

SUSTAINABLE DEVELOPMENT REPORT

PESTECH's approach towards sustainability includes focusing on developing and creating sustainable energy generation for development and construction of electrical infrastructure in service to the community all around the globe, which resonates with its vision to be 'Consistently Dependable & Value Add as a Sustainable Electrical Infrastructure Builder'. Delivering quality and reliable works remain at the forefront of PESTECH's effort in energising growth sustainably.

Acknowledging the need to shift towards sustainable electric generation, the Board and management commits to drive change through innovation in reinforcing sustainability in the operations and management of our businesses. The strategy is to commit resources and investment into development of skills to deliver sustainable engineering solution in our works. Our focus area include incorporating sustainable construction method in all our works, monitoring impact on environment, and engaging in economic activities that will reduce carbon footprint in the continuous urbanisation and growth of the community we work in.

Amidst the pandemic year of 2020 to 2021, PESTECH continues to make great strides in embracing sustainability:-

- We acquired a significant stake in Green Sustainable Ventures (Cambodia) Co. Ltd. ("GSV") to invest in a large scale solar ("LSS") project in Cambodia. The construction is handled by PESTECH (Cambodia) PLC ("PCL") and is targeted to commission by November 2021. On completion, the 20MW solar plant will be injecting renewable green energy power supply to Svay Rieng province, a rural province that is composed of eight (8) districts and subdivided into 80 communes.
- We continue to offer Renewable-Based Microgrid Solutions using Super Capacitor Energy Storage and Hydrogen Self Recharging Fuel Cells ("Hydrogen SRFC") to serve the rural electrification needs. During the year, our subsidiary, PESTECH Energy Sdn. Bhd. ("PEN") had signed a Contract Agreement with Sarawak Energy Berhad ("SEB") to work together on a research project to explore clean alternative energy solutions to replace diesel generators or other chemical based energy storage solutions predominantly used in rural electrification substituting them with green hydrogen and capacitive storage technology.

- We powered up our head office and Bukit Beruntung factory in the near future, with rooftop solar installation and will continue deploying clean energy at places where we operate.
- We identify more locations to roll out our Electric Vehicle ("**EV**") charging system with continuous technology improvements in line with the low carbon mobility objectives and Government's initiatives to strengthen the local EV industry and green technology ecosystems.
- We mandate recycling program in our activities and offices by monitoring and sorting production and project waste other than paper and plastics. Recently the Group also initiated an E-Waste Collection Drive at offices and sites to keep harmful materials out from the environment and possibly to recycle rare metals in old gadgets and devices.
- We put in place stringent procedures and controls in navigating through the challenging time of Covid-19 pandemic as the health and safety of our employees remain our top priority.
- We rethink the ways we work, engage with each other and serve our customers during pandemic. We invest and accelerate the use of information technology in tandem with our growth in the region. Deployment of information technology making efficient change as an alternative to travel, which means we contributed lower carbon emissions and use less papers.
- We continue to execute our corporate social responsibilities within the underlying thrust of CARE programs to contribute back to the society despite pandemic.

SUSTAINABILITY GOVERNANCE

The Board of Directors ("**the Board**") acts as the main drivers of the governance of sustainability structure. The Board sets a strong tone from the top highlighting critical role of sustainability for value creation to its stakeholders and that all Governance and Economic, Environment and Social ("**EES**") matters shall be integrated into the Group's business strategies. The governance for sustainability development is reported in the Corporate Governance Overview Statement of this annual report.

Assisting the Board with sustainability related matters is the Business Sustainability Working Group ("**BSWG**"). BSWG is responsible in developing sustainability strategies and programs targeted at relevant stakeholders. Among other duties of BSWG include researching and gathering data as well as monitoring the Group's sustainability performance by providing regular reports to the Board. This lines of reporting in which sustainability-related matters are to be brought up to the management is crucial for strategic decision making and effective implementation of programs across the entire business operation.

The Group adopts the following governance structure in developing and executing the sustainability agenda for the Group:-

Board of Directors

- Review and approve the Group's wide-integrated sustainability objectives and strategies in line with Group's strategic direction
- Discuss and agree on long term and short term goals for the Group by identifying and setting the relevant Sustainability Development Goals ("**SDGs**") for the Group in coherent with the business objectives
- Approve the annual sustainable development report by reviewing its applicability, execution and achievement versus the targets

Group CEO

- Review and discuss sustainability matters with the senior management and BSWG and work towards outlining the action plans to meet the Sustainability Development Goals and objectives set by the Board
- Discuss and monitor with the senior management and BSWG regularly on the applicability and execution of sustainability matters in the day-to-day operations of PESTECH
- Review the appropriateness and action plans constantly and devise the action plans, if so required, to meet the target set
- To review, analyse and report the Group's sustainability matters to the Board

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BSWG

- Identify and evaluate the Governance and EES risks along with the SDGs and objectives set by the Board
- · Responsible for stakeholders' management, material assessment and monitoring of sustainability initiatives
- Responsible for obtaining, gathering and analysing data and information from various departments and understanding of key sustainability matters of the respective departments

Various departments

• Responsible for management of sustainability matters by embedding sustainability initiatives into the day-to-day operation of PESTECH and to make sustainability, a culture of work and key matter to address in the businesses

The Board has currently implemented within the Group, various policies to ensure corporate governance is in place for sustainable development of the Group. Amongst others, these include the following:

- 1. Board Charter
- 2. Sustainability Policy
- 3. Corporate Disclosure Policy
- 4. Remuneration Policy
- 5. Directors' Code of Conduct
- 6. Whistle-Blowing Policy
- 7. Anti-Bribery and Anti-Corruption ("ABAC") Policy
- 8. Procurement Policy
- 9. Hedging Policy
- 10. Risk Management Policy and Guidelines Documents

ABAC Policy

ABAC Policy and Guidelines Documents were adopted with the aim to extend our commitment towards conducting our business ethically and with utmost integrity to all our operating locally and overseas.

This Policy requires all employees to comply with prevailing anti-bribery and corruption laws and regulations in Malaysia regardless of where we are operating and the applicable local laws and regulations in the country with our presence. PESTECH also expects that its any third party or its intermediaries (i.e., agents, representatives, suppliers, contractors, subcontractors, service providers, consultants and other stakeholders performing work or services for or on behalf of PESTECH) to adhere to relevant parts of this Policy when performing work and services together with PESTECH.

A Group Compliance Officer, Compliance Officers and Ombudsmen of the respective subsidiaries were appointed to review, monitor and provide guidance and support to the staff on matters relating to ABAC.

During the year, the Group had launched the online ABAC training follows with an assessment after training. All staffs are compulsory to attend the training and to meet the minimum score for passing the assessment test.

SUSTAINABILITY TARGETS

PESTECH sustainability development focuses on Economic, Environment and Social elements. These EES defined three pillars of sustainable development of the Group.

The three pillars drivers with clear governance processes are the central to PESTECH's strategic role in our businesses and operation management, targets are being set in relevance to these pillars conception:-

Governance

- Committing and reinforcing ethical business practices and upholding the confidence of shareholders and other stakeholders in the Company's integrity and to encourage high standards of honesty, integrity, ethical and law-abiding behaviour expected of Directors.
- Putting in place and constantly reviewing governance processes for day-to-day operations in its business to ensure there is an adequate check and balance to cultivate work integrity within the Group.
- Structured, balanced and transparent processes with clear limit of authority to ensure there is no unfettered decisions by any single person.

Strategic Pillars	Targets	Relevant UN SDGs
Economic	 Growing and expanding our businesses in the regions by incorporating sustainable construction method and technology into electrical gird development. Growing our participation into renewable and recycling energy businesses by leveraging market experience in the regions where we are operating to contribute towards renewable energy generation. Leveraging new technology and improving efficiency through innovative sustainable solutions and products. Bringing digital intelligent infrastructure and tools and equipment for sustainable smart city development. Promoting and construction of infrastructure for use in electric mobility solution including EV and electric rail. 	7 Structure were and structure converting structure structur
Environment	 Assessing environmental impact for our project through formal documented Environmental Management Report with information on ways to minimise its environmental impacts. Promoting the use of renewable and recycled tools and equipment at workplaces. Deploying the IT infrastructure for online meetings, data sharing and storage to reduce the necessity to travel, use of papers and any other apparatus. Preserving the availability of Green lungs in the environment whenever possible. 	3 ADDI HEADER
Social	 Providing employees with opportunities for personal and professional growth, as well as protecting their safety, health and well-being. Curbing workplace injuries by enforcing stringent standard operating procedures. Continuing our flagship CARE and scholarship programmes to contribute back to society. Maximising local communities engagement during the course of project implementation. 	1 Morente de la constant de la const

SUSTAINABILITY STATEMENT

PESTECH commits towards contributing to SDGs within its operations by setting goals and adopting programs that work towards fulfilling strict governance, sustainable economic development and social responsibility. The resources and human capital development of the Group will be skewed towards offering sustainable development of electrical infrastructure for the grid and transportation system.



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Sustainable electric infrastructure development is a key corporate focus for PESTECH to be consistently dependable and value add in the attainment of the SDG targets. We are in the verge of a paradigm shift of energy industry in a cross-cutting manner arising from the SDGs set by the United Nations.

Aligned with our mission to be Effective, Efficient and Excellent, we will focus on acquiring new innovative sustainable technology, know-how, mobility innovations and human capital development that will contribute to carbon footprints reduction and development of a sustainable built-up.

Transformations of our already established businesses, electrical power system and transmission line and cables are accelerated and ongoing to reinvent the ways we work in the call to action for sustainability globally.

Targets are set for PESTECH to harness its current strengths towards future sustainable electric generation in the fields of LSS Farm, Waste-to-Energy, Rural Electrification, Microgrid, smart energy solutions and electrical and infrastructure for transportation system.

LSS Farm : 20MW Solar Photovoltaic Power Plant: Bavet City, Svay Rieng, Cambodia

The Group successfully secured investment opportunity in its first LSS farm when PESTECH International Berhad, acquired 94% stake in GSV through its subsidiary company. GSV holds the 20 years concession Power Purchase Agreement over the development of a 20-megawatt alternative current (AC) large scale solar photovoltaic power plant in Bavet City, Svay Rieng Province.

PCL is tasked as its turnkey engineering, procurement, construction, and commissioning contractor deploying a completely green LSS farm. In our EPCC solution for the farm, we choose to use dry-type transformer instead of oil transformer in the farm. We do not connect the control and facility building of the farm to the electric grid, instead we invest in a microgrid in the LSS farm for its own consumption. We also invest in harmonic filtering facilities to ensure clean power is injected to the grid. These experiences enable PESTECH to benchmark a Green LSS as its solution to other LSS in the future.

In developing new solution for the renewable energy sector, we develop a unique transformer station product for use in the LSS under our subsidiary, PEN. The result is a compact dry-type transformer station complete with SCADA facility. This add-on to the green product profile that will contribute to sustainable development of electric generation.



The project has employed approximately 250 Cambodians over the course of the construction in the Svay Rieng Province, where most of the required employees are sourced from the community surrounding the project site. The supporting experience gain by the local community enable skill upgrades and open up new economic activities potential for the communities.

Environmental assessments were made for the above project where the anticipated environmental impact and mitigation measure, environmental management and monitoring plan during construction, operation and maintenance, commissioning and decommissioning phase are detailed in a formal documented report.

The Environmental Impact Assessments include, amongst others, the following:-

- Land clearing •
- Land use .
- Water management
- Emissions
- Traffic management •
- Waste management
- Occupational health and safety
- Climate change

Any impact assessed was well addressed with controls and mitigation measures, and with constant monitoring and follow-ups.





The solar farm is expected to go online by November 2021, bringing reliable and sustainable power supply to Svay Rieng province, a rural province that is composed of eight (8) districts and subdivided into 80 communes. The development in this area is projected to be taking up pace as it is a border town with Vietnam. The renewable energy injected will contribute positively towards development requirement of the area in a sustainable way.

Upon completion the contribution of the plant towards CO₂ reduction is on an average of 7,004 tCO₂ per annum.



Bavet solar farm.

Rural Electrification

The International Energy Agency ("**IEA**") recognises the role microgrid technology will play in electrification discourse across the globe, citing existing diesel microgrids that could be integrated with renewables and new microgrids that would ideally resist the use of any fossil fuel. The use of microgrids can reduce the country's reliance on diesel generators and power areas not reached by the current transmission and distribution system. In remote areas, "off-grid" versions, those that do not rely on the main utility grid to provide power to its network of electricity users, are used.

Microgrid technology, in essence, can potentially provide much-needed electricity access to remote areas in Southeast Asia while at the same time ensuring a resilient energy source notwithstanding the region's vulnerability to natural disasters. Thus far, Indonesia, Thailand, and Philippines, have existing mini-grids and microgrids to power island communities.

(Source: https://www.enlit.world/asia-feature-articles/microgrids-aseans-solution-to-more-sustainable-secure-reliable-energy-supply-for-all)

Our subsidiary, PEN has been in the bandwagon of RE since years back and actively explored for RE opportunities in the regions where there is electricity scarcity in rural areas. In collaborating with our technology partner, we developed the Microgrid solution utilising solar panel, super capacitors and hydrogen fuel cell. This innovative solution replaced lithium-ion battery and diesel genset used normally in the hybrid microgrid system. Our solution makes the Microgrid Green and sustainable in its lifetime.

During the year, PEN has executed several RE projects as below:-

Tapah Rural Electrification: A Life-Changing Project

After the success implementation of a Renewable-Based Microgrid Solution at Kampung Batu 23, Tapah for 24 families last year, PEN was given the opportunity to undertake the second phase installation of Renewable-Based Microgrid Solution focuses on the deployment of Hydrogen Self-Recharging Fuel Cells ("**SRFC**").

- The Hydrogen SRFC comprises electrolyser, fuel cell and storage vessel.
- Water and solar energy are pumped through an electrolyser, when the process of electrolysis happens, it breaks up oxygen and hydrogen.
- The oxygen will be released back to the atmosphere, while the hydrogen is being stored in the hydrogen tank. This Hydrogen is categorised as green hydrogen.
- The hydrogen stored in the storage is able to generate electricity through the hydrogen fuel cell for use by the villagers.
- The Hydrogen SRFC solution generates electricity by releasing moisture in the form of H₂O to the environment which is completely green and clean in the process.



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The second phase installation is expected to benefit the natives staying in the village for a total of nine (9) brick houses. They are now able to get access to affordable electricity as it is sustainable and cost-efficient solution due to its high durability and low maintenance cost, with a storage life cycle of 45 years at minimal replacement and disposal costs of the super-capacitor. With the electricity access, the community no longer needs to depend on candles and oil lamps.

The project brings life changing impact for the local community in Tapah albeit the value of the project. The accessibility to electricity now enabled the community to improve their standard of living and possibly economic activity that will improve their overall well-being.

Bringing Clean Energy to Rural Area of Sarawak

On 16 July 2021, PESTECH has signed a Contract Agreement with SEB on a research project to explore suitability use of clean alternative energy solutions to replace diesel generators and other chemical-based energy storage solutions predominantly used in rural electrification for Sarawak. The research focuses on suitability of the use of hydrogen and super-capacitors to power microgrids in remote areas via sustainable distributed energy resources. The Microgrid solution used in this joint research will be modularised with option to scale up and down based on localised power systems to meet exact energy demands at the various remote villages in Sarawak while minimising wastage. The source of raw material for the Microgrid solution to replace the diesel is the river water normally available near remote villages for the Hydrogen SRFC to convert water to energy.

The project aims to electrify off-grid communities to improve their standard of living through generation of reliable clean renewable energy that will not affect the environment they are staying in. Generally, the research project is expected to bring a significant impact on various aspects of the community's lives, including providing long-term economic benefits.





Rumah Bangau Song, Sarawak.

Rooftop Solar Initiatives

2020 marked a record-breaking year for renewable energy. Solar photovoltaics ("**PV**") will be at the forefront of this continued opportunity in 2021-2022, with renewable energy expected to account for 90% of new capacity expansion globally.

This period of accelerating growth is framed by a projected US\$6 trillion power sector investment between now and 2025, higher than the expected investment in oil and gas. This is largely driven by expansion in renewable energy.

Solar PV is now a mature and disruptive renewable energy technology, leading capacity additions around the globe. Annual installation of solar PV is expected to reach more than 160gw in 2022, almost 50% higher than in 2019. Rooftop solar is a critical element of this opportunity, unlocking the substantial generation capacity of building stock in Malaysia and across Southeast Asia.

Malaysia has already made some encouraging steps into the rooftop solar space. Net metering allocations have enabled rooftop solar users to benefit from self-generated electricity while selling excess energy back into the grid. With its favourable geographic position offering substantial irradiation, and significant urban rooftop estate, Malaysia is positioned to unlock even greater generation capacity in future. It is estimated that Malaysia's rooftop estate offers more than 4gw of solar potential across public, commercial and industrial rooftop spaces.

(https://www.theedgemarkets.com/article/growing-champions-malaysias-rooftop-estate-offers-valuable-solar-potential)

A dedicated in-house team was established to undertake solar opportunities around the region. Investment on hardware and software including human capital were injected into this segment of business to ready ourselves to take on any solar opportunities in the region. The team members were sent for training to obtain the required certifications and qualifications as per the regulatory requirements, to receive training on PVsyst formulation and performance ratios, engineering and design services, authority rules and regulations for different types of buildings as well as such other ancillary works related to rooftop solar, LSS and etc.

PESTECH had initiated its own installation of PV systems at its office rooftops under Net Energy Metering Scheme ("**NEM**") 3.0 introduced by the Government that encourages the usage of renewable energy in Malaysia.

The 114kWp rooftop solar installed at our Shah Alam's head office:-

- produced approximately 148,994 kWh from 6 July 2020 to 30 June 2021;and
- generated average of 408.2kWh per day for our Shah Alam's office

Since the installation of solar panel, the solar system generates electricity for use in our U5 office reducing the electricity bill by 65% on average.



The comparison for March and April 2020 shall not be represented due to the Movement Control Order imposed by the Government.

The solar rooftop was commissioned on 6 July 2020. Since installation, the total CO_2 reduction since operation until 30 June 2021 is 146.2 tonne CO_2 , thus reducing the carbon footprint, at the back of 148,994 kWh generated from the rooftop solar. It is therefore well proven that no new roof should be installed without solar panel.

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Bukit Beruntung Factory

Encouraged by the results generated from the U5's solar installation, we continue to deploy the solar rooftop renewable energy generation, using in-house know-how, to power up our Bukit Beruntung factory installing a 189kWp rooftop solar PV system under the Net Energy Metering ("**NEM**") scheme. The project is targeted to be completed by end of 2021.

The rooftop solar, upon completion, is expected to contribute positively to CO₂ reduction per year as follows:



*annualised figures based on calculation over 25 years.



Bukit Beruntung rooftop solar.

*The above figures were generated from using NEM Calculator by SEDA. Source: https://services.seda.gov.my/nemcalculator/#/

The solar team of PESTECH is geared up and will be able to offer sustainable rooftop solar solutions to commercial and industrial sectors and to help them to achieve their sustainable development agenda.

EV Charging

Overall, about 3.5 million passenger or commercial vehicles and 4 million motorcycles or scooters were sold annually before the pandemic, data from the Association of Southeast Asian Nations Automotive Federation shows. The region is also expected to generate 140 million new consumers by 2030, with the high- and upper-middle-income ranks doubling to 57 million, according to the World Economic Forum.

Drawn by these potential customers and countries' big ambitions to promote EVs, it is projected that EVs will outsell internal combustion-powered cars in ASEAN by 2035.

Indonesia -- which has one of the world's higher ratios of chargers to EVs according to the International Energy Agency -- has set a target of 2,400 charging stations and 10,000 battery swap stations by 2025. By 2030, it aims to have over 31,000 charging stations, as the government projects more than 2 million electric cars and 13 million electric motorbikes will hit the streets by that year. The country also hopes to leverage its nickel resources to become a major battery production base.

Thailand -- the region's largest auto production center -- plans to lift output of purely electric vehicles to 50% of all car manufacturing by 2030, and to only allow EVs to be sold from 2035. EVs made up well below 1% of total registered vehicles last year.

Malaysia -- reportedly has a Low Carbon Mobility Blueprint that proposes a push for 7,000 AC chargers and 500 faster DC chargers, while a far loftier figure of 125,000 chargers by 2030 has also been reported.

ASEAN's EV infrastructure and targets



(Source : Maybank, International Energy Agency, local media reports)

(Source : https://asia.nikkei.com/Spotlight/Asia-Insight/Slow-charge-ASEAN-aims-to-bring-lofty-EV-goals-within-range)

PESTECH believes that the growth for EV cars in years to come will provide us with good opportunity to roll out more EV charging points at commercial buildings, highways, condominiums and etc. As the main carbon footprint in the city is contributed by the vehicles on the road, our effort of promoting construction of EV charging points within the commercial areas and buildings are to encourage the shift towards picking up ownership of EV in Malaysia.

Albeit a slow growth of EV ownership in Malaysia, we believe our contribution and investment in the EV charging infrastructure will somewhat address the range anxiety of owning a EV car among the public. Through the various initiative of installing EV charging points, our hope is to play a role in encouraging shift to EV to reduce CO₂ emission in the city.

Smart meter

PESTECH's subsidiary, PEN was awarded a contract for the supply and delivery of Smart Meters for Klang Valley consumers since year 2019. Being on the list of a few selected vendors qualified for the supply of smart meters to Tenaga Nasional Berhad ("**TNB**"), PEN has so far delivered 293,635 units of smart meters to TNB.

As of June 30, 2021, 1.22 million TNB customers had smart meters installed in Klang Valley in greater Kuala Lumpur and Melaka in the country's southwest.

Smart meter users get to enjoy various features including monitoring and managing their electricity consumption through myTNB portal and application, with more than 60% of recipients using the facility. Users can track their usage in both money terms and kilowatthours as well as keep a tab of the impact of their energy usage on the environment.

TNB launched its smart meter rollout in 2016 with an initial target of a nationwide rollout by 2021. This was subsequently extended to 2026 to reach more than 9.1 million households.

The smart meters form an integral part of TNB's smart grid plans including automated monitoring and control and integration of renewable generation with a 2025 target of 8.3GW corresponding to 31% penetration. To advance the smart grid TNB is reported to be planning an investment of RM9 billion (US\$2.1 billion) annually over the next four (4) years.

(Source :https://www.smart-energy.com/regional-news/asia/tnb-resumes-smart-meter-installations/)

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As a pioneer vendor of TNB in the supply for smart meters, PEN poised well in the position as a trusted and reliable vendor to TNB on deployment of smart meters nationally.

Smart meters help to create a smart energy system that reduce carbon emissions. Apart from better match supply with demand of electricity usage, a truly smart energy system may integrate more renewable energy sources into the system. These forms of generating energy create less air pollution and emit significantly less CO₂ into the atmosphere.

PESTECH has recently installed 34 units of smart meters at University Malaya ("**UM**"), being the first pilot project of Advance Metering Infrastructure for UM at their Pusat Teknologi Maklumat which serves about 80,000 UM users. Our team is currently connecting all the installed meters with MDM software and is expected to complete in November 2021.



Pusat Teknologi Maklumat, Universiti Malaya.

Continued deployment of smart meter to utility in the region will contribute substantially in the sustainable development of the electric grid. The information gathered will enable electric utility to confidently incorporate more decentralised renewable energy generation into the Grid. This subsequently realise the purpose of PESTECH's sustainable development report.

Waste-2-Energy

Energy from waste has been in recent years the focus of many developing nations. Wastes to landfill sites cuts across all sectors of life.

Municipal landfill (and illegal disposal and dumping of waste) poses a significant threat to the environment and by implication to human health and safety. Dust created within landfill sites together with associated uncontrolled methane gas emissions, causes a public nuisance. Furthermore, landfill creates ground water contamination, leaching and air pollution: "Leachate" is a highly toxic and potentially an environment catastrophe.

(Source : Gartena Group)

It is apparent that the landfill method of disposing of waste is detrimental to the environment, social and unsustainable.

As a result, there is a need to find an alternative method to process the waste generated from urbanisation that is predicted to continue to rise. Waste as a by-product of urbanisation contains great amount of energy that can be harvested to repower the urban electricity need. A safe and environmental friendly way of Recycling Energy from wastes could be used to produce electricity that can be affordable, reliable, and sustainable with zero dumping going to landfill.

Looking at this sustainability solution requirement as it is also energy related matter, PESTECH is positioned to ride on our current strengths in power system automation and generation into the waste-2-energy offering.

On 20 October 2021, the Company has entered into a Memorandum of Understanding ("**MoU**") with Gartena Holdings Ltd to explore the opportunity to cooperate in proposing and developing Waste-2-Energy solutions in the ASEAN region.



Signing of MOU with Gartena Holdings.

Gartena is a company operating in the United Kingdom and Sweden which has developed and holds the worldwide patent for the 'Rotating Kiln' and the two-step 'Afterburner', a technically advanced, efficient and environmentally friendly Waste-2-Energy process that can accept various types of waste. The system ensures adequate waste-2-energy yield that make conversion of waste to energy financially viable.

PESTECH and Gartena intend to provide solutions to recycle energy from waste generated in the community or the industry. The energy produced from the waste using the technology will be injected into the electrical grid to benefit the society, thereby creating a circular economy for the community. No wastage of resources is going to landfill, instead it will be processed, recycled and converted to electricity to power up urbanisation.

The target Waste-2-Energy markets are the municipal councils, private entities or such other organisations which are handling wastes disposal around the region.





Environmental Compliance

Environmental concerns have caused a significant increase in the number and scope of compliance imperatives across all global regulatory environments. As such, PESTECH is committed in minimising its environmental impacts through proper waste management and reducing waste generation within the business itself. All waste is managed, disposed and/or discharged in accordance to the relevant regulatory requirements.

In operating its business, PESTECH is also committed to protect the environment and complying with applicable environmental laws and regulations. The Group have established the Environmental Policy in line with ISO 14001:2015 Environmental Management System ("**EMS**") and Environmental Quality Act 1974 ("**EQA**") to enable the Group practices the environmental control and improves its environmental performance. The Group continues to put in place relevant measures and monitoring to protect and preserve its biodiversity.

Our operating companies have obtained the Certification of ISO 14001:2015 EMS and EQA, in which they are required to perform environment impact assessment for all the projects they are undertaking. We believe when we take care of the environment, the environment will take care of us.

Recycling Programme

PESTECH has conducted regular monitoring of its waste management process, such as finding new ways and method of recycling in order to reuse, reduce and recycle its waste.

E-Waste Collection Drive 2021

PESTECH initiated an E-Waste Collection Drive in April 2021 which saw a total of 1,652kg E-Waste being collected from offices and project sites. Disposal of the E-Waste has reduced environmental impacts consisting of 4.3kg toxic metals and 1,839kg greenhouse gas emission.

- Gasses that trap heat in the atmosphere are called greenhouse gases.
- When in excess, GHG (carbon dioxide, methane and nitrous oxide) have a negative effect on earth's climate.
- They absorb and emit radiant heat, warm the planet in the process, which ultimately leads to global warming.
- One way to prevent this from happening is by recycling and composting e-Waste as the GHG reduction can be compared to avoid tailpipe from vehicles, or cars taken off the road.



Total e-Waste Collected: 1,652kg

e-Waste collected during the E-Waste Collection Drive.

Scrap Recycle Data

PESTECH actively maintains its 3R practice at its headquarters in Seksyen U5, Shah Alam, Selangor Darul Ehsan in which the recycled waste was collected from office floor and production area and located at storage area. A licensed 3R waste collector was engaged to handle the collection, whenever it is necessary.

The 3R practice in managing the recycled scarp has managed to help reduce environmental impacts in terms of savings in 8 trees, 295.26 liters of oil, 1,309 hours of electricity and 8,899.50 gallons of water.



Energy Conservation in offices

Energy conservation plays a significant role in lessening the impact of climate change. Therefore, managing energy consumption is a priority in PESTECH to promote a sustainable operations and efficient use of energy resources. The Group has taken an approach where the negative impacts of uninhibited energy usage could be mitigated.

Below are some green initiatives made by PESTECH in managing energy consumption:-

- Installation of energy saving Light-Emitting Diodes ("LEDs") bulbs instead of incandescent bulbs for internal office lighting.
- Installation of motion sensors in common areas, i.e. corridor, pantry, staircase etc. in the office to automatically turn off the lights when they are not in use to reduce energy use and costs.
- Installation of solar lights for building perimeter lighting as well as at the project sites, and thereby reduce our maintenance and electricity costs.
- Maximise the entry of natural light or daylight in the office building for effective internal lighting, thus minimising the need for artificial lighting.
- Plan the usage and movement of heavy machineries to generate savings on energy consumption.
- Encourage employees to save energy by:
 - Switch off the lights and other office equipment such as photocopier, printer and etc. during lunch hour and before leaving the office.
 - Unplug equipment that drains energy when they are not in use, for example cell phone chargers, fans and etc.
 - Photocopy only if necessary to save paper. Always print two-sided or use recycled papers for drafts documents.



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Navigating COVID-19 Pandemic

The Covid-19 outbreak has become an unexpected event that poses many challenges to businesses. Throughout the pandemic, PESTECH closely monitors the situation in countries where we are operating to ensure any directives, rules, regulations and orders that were issued by the government ministries, agencies and any other regulatory bodies are duly adhered to. Fortunately for PESTECH Group, the businesses which we are involved in, have always been classified as essential services by the Government. Though delays to the project implementation were inevitable, but the impact was minimal in totality.

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In offices where we are operating, stringent standard operating procedures ("SOP") are put in place, i.e.:-

- Physical distancing precautions at the workplace and social distancing markers.
- Temperature check prior to entering office premises.
- Hand sanitisers are placed in various places with health and safety related messages sticked on board reminding staff to sanitise their hands regularly.
- Sanitise offices twice a day on daily basis.
- Updated Covid-19 information are being emailed to all staff timely with Information about COVID-19 is posted on bulletin boards, posters and displays in all our premises.
- Regular SWAB test is provided on weekly/bi-weekly basis for all staff at site and office to provide a safe place for the staff to work.
- Clear policies and guidelines were drafted and updated regularly in line with the Government directives to handle the Covid positive cases and those who were in close contact.
- Upgrade of information technology infrastructure and software to enable efficient virtual meetings.
- Flexible working hours and work-from-home arrangements.

As of the date of this report, the operation in Malaysia and Philippines had achieved 100% and 93% vaccination rate. Meanwhile, Cambodia operation has started to receive third booster shot of vaccine since September 2021. We take the safety and health of our project sites and operation as top priority as always to ensure a safe working environment for our staff and stakeholders.

Health and Safety at the Workplace

PESTECH is committed to providing quality services that consistently meet customer satisfaction. PESTECH has always implement high quality standards in its day-to-day operations, where the importance of traceability, consistency and reliability are emphasised throughout the organisation.

The Group has implemented Quality Management System ("QMS") in accordance to ISO 9001:2015. This shows its ability and commitment in providing services that meet the accredited standards and legal requirements and customers' satisfaction.

Health and Safety is PESTECH's pinnacle priority in operations and will continue its commitment to protect the health and safety of the employees, general workers, subcontractors and customers, and provide a safe workplace across its diverse operations. The Group have established an Occupational Health and Safety policy and procedures in accordance to ISO 45001:2018 Occupational Health and Safety Management System ("**OHSMS**") to monitor the risks at workplace. The Occupational Health and Safety policy and procedures have been established in accordance to ISO 45001:2015, OSHA 1994 and FMA 1967 in order to control occupational health and safety risks at the workplace.

Our health and safety policy and procedures are being updated to include detailed processes in response to Covid-19 outbreak.

PESTECH Group's Total Manhours in project execution without Loss Time Injury from 1 July 2020 to 30 June 2021 is 4,253,598 hours.

Total Manhours in project execution without Loss Time Injury



Health Awareness Program

A trainer from Oxford diagnostics was invited to give a talk on the importance of maintaining good and healthy body. The topic covers including good exercise samples and good diet to follow for office workers.

Employees need to undergo complementary health screening first which includes blood pressure and urine test. The result will able to tell the blood pressure condition whether it is in low (hypo), high (hyper) or normal condition. Following that, a urine test will be done by using pee stick that contains 5 parameters which include:-

- Presence of Kidney Stones or Infection
- Kidney Health
- Liver Health
- Nutrition Sufficiency
- Diabetes Condition

After screening, the employees had have private consultation sessions with the trainer to understand their health conditions.



Employees went through private consultation sessions with trainers.

Corporate Social Responsibility: CARE Program

It has always been PESTECH's wish to undertake Corporate Social Responsibility contribution to the community. Under the tagline of CARE, i.e. Community, Advancement, Recuperation and Environment, we commit to give back to the society that we serve in the ways we can.



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COMMUNITY: To contribute and engage in community activities for general public service.

Contribution to Cambodian Red Cross: Build the Resilience Cambodian Society

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

Our contribution continues providing some needy items for charity cause to help people who are suffering from natural disasters and other disasters, including the Covid-19.

Contribution to Royal Cambodian Army: Fight Against Covid-19

The donation is to support the armed forces who have to be on duty as frontliners during Covid-19 pandemic. Bedding items such as beds, bed sheets, mattresses, pillows and blankets were sponsored by PESTECH.



Employees of PESTECH presented bedding items to the Royal Cambodian Army.



ADVANCEMENT: To support and organises activities that contribute towards learning and talent building.

PESTECH Undergraduate/Postgraduate Scholarship

PESTECH Undergraduate/Postgraduate Scholarship Programme offers opportunity to create a well-rounded and holistic pool of talents in the future. The program intends to provide financial assistance to talented students to pursue undergraduate/ postgraduate studies in such as electrical and electronics, mechanical and civil, business and management, human resources and other courses. The financial assistance includes all tuition fees, room and board as well as one-time study allowance. This is a yearly basis program for application by qualified candidates, subject to fulfilment of the requirements and criteria set by PESTECH. During the financial year ended 30 June 2021, the Group has sponsored a total of five (5) scholars under this programme.

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

PESTECH has been supporting KMSSG since 2013 by providing a monthly contribution for them to provide healthy meals for their students who are from the poor urban families. The role of MKSSG is to provide guidance and education to the underserved children and help them not only on education but also life values for their personal growth.



Children with their artwork during Curriculum Day at Gurukul.

CSR for Sibiyu Project - Road to Better Education Environment

PESTECH has sponsored some equipment to facilitate the following schools' operations and learning activities.

1) SK Sg. Selad 2) SK Sg. Kem Batu 18 3) SK Sg. Setiam







PESTECH presented school equipments to (from left) SK Sg. Selad, SK Sg. Kem Batu 18 and SK Sg. Setiam.

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RECUPERATION: To provide support to healthcare related services and efforts.

Contribution to Persatuan Penjagaan Kanak-Kanak Terencat Akal Johor

PESTECH has been supporting PPKTAJ since 2014 with its contribution to help the association in improving the living condition of the centre and providing the underprivileged children with better supporting equipment.



Some of the activities held at the PPKTAJ.

Contribution to Hospis Malaysia

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





Some of the activities held at Hospis Malaysia.

Additionally, PESTECH had participated in Hospis Malaysia's 19th Annual Charity Motor Treasure Hunt. The pandemic-related movement restrictions have caused many programs and activities to either be cancelled or postponed. However, to keep the spirit of hunting going on, the hunt was conducted virtually and participated by PESTECH.



ENVIRONMENT: To support environment protection programs and nurturing towards healthy balanced environmental ecosystem.

PESTECH's environment program is an initiative to sponsor activities that will nurture the practices of protecting the natural environment. During the year, we supported Malaysian Nature Society ("**MNS**") Seed Bank Project in the purchase of seeds, polybags and soils. Orang Asli from Sungai Buloh are working with MNS to help in harvesting and collecting the seeds.

PESTECH donated 100 Pokok Kelat and Pokok Kapur and recently went to MNS Headquarters which is located in Kuala Lumpur to plant the trees using the seeds.



Employees of PESTECH helped to plant trees at MNS Headquarters.

PESTECH remains committed to drive performance growth of the Group through innovative measures in the aspects of EES on our businesses and to bring value creation in a sustainable manner to all the stakeholders.

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