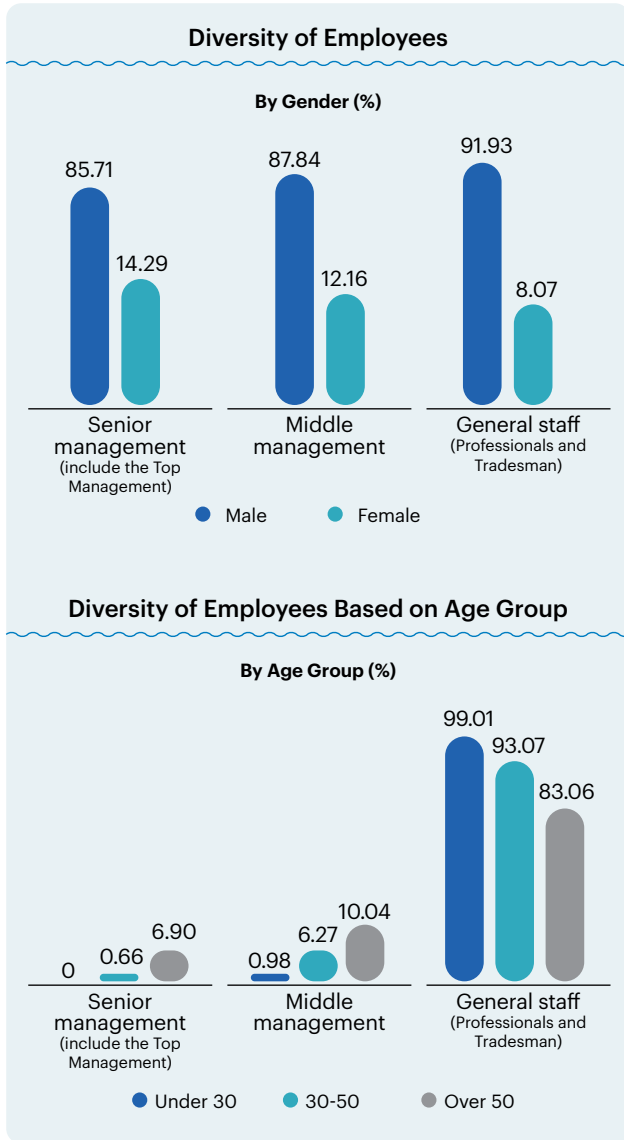
Note: Diversity and Equal Opportunity numbers are for PEC Group.

The Group recognizes the significance of embracing workforce diversity and inclusiveness in our business strategy. PEC provides equal opportunities and merit-based rewards regardless of age, gender, ethnicity, cultural background. We aim to make our workplace conducive for development and to attract and retain talents through fair and inclusive practices. Diversity has been shown to contribute to generate productivity in a company and increases its appeal for both existing and future employees.

We embed diversity, equity, and inclusion as an integral part of our business. Our workforce comprises of 91.61% of males and 8.39% of females. We promote the diversity at the Board level and our Board diversity policy defines PEC Group’s commitment to achieve an appropriate level of independence and diversity to cultivate a variety of demographic attributes and characteristics in the boardroom. Underpinned by this policy, the Board composition at PEC has been designed based on various aspects, including but not limited to gender, age, educational background, experience, skills, knowledge, independence, and length of service. The Nominating Committee of the Group will review this Policy from time to time as appropriate, to ensure the effectiveness of this Policy. Diversity of the Board and across the Group are depicted in the tables below.







**Note:** This topic is being disclosed from FY2023 onwards

## Training and Education

[GRI 404 - 1 to 3, 404-2 a, b]

*Note: Training and Education data is for PEC Singapore only*

Most important asset of our business is our human capital. Investing in learning and development of our employees enables the business to achieve its objective and targets. PEC Management acknowledges the fact that well trained and motivated workforce are key to Group's success. In Singapore, PEC is approved by the ITE, SSG and Ministry of Manpower (MOM) / Workplace Safety and Health Council (WSHC) to conduct and certify training on various skill sets for the process industry. Through our learning and development (LND) programmes for our employees, we hope to,

- Enhance competency through core skills training,
- Cultivate the company values, and
- Comply with the regulations.

Our LND policy helps to define the direction for type of trainings provided to our employees for them to meet the requirements in terms of occupational health and safety, environmental requirements, and applicable legal and subscribed requirements. Below is a non-exhaustive list of training courses provided for employees at PEC Singapore.

### Courses Provided for Employees

#### Trainings Provided

**Skills and WSH related courses** of Singapore Accreditation Council (SAC) under Learning Service Provider (LSP) scheme.

**Skills Future Singapore (SSG)** Approved Training Organization (ATO) scheme

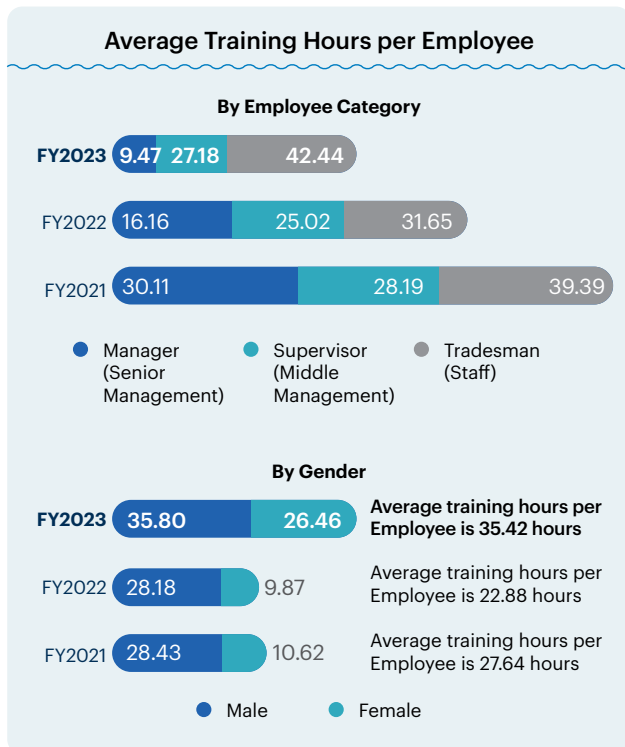
**On-the-Job Training (OJT)** under Certified On-the-Job Training Centre (COJTC) scheme by Institute of Technical Education (ITE).

# SUSTAINABILITY REPORT

## Section 3: Material Topics

The below tables provide the average training hours based on the gender and employee category. Percentage values are derived based on the total employees training hours which include resigned employees.

**Average Training Hours per Employee Category and Gender Unit – hours**

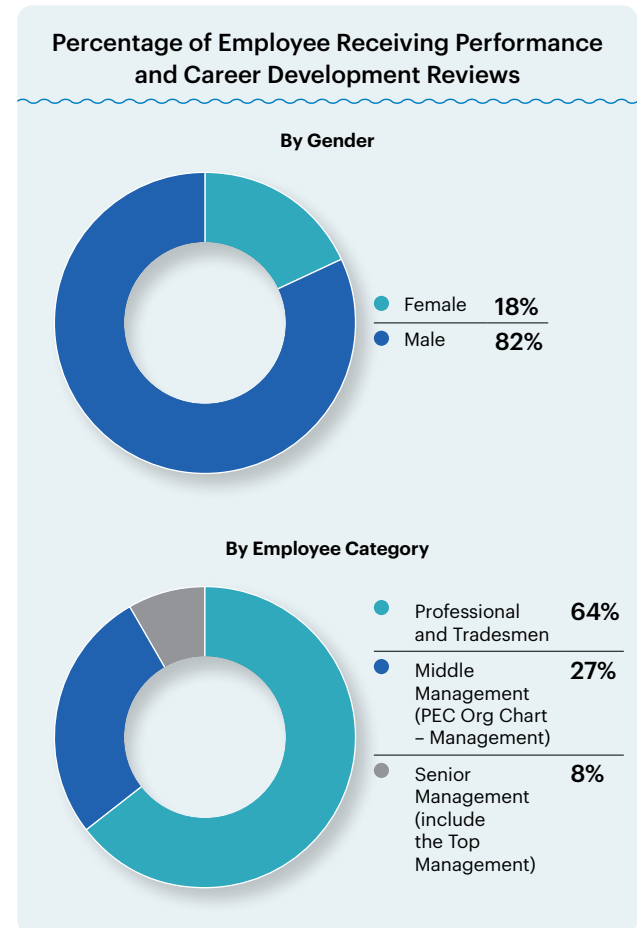


**Note:** Total training hours of PEC Singapore for FY2023 is 140,788.90 hours.

Other than the training programs for HSSE, technical, soft skills and miscellaneous trainings, employees can also upskill themselves through in-house courses and seminars as well as Microlearning that enable employees to learn at their own pace and time.

In addition, PEC consistently evaluates the performance of its employees. We firmly believe that this endeavour greatly contributes to the personal growth of our staff, thereby fostering skills management and the cultivation of human capital within our organization, which is crucial for a service provider like us. Furthermore, this initiative bolsters employee satisfaction by aligning their expectations with the company's future direction. Below, you'll find a table illustrating the scope of the APA system. The HR department plans to gradually expand this coverage in the upcoming years.

**Percentage of Employee Receiving Performance and Career Development Reviews.**



**Note:** Number of Employee Receiving Performance and Career Development Reviews data is for PEC and wholly owned subsidiaries in Singapore only

## Occupational Health and Safety (OHS)

[GRI 403]

Note: OHS data is for PEC Group

Health, Safety, and Security of the employees is of paramount importance for PEC. Our commitment to excellence in workplace safety is not only towards our employees, but also for customers and the communities. We have a robust Health, Safety, Security & Environment (HSSE) Policy that provides a clear framework for occupational health and safety risk management.

### Our Health, Safety, Security and Environment (HSSE) Management System

[GRI 403-1]

The HSSE Management Systems covers Engineering, Procurement, Construction, Maintenance and Project Management for Civil, Structural, Mechanical Equipment, Piping, Tankage, Pressure Vessel, Electrical System, and Instrumentation for Industrial Plants. PEC HSSE Management System adopted the OHS Management Systems (ISO 45001:2018), Environmental Management Systems (ISO 14001:2015) and the bizSAFE framework.

### Assessing Risks

[403-2]

Environmental Aspect Impact: Hazard Identification & Risk Assessment (AIRA) are reviewed periodically as a Group to ensure relevance and work crew are encouraged to propose control measures which can reduce the risk.

Incident is investigated to determine the root cause(s) and corrective actions are proposed for improvement and prevent recurrence. Incidents investigation reports are shared among the PEC Group HSSE Committee which include the subsidiaries and relevant control measures will be adopted to prevent similar incident.

Workers are encouraged to report safety observations from workplaces. They may raise their concerns in various communication channels or submit their observations directly through the PEC systems (PEC SMS GO App).

Workers are empowered to stop work for any unsafe work without reprisal. They are also encouraged to intervene fellow workers from taking unnecessary risks. When an incident happens, it will be reported via the

SMS GO App. Injured person shall be prioritized and taken care of. Subsequently an incident investigation team is formed, and the team will conduct an incident investigation through fact gathering, determine the root cause(s), propose corrective and preventive actions, prepare the incident report, and share the incident to the entire workforce and Corporate HSSE Committee.

### Occupational Health Services

[403-3]

Occupational health hazards were identified during the hazard analysis and risk assessment process and control measures were implemented to prevent and/or reduce the risk of exposure to health hazards. Occupational Health procedure was established to safeguard employee's health. Medical surveillance program is one of the monitoring measures. For example, the most common occupational health hazard is Noise-Induced Deafness (NID). Employees who are exposed to excessive noise will undergo annual audiometry test. Employees are provided with ear plugs before entering the operation sites, additional hearing protector, earmuffs are provided whenever required.

### Employee Participation, Consultation, and Communication on OHS

[403-4]

All employees are encouraged to participate and contribute to PEC's HSSE Management Systems. Various communication platforms are provided to facilitate the communication between the management and workers, for examples HSSE committee meetings, daily toolbox meeting, pre-task talk, BBSO submission, SMSGo, etc. Refer to Figure 5

In PEC, the HSSE committee meeting, is conducted monthly. At corporate level, the Corporate HSSE Committee consists of the Site-in-charge, the HSSE leaders from all operation sites and subsidiaries including the overseas subsidiaries, and the in-house team representative. The committee will review the HSSE performance, discuss key findings, make decision to implement corporate-wide initiatives during the meeting. Subsequently, site/subsidiaries will disseminate the information to the site HSSE committee members and communicate important information to the entire workforce. Workers are represented by the in-house team leader and the HSSE leaders in the committee meeting.

## SUSTAINABILITY REPORT

### Section 3: Material Topics



Figure 5 Employee Participation in HSSE Management



Figure 6 Employee Participation in Fruits Day; Nature Walks; Rock Climbing

#### Employee Training on OHS

[403-5]

Based on PEC’s training procedure, all employees are trained prior to perform their assignment. Site Learning Plan is established to determine the required training for employees based on their scope of work. Training records are uploaded to the Learning Management System (LMS) and training status can be monitored through the LMS.

#### Promotion of Employee Health

[403-6]

HR procedure (Medical Consultation) defines that all employees are entitled to the medical benefit based on their employment.

Workplace Health Promotion (WHP) team is established and WHP programs are planned for the entire year. All employees are encouraged to participate the health programs. Examples of health programs are the nature walks, gym, kayaking, bowling tournament, health talks, health check-ups, etc. Refer to Figure 6

Mental well-being is important, and PEC has established the PECare where PECare Champions and Coaches are trained to provide support to employees. Employees who require specialised assistance in terms of mental health issues will be referred to professional counsellors.

#### Prevention and Mitigation of Occupational Health and Safety Impacts Directly Linked by Business Relationships

[403-7]

In PEC we emphasize employees’ engagement. Workers occupational health and mental wellbeing were taken into consideration in projects planning and employees’ deployment ensuring optimization of resources.

#### Workers Covered by an OHS Management System

[403-8]

Subcontractors HSSE performance is assessed prior to engaging their service. Subcontractors’ workers shall comply with PEC and its client’s HSSE requirements which are communicated through the site-specific Safety Induction Course /equivalent.

#### Work-related Injuries and Ill Health

[GRI 403-9, 403-10]

Work-related injuries are any unintended event that occurs in the course of work (excluding domestic work) that leads to an injury. Injuries such as Hand/Finger injury are the common injuries at PEC which are caused due to pinch points. The hazards are identified, and control measures are implemented. HSSE Campaign on Stored Energy and Line of Fire was conducted Group-wide to enhance employees’ knowledge on such hazards and risks. PEC ensures the incidents are investigated, root cause is identified, and Corrective Actions and Preventive Actions (CAPA) addressed to close the gap. PEC is striving to achieve and maintain the target of zero fatalities at the workplace.

### Work-Related Injuries.

	FY2023	FY2022	FY2021
Operations and scope of workers	Employee	Employee	Employee
Number of fatalities by work-related injury	1	0	1
Rate of fatalities by work-related injury	0.05	0	0.06
Number of high-consequence work-related injuries (Excluding fatalities)	0	2	3
Rate of high-consequence work-related injuries (Excluding fatalities)	0	0.11	0.14
Number of recordable work-related injuries	5	3	7
Rate of recordable work-related injuries <sup>8</sup>	0.26	0.17	0.39
Number of hours worked	19,569,784.00	17,962,705.00	21,366,103.00

**Note:** OHS section is using the MOM definition of safety.

### Workplace Report and Statistics

	FY2023	FY2022	FY2021
Total Man-hours	19,569,784.00	17,962,705.00	21,366,103.00
No. of Lost Time Incident	2	2	4
No. of Workdays Lost	43	17	110
Accident Frequency Rate (AFR)/Lost Time Injury Frequency Rate (LTIF)	0.10	0.11	0.19
Accident Severity Rate (ASR)/ Lost Time Incident Severity Rate (LTIS)	2.20	0.95	5.15
Workplace Injury Rate (WIR) / Lost Time Injury Rate (LTIR)	0.02	0.02	0.04

**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.
- Restricted Work Case (RWC) - Injured Person granted with MC for light duty; or medical leave for 3 days or less; or unable to perform his normal duty and need to reassign other duties during is course of work.
- Formulas used
  - LTIF = (Number of LTI x 1,000,000)/Total Exposure Manhour
  - LTIR = (Number of LTI x 200,000)/Total Exposure Manhour
  - LTIS = (Number of Lost days x 1,000,000)/Total Exposure Manhour
- Medical Treatment Case (MTC) - Injured Person given medical treatment (more than first aid) from professional physician.

<sup>8</sup> Rates are calculated based on 1,000,000 and 200,000 hours worked.

# SUSTAINABILITY REPORT

## Section 3: Material Topics

### Health and Safety Performance

#### Awards/Certificates from Workplace Safety and Health Council (WSH)

This year PEC together with its subsidiaries have been recognised by Workplace Safety and Health (WSH) Council, Singapore again for its efforts in maintaining high standards of safety and health at its worksites.

WSH Performance Award is the award which recognises companies with good safety and health performance, workplace safety and health management systems.

This year the Group has won a total 11 WSH awards from Workplace Safety and Health Council. The awards list is provided in the table below.

### Awards & Certification List

<b>bizSAFE Partner Certification</b>	<b>One Workplace Safety &amp; Health Performance Awards (GOLD)</b>	<b>One Workplace Safety &amp; Health Performance Awards (SILVER)</b>	<b>Six Safety &amp; Health Award Recognition for Projects (SHARP) Awards</b>
<b>One Workplace Safety &amp; Health Innovation Award (GOLD)</b>	<b>One Workplace Safety &amp; Health Innovation Award (SILVER)</b>	<b>One Workplace Safety &amp; Health Innovation Award (BRONZE)</b>	

Awarding Authority / Accrediting Body  
**The Workplace Safety & Health Council**

# Independent Assurance Statement

To the management of PEC LTD.

PEC Ltd (“PEC”) engaged CSRWorks International Pte Ltd (“CSRWorks”) to provide independent assurance of its Sustainability Report 2023 (“the Report”). The Report covers PEC’s operations from 1 July 2022 to 30 June 2023. This statement presents our opinion as independent assurance providers.

## PEC Ltd’s Responsibility

PEC was responsible for preparing the Report and collecting, collating, analysing, and presenting all information and data provided in the Report. PEC’s responsibility included establishing and maintaining internal controls over systems and processes that generate data and information contained in the Report.

## Our Responsibility

Our responsibility was to provide independent assurance of this Report according to terms of reference agreed with PEC. Our responsibility regarding this assurance engagement is only to the management of PEC.

## Assurance Criteria

The assurance engagement was undertaken in accordance with:

- The principles and requirements established in the AA1000 Assurance Standard v3 (AA1000AS v3).
- Global Reporting Initiative’s GRI Standards.

## Assurance Type and Scope

CSRWorks provided Type 2 assurance in accordance with the AA1000AS v3. CSRWorks provided a Moderate level of assurance of 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 the Report. Evidence gathering was primarily from internal sources and was restricted to management levels.

The scope of our assurance engagement, as agreed with PEC, included the review and verification of sustainability policies, practices, initiatives, and performance presented in the Report, an assessment of underlying management and reporting processes in accordance with the GRI Standards and an evaluation of the Report’s adherence to the GRI Standards 2021 and verification of standard disclosures indicated in the GRI Content Index in the Report.

## Assurance Objectives

The assurance engagement’s objectives were to:

- Review adherence to the AA1000 AP (2018) Principles of Materiality, Inclusivity, Responsiveness, and Impact;
- Review adherence to the GRI Standards as stipulated in the GRI Standards 2021;
- Content verification corresponding to General Disclosures and the Topic Specific Standards included in the GRI Content Index in the Report;
- Review of sustainability policies, initiatives, practices, and performance described in the Report;
- Verification of the reliability, accuracy, and completeness of FY2023 qualitative and quantitative sustainability performance data presented in the Report;
- Review and assess the processes, methods, and tools for gathering, analysing, and reporting quantitative and qualitative sustainability information provided in the Report.

## Methodology

This engagement was carried out from 1 September to 22 September 2023. CSRWorks adopted a comprehensive approach to carry out the assurance engagement by examining and seeking evidence for each GRI Standard Disclosure provided in the Report. We also assessed the robustness of the underlying data management processes, focusing on quality controls and data reliability in the Report. To obtain sufficient evidence for us to give a moderate level of assurance and to arrive at conclusions and recommendations, we undertook the following activities:

1. Conducting desk review of the Report draft to assess adherence to the GRI Standards 2021 and identify the GRI Standard Disclosures covered in the Report for verification.
2. Developing an engagement plan based on the desk review that included the GRI General Disclosures and material Topic Specific Standards in the Report for verification.
3. Conducting extensive interviews with 13 Executives at PEC’s headquarters, including the Director of Human Resource and Health, Safety, Security & Environment (“HSSE”) Manager, Corporate Services Manager, Learning and Development Manager, and Contract and Procurement Manager.
4. The interviews focused on reviewing PEC’s policies, principles, strategies, governance, and approaches

## SUSTAINABILITY REPORT

### Section 3: Material Topics

to managing material issues and PEC's processes for gathering, compiling, analysing, and monitoring performance data.

5. The engagement process, including interviews and the verification of performance data and underlying data management processes and practices, was conducted remotely through virtual platforms.
6. Testing of limited samples of data points, documents, records, and information, including the following material areas from the GRI Content Index of the Report to collect and evaluate evidence to support the assurance engagement undertaken:
  - **Economic topics:** Anti-corruption (GRI 205-2, GRI 205-3), Economic performance (GRI 201-1)
  - **Environmental topics:** Energy (GRI 302-1, GRI 302-3), Water and effluents (GRI 303-1, GRI 303-3), Emissions (GRI 305-1, GRI 305-2, GRI 305-4)
  - **Social topics:** Employment (GRI 401-1, GRI 401-3), Training and Education (GRI 404-1, 404-2, GRI 404-3), Occupational Health and Safety (GRI 403-1 to GRI 403-9), Diversity and Equal Opportunity (GRI 405-1)
  - **GRI referenced topics:** Waste (GRI 306-3)
  - **Non GRI topics:** Local communities, Customers
7. Reviewing random samples of source data for verifying PEC's information management systems and processes, focusing on the reliability of data reported according to the requirements of AA1000AS v3 and the GRI Standards 2021. The assessment of data reliability included a review of completeness and accuracy and the methods, practices, and tools used in collecting, collating, analysing, and reporting data and information. The assessment also included a review of internal quality control, data traceability, and calculations testing.

#### Limitations

Our assurance engagement and scope of work did not include verification of:

- Financial data other than that related to environmental, social, and economic performance.
- Information already verified by PEC's Annual Report
- The adequacy or effectiveness of PEC's strategy or management of sustainability issues
- Initiatives under planning and forward-looking statements
- Description of goals and targets
- Any historical data and information presented in the Report for the purpose of comparisons.
- Disclosure on climate-related risks and opportunities

in line with the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations

A moderate assurance provides a relatively lower level of confidence in an organisation's disclosure than a high assurance due to the limited depth of evidence gathering as well as basic sampling at lower levels.

#### Competencies and Independence

CSRWorks has the required competencies, experience, and skills to conduct assurance engagement. It is a leading provider of sustainability services focused on advisory, training and thought leadership. 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. CSRWorks applies a strict independence policy and confirms its impartiality in delivering this assurance engagement. CSRWorks did not work with PEC on any engagement in the reporting year that could compromise the independence or impartiality of our findings, conclusions, and recommendations.

#### Adherence To AA1000 Principles

**Materiality:** We observed that PEC has a good understanding of its material issues and boundaries and provides a good explanation of its sustainability context. PEC conducted a materiality assessment during the reporting based on various sources including the outcome of the stakeholder survey and peer benchmarking. It identified and prioritised nine material topics that matter most to PEC and its stakeholders. PEC's policies, operating procedures and monitoring mechanisms continue to reflect these priorities in a coherent manner.

**Inclusivity:** Evidence obtained across the interviews suggests that a wide range of channels are made available to PEC's key stakeholder groups. These platforms allow PEC to engage its stakeholders on an ongoing basis and take their concerns into the Company's decision-making process. PEC's efforts to regularly engage its key stakeholders are evident in the online stakeholder engagement survey, customer satisfaction surveys, supplier site visits and audits, the Occupational Health, Safety, Environmental, Quality and Security (OHSEQS) Committee meeting and monthly HSSE committee meetings. The HSSE committee comprises the management, worker representatives and supervisors to enable their participation and ensure key issues on workplace health and safety are addressed in a collective and consultative manner.



**Responsiveness:** PEC's sustainability strategies and policies and targets stem from the company's understanding of material topics, regulatory contexts, and stakeholder expectations, making its overall approach responsive. For instance, PEC's Learning and Development policy and procedures provide guidance on employee trainings to meet their professional requirement and respond to their needs. Newly introduced SMS GO Application allows employees' direct online submission of safety concerns, while various operational procedures including emergency response plan enables PEC to respond to its key priorities and material issues in a timely manner.

**Impact:** PEC has adopted mechanisms and approaches to monitor, measure, and be accountable for its actions affecting its broader ecosystems. In addition to HSE Management System, we observed a diverse set of third-party certifications, internal procedures, and procurement process to promote sustainability was evident across PEC's value chain. Evidence also suggests that there is a combination of various data management platforms and internal checks to ensure robust monitoring and measuring of the performance on key sustainability issues.

### Recommendations for Improvement

We have submitted a confidential report to PEC management that contains recommendations for improvement in the future. These recommendations do not affect our conclusions on the Report as stated below.

### Conclusion

In CSRWorks' opinion, based on the engagement carried out, PEC's Sustainability Report 2023 provides a fair and reliable account of its material issues, sustainability strategies, management approach and performance. Based on our work, PEC's Report has met the conditions for a reasonable adherence to the AA1000 AP (2018) Principles and the GRI Standards 2021.

On behalf of the assurance team  
26 September 2023 | Singapore



**Rajesh Chhabara**  
Managing Director  
CSRWorks International Pte Ltd



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**SUSTAINABILITY REPORT**  
**Section 3: Material Topics**

**GRI Content Index**

**Statement of use**

PEC has reported in accordance with the GRI Standards for the period 1 July 2022 to 30 June 2023.

GRI Standard	Disclosure	Reasons for Omission	Page number(s) and/or URL(s)	SGX Requirement
<b>GENERAL DISCLOSURES</b>				
GRI 2: General Disclosures 2021	2-1 Organizational details		Page 1	
	2-2 Entities included in the organization's sustainability reporting		Page 2	
	2-3 Reporting period, frequency, and contact point		Page 2	
	2-4 Restatements of information		Page 2	
	2-5 External assurance		Page 2	
	2-6 Activities, value chain and other business relationships		Page 1	
	2-7 Employees		Page 27	
	2-8 Workers who are not employees		Page 27	
	2-9 Governance structure and composition		Page 6	
	2-10 Nomination and selection of the highest governance body		Page 6	
	2-11 Chair of the highest governance body		Page 6	
	2-12 Role of the highest governance body in overseeing the management of impacts		Page 15	
	2-13 Delegation of responsibility for managing impacts		Page 15	
	2-14 Role of the highest governance body in sustainability reporting		Page 7	
	2-15 Conflicts of interest		Page 8	
	2-16 Communication of critical concerns		Page 23	
	2-17 Collective knowledge of the highest governance body		Page 6	
	2-18 Evaluation of the performance of the highest governance body		Page 6	
	2-19 Remuneration policies		Page 6	
	2-20 Process to determine remuneration		Page 7	
	2-21 Annual total compensation ratio		Page 7	
	2-22 Statement on sustainable development strategy		Page 5	
	2-23 Policy commitments		Page 9	
	2-24 Embedding policy commitments		Page 9	
	2-25 Processes to remediate negative impacts		Page 9	
	2-26 Mechanisms for seeking advice and raising concerns		Page 9	
	2-27 Compliance with laws and regulations		Page 9	

GRI Standard	Disclosure	Reasons for Omission	Page number(s) and/or URL(s)	SGX Requirement
	2-28 Membership associations		Page 22	
	2-29 Approach to stakeholder engagement		Page 19	
	2-30 Collective bargaining agreements		Page 27	
GRI 3: Material Topics 2021	3-1 Process to determine material topics		Page 15	
	3-2 List of material topics		Page 20	PN7.6-4.4.1. a.
<b>ECONOMIC PERFORMANCE</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics		Page 20	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed		Page 23	
	201-2 Financial implications and other risks and opportunities due to climate change		Page 18	
	201-3 Defined benefit plan obligations and other retirement plans		Page 18	
	201-4 Financial assistance received from government		AR Page 67 & 73	
<b>ANTI-CORRUPTION</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics		Page 20	PN7.6-4.4.1. c. PN7.6-4.4.1. d. PN7.6-4.4. LR711B-1 b & c
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	The anti-corruption policy pertains to our entire group as a whole and not to individual operations	Not Applicable	
	205-2 Communication and training about anti-corruption policies and procedures		Page 23	
	205-3 Confirmed incidents of corruption and actions taken		Page 23	
<b>ENERGY</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics		Page 20	PN7.6-4.4.1. c. PN7.6-4.4.1. d. PN7.6-4.4. LR711B-1 b & c
GRI 302: Energy 2016	302-1 Energy consumption within the organization		Page 24 & 25	
	302-2 Energy consumption outside of the organization	PEC has currently established the data collection process exclusively for its operations in Singapore.	Not Applicable	
	302-3 Energy intensity		Page 24 & 25	
	302-4 Reduction of energy consumption		Page 24 & 25	
	302-5 Reductions in energy requirements of products and services		Page 24 & 25	

**SUSTAINABILITY REPORT**  
**Section 3: Material Topics**

GRI Standard	Disclosure	Reasons for Omission	Page number(s) and/or URL(s)	SGX Requirement
<b>EMISSIONS</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics		Page 20	PN7.6-4.4.1. c. PN7.6-4.4.1. d. PN7.6-4.4. LR711B-1 b & c
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions		Page 24 & 25	
	305-2 Energy indirect (Scope 2) GHG emissions		Page 24 & 25	
	305-3 Other indirect (Scope 3) GHG emissions	PEC will initiate the establishment of the data collection process for scope 3 in the upcoming years.	Information Unavailable	
	305-4 GHG emissions intensity		Page 24 & 25	
	305-5 Reduction of GHG emissions		Page 24 & 25	
	305-6 Emissions of ozone-depleting substances (ODS)	Not relevant to the industry's nature.	Not Applicable	
	305-7 Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	Not relevant to the industry's nature.	Not Applicable	
<b>WATER AND EFFLUENTS</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics		Page 20	PN7.6-4.4.1. c. PN7.6-4.4.1. d. PN7.6-4.4. LR711B-1 b & c
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource		Page 25	
	303-2 Management of water discharge-related impacts	Not relevant to the industry's nature.	Not Applicable	
	303-3 Water withdrawal		Page 25	
	303-4 Water discharge	Not relevant to the industry's nature.	Not Applicable	
	303-5 Water consumption		Page 25	
<b>EMPLOYMENT</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics		Page 20	PN7.6-4.4.1. c. PN7.6-4.4.1. d. PN7.6-4.4. LR711B-1 b & c
GRI 401: Employment 2016	401-1 New employee hires and employee turnover		Page 27 – 29	
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees		Page 27	
	401-3 Parental leave		Page 30	
<b>DIVERSITY AND EQUAL OPPORTUNITY</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics		Page 20	PN7.6-4.4.1. c. PN7.6-4.4.1. d. PN7.6-4.4. LR711B-1 b & c
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees		Page 30 & 31	
	405-2 Ratio of basic salary and remuneration of women to men	Confidential		

GRI Standard	Disclosure	Reasons for Omission	Page number(s) and/or URL(s)	SGX Requirement
<b>TRAINING AND EDUCATION</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics		Page 20	PN7.6-4.4.1. c. PN7.6-4.4.1. d. PN7.6-4.4. LR711B-1 b & c
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee		Page 32	
	404-2 Programs for upgrading employee skills and transition assistance programs		Page 31	
	404-3 Percentage of employees receiving regular performance and career development reviews		Page 32	
<b>OCCUPATIONAL HEALTH &amp; SAFETY</b>				
GRI 3: Material Topics 2021	3-3 Management of material topics		Page 20	PN7.6-4.4.1. c. PN7.6-4.4.1. d. PN7.6-4.4. LR711B-1 b & c
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system		Page 33	
	403-2 Hazard identification, risk assessment, and incident investigation		Page 33	
	403-3 Occupational health services		Page 33	
	403-4 Worker participation, consultation, and communication on occupational health and safety		Page 33	
	403-5 Worker training on occupational health and safety		Page 34	
	403-6 Promotion of worker health		Page 34	
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships		Page 34	
	403-8 Workers covered by an occupational health and safety management system		Page 34	
	403-9 Work-related injuries		Page 35	
	403-10 Work-related ill health		Page 34 & 35	

## Sector Specific Topics Content Index

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		Page 24 & 25
	Topic 11.2 Climate adaptation, resilience, and transition		Page 15 – 18
	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		Page 26
	Topic 11.6 Water and effluents		Page 25
	Topic 11.7 Closure and rehabilitation	PEC primarily engages in providing engineering services for the energy industries. Therefore, this topic does not hold material significance for the Group.	
	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		Page 33 – 35
	Topic 11.10 Employment practices		Page 27 – 30
	Topic 11.11 Non-discrimination and equal opportunity		Page 30
	Topic 11.12 Forced labour and modern slavery	PEC primarily engages in providing engineering services for the energy industries. Therefore, this topic does not hold material significance for the Group.	
	Topic 11.13 Freedom of association and collective bargaining	PEC primarily engages in providing engineering services for the energy industries. Therefore, this topic does not hold material significance for the Group.	
	Topic 11.14 Economic impacts		Page 23
	Topic 11.15 Local communities	PEC primarily engages in providing engineering services for the energy industries. Therefore, this topic does not hold material significance for the Group.	
	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.	
	Topic 11.17 Rights of Indigenous peoples	PEC primarily engages in providing engineering services for the energy industries. Therefore, this topic does not hold material significance for the Group.	
	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	PEC primarily engages in providing engineering services for the energy industries. Therefore, this topic does not hold material significance for the Group.	
	Topic 11.20 Anti-corruption		Page 23
	Topic 11.21 Payments to governments	PEC primarily engages in providing engineering services for the energy industries. Therefore, this topic does not hold material significance for the Group.	
	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.	