

SUSTAINABILITY STATEMENT

PUC Group is committed towards integrating sustainability into all areas of its business. As we are embarking on a journey towards transformational technology and digital services, our priority towards maintaining sustainability as an integral part of our way of doing business and a guiding principle in our decision making and development remains and has never wavered. We believe in transparent business processes, corporate social responsibility and sustainability management. In this Sustainability Statement, we will outline our efforts at embedding sustainability throughout the Group in the economic, environmental and social spheres, including exceptional achievements and highlights made throughout 2019.

Our company motto of "Making people's lives easier, happier and richer" goes beyond financial performance. We strive to strike a balance between empowering economic growth and interest of the people that we work with, we serve and the community we impact as we believe these are the core of long-term sustainability.

With transparency and accountability in mind, we constantly engage our key stakeholders which includes regulators, investors, customers, employees, media and partners to get their feedback and insights which will enable us to re-look at our priorities and address the pressing material matters of our business and stakeholders. We believe this will help PUC navigate whatever lies beyond, as the environment we operate in is an evolving one.

This is the second year since embarking on the integrated reporting format. The Group is still formulating its sustainability policy which will be in place come 2020.

SCOPE OF THIS STATEMENT

The coverage of this statement encompasses all segments of the Group's operations.

REPORTING PERIOD

The reporting period covered is from January to December 2019.

REFERENCES AND GUIDELINES

Our sustainability reporting was prepared in accordance with these references and guidelines:

- United Nation Sustainable Development Goals ("SDGs")
- Bursa Malaysia Sustainable Reporting Guide



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Sustainability Committee

At the heart of the Group's sustainability reporting are our values and commitment of diversity and inclusion. We have handpicked a diverse panel of individuals from various departments and backgrounds tasked with overseeing all matters relating to sustainability domestically and regionally. Our sustainability committee members are as follows:

Sustainability Committee Members	Departments (Sub-unit)
Kelvin Cheong	Corporate Development
Erwin Foo	IT
Johnny Tan	Corporate Development – Corporate Finance
Lee Wan Fatt	Corporate Development – Corporate Finance
Chor Zhenyi	Finance
Felicia Ng (alternate: See Sue Yong)	Corporate Development – Legal
Lim long Sik	Corporate Development – Investor Relation
Eileen Eng	Human Resource

Our proactive approach to sustainability

Financially sound and sustainable development is central to the Group's mandate. We work hard to ensure that we are not only contributing to effective and sustainable business processes, but our work is also in line with the priorities of the international community, such as the SDGs.

Our approach to sustainability is to select several initiatives which have both local and international impact reflecting the coverage of the Company's business and wherever possible, directly benefit the communities in which we operate.

In a nutshell, we take into consideration the social and economic impacts in our business strategies and operations planning to ensure they benefit and contribute to the greater good of society, and eventually ensure the sustainability of the Company.

Aligning our business goals

By 2050, the world population is expected to reach nine billion, giving rise to a host of issues such as climate change, poverty and ongoing urbanization. We believe as a company, we have an increasingly important role to play to eradicate these issues, and so in 2019, we embarked on identifying five (5) SDGs that are aligned to our values and our way of doing business. They are:

Goal
3

Good Health and Well-Being

Ensuring all employees have access to adequate health and medical assistance.

Goal
5

Gender Equality

PUC is dedicated to grow an inclusive organization where individual employees with diverse backgrounds can demonstrate their potential to the fullest.

Goal
8

Decent Work and Economic Growth

Present equal opportunities to all employees with the desire to advance or develop their skills further.

Goal
9

Industry, Innovation and Infrastructure

The Group is constantly working towards mindful work culture that protects the environment through business activities and the provision of revolutionary products, technologies and services.

Goal
10

Reduced Inequalities

Promote positive work culture where all employees with diverse backgrounds can demonstrate their potential to the fullest.



ENVIRONMENT

Energy Saving Initiatives

To increase energy savings, employees keep blinds closed during sunny days to keep the temperature down inside the workspace. When nobody is using the meeting room, the air-conditioner will be switched off.

A functioning, and fully charged laptop has sufficient power to last for at least eight hours before the next charge. To prevent overcharging laptops due to being plugged into power points all night, our IT Policy has been created with energy saving measures in mind. As such, all employees are encouraged to bring their laptops home after work.

The following chart shows PUC's energy consumption for 2019. The energy consumption for 2019 was 113,403 kWh and corresponding expenditure was RM64,254.77. PUC has been streamlining its operations and processes to improve energy efficiency.

Month	kWh	RM
JAN '19	7813	5182.09
FEB '19	8748	7463.96
MAR '19	8236	4424.07
APR '19	8614	4159.60
MAY '19	7949	4268.35
JUN '19	12236	6594.65
JUL '19	12572	6777.05
AUG '19	12404	6685.85
SEP '19	10195	5487.15
OCT '19	8645	4646.05
NOV '19	8258	4436.05
DEC '19	7733	4129.90
Total	113403	64254.77

Conserving Resources

In line with the Malaysian government's continuous effort towards encouraging a cashless and cardless society, our product and services, particularly our homegrown social marketing platform – Presto, offers mobile payment function, as well as other value-enhanced digital offerings such as bill payment, money transfer, and movie ticket purchase. This is to encourage people to have paperless transactions. This is our commitment to help society reduce the demand for paper and ink, thereby saving resources.

At PUC, we acknowledge that electronic waste ("**e-waste**") is a threat to sustainability. Internally, part of the Group's sustainability initiatives is to minimise e-waste to conserve resources and reduce the amount of energy we take from the earth. As such, our Policy stipulates that functioning company laptops in good condition will be passed on to the next employee. Old laptops and equipment will be sold to recover costs and extend the device's lifespan, thus making full use of available and existing resources.

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ECONOMIC

By integrating digital technologies into the daily lives of consumers, we are ultimately bringing forth a wealth of convenience to them. Digitalisation does not only contribute to productivity and efficiency, but also to broader socio-economic development. It is an accelerator of development that precedes social progress and robust economic development.

Stakeholder Engagement

We value all our stakeholders, as each plays a pivotal role in our success and contributes to our business continuity. We recognise that they are crucial to PUC's development and long-term success. Although external stakeholders were not engaged to examine EES matters in detail, our regular interactions with them enables us to have a good understanding of their concerns. Our key stakeholders and their areas of interest based on our various engagements with them are set out below:

Stakeholders	Their Expectations	How We Engage	How We Respond
<ul style="list-style-type: none"> Business partners and their end customers Retail customers 	<ul style="list-style-type: none"> Value for money Ease of dealing High-quality products and services Timely delivery of products and services 	<ul style="list-style-type: none"> Regular meetings and communication Regular visits business partners System audits Online customer service and counter at our concept store Marketing communications, website, and digital media 	<ul style="list-style-type: none"> Investment in research and development Well-trained customer service team and talented designers Stringent quality assurance process
Employees	<ul style="list-style-type: none"> Personal and professional development Workplace safety 	<ul style="list-style-type: none"> Performance appraisal Training Team meetings Employee engagement Company events 	<ul style="list-style-type: none"> HR policies to promote a conducive work environment, fair employment practices and people development Occupational health and safety system
Suppliers	<ul style="list-style-type: none"> Regular business Long-term relationship Clarity of specifications Timely payment 	<ul style="list-style-type: none"> Meetings and electronic communications Purchase orders and agreements 	<ul style="list-style-type: none"> Establish fair selection process Pay as per agreement
Government and Regulators	<ul style="list-style-type: none"> Regulatory compliance Taxes 	<ul style="list-style-type: none"> Inspections and meetings Circulars and notices Regulatory filings 	<ul style="list-style-type: none"> Adhere to the applicable laws and regulations Maintain the necessary records

Stakeholders	Their Expectations	How We Engage	How We Respond
Community	<ul style="list-style-type: none"> · Support for communities · Responsible business operations 	<ul style="list-style-type: none"> · Community development initiatives 	<ul style="list-style-type: none"> · Commitment to corporate social responsibility
Shareholders	<ul style="list-style-type: none"> · Return on investment · Sustainable business growth · Good corporate governance 	<ul style="list-style-type: none"> · Extraordinary/Annual General Meeting · Investor Relations briefings 	<ul style="list-style-type: none"> · Ensuring good corporate governance practices are in place · Prudent business and financial planning · Risk management

Business Continuity

PUC has a Crisis Management Manual in place, which specifies in detail the crisis responses required in various possible scenarios.

A good crisis plan functions as a guidebook to handle all kinds of complex situations that could significantly affect the profitability, integrity and reputation of PUC. For example, serious crises include workplace crime or acts of violence to less serious situations such malfunctioning computer servers.

Supply Chain and Procurement

PUC maintains a supplier list that is updated regularly. In the procurement SOP, it has been specified that more than one quotation is always needed as part of PUC's dedication to ensuring processes and procedures are all above board.

Anti-Corruption

PUC has a No Gift Policy in place. All PUC employees were briefed on the No Gift Policy through internal emails sent by the HR department. This policy has also been explained in the Employees Handbook. In addition, Anti-Bribery and Anti-Corruption Policy and guidelines have been adopted and implemented effective 1 June 2020.

No corruption incidents have been reported within the Group thus far.

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SOCIAL

Our Team

PUC values its employees as they are key assets and enablers of its success. We acknowledge that having a quality working environment encourages employees' efficiency and effectiveness.

As a major factor of our business success, our team plays an integral role in the sustainability and success of the Group. We acknowledge that Human Capital is the central determinant of resource productivity and sustainability. As such, we are focused on investing in a highly skilled and talented workforce. This can be achieved with the strength of a diverse and inclusive workforce by taking into account the current diversity in the gender and ethnicity of the existing workforce.

As of December 2019, PUC had 88 employees, of which 75% were ethnic Chinese, followed by 17% ethnic Bumiputra, and 6.8% ethnic Indian. Our employees consist of 59.1% females and 40.9% males. Age-wise, most of our employees are young and vibrant, with 50% from the 21-30 age group, followed by 38.6% from the 31-40 age group, 10% from the 41-50 age group, and only 1 person from the 51-60 age group.

The Group also encourages the continuous development of employees by equipping them with new knowledge and ideas through annual training, seminars, workshops and talks.

The following activities during the financial year demonstrating the Group's efforts to promote a learning culture at the workplace:

Date	Course Name	Training Provider	No. of Staff Attended
1 Jan 2019	Seminar on Preparation For Corporate Liability on Corruption	Malaysian Institute of Corporate Governance	5
15 Jan 2019	Vistage CEO Tea Talk 2019	Vistage Asia Sdn. Bhd.	1
16 & 29 Jan 2019	Seminar on Preparation for Corporate Liability on Corruption	Malaysian Institute of Corporate Governance	2
30 Jan 2019	Rise Hong Kong 2019	Connected Intelligence Limited	1
18 Feb 2019	MBRS Seminar	Mega Corporate Services Sdn. Bhd.	3
7 Mar 2019	"Let's Get Real" on Anti-Bribery	The ICLIF Leadership and Governance Centre	1
23 May 2019	MIA's Engagement Session with Audit Committee Members on Integrated Reporting	Malaysian Institute of Accounts	1
9 Aug 2019	Corporate Liability - Section 17A of The MACCA 2018	Malaysian Institute of Corporate Governance	2
8 Oct 2019	Malaysia Tax Budget 2020	Crowe CPE Sdn. Bhd.	1
22 Oct 2019	Reducing Manpower Cost	MECA Employers Consulting Agency Sdn. Bhd.	1
12 Nov 2019	Deferred Tax Under MFRS 112/MPEPRS Section 29	Malaysian Institute of Accounts	1

Human Resources

The success of PUC Group depends to a large extent on the dedication and skill of our employees. Each and every employee's personal development is important to us, and we highly encourage success planning of our valued employees with high-quality training programs, which we regularly adapt to the needs of the company.

Labour Policies

For permanent staff, EPF contributions are provided in line with the standard market rate (12%-13%). Besides that, PUC also provides medical coverage (hospitalisation and surgery), outpatient, dental and optical benefit, team building funds, newborn gift, long service award, etc.

Employee Handbook

PUC has an Employee Handbook which was drafted in accordance with the Employment Act 1955. The handbook is reviewed annually to ensure that it remains relevant.

CORPORATE SOCIAL RESPONSIBILITY

PUC thrives on the support of the local community and society at large. Therefore, we always aim to give back to the communities where we do business, by enriching and empowering the communities we serve. We hope to enable a sustainable future for both our business and society.

One of the ways we provide support for the local communities is through volunteerism and charitable contributions.

Our CSR initiatives help to empower our employees to leverage the corporate resources at their disposal to do good. These CSR programmes help to boost employee morale through the feel-good factor, because they did something positive that matters. This improved morale can contribute to greater productivity in the company.

We endeavour to continue making meaningful contributions to the betterment of the communities and support initiatives for a sustainable environment. The Group is dedicated in being sustainable in the holistic sense which extends to many functions.

Community engagement activities

In 2019, we have chosen to support the Library of HOPE project as our CSR beneficiary, as detailed below:

Library of HOPE

Library of HOPE is a programme by PeopleGiving, aimed at bringing joy and nurturing the education and literacy of underprivileged children in Malaysia, empowering them to break the cycle of poverty. The programme is also intended to create a space for children to learn and play in a conducive environment.

Since September 2013, PeopleGiving had set up 11 libraries for deserving communities in Malaysia. The main target beneficiaries for the Library of HOPE in 2020 remains the Orang Asli communities, because seven out of ten Orang Asli live under the poverty line, and three out of ten are hardcore poor.

As part of giving back to the community, PUC hosted the Happy Library in a Box event at Menara Allianz, from 13 January to 13 February 2020. The total number of books collected was 613 books, while other donated items included soft and hard toys, educational material and stationery. These items will be used to furnish the Library of HOPE number 12 in Kampung Sungai Ulu Ruai in April and May 2020.



