

Pantech Group  
Interim Sustainability Statement (FY2023-2024)

Pantech Group is wholly committed to conducting business in a sustainable and ethical manner.

We strive to deliver products and services that create long-term value for stakeholders through human capital development and technology improvements, towards becoming an international leader in the provision of total solutions for fluid transmission systems.

Our endeavours are guided by STEEL - our values of sustainability, trustworthy & integrity, excellence, employee empowerment, and leadership & innovation.

We have in place the policies on our sustainability endeavours, including an Environmental Policy where we commit to E.A.R.T.H.

### About This Report

This Interim Sustainability Statement (Statement) contains data and information in addition to what was already disclosed in the FY2023 Annual Report and is prepared as part of Pantech Group's commitment to providing transparent and holistic disclosures to stakeholders.

Conducting business ethically is a non-negotiable and this Statement illustrates the qualitative and quantitative information regarding Pantech Group's Economic, Environmental and Social (EES) impact.

We have established three (3) main pillars of sustainability to guide us in our initiatives to bring about positive EES impact:

- **Sustainable Business Growth**

We keep abreast of emerging trends, industry regulations and best practices to remain agile and adaptable in consideration of a fluid environment to generate long-term value for stakeholders.

Opportunities are carefully evaluated and risks are monitored to optimise capital utilisation. Strategic investments allow us to improve Pantech Group's operation efficiency and capacity as we supply an extensive range of pipes, valves and fittings (PVF) to fulfil specific customer demands.

- **Environmental Protection**

Achieving a low-carbon economy is a shared goal. Pantech Group has adopted various environmental preservation initiatives to minimise our impact on climate change, such as harnessing renewable energy, efficient energy and water use, proper waste management and disposal, and carbon offsetting.

- **Workplace Management**

Pantech Group prioritises a safe and conducive working environment. We continuously strive to maintain a safe workplace, nurture and invest in talent, and champion inclusion and equality to foster the wellbeing of our people.

Through our operations, and initiatives in these three pillars, Pantech Group contributes towards 9 of the 17 United Nations Sustainable Development Goals (UN SDGs).

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Sustainability Initiatives	3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY	8 DECENT WORK AND ECONOMIC GROWTH	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	13 CLIMATE ACTION
Sustainable Business Growth						•		•	
Environmental Protection				•	•				•
Workplace Management	•	•	•			•	•		•

## Reporting Approach

This Statement is prepared in accordance with Bursa Malaysia's Sustainability Reporting Guide (2022). It focuses on the material sustainability matters for Pantech Group. This Statement also aligns with global sustainability agendas and the UN SDGs.

As part of our ongoing effort to enhance disclosure to our stakeholders, this Statement is prepared with guidance from the Integrated Reporting <IR> Framework, wherever relevant and possible.

## Scope of Report

This Statement covers the period from 1 March 2022 to 28 February 2023. For the purpose of this Statement, data is consolidated across Pantech Group's subsidiaries mentioned below, unless otherwise stated.

Our report covers all wholly-owned subsidiaries which:

1. Have business operations within Malaysia;
2. Have substantial magnitude revenue contribution or impact to Pantech Group.

These subsidiaries fall under the said scope:

- Pantech Corporation Sdn. Bhd.
- Pantech Galvanising Sdn. Bhd.
- Pantech (Kuantan) Sdn. Bhd.
- Pantech Stainless & Alloy Industries Sdn. Bhd.
- Pantech Steel Industries Sdn. Bhd.
- Unity Precision Engineering Sdn. Bhd.

## Sustainability Governance

Our Board of Directors (Board) are custodians of Pantech Group's Sustainability matters, initiatives and performance, with the goal of assimilating sustainability into our strategic direction and business operations.

The Board is supported by the Sustainability Management Committee (SMC) comprising all five Executive Directors of the Group. The committee supports the Board in overseeing Pantech Group's Sustainability strategies, policies and practices.

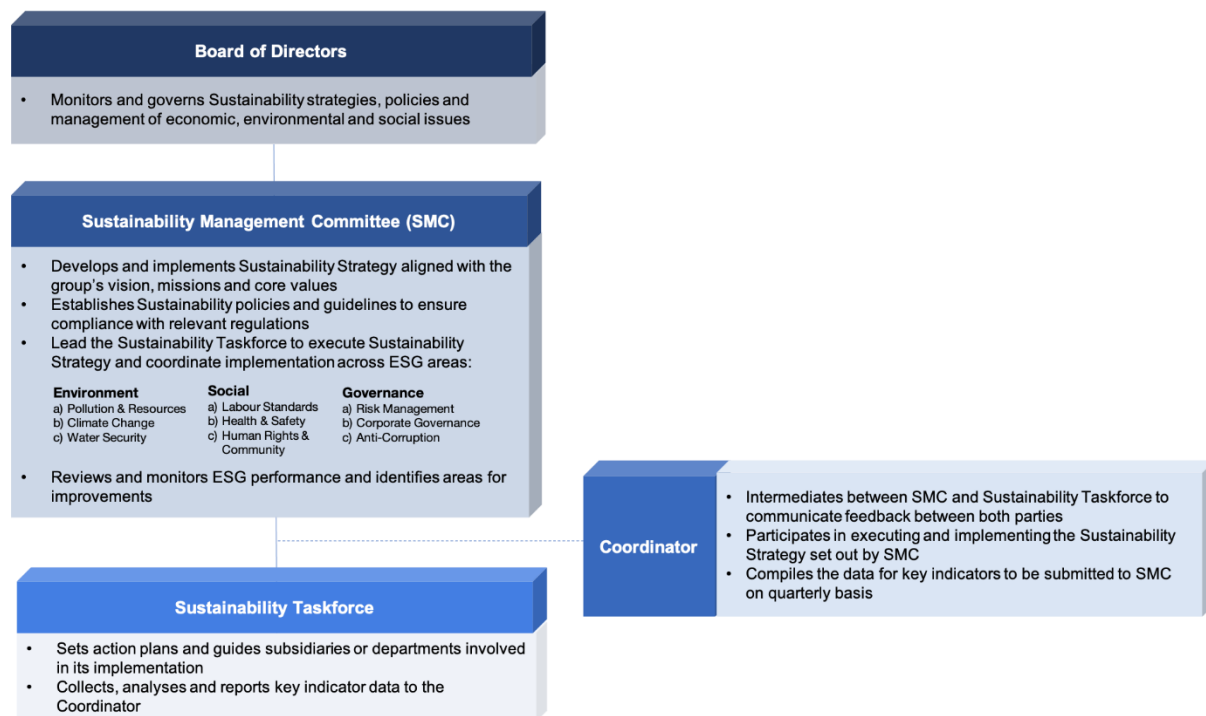
The Board proactively reviewed SMC's roles and responsibility during the financial year with the view to better integrate business and Sustainability priorities as well as effective management of sustainability risks. An updated term of reference took effect after our 2023

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financial year end, in June 2023, to drive the way forward for Pantech Group's Sustainability initiatives.

The SMC carefully considers the economic, environmental and social impacts of our business activities. They develop and maintain a Sustainability Strategy that aligns with the Group's vision, mission and core values. Other mandates include guiding the Group's decision-making by establishing policies and guidelines in compliance to relevant regulations, monitoring Pantech Group's ESG performance against key indicators, and evaluating policy effectiveness and setting targets.

The SMC identifies areas requiring improvements and develops respective corrective actions and has been empowered to engage external consultation to provide objective input and guidance. They lead the implementation taskforce, coordinate the execution of the strategy and provide regular updates to the Board on the Group's performance against targets.



In FY2023, the SMC and the Sustainability Taskforce members had reviewed and evaluated the implementation of Pantech Group's existing Sustainability Strategy. As a result, our mission statement and core values now incorporate Sustainability as a key focus in our business strategy.

### Enhanced Governance / Independence of Audit

Pantech Group has on the advice of the Audit Committee (AC) that is chaired by an Independent Non-Executive Director, adopted a policy that requires the lead partners involved in the external audit be rotated every seven years and observe a cooling-off period of at least five years before re-appointment. This practice is overseen by the AC and is consistent with professional standards required by the Malaysian Institute of Accountants.

Further reading can be found in the updated AC terms of reference at our website (<https://pantech-group.com/wp-content/uploads/Pantech-Audit-Comm-TOR-2023.pdf>).

### **Policies In Effect**

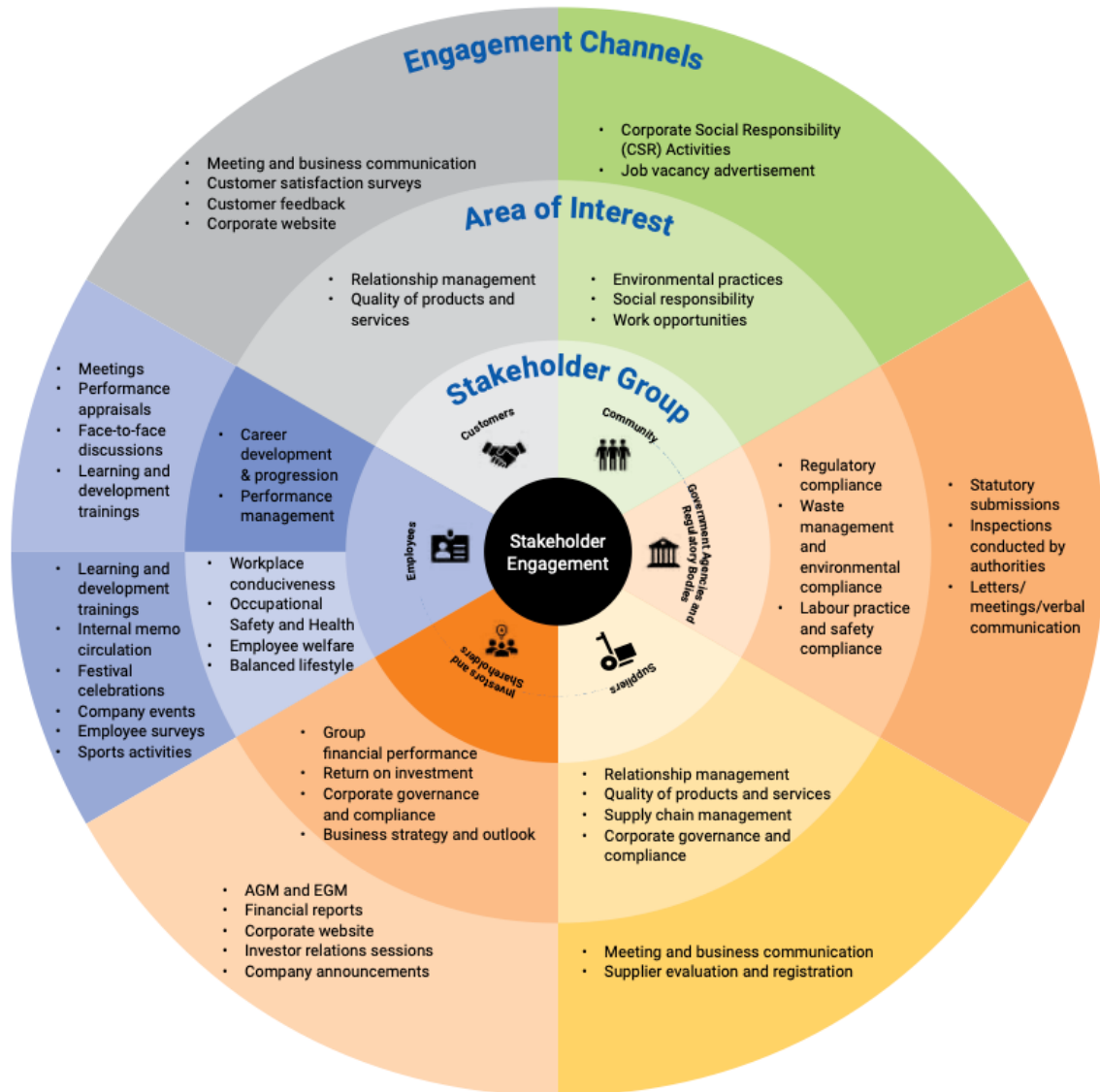
Pantech Group has formalised the following policies which state our commitment and stand.

- Anti Bribery and Corruption Policy
- Environmental Policy
- Fit and Proper Policy
- Human Rights Policy
- Occupational Safety and Health Policy
- Whistle Blowing Policy

Readings of the Board Charter, Terms of Reference and policies are available on our website:  
<https://pantech-group.com/investor-relations/>.

### **Stakeholder Engagement**

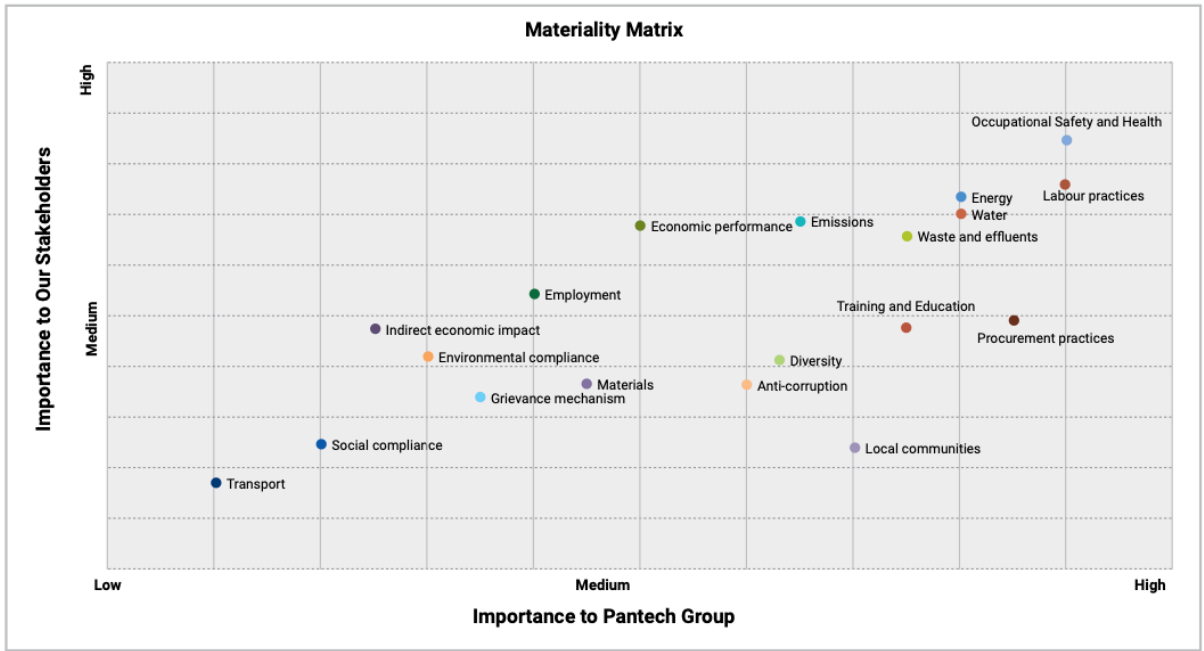
We engage our stakeholders in proactive manner to align stakeholder interest with our business strategy. By obtaining stakeholders' feedback through identified and established channels, we can achieve better decision-making in our operations.



Materiality Assessment

Materiality assessments are conducted at periodic intervals to review and align Pantech Group’s strategies, performance management and reporting. This enables the company to address stakeholders’ evolving concerns about Economic, Environmental, Social and Governance matters that significantly influence our ability to create value.

This chart illustrates our material matters and depicts importance of each material matter based on its influence on stakeholder assessments and decisions.



## SUSTAINABLE BUSINESS GROWTH

A sustainable business transcends growth in financial terms. It encompasses a healthy balance between economic wellbeing, environmental stewardship and social responsibility to create positive and lasting impact for stakeholders. Pantech Group strives to create value not only for our shareholders, but also for our employees, suppliers, vendors, customers and society at large.

### Economic Responsibility

We supply an extensive range of PVF that meet the exacting customer requirements through prudent investment in new facilities and upgrades to ensure efficiency while nurturing and retaining our talent.

We utilise capitals carefully, guided by monitoring and assessment of risk and opportunities. To remain agile and adaptable to the dynamic business environment, Pantech Group practises continuous learning and improvement with relevant trainings.

With presence in 70 countries, Pantech Group's operations have a wider economic effect on our stakeholders, in particular for customers who depend on our PVF for fluid transmission system to keep their operations flowing.

Our business has a socio-economic impact beyond internal stakeholders in multiple operating locations with a ripple effect on the value chain. In FY2023, Pantech Group generated a total revenue of RM1.04 billion, of which 92% was distributed to stakeholders. The economic value generated and distributed (EVG&D) arising from our business operations is illustrated below.

	FY2022 RM'000	FY2023 RM'000
<b>Direct Economic Value Generated</b>		
Revenue	751,479	1,037,839
Interest income	1,573	2,270
	753,052	1,040,109
<b>Operating Costs</b>		
Materials, operating and administrative expenses	546,803	748,500
Selling and distribution expenses	30,813	48,606
	577,616	797,106
<b>Employee Wages and Benefits</b>		
Wages, salaries, defined contributions and others	57,148	67,052
	57,148	67,052
<b>Payments to providers of capital</b>		
Interest payments	5,340	9,052
Dividend paid to shareholders	23,242	45,176
	28,582	54,228
<b>Community Investments</b>		
Contributions to charities, community and social programmes	129	112
	129	112
<b>Payments to Government</b>		
Tax expense	15,658	38,008
	15,658	38,008

<b>Economic Value Distributed</b>	<b>679,133</b>	<b>956,506</b>
<b>Economic Value Retained</b>	<b>73,919</b>	<b>83,603</b>

### Quality Assurance and Professional Certification

We are mindful that a company's business reputation speaks volumes to stakeholders. Pantech Group is iron-willed in providing quality assurance and affirmation that our operations comply with the applicable laws, environmental regulations and health and safety standards to our customers.

Quality assurance is Pantech Group's forte. It is what sets us apart. We have three fully equipped test labs to ensure that our products comply with strict global and industry standards. Our products undergo stringent quality assurance checks for compliance with international standards, so that we deliver quality and customer satisfaction. Products that are not up to par are segregated to be disposed of as scrap metal via a qualified contractor, ensuring that we honour our environmental obligation.

Pantech Group's integrity also lies in the supply chain. All our products and its components are traceable to its origin, which are recorded and updated in our dedicated document archive. We remain vigilant in our supply and procurement process to maintain supply chain integrity.

In addition to stringent processes, Pantech Group also holds certifications and accreditations from various regulatory bodies. These certifications prove our products meet the necessary criteria for entry into different markets, thus gearing Pantech Group to be an international leader in the provision of total solutions for gas and fluid transmission systems.

We defend these certifications by subjecting our operations, processes and products to audit and scrutiny by the regulatory bodies and accreditation organisations. With our teams' collective effort, shortcomings are identified and rectified for continued compliance and quality assurance as part of continuous improvement efforts.

Presently, our largest Trading company, which is responsible for driving 49% of our business operations holds ISO 14001:2015 (Environmental Management Systems) and ISO 45001:2018 (Occupational Health and Safety Management Systems) certifications. Not resting on our laurels, and walking the talk of our quality assurance commitment, we are taking progressive steps to have our facilities certified. To this end, one of the facilities in our Manufacturing division is undergoing ISO 45001:2018 certification with a target to achieve it before our FY2024 ends. Thereafter, we will initiate the ISO14001:2015 certification process.

Pantech Group holds the following certificates.

<b>Entity</b>	<b>Certificate</b>	<b>Certification Body</b>
Pantech Corporation Sdn Bhd	ISO 14001:2015	SGS United Kingdom Ltd Systems & Service Certification
	ISO 14001:2015	SGS (Malaysia) Sdn Bhd Systems & Services Certification



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	ISO 45001:2018	SGS (Malaysia) Sdn Bhd Systems & Services Certification
	ISO 9001:2015	LRQA Limited
Panaflo Controls Pte Ltd	ISO 9001:2015	LRQA Limited
Pantech Steel Industries Sdn Bhd	ISO 9001:2015	Lloyd's Register Quality Assurance Ltd
	EU Certificate of Quality System Approval	EU Certificate - Lloyd's Register Nederland
	Approval of Manufacturer Certificate	DNV
Pantech Stainless & Alloy Industries Sdn Bhd	ISO 9001:2015	Lloyd's Register Quality Assurance Ltd
	ASTM A 312/A 312M & A 403/A 403M	Sirim QAS International Sdn Bhd
	SPAN	Suruhanjaya Perkhidmatan Air Negara
	EU Certificate of Quality System Approval	LRQA Nederland B.V.
	Standards Compliance for Welded Stainless Steel Pipes	Construction Industry Development Board (CIDB) Johor
	NSF/ANSI/CAN 61	NSF International
	Approval for Water Supply Products	Jabatan Air Negeri Sabah
	Approval for Water Supply Products	Pihak Berkuasa Air Negeri Sarawak
Nautic Steels Ltd	ISO 9001: 2015	LRQA Limited
Pantech Galvanising Sdn Bhd	ISO 9001:2015	Transpacific Certifications Limited
Unity Precision Engineering Sdn Bhd	ISO 9001:2015	LRQA Limited

## Procurement Practices

In procurement processes, impartiality is paramount. Pantech Group adheres to a fair procurement process that promotes equal opportunities for all existing and potential suppliers and vendors. At the same time, we uphold compliance with relevant laws, regulations and internal policies throughout our procurement function.

Our suppliers and vendors are vetted and are appointed based on the quality of material, reliability, lead time and cost. We work closely with our suppliers and communicate our expectations of doing business in accordance with the highest ethical standards.

Pantech Group has open communication channels with suppliers and vendors in an effort to foster a collaborative relationship with mutual trust and respect. Such relationships are evinced as some vendors have journeyed with Pantech Group for over decades. Nevertheless, we remain unbiased and diligent in ensuring procurement is conducted responsibly. Our procurement team follows established guidelines and procedures to promote competitiveness and avoid any potential conflicts of interest.

Fortifying our position as a One-Stop Centre for PVF, maintaining optimal inventory levels is an important skill that is honed over time and experience. Being able to meet customers' expectations and requirements in a timely manner solidifies our business proposition. Our procurement team keeps a tight rein on this through careful planning and strategising to minimise the risk of costly excess or product obsolescence.

## ENVIRONMENTAL

Pantech Group is cognisant of the impact of our decisions and actions, and strives to integrate sustainability in all aspects in our operations, encompassing economic sustainability and consideration for our impact to the environment and society.

We are committed to addressing environmental challenges across six key areas: Climate Change, Energy Usage, Pollution, Resource Use, Waste Management and Water Usage.

Pantech Group has taken continuous initiative to reduce our generation of water and air pollution and waste to lessen our impact on the environment. We endeavour to use rain water and solar energy while consuming resources such as energy and water efficiently. Similarly, we dispose waste in a proper manner and increase carbon offsetting in cognisance of the dangers climate change poses to life on Earth.

We work closely with public and private organisations aligned with the efforts of Pantech Group such as the Department of Environment, local city councils and qualified waste disposal companies to improve the environmental and social conditions of the communities in which we operate.

Collaborators	Description of participation
Department of Environment	Continuous monitoring of air and water quality and waste management towards a safer environment for the communities around our operating sites.
Local councils and agencies	Continuous monitoring of workplace best practices and governance in operations.
Scrap metal contractor	Recovery of resources via recycling for responsible consumption.
Licensed scheduled waste contractor	Proper handling and disposal of scheduled waste from operations.

### Climate Change

Recognising that we have a role in addressing the impact of climate change, Pantech Group has taken another step forward towards setting a carbon-reduction target, which will be disclosed upon approval by the Board.

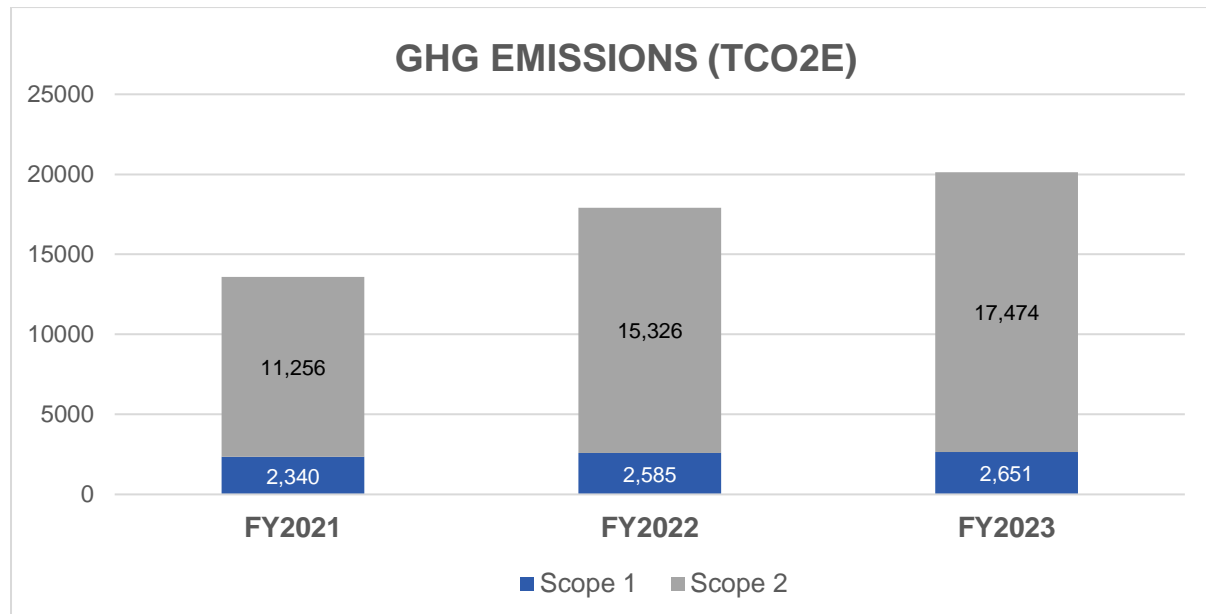
We support and are guided by international standards for climate change reporting and targets, such as the Task Force on Climate-Related Financial Disclosures (TCFD).

We have engaged an external consultant who is advising and guiding Pantech Group on our Environmental, Social and Governance adoption journey, which includes developing a Sustainability Policy that incorporates indicators for Climate Change, to be tabled in FY2024.

In line with our ambition to progress towards carbon neutrality, Pantech Group adopted the calculation and monitoring of our carbon emissions, for data-based target setting.

Total Scope 2 emissions for FY2023 was 17,474 tCO<sub>2</sub>e, based on Peninsular Malaysia's grid electricity emission factor published by the Energy Commission, Malaysia.

We are in the midst of studying process emissions calculation further in an effort to provide more accurately disclose our Scope 1 emissions in the coming year. Preliminary calculations for Scope 1 emissions in FY2023 stand at 2,651.37 tCO<sub>2</sub>e.



## Energy

Energy powers our everyday lives. It is a crucial aspect for economic growth and sustainable development. In Malaysia, energy is mainly generated from non-renewable sources, such as natural gas and coal, which deals significant damage to the environment in the long run.

Realising the major impact as a result of energy use, Pantech Group is committed to minimising our negative impact through efficient energy usage and diversification of energy sources as this is a key resource in the operation of our business. Our manufacturing division, particularly PSI, consumes the highest portion of energy, while our trading offices consume the least energy.

With operations dotted in nine locations, Pantech Group has implemented energy efficiency measures across board for cumulative impact to our overall energy consumption and to the environment.

Reminders are placed at strategic locations throughout our buildings to encourage and remind all staff to adhere to good energy consumption practices, such as turning off non-critical machineries, lights and air-conditioning system when not in use. These simple acts to reduce consumption have been rolled out across all subsidiaries.

With our key operating locations sitting near the equator, Pantech Group is blessed with an abundance of sunshine. We installed translucent roofing in all five warehouses to capitalise on natural lighting and reduce energy consumption. During the financial year, we replaced 2,160 square metres of translucent roofing across 2 building blocks.

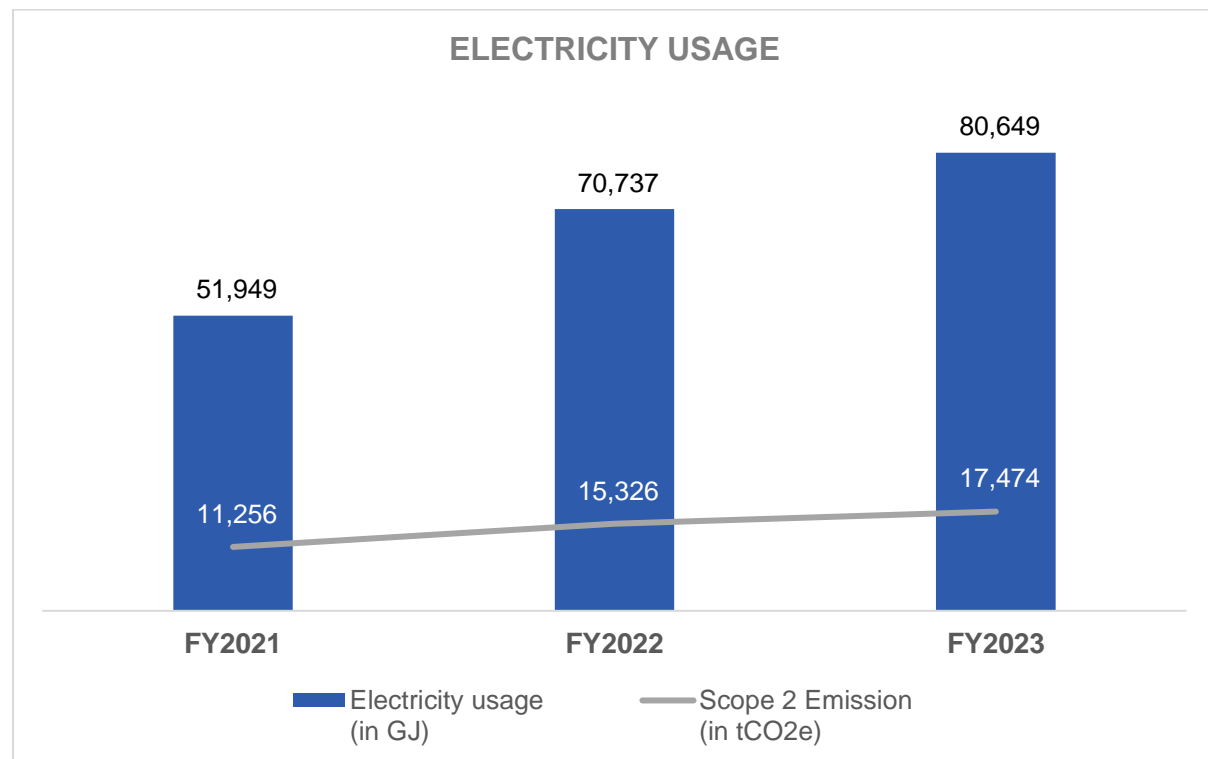
In addition, Pantech Group also completed the installation of the planned grid connected photovoltaic system at PSI as reported in the last year's annual report. Harnessing the power of solar, the 1,469.32 kWp system, which came online in January 2023, produced around 741.5 GJ (206 mWh) of electricity in less than two months. Based on the Energy Commission, Malaysia's guideline on the emission factor of 0.78 tCO<sub>2</sub>e, we avoided approximately 160 tCO<sub>2</sub>e within this short period.

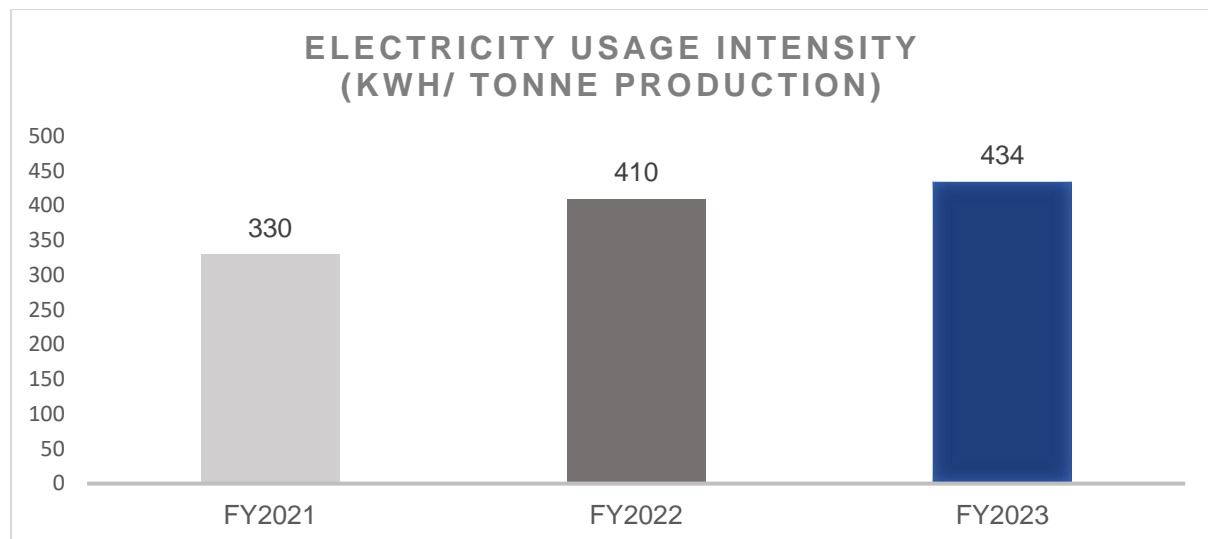


Grid connected photovoltaic system

The energy-efficiency measures are complemented by a daily monitoring system. Electric surges are reported to the Head of Production and Management team, who are tasked with verifying and investigating such surges to ensure that the electricity consumption usage aligns with the on-going production activities and to identify risks of electrical damages, hazards and wastage, which may be detrimental to our operations.

Electricity intensity is tracked at the Manufacturing division excluding UPE. Our electricity intensity increased 5.85% to 434 kWh/tonne production as PSA and PSI operated at maximum capacity, while a two-month production disruption at PGSB caused a decrease in the output level before normalising.





*Data from Manufacturing Division in Malaysia (excluding UPE)*

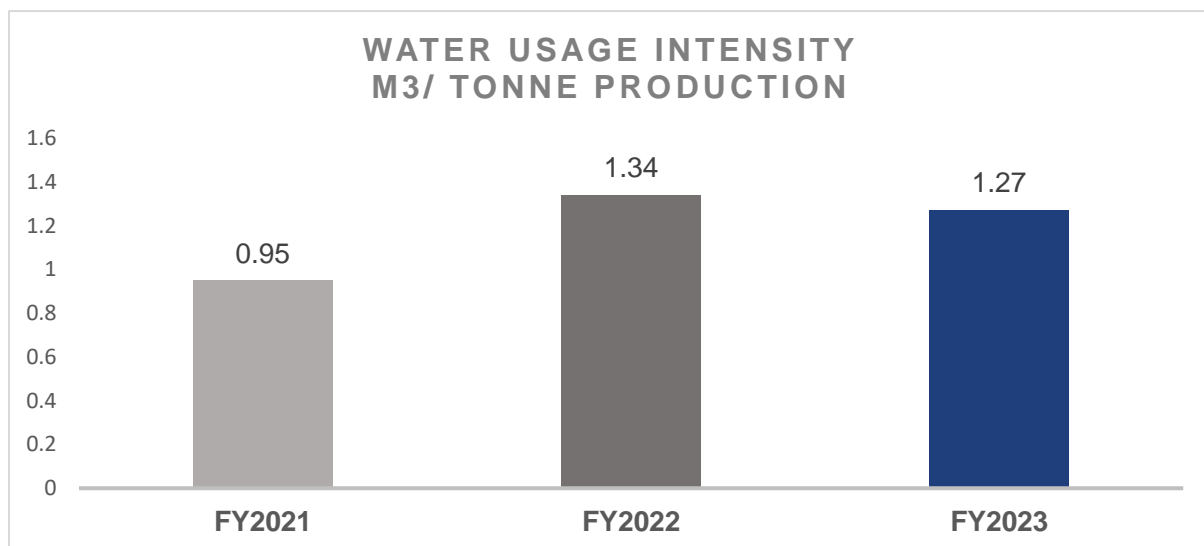
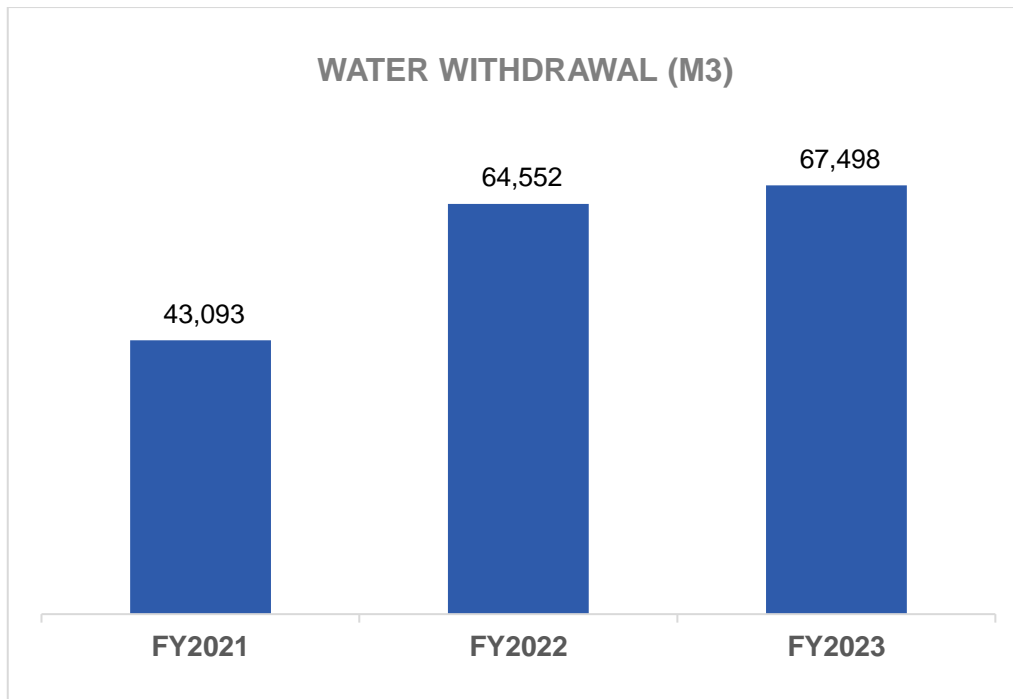
## Water

Access to clean water is a fundamental human right. Pantech Group is conscious of the need to manage our water resources responsibly and sustainably. As a manufacturer of PVF, water is a critical resource input in our operations. We endeavour to use only what is necessary to minimise our water withdrawal, thereby reducing our environmental impact and ensuring access to clean water for local communities.

We use the World Resource Institute (WRI) Aqueduct Water Risk Atlas Tool to identify the water stress level at our operation locations. 100% of our sites draw from municipal potable water with low stress levels i.e. below 10%.

To reduce water withdrawal from municipal source, we have rain harvesting systems which include collection, filtration, and storage systems. Eight rainwater catchment tanks with a total capacity of around 270 cubic metres (70,790 gallons) are installed in PGSB and PSA. At least 7,702 cubic metres (7.7 ML) of rainwater or the equivalent of more than three Olympic sized swimming pools were harvested for operational use.

With our teams' collective effort in meticulous production planning, daily monitoring of water usage, timely inspections of water pipes and utilisation of harvested rainwater, we reduced our water usage (m<sup>3</sup>/tonne production) at the Manufacturing division by 5.22%.



*Data from Manufacturing Division in Malaysia (excluding UPE)*

### Effluents, Waste and Emissions

In caring for the environment, three (3) Industrial Effluent Treatment Systems (IETS) are installed at PGSB and PSA to ensure that wastewater from our manufacturing activities are treated properly and accordingly before disposal. This system comprises wastewater and sludge treatment facilities capable of treating and neutralising up to 126 cubic metres of acid water per day from pickling tanks.

Pantech Group engages licensed vendors to ensure that sludge from our operations are handled properly and taken for onward processing according to regulations. We disposed 1,139 tonnes of scheduled waste in the reporting period. Department of Environment defined scheduled waste as any waste that has hazardous characteristics that have the potential to

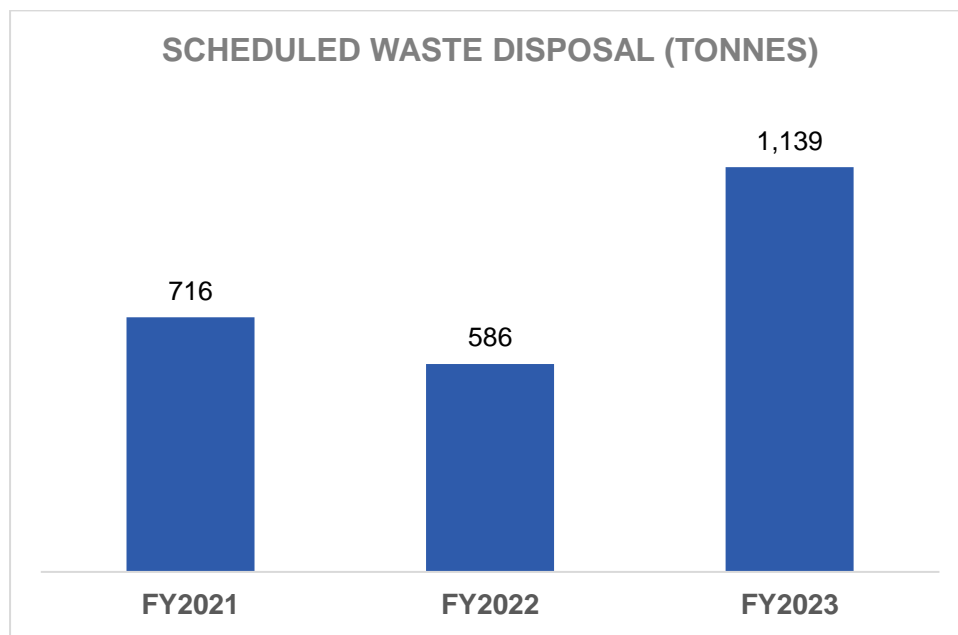
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negatively impact the public and the environment. Our scheduled waste includes metal and metal-bearing wastes, wastes containing principally inorganic constituents which may contain metals, waste containing principally organic constituents which may contain metals and inorganic metals, and waste which may contain either inorganic or organic constituents as defined in the Malaysia Environmental Quality (Scheduled Wastes) Regulations 2005.

The rise in waste recorded in FY2023 compared to the previous financial year is attributable to increased production and disposal which occurred after the FY2022 cut-off.

Air scrubber systems are also in place to neutralise and filter acidic fumes emitted from the pickling process. Dust collector systems supplement the scrubber systems by filtering air and preventing the release of dust particles into the atmosphere.

Pantech Group continuously assesses the need for additional waste management solutions. To date, the industrial effluent treatment system, air scrubber system, and dust collector system have helped the Group's waste management initiatives. We are also working on enhancing our reporting with data on general waste and recycled/reused/recovered waste.



Industrial Effluent Treatment System



Air Scrubber System



Dust Collector

In FY2023, Pantech Group received three compounds amounting to RM93,000 issued by the Department of Environment (DOE) and the local council Majlis Perbandaran Pasir Gudang



(MBPG) to our factories in Johor. The inspections and audits helped improve our compliance. We undertook remediation and rectification works to adhere to good practices.

- Repair work on IETS with installation of new sensors, pumps and supporting equipment
- Installation of online analyser on IETS to enhance monitoring and recording
- Installation of alarm system on the Air Scrubber System
- Inspection and maintenance of the Waste Water Treatment Plant (WWTP) system
- Recalibration of the pH controller of water treatment plant
- Engaged contractor to clean drainage system
- Conducted training sessions to operational staff handling the machineries.

Pantech Group will continue investing on waste management trainings for our employees to emphasise the importance of caring for the environment and mitigate potential environmental risks.

The effluent, waste and emission management implemented is supported by a monitoring system that meets the requirements set out by the Department of Environment. This includes:

- Daily testing of the water discharged;
- Testing of water discharged conducted by a third-party laboratory on a weekly basis;
- Testing of effluent or sewage by a third-party laboratory on a weekly and monthly basis;
- Daily performance monitoring of air scrubbers; and
- Annual inspection of air scrubber conducted by a third-party vendor.

The results of the monitoring system are recorded and reported to the management on a timely basis ensuring proper action is taken if there are any abnormalities.

## SOCIAL

Pantech Group understands that our success and sustainability as a company is intrinsically tied to the wellbeing of our employees and those we serve and interact with. From our dedication to empower employees, to our commitment to good governance and engagements with local communities, we strive to embed social responsibility as a driving force of our business operations.

### Employee Empowerment

Human capital development is an essential element in Pantech Group's ability to create long-term value for stakeholders. Aligned with this, Pantech Group has identified three core themes to attract, nurture, develop and retain top talents:



### Employee Development

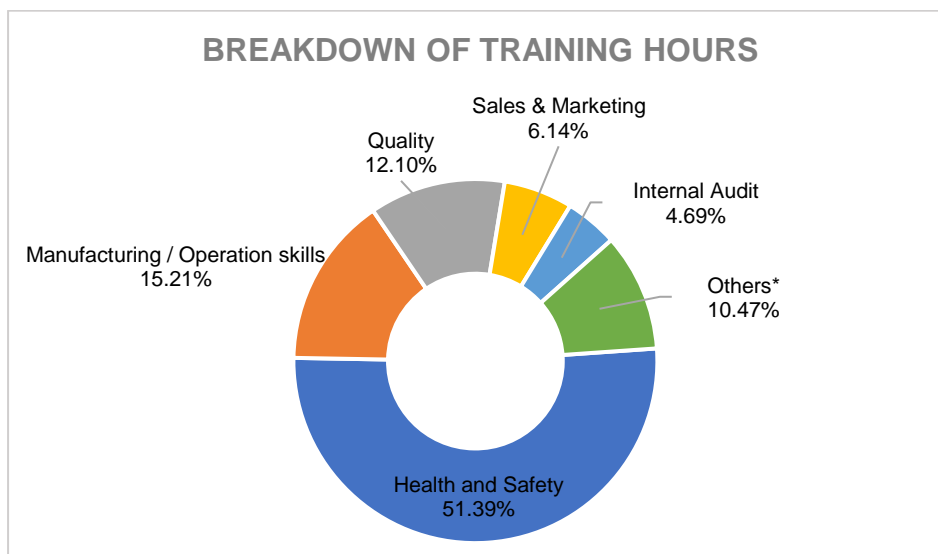
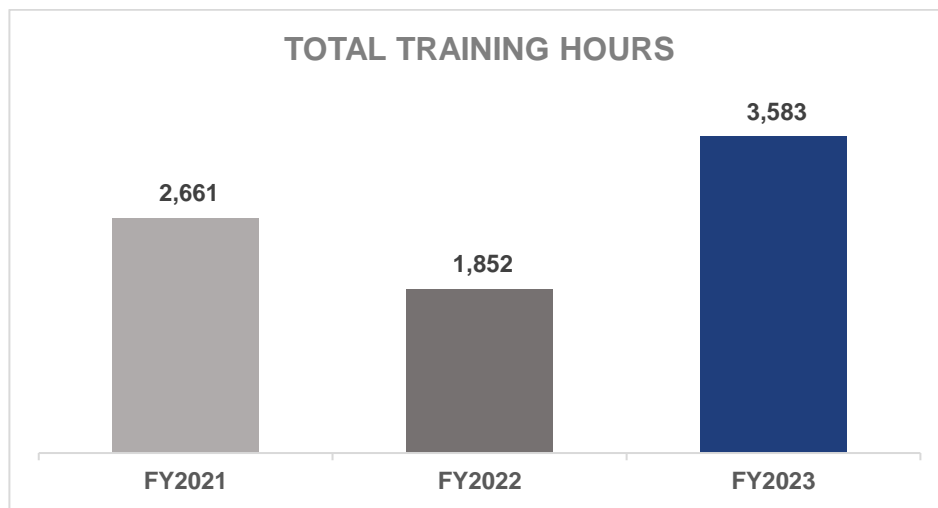
One of Pantech Group's core values is to empower employees to create an energetic and enthusiastic workforce through talent management and development.

In promoting a work environment where employees are encouraged to step up and lead, Pantech Group encourages a culture of continuous learning and adaptability to nurture their growth as they make decisions based on critical thinking. We are committed to and support our employees in their endeavour to acquire new skills and capabilities through courses that benefit their personal development.

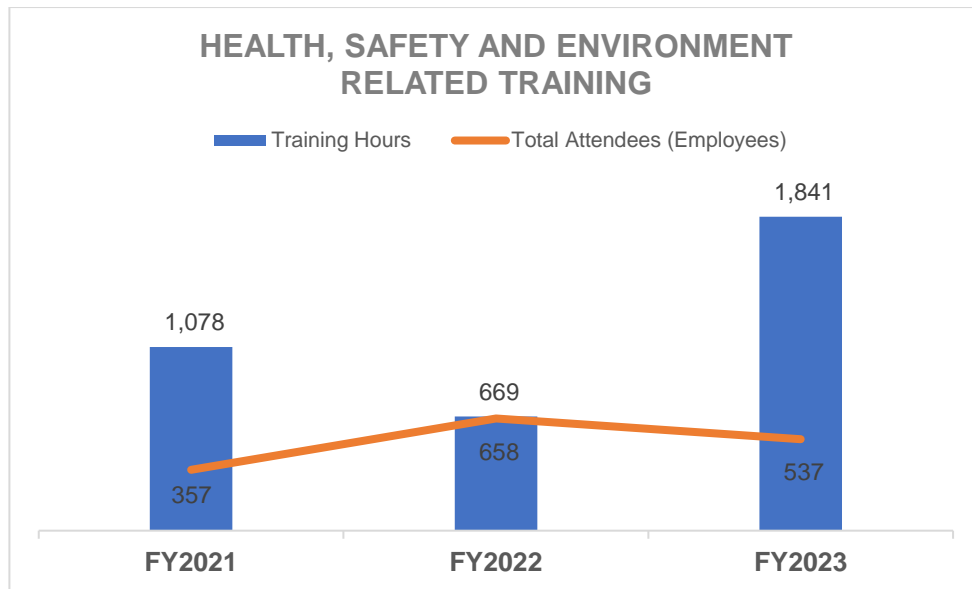
Working towards our vision to be a leader in the provision of total solutions for gas and fluid transmission systems requires a habit of prioritising safety among our workforce. We conduct regular trainings on health, safety, and environment (HSE) and personal protective equipment (PPE) in our effort to promote a safe and conducive workplace. These sessions help ensure that our employees have the necessary knowledge and skills to maintain a safe working environment.

Beyond equipping with HSE and PPE know-how, Pantech Group also develops the skills and knowledge in areas such as manufacturing and operational skills, quality assurance, sales & marketing, internal audit and sustainability among others. These employee development initiatives which increase individual skillsets benefit the team as a whole and contribute positively to their personal career progression.

In line with this, FY2023 saw an increase in employee participation in training programmes. Correspondingly, training hours increased 93% in the financial year in review, with an average of 5.21 training hours per local employee, exceeding our target training hours by 30%.



*\*Topics covered in Others: Sustainability, Finance and Purchasing, Human Resources and Information Technology, Product Knowledge and Shipping.*



Pantech Group resumed events that recognised employees for their contribution (Annual Dinner) and foster camaraderie (Team Building) following Malaysia's transition in endemicity.

36 long-service staff who have been with the Group for 5, 10, 15 and 20 years were given special honour during the Dinner, while the Team Building event saw cross-level and divisional participation. Both initiatives were participated by directors, management, executives and non-executive staff.

#### Employee Wellness

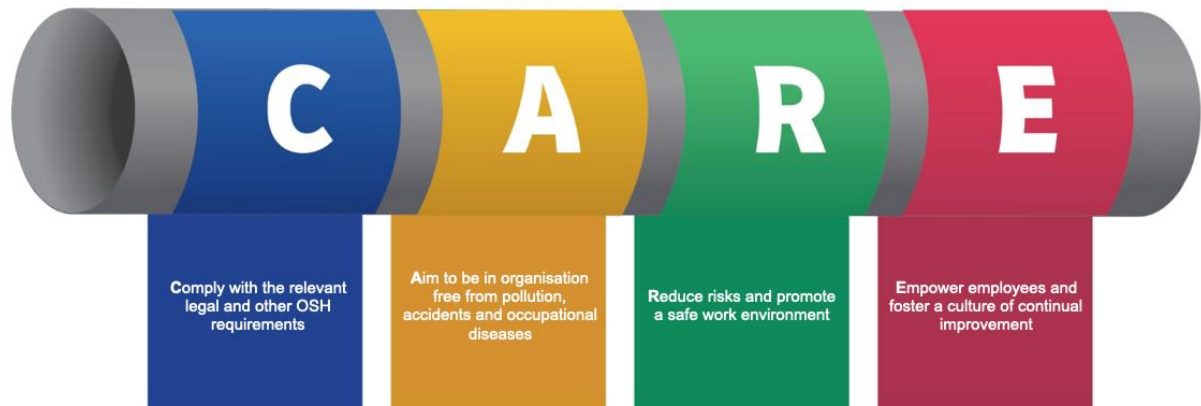
A safe working environment transcends reporting zero incidences. It upholds the right of a person to return home safely to loved ones after a day's work.

#### Operational Safety and Health (OSH)

Employee safety and health is paramount in our business operations. Pantech Group strives to conduct business activities in a safe and responsible manner. We aim to achieve the goal of zero health and safety incidences for all employees, customers, visitors and contractors during their association with the Group every year.

To this end, we implement rigorous safety and health management systems that are continuously monitored and evaluated to mitigate risks of unwanted incidences by identifying potential hazards.

Our safety procedures are reviewed and updated periodically to ensure the continued safety of our staff. Our CARE Policy captures the essence of Pantech Group's safety culture and is embedded into our OSH policy, which had been updated following a Board meeting in July 2023, past our FY2023 reporting deadline.



Pantech Group has 15-minute weekly Toolbox Sessions for the Production floor and Warehouse departments to encourage healthy dialogue on workplace safety. This is driven by Health, Safety, and Environment Committees at each subsidiary, which is led by respective Board members who also sit in the SMC or Sustainability Taskforce, with the assistance of Management. These sessions provide the opportunity to reinforce safety basics and communicate updates on safety related matters.

Our scheduling of regular safety related training sessions for employees contributed to the steady decline of safety incidents of Pantech Group since FY2020. There were 18 incidents (9 major, 9 minor) recorded in FY2023 compared to 25 incidents (4 major, 21 minor) recorded in FY2022. However, the total man-hours lost increased by 75% as there were more major incidents which required temporary production halt of the sections involved for investigation and remediation. None of the incidents resulted in fatal injuries.

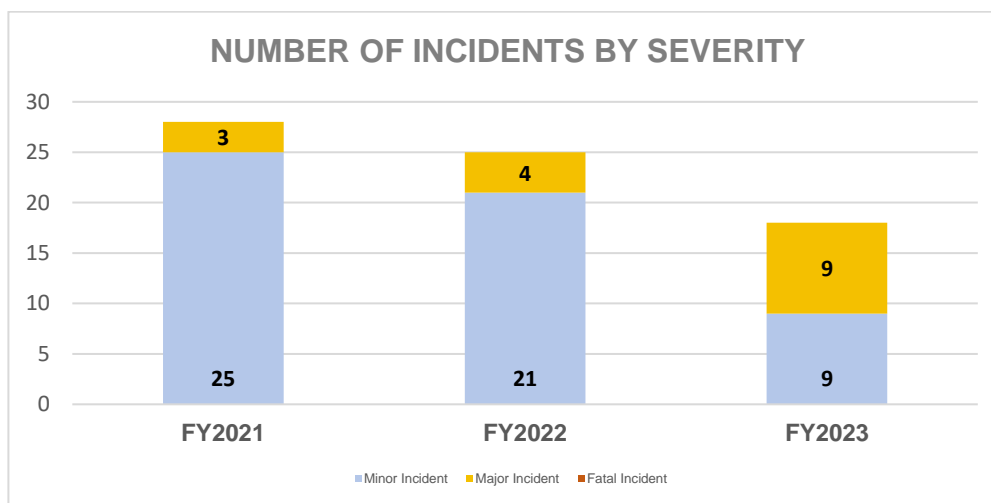
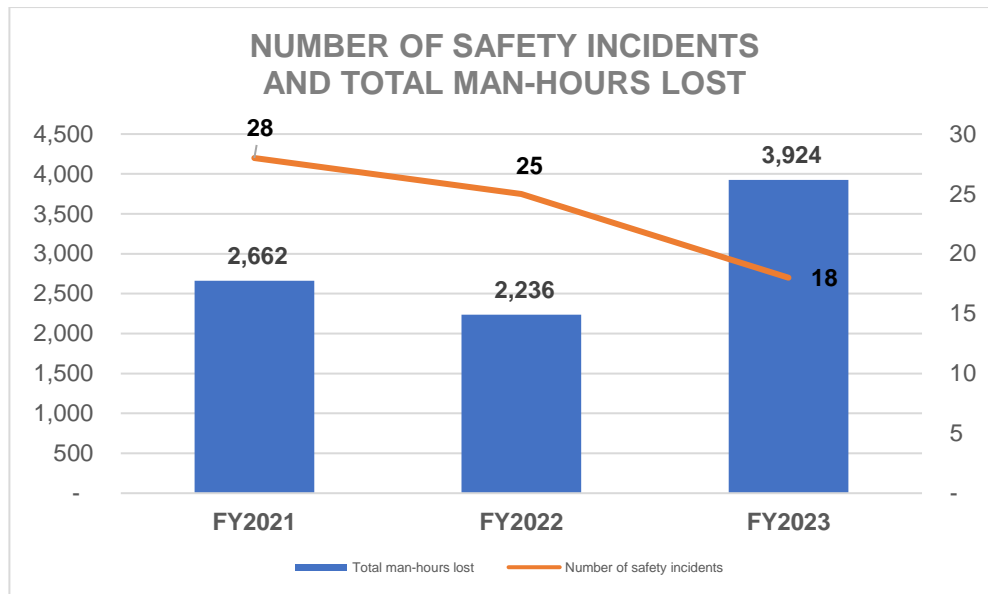
For the year under review, Pantech Group recorded a Lost Time Incident Rate (LTIR) of 1.48. LTIR reflects loss of productivity associated with safety incidents and is calculated according to Bursa Malaysia's Sustainability Reporting Guide (3<sup>rd</sup> Edition).

All safety incidents were carefully investigated, with necessary precautionary and remedial actions taken to ensure that they are addressed at the root cause level. The remedial actions include:

- Briefed operation workers on the cause of incidents and reminded them to practice the correct material handling techniques when operating in production or warehouse areas;
- Increased safety training;
- Reviewed operational process Hazard Identification, Risk Assessment & Risk Control;
- Installed push stop button cover with lock and stopper on machinery; and
- Installed safety / warning signs at operational areas.

Pantech Group will continue to emphasise good operational safety and health practices by assessing the risks of safety incidents in our operations. We are dedicated to contributing towards a sustainable future by maintaining a safe and conducive workplace with zero safety incidents.

Pantech Group  
Interim Sustainability Statement (FY2023-2024)



	FY2021	FY2022	FY2023
No. of Fatalities involving Employees	0	0	0
No. of Fatalities involving Contractors	0	0	0
No. of Incidents	28	25	18
• Major Incidents	3	4	9
• Minor Incidents	25	21	9
Total Man-Hours Lost	2,662	2,236	3,924
LTIR (Employees)	2.68	2.32	1.48

Pantech Group  
Interim Sustainability Statement (FY2023-2024)

Type of Incident	Description
Fatal	<ul style="list-style-type: none"> <li>Incidents that result in death</li> </ul>
Major	<ul style="list-style-type: none"> <li>Incidents that result in non-fatal injury but cause permanent disability</li> <li>Prolonged but non-permanent disability with absence from work or on medical leave (MC) of more than 3 weeks</li> </ul>
Minor	<ul style="list-style-type: none"> <li>Incidents that result in minor injuries but not permanent disability</li> <li>Not critical or life threatening, minor abrasions, bruises, cuts and first aid type injury</li> <li>Absence from work or MC of less than 3 weeks</li> </ul>

### Diversity and Equal Opportunities

Pantech Group practises inclusivity and values diversity in all its forms, including race, religion, gender, age, sexual orientation, disabilities and nationality. We appreciate that every employee has the right to work in an atmosphere of respect, dignity and fairness. Discrimination in any form whatsoever is not tolerated.

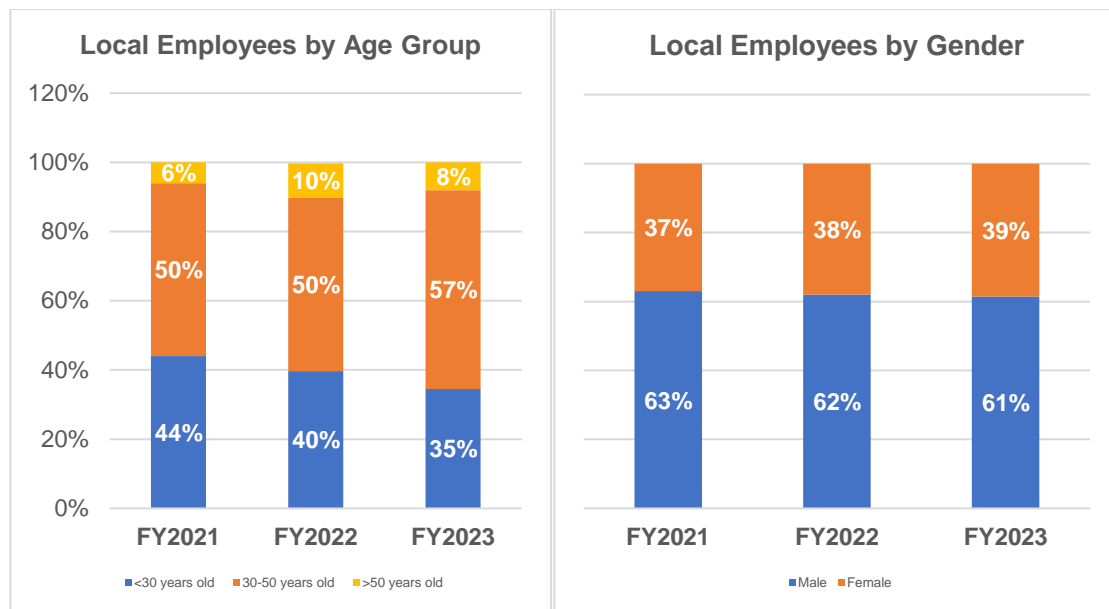
Our diverse workforce comprises individuals from different backgrounds who bring on board their own individual experiences, knowledge and perspectives. This collaborative and inclusive approach creates a harmonious workforce which has the benefit of enhancing the value of our operations.

FY2023 saw an uptick in headcount to address the increase in production demand. Pantech Group expanded employment by 31% which also helped promote social and economic opportunities for individuals and families. The completion of UPE's acquisition contributed to the headcount increase. As a corporate citizen that is committed to creating value in the communities in which we operate, we create job opportunities for locals. As at the financial year end, 57% of our employees are local.

92% of Pantech Group's local employees are below 50 years old, reflecting the Group's dedication in investing in our employees' growth and development, while providing work opportunities for young talents. Meanwhile, the majority of our Board comprises directors above 50 years old with experience and nous honed over the years. Their valuable insights, industry expertise and professional networks contribute to sound strategic guidance, supporting informed decisions.

Our gender ratio continues to improve as it had over the last three financial years. 39% of our local workforce is female, and one third of the Board are represented by female directors. Our operations comprise production and warehouse departments, which predominantly consist of male workers due to the physically demanding nature of the work. Nevertheless, we recognise the importance of gender diversity and are committed to creating opportunities for female employees in administrative roles. We are pleased that 64% of our non-Operation workforce are female. We believe in providing equal opportunities for career advancement and fostering a work environment that embraces the diverse strengths and talents of our employees.

Pantech Group  
Interim Sustainability Statement (FY2023-2024)



## Anti-Bribery and Corruption

Ethical standards in all our business activities is an unwavering commitment of Pantech Group's. This is reflected by our core value to conduct business with honesty and integrity at all times, to develop trust and strengthen relationships with stakeholders.

Our policies and procedures are guided by our Code of Ethics (CoE), which outlines our risk mitigation efforts for bribery and corruption risks in all our dealings. This is complemented by Pantech Group's Anti-Bribery & Corruption (ABAC) policy which is regularly communicated to both internal and external stakeholders. Regularly scheduled anti-bribery and corruption related workshops and training sessions for employees help reinforce the message and expected conduct of all Pantech Group staff. Both CoE and ABAC implementation are overseen by the Board and SMC.

In addition, we have a robust whistleblowing policy (which can be viewed at our website <https://pantech-group.com/wp-content/uploads/Pantech-Whistleblowing-policy-20200723.pdf>) and a secure channel for employees to raise potential misconduct, suspected wrongdoing or breaches, including bullying or harassment, for proper investigation, without fear of retaliation. All reports will be subject to an internal inquiry and subsequently, if found in breach, commensurate action will be taken.

In this respect, Pantech Group is pleased to announce that we have maintained having no corruption or bribery incidences reported in FY2023.

	FY2021	FY2022	FY2023
Bribery Cases Reported	0	0	0
Corruption Cases Reported	0	0	0

## Human Rights

Respect for human beings is a moral obligation at Pantech Group. Respecting and promoting human rights is fundamental to achieving sustainable growth.



Pantech Group has formalised a Human Rights policy that outlines our approach to managing and mitigating potential negative human rights impact. It encompasses six principles:

- Non-Discrimination
- Fair Employment Conditions
- Health and Safety
- Freedom of Association and Collective Bargaining
- No Forced and Child Labour, and
- Free from Harassment and Abuse

The policy can be viewed on our website (<https://pantech-group.com/wp-content/uploads/Pantech-Human-Rights-Policy.pdf>). We are committed to improving our human rights performance in line with updated guidelines issued by key authorities.

We have a secure channel for employees to raise potential breaches, for proper investigation and action where necessary, without fear of retaliation.

### Community

As part of Pantech Group's commitment to sustainability, we believe in creating value that extends beyond financial compensation for our employees – by helping to shape the future of their loved ones. Our annual Back to School Programme continued in its 12th year to help employees with school-going children in both primary and secondary school by subsidising education expenses and encourage kids to stay in school. In FY2023, the programme benefitted 88 employees, impacting 126 children's future through access to quality education.

Pantech Group also implemented initiatives that centre on community and social contribution. We work closely with local organisations and stakeholders to identify areas where we can make a positive impact as we strive to be a responsible and engaged corporate citizen.

We believe that these initiatives can help build stronger and more resilient communities, in addition to addressing social and environmental challenges.

Our community and social contribution initiatives in the financial year under review are listed below for reference.



In total, Pantech Group channelled close to RM112,000 in FY2023 to help sustain the communities around us.