

ANTI-CORRUPTION AND ANTI-BRIBERY POLICY

POLICY STATEMENT

PNE does not engage in corruption or bribery, directly or indirectly. Employees must not request, offer, solicit, make or receive any payments or inducements which are illegal, unethical or represent a breach of trust. This is not limited to money but includes the giving of anything of value such as contracts, gifts and business opportunities.

SCOPE

1. This policy applies to all employees working at all levels and grades.
2. All contractors, suppliers, security provider, labour agents and canteen caterer.
3. Related personnel.

DEFINITION

1. **Corruption and Bribery:**
 - 1.1 The offering, promising, giving, accepting or soliciting an inducement for an action which is illegal or a breach of trust.
 - 1.2 Other forms include money laundering, extortion, fraudulent activities, dishonest dealings, embezzlement, deception, falsification of documents, etc.
2. **Related personnel:**
 - 2.1 Includes family members such as spouse, children, stepchildren, parents, etc.
 - 2.2 Suppliers, government officials, political parties, contractors, labour supply agents, etc.

REFERENCE

1. PNE's Whistle Blowing Policy and Procedure

DETAILED POLICY

1. It is mandatory for all employees to comply to this policy. Breach of this policy will constitute disciplinary action, dismissal from employment and legal actions.
2. All employees must carry out their duties legally and ethically.
3. The use of PNE funds for any unlawful purpose is strictly prohibited.
4. PNE complies fully with the nation's anti-corruption and anti-bribery laws.
5. All employees are encouraged and obligated to report any indications of corruption and bribery to his / her department head.

ANTI-SLAVERY AND HUMAN TRAFFICKING POLICY

POLICY STATEMENT

PNE will strive to prevent modern slavery from taking place within PNE or in any of our supply chain. It is a heinous crime and opposing it is a priority for PNE.

POLICY SCOPE

1. Employees of PNE
2. Stakeholders
3. Suppliers

DEFINITION

What is modern slavery and human trafficking?

Modern slavery is a term used to describe the following forms of exploitation:

1. **Slavery** – where one person treats another as though he owns that person.
2. **Servitude** – where a person is coerced to provide services and cannot change his or her condition.
3. **Forced labour** – where a person is forced to work or provide a service under the menace of a penalty.
4. **Human trafficking** is where a person arranges or facilitates the travel of another person with the intention of that person being exploited.
5. **Child labour** is defined as work that deprives children of their childhood, their potential and their dignity, and that is harmful to physical and mental development.

DETAILED POLICY

PNE prohibits the use of modern slavery and human trafficking in our operations and in our supply chain. Our suppliers must hold their own suppliers to the same high standards.

1. Modern slavery is a crime and a violation of fundamental human rights.
2. PNE has a zero-tolerance approach to modern slavery in our organisation and our supply chains.
3. Prevention, detection and reporting of modern slavery within our organisation and our supply chains is the responsibility for all.
4. All employment in PNE is voluntary.
5. All employed in PNE are above 18 years of age.
6. Employees must not engage in any activities that might lead to a breach of this policy.
7. Agents who supply workers must comply to this policy.
8. The security supplier and the canteen operator must comply to this policy.

CHILD LABOUR AND YOUNG WORKER POLICY

PNE ensures that no child labour and young worker are employed in the organisation, and all recruitment is per PNE policy. The minimum age for employment is 18 years of age, with verification against two (2) types of official identification documents.

POLICY SCOPE

This policy applies to:

1. All employees of PNE
2. Suppliers
3. Contractors
4. Security provider
5. Canteen provider
6. Cleaning service provider

For the operation of the policy the following definitions apply:

- **Child Labour** - A “Child Worker” is someone who has not reached their 15th birthday or any higher age specified in local law for completing mandatory schooling or beginning of full-time work. The legal minimum age to work can vary depending on the country, and suppliers should seek guidance from the Government Authority and Law.
- **Young Worker** - A young person is legally entitled to work, with minimum employment age of 15 and below 18.

POLICY GUIDELINE

1. PNE condemns all forms of exploitation of children and does not recruit child labour. All employed in PNE must be 18 years old and above.
2. Terminate the employment relationship immediately upon knowing staff recruited by the supplier or contractor was below 18 years of age.
3. A full investigation will be required to identify the cause of occurrence and take disciplinary action to prevent reoccurrence.
4. We reserve the right to discontinue the business relationship with any supplier or contractor if they deliberately breach this policy or fail to demonstrate action towards an agreement.
5. Pay practices in PNE are according to the rules and regulations of the Government Authority.
6. We will regularly review and audit our recruitment procedures to comply and reserve the right to carry out audits of our supply chain.

GRIEVANCE AND COMPLAINT POLICY

POLICY STATEMENT

This policy encourages and explains how stakeholders can constructively voice their complaints. Stakeholders are also welcome to express their suggestions and feedback through this policy. PNE is committed to an open and transparent approach to resolving grievances with the involvement of affected stakeholders. Stakeholders should be able to follow a fair grievance procedure to be heard and avoid conflicts.

POLICY SCOPE

This policy applies to PNE stakeholders as below:

1. Employees of PNE
2. External parties (contractors, suppliers, local community, individuals)

DEFINITION

We define grievance as any complaint, problem, concern, feedback, and suggestion of stakeholders regarding workplace, job or working relationship, human/labour rights, and environment.

Stakeholders can file grievances or inquiries for any of the following reasons:

1. Workplace harassment
2. Work environment
3. Health and Safety
4. Relationships in the workplace
5. Adverse changes in employment conditions
6. Environmental

This list is not exhaustive. However, stakeholders should try to resolve less significant issues informally before they resort to a formal grievance.

Stakeholders can lodge their grievances and inquiries by revealing their identity or anonymously as below:

1. Reach out to the supervisor/manager or HR department.
2. File a grievance form explaining the situation with details (Anonymous reporting is allowed).
3. Refuse to attend formal meetings on their own.
4. Appeal on any proper decision.

Stakeholders who face allegations have the right to:

1. Receive a copy of the allegations against them.
2. Respond to the allegations.
3. Appeal on any formal decision.

The company is obliged to:

1. Have a formal grievance procedure in place.
2. Communicate the procedure.
3. Investigate all grievances promptly.
4. Treat all stakeholders who file grievances equally.
5. Preserve confidentiality at any stage of the process.
6. Resolve all grievances when possible.
7. Respect its no-retaliation policy when stakeholders file grievances with the company or external agencies (for example, the equal employment opportunity committee).

On August 22, 2012, the U.S. Securities and Exchange Commission (SEC) issued the final conflict minerals rule under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. This Conflict Minerals rule requires publicly traded companies to report annually the presence of conflict minerals (tin, tungsten, tantalum, and gold) originating in the Democratic Republic of the Congo or adjoining countries.

PNE supports Dodd-Franks act to the ending of human rights violations in the mining of 3TG minerals from the area known as the “Conflict Region” in the east of the Democratic Republic of Congo (DRC) and surrounding countries.

PNE is committed to:

- investigate the use and origin of 3TG metals (tin, tantalum, tungsten and gold)
- request our suppliers to be DRC's conflict free
- not knowingly use 3TG metals originating from mines directly or indirectly financing or benefiting armed groups in the DRC or any conflict countries

PNE encourages our suppliers to adopt similar policies and management systems with respect to conflict minerals. We also will be requiring all of our suppliers to provide us with complete conflict minerals declarations using the standardized RMI (Responsible Minerals Initiative) Conflict Minerals Reporting Template. We strive to work cooperatively with our customer and supply chain partners to support this conflict mineral program.

DRUG AND ALCOHOL POLICY

POLICY STATEMENT

The purpose of this policy is to ensure the safety of PNE employees and to have a safe working environment by preventing accidents or other dangerous incidents that may result from drug or alcohol use.

POLICY SCOPE

The scope of this policy covers:

1. All employees of PNE.
2. All alcoholic drinks and drugs
3. Within PNE premises
4. Within PNE hostels
5. The contracted security company employees
6. The canteen contractor and his/her employees
7. All visitors and contractors visiting PNE
8. All applicants for employment

DESCRIPTION

1. Illegal drugs include those stated below.
 - 1.1 Cannabis
 - 1.2 Opioids
 - 1.3 Cocaine
 - 1.4 Amphetamines
 - 1.5 Hallucinogens
 - 1.6 Any other illegal addictive drugs
2. Medicinal drugs
Employee taking a prescription drug must have a statement from the doctor or the pharmacist that the drug will not impair the employee's work performance.

DETAILED POLICY

1. The possession, sale or distribution of alcohol and drugs is strictly prohibited at any time within PNE premises and the PNE hostel.
2. Employees are prohibited from reporting to work under the influence of alcohol or drugs. If found to be under the influence of alcohol or drugs, they will no longer be considered eligible for employment.
3. PNE can request for employees to go for drug testing. Employees **MUST TEST NEGATIVE**. Any employee who is tested positive will no longer be considered eligible for employment.
4. PNE reserves the right to inspect and search employees at random and at unannounced times when entering or leaving PNE, and while at work their clothing and their belongings.

DISCIPLINE

1. Employees found in violation of this policy will no longer be considered eligible for employment.
2. Any employee who refuses to submit to the drug testing will no longer be considered eligible for employment.
3. PNE will cooperate fully with public authorities in the prosecution of anyone found in possession, distribution or selling of illegal drugs.

Environmental policy

PNE shall strive for continual improvement in the environmental performance relating to our activities, products and services.

In line with the above, we shall ensure the following.

- **C**ommunication

Make our environmental policy available to the public, upon request, and communicate it to all employees in our organization and to those who work on our behalf;

- **A**ctivities, products and service

Prevent pollution and reduce depletion of resources resulting from our activities, products and services through reduce, reuse and recycle processes;

- **R**egulations & requirements

Ensure compliance to the environmental regulations and other environmental requirements that we subscribe;

- **E**nvironmental management system

Establish, implement and maintain our environmental management system to ISO 14001 requirements.

ENVIRONMENTAL SUSTAINABILITY POLICY

PNE recognises the need to preserve the environmental sustainability of our planet.

POLICY STATEMENT

This policy aims to integrate sustainable development actions in all our activities by promoting sound environmental practices in our organisation. We strive to achieve this through good communication practices and by creating awareness amongst our staffs.

POLICIES

PNE will commit to minimise its impacts on our environment through

1. Providing a safe workplace
2. Having an environmentally sustainable culture of awareness where responsibility is assigned and understood
3. Being an environmentally responsible member of our community
4. Conserving natural resources by reusing and recycling
5. Having processes that do not adversely affect our environment
6. Ensuring the responsible use of energy throughout the organisation
7. Meeting the requirements of ISO 14001 by conducting rigorous audits, evaluations and self-assessments
8. Working together with our suppliers to promote good environmental practices
9. Continuously creating employee awareness.

FREEDOM OF ASSOCIATION POLICY

Under PNE's Policy on Workplace, the Group is committed to providing equal opportunities in employment and freedom of association for all our workers.

All workers will receive equal treatment based on their relevant merits and competency regardless of gender, race, nationality, religion, age, physical condition, sexual orientation, marital status, union membership/affiliation/activity, employment status, or political affiliation. Any form of discrimination based on the preceding matter is prohibited, and any union membership/activities will not lead to disciplinary measures or punitive actions.

- a) PNE respects freedom of association and collective bargaining as part of our commitment to support fair and equitable treatment of our workers. PNE will not refuse any genuine opportunity to liaise collectively and bargain with workers who want to do so.
- b) The workers, without distinction, have the right to join or form trade unions of their choosing without prior authorisation and to bargain collectively.
- c) The freedom of association shall intuit according to and within the Trade Union Act, Industrial Relations Act, and Immigration Act of the Country. Where the right to freedom of association and collective bargaining is intuited under the law, PNE will allow its workers to choose their representatives freely.
- d) This policy ensures that workers of PNE are employed and provided with an environment free from unlawful discrimination, harassment, or victimisation. We are implementing the Group's commitment to equal opportunities, freedom of association, and collective bargaining.

FREELY CHOSEN EMPLOYMENT POLICY

POLICY STATEMENT

All human beings have the right to decide whether to engage in work. Any actions taken to impede on this right are considered a violation of a person's right to freely chosen employment. This policy ensures all employees in PNE have the right to decide whether they want to be engaged with the Company or not, and there is no compulsion of employment under any circumstances.

POLICY SCOPE

This policy applies to:

1. All employees of PNE
2. Suppliers
3. Contractors, Agents, Recruiters
4. Security provider
5. Canteen provider
6. Cleaning service provider

RESPONSIBILITY

1. Human Resources
 - 1.1 Train employees on the policy guidelines and the importance of adhering to the policy.
 - 1.2 Involve respective supervisors/managers for discussion on any violation of the policy and issue a warning when found appropriate.
2. Every employee and every contractor on PNE premises are to follow this policy and report any concerns to PNE management.

POLICY GUIDELINES

1. Forced labour is "all work or service which is exacted from any person under the menace of any penalty and for which the said person has not offered himself voluntarily."
Forced labour comprised of the following two main components:
 - 1.1 The worker does not voluntarily agree to work.
 - 1.2 The employer threatens any penalty for not working.

2. The term “voluntarily” is significant since it not only refers to the fact that all workers have the right to refuse work or quit at any time (with a proper notification when necessary), it rejects jobs done because of coercion. If a person “agrees” to do work under duress, this person has not voluntarily agreed to work and, therefore, is a victim of forced labour.
3. Forced labour occurs because of a threat of “any penalty.” Although the threat of physical harm or death is perhaps the most commonly-known threat, other types of penalties can be:
 - 3.1 Sexual
 - 3.2 Psychological
 - 3.3 Emotional
 - 3.4 Monetary
 - 3.5 Legal (such as the threat of arrest or deportation)
 - 3.6 Task-related (such as the threat to move to a less desirable or more dangerous job)
 - 3.7 Resource-related (such as the threat to take away housing or food)
 - 3.8 Employment-related (dismissing worker under illegal circumstances, such as the threat to dismiss for not agreeing to work overtime above the legal limit)
4. PNE commits that forced, bonded (including debt bondage) or indentured labour, involuntary prison labour, slavery, or trafficking of persons shall not be allowed. These include transporting, harbouring, recruiting, transferring, or receiving persons using threat, force, coercion, abduction, or fraud for labour or services.
5. There will be no unreasonable restrictions on employees’ freedom of movement in the facility, nor any irrational restrictions on entering or exiting company-provided facilities. In addition to the hiring process, the employee is given a written employment agreement in their native language describing the terms and conditions of employment before the worker departs from their country of origin.
6. All work would be voluntary, and employees will be free to leave work at any time or terminate their employment. PNE and agents may not hold or otherwise destroy, conceal, confiscate or deny access by employees to their identity or immigration documents, such as government-issued identification, passport, or work permit, provided such holding is required by law.
7. PNE will not employ employees who pay recruitment fees to the employer or agent or any other affiliated fees for their employment.

HUMANE TREATMENT POLICY

There is to be no harsh or inhumane treatment, including violence, gender-based violence, sexual harassment, sexual abuse, corporal punishment, mental or physical coercion, bullying, public shaming, or verbal abuse of workers; nor is there to be the threat of any such treatment. Disciplinary policies and procedures supporting these requirements shall be clearly defined and communicated to workers. PNE monitor for the sign of verbal, psychological, or physical mistreatment, including coercion and threats to workers. PNE provides workers with grievance channels, and we have a disciplinary process to address the issues.

POLICY SCOPE

This policy applies to:

1. All employees of PNE
2. Suppliers
3. Contractors, Agents, Recruiters
4. Security provider
5. Canteen provider

HUMAN RIGHTS POLICY

POLICY STATEMENT

PNE recognises that human rights are subject to respect for the individual. PNE provides a working environment free of any form of discrimination or harassment. Each employee is entitled to human rights and is treated equally and with dignity. Each employee is responsible for complying with this policy.

POLICY SCOPE

This policy applies to:

1. All employees of PNE
2. Suppliers
3. Contractors, Agents, Recruiters
4. Security providers
5. Canteen operators

DEFINITION

Human rights are primary rights inherent to all human beings, and hence there will be no discrimination by:

1. Race
2. Ancestry
3. Place of origin
4. Colour
5. Ethnic origin
6. Citizenship
7. Creed
8. Sex (including pregnancy and breastfeeding)
9. Sexual orientation
10. Age
11. Marital status
12. Family status
13. Gender Identity and Gender Expression

POLICY GUIDELINES

1. All employment in PNE is voluntary.
2. PNE condemns all forms of exploitation of children and does not recruit child labour. All employed in PNE must be 18 years old and above.
3. All employees are honoured with respect and integrity.
4. Pay practices in PNEs are following the rules and regulations of the Country.
5. Suppliers, Contractors, the security company, the canteen operator, and agents who supply workers must comply with this policy.
6. Employees must comply with this policy. Failure to comply will lead to disciplinary action.
7. All employees are encouraged by our open-door process to report any suspected violations of this policy.

RESPONSIBLE MINERALS SOURCING POLICY

On August 22, 2012, the U.S. Securities and Exchange Commission (SEC) issued the final conflict minerals rule under Section 1502 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. This Conflict Minerals rule requires publicly traded companies to report annually the presence of conflict minerals (tin, tungsten, tantalum, and gold) originating in the Democratic Republic of the Congo or adjoining countries.

PNE supports the Dodd-Franks act to ending of violations and human rights violations in the mining of 3TG minerals from the area known as the "Conflict Region" in the east of the Democratic Republic of Congo (DRC) and surrounding countries.

In support of global responsible sourcing, PNE is committed to:

- Conduct due diligence in accordance to the "Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas" (OECD Due Diligence Guidance) and request its use by our suppliers
- Provide our customers, and expect our suppliers to provide us, due diligence information on the sourcing of the tin, tantalum, tungsten and gold in our supply chain
- Request our suppliers to only source from smelters validated to be in conformance with Responsible Minerals Assurance Program (RMAP) and ask them to do the same with their next tier partners

PNE encourages our suppliers to adopt similar policies and management systems with respect to OECD Due Diligence Guidance for Responsible Supply Chains of Minerals from Conflict-Affected and High-Risk Areas. We also will be requiring all of our suppliers to provide us with complete conflict minerals declarations using the standardised RMI (Responsible Minerals Initiative) Conflict Minerals Reporting Template. We strive to work cooperatively with our customers and supply chain partners to support this minerals sourcing policy.

SAFETY & HEALTH POLICY

We have the fundamental responsibility to ensure that all our employees work in a safe and healthy environment. It is our policy to comply with all the current laws and regulations pertaining to safety and health.

The management, together with the employees, will take every measure to prevent work related injuries, illnesses, fire hazards and accidents.

Each employee plays an important role in maintaining a high standard of safety and health in the workplace. Everyone must be fully committed in giving his/her assistance and cooperation in the reporting of all accidents as well as any hazards, which would have the potential to cause accidents or illnesses.

To achieve an accident-free status in our business operation, we emphasise strongly on the need to provide training, adopt safe working practices and maintain good discipline.

The application of this Safety and Health policy will be of prime consideration in the management of the company.

SEXUAL HARASSMENT POLICY

What is sexual harassment based on the Employment Act?

Sexual harassment is defined in the Employment Act as *"Any unwanted conduct of a sexual nature, whether verbal, nonverbal, visual, gestural or physical, directed at a person which is offensive or humiliating or is a threat to his well-being, arising out of and in the course of his employment."*

The following are examples which may come within the definition in the Employment Act :

- i. Making indecent or derogatory jokes about a colleague of the same/opposite gender;
- ii. Touching someone against their will; and
- iii. Constantly asking a colleague out on a date despite being rejected multiple times.

Who can make a sexual harassment complaint?

Under the Employment Act, anyone can make a sexual harassment complaint, whether it is:

- i. by an employee against another employee;
- ii. by an employee against any employer; or
- iii. by an employer against an employee.

What amounts to sexual harassment?

The definition of sexual harassment in the Code of Practice is similar to the Employment Act. It provides that sexual harassment amounts to:

"Any unwanted conduct of a sexual nature having the effect of verbal, non-verbal, visual, psychological or physical harassment;

- i. *that might, on reasonable grounds, be perceived by the recipient as placing a condition on their employment for unwanted behaviour that violated their dignity, whether intended or not.*
- ii. *that might, on reasonable grounds, be perceived by the recipient as an offence, humiliation, or a threat to their well-being, but has no direct link to their employment."*

The Code of Practice further divides this definition into two categories: "sexual coercion" and "sexual annoyance" which, briefly, means the following:

- i. Sexual coercion – applies where the sexual harassment act/conduct results in some direct consequence to the victim's employment. An example of sexual coercion is where a superior threatens to deny job benefits to a subordinate if the subordinate refuses their request for a date.
- ii. Sexual annoyance – applies where the sexually-related conduct is offensive, hostile and or intimidating to the recipient, but has no direct link to any job benefits. This definition also extends to sexually-related conduct by the company's clients towards employees. An example of sexual annoyance applies when a colleague constantly makes suggestive and offensive sexual remarks to another colleague of a similar rank.

The Code of Practice provides that sexual harassment is not only confined to acts towards female employees. It also provides for acts done towards both male and female employees, as perpetrated by either gender.



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Whistle Blowing Policy and Procedure

Employees should report any misconduct, malpractice, illegal acts or omission to his/her department head who must in turn report the matter to one of the Designated Officers set out below. If the Whistleblower considers or believes his/her department head is not the appropriate person to deal with the matter, he/she should report the matter to any one of the following Designated Officers direct:

(A) Mr Kevin Tan, Group Managing Director (email address: kevin@pne.com.sg)

(B) Mr KL Tan, Group Executive Director (email address: kltan@pne.com.sg)

If the subject matter of the report relates to any of the Designated Officers, the Whistleblower should make the report to the Chairman of the Audit Committee ("AC Chairman"). Reports to the AC Chairman can be sent by mail or email as follows:

By mail to:	Via email to:
PNE Industries Ltd Chairman of the Audit Committee c/o Intertrust Singapore Corporate Services Pte Ltd 77 Robinson Road, #13-00 Robinson 77, Singapore 068896	PNE Industries Ltd Corporate Secretarial Agents: Ms Kelly Han: ~ email add: kelly.han@intertrustgroup.com

All Whistleblower(s) is required to disclose his/her personal interest in the matter (if any) when he/she makes a report.

A formal investigation will be carried out if it is discovered that the Whistle-Blowing is of a serious or complex nature after the initial assessment. All investigations and information, including the identity of the whistleblower, will be treated with strict confidentiality. Any harassment or reprisal against a whistleblower who made a report in good faith will be prohibited.

If the department head/ the Designated Officer(s)/AC Chairman finds/considers that he/she may not be the appropriate person to lead the investigation owing to conflict of interest, or other reasons, the Designated Officers/AC Chairman shall appoint an independent person to lead the investigation.

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Issued by: Kevin Tan, Group Managing Director, PNE Industries Ltd