PNE Industries Ltd
Sustainability Report

2025

PNE Industries Ltd 996 Bendemeer Road #07-06 Singapore 339944

Content

Board Statement [GRI 2-9, GRI 2-12, GRI 2-14, GRI 2-22]

Dear Valued Stakeholders,

In assuming comprehensive responsibility for PNE's business affairs and strategic directions, the Board of Directors (the "**Board**"), alongside the Nominating Committee ("**NC**"), the Remuneration Committee ("**RC**"), and the Audit Committee ("**AC**"), identifies and evaluates the material environment, social and governance ("**ESG**") factors relevant to our Group's operations. The Board is responsible for overseeing PNE's Sustainability Committee, which develops and updates PNE's purpose, value or mission statements, strategies, policies, and goals related to sustainable development, all of which are approved by the Board. This collective effort shapes PNE's approach to sustainability reporting, ensuring a robust foundation for our enduring commitment to ESG considerations.

The Board is also responsible for overseeing PNE's internal processes to identify and manage its impacts towards the economy, environment, and people. With oversight from the Board, PNE engages with various stakeholders to support the development of these processes. The outcomes and effectiveness of these processes are analysed by the Sustainability Committee and submitted for approval by the Board once a year.

Our commitment to sustainability is not static; we are dedicated to the continual refinement of our sustainability approach and strategies. Through annual reviews of existing and potential ESG factors, we maintain an adaptive framework that aligns with evolving global standards. Regular and meaningful engagement with stakeholders remains paramount, serving as a dynamic dialogue platform where we glean insights, address concerns, and incorporate diverse perspectives into the formulation of our ESG factors. In FY2025, a materiality assessment was carried out to refresh the topics most critical to our business and industry. This process, which included peer benchmarking and market analysis, ensured our focus areas remain aligned with the nature of our operations and the evolving expectations of stakeholders.

Recognising the heightened impact of climate change and the escalating use of natural resources on both human and wildlife ecosystems, we are steadfastly steering our course toward more environmentally sustainable operations. This involves a meticulous assessment of environmental risks and opportunities, strategically positioning PNE to comprehend the far-reaching impacts of climate change. In FY2025, a climate awareness workshop was conducted to deepen the Group's understanding of climate risks and opportunities, which will inform and support future climate-related disclosures aligned with the International Sustainability Standards Board ("**ISSB**") Standards. Our commitment extends beyond mere understanding; we are also actively working towards building a resilient business that harmonises with our planet. Our disclosures on climate change-related initiatives will be a focal point in the years ahead aligning with the Singapore Exchange ("**SGX**") roadmap towards ISSB standards compliance.

At the heart of our sustainability strategy is the creation of value for all stakeholders: our cherished customers, esteemed shareholders, dedicated employees, and the broader communities where we operate. While we acknowledge the progress we've made, we are equally cognisant that there is more work to be done. As we advance along our sustainability agenda, we extend an invitation to our stakeholders to join us on this transformative journey. Together, we aim to elevate our collective efforts, scale greater heights, and collaboratively construct a sustainable future that enriches lives and communities alike.

Commitment to Sustainability [GRI 2-24]

PNE is unwaveringly committed to sustainability through our four pillars: Marketplace, Environment, Workplace, and Community, aligning seamlessly with the United Nations Sustainable Development Goals ("**SDG**" or "**UN SDGs**"). In the marketplace, we champion ethical practices; environmentally, we innovate for a reduced ecological footprint. Our workplace values diversity, well-being, and engagement, while our community focus underscores the symbiotic relationship between our success and societal well-being.

Aligned with the UN SDGs, our commitment transcends compliance, aiming for meaningful, positive change. PNE envisions a future where responsible business practices lead to a thriving, sustainable world.

REPORT OVERVIEW [GRI 2-3]

The Sustainability Report 2025 ("**SR**") is an annual disclosure by PNE, offering a comprehensive overview of our sustainability initiatives and performance for the financial year ended on 30th September 2025 ("**FY2025**").

Our Directors on the Board have attended ESG-related training conducted by the Singapore Institute of Directors and Institute of Singapore Chartered Accountants. These training sessions help to reinforce the understanding of their roles and responsibilities in driving sustainability compliance and strengthening the Group's value-making through ESG practices.

This SR meticulously delves into key areas under ESG, aligning with the priorities of both our stakeholders and core business operations. It serves as a transparent and accountable testament to our commitment to sustainable practices, illustrating how we integrate ESG considerations into the fabric of our organisational ethos.

In line with SGX's requirements, the sustainability reporting process is subject to annual internal audit reviews to strengthen the integrity and accuracy of our ESG data collection and sustainability reporting process. PNE is committed to the ongoing assessment of the ESG data collection. We have not commissioned independent external assurance on this SR.

REPORTING FRAMEWORKS AND BENCHMARKS [GRI 2-3]

This SR has been prepared with reference to the Global Reporting Initiative ("**GRI**") Standards 2021, serving as our primary framework for disclosing ESG performance. This is because the GRI Standards is globally acclaimed for their robustness, empower businesses, governments, and organisations to transparently report economic, environmental, and social impacts, thus showcasing their commitment to sustainable development. In our application of GRI Standards 2021, we have prioritised the four defining principles for report content:

- **Stakeholder Inclusiveness (Principle 1):** Ensuring a comprehensive engagement approach.
- **Sustainability Context (Principle 2):** Placing our initiatives within the broader sustainability landscape.
- **Materiality (Principle 3):** Emphasising the relevance and significance of reported information.
- **Completeness (Principle 4):** Ensuring a comprehensive and accurate portrayal of our ESG efforts.

This SR is also crafted in alignment with the UN SDGs and complies with Singapore Exchange Securities Trading Limited Listing Rules 711A and 711B. We have incorporated the 6 primary components in Rule 711B(1) in our annual SR on a "comply or explain" basis. For a detailed reference to GRI principles, please refer to the GRI Content Index on page 33 and 34. We believe this comprehensive approach enhances transparency, accountability, and the credibility of our sustainability reporting.

REPORTING PERIOD AND SCOPE [GRI 2-1, GRI 2-2, GRI 2-3]

This SR serves as a comprehensive overview of our sustainability endeavours, encapsulating the performance of our business operations across key geographical landscapes: Singapore, Malaysia, and China. The headquarters of the Group is based in Singapore. This SR meticulously outlines the sustainability milestones and achievements attained during the financial year spanning from 1st October 2024 to 30th September 2025, offering a transparent and detailed account of our commitment to responsible and ethical business practices. The scope of this report encompasses the following entities:

- PNE Industries Ltd
- PNE Appliance Controls Pte Ltd
- PNE Translite Pte Ltd
- PNE Systems Sdn Bhd
- PNE Electric Sdn Bhd
- PNE Electronic Technology (Shenzhen) Co., Ltd

This reporting scope differs from the Group's Annual Report as it excludes entities that are dormant, primarily engaged in investment holding activities, or are associates. Each section of this report provides insights into the distinctive initiatives and advancements implemented in these diverse regions, unless specifically noted otherwise, underscoring our dedication to transparency and accountability in the pursuit of sustainable business practices.

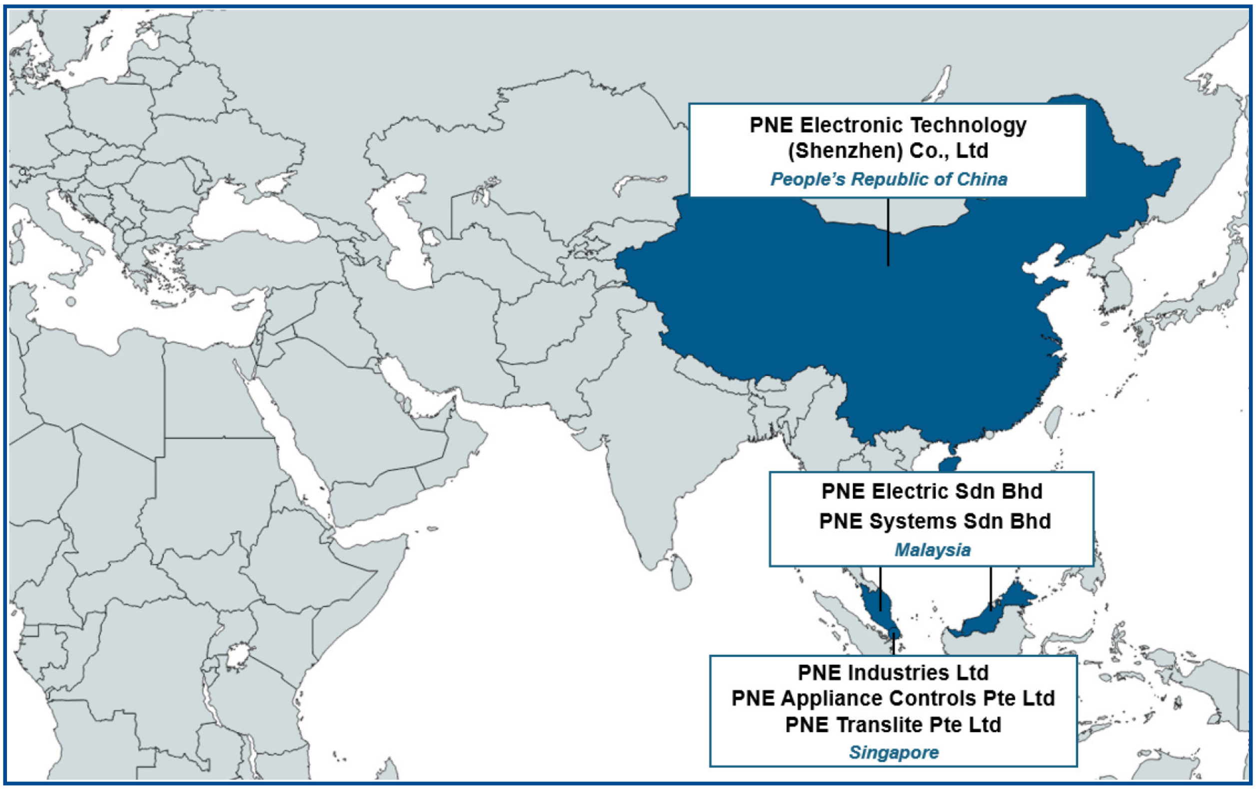


Figure 1: Geographical Presentation of PNE's Business Operations

BUSINESS IN BRIEF [GRI 2-1, GRI 2-2, GRI 2-6]

Since its listing on the Main Board of the Singapore Exchange in 2000, PNE Industries Ltd. has been a stalwart presence in the industrial goods sector. The Group operates primarily through two divisions – the Contract Manufacturing Division and the Trading Division. There were no significant changes in the Group's business and value chains during FY2025.

Contract Manufacturing of Electronic Controllers	Trading of Emergency Lighting Equipment
• The Group operates within the electrical and electronic products sector, supporting the growing integration of intelligent technologies in appliances and industrial equipment. In collaboration with customers, the Group designs and develops electronic controllers that incorporate microprocessor-based and Internet-of-Things (IoT) functionalities to enhance performance, connectivity and usability.	• The Group designs, manufactures and distributes emergency lighting equipment that supports occupant safety during power disruptions. Its product range includes self-illuminated "EXIT" signage and other emergency lighting solutions for both indoor and outdoor applications, marketed under the proprietary "PNE" brand.
• These electronic controllers are embedded in a broad range of domestic appliances and industrial electrical equipment, including coffee machines, vacuum cleaners, steam-ironing systems, gateways, train display systems and valve controllers. The Group also manufactures complete product assemblies integrating these controllers, such as smart home-lighting solutions and energy management systems. IoT-enabled features allow remote monitoring and control, contributing to improved energy efficiency and user convenience.	• To enhance reliability and regulatory compliance, the Group has developed an IoT-enabled automatic testing system (ATS) for emergency lighting. The system enables remote and scheduled testing and generates test reports in accordance with regulatory requirements, supporting efficient maintenance and compliance assurance.

Figure 2: Two Main Business Divisions in PNE Industries Ltd

VISION AND MISSION

At PNE, our vision is to cultivate enduring business relationships that transcend transactional boundaries. We are committed to elevating corporate value, aligning our efforts with the collective interests of shareholders, customers, employees, and other valued business partners.

We strive to foster business relationships that increase corporate value in the interest of our shareholders, customers, employees and other business partners.

Our mission is rooted in the belief that sustainable growth and success are achieved through meaningful collaborations and a shared commitment to mutual benefit. By fostering these relationships, we aim not only to meet but exceed the expectations of our stakeholders, creating a dynamic and interconnected ecosystem that propels PNE and its partners towards shared prosperity and sustainable success.

RESTATEMENT OF INFORMATION [GRI 2-4]

For this reporting period, no restatements were made from the prior year except for the following:

- Greenhouse Gas ("**GHG**") emissions on page 13
- Energy consumption for non-renewable sources, total energy consumption and energy consumption intensity on page 15
- Employee headcount covering total employees, gender and the People's Republic of China ("**PRC**") workforce on page 26
- Total employee turnover and new hire rate on page 26 and 27
- Average training hours per employee and gender on page 29

These restatements were made to reflect the application of the correct FY2024 grid emission factor in the recalculation of Scope 2 emissions, as well as updated diesel and petrol conversion factors for Scope 1 energy consumption, aligned with U.S. Energy Information Administration ("**EIA**") guidelines. Additionally, revised headcount methodologies were also adopted to improve accuracy and completeness of workforce-related data. The revised headcount methodology also had an impact on the computation of the FY2024 training hours.

We are committed to continuously improving and harmonising our reporting processes to ensure greater accuracy, consistency, and transparency across all sustainability disclosures. By continuously strengthening our approach, we reaffirm our commitment to transparency and the integrity of our sustainability reporting.

FEEDBACK [GRI 2-3]

Your feedback is of immense value to us as we continually strive to enhance our SR and overall sustainability performance. We warmly welcome insights, suggestions, and comments from our stakeholders. Your input serves as a catalyst for improvement, fostering a more transparent and comprehensive disclosure.

Please feel free to share your feedback by reaching out to us via email at pnehq@pne.com.sg. Your engagement is pivotal to our ongoing commitment to sustainable practices and responsible corporate citizenship. Thank you for being a vital part of our journey towards a more sustainable future.

Sustainability at PNE

At PNE, sustainability is not just a commitment; it's our compass. We navigate towards a greener future, integrating eco-friendly practices, engaging stakeholders, and fostering resilience in our operations. Our dedication to sustainability is the cornerstone of responsible business, ensuring a positive impact on the planet, people, and prosperity.

STAKEHOLDER ENGAGEMENT [GRI 2-29]
PNE adopts a structured approach to stakeholder engagement to support value creation within its sustainable business ecosystem. Feedback and insights obtained are considered in strategic planning and risk management processes, enabling the Company to address challenges in the electrical and electronic industry.

In the pursuit of transparency and collaborative decision-making, PNE has employed diverse modes of engagement throughout FY2025, as detailed in the following table. This interactive exchange not only strengthens our relationship with stakeholders but also ensures that their perspectives are actively considered in shaping the trajectory of our sustainable business practices.

Stakeholder Group	Mode of Engagement	Frequency	Interest and Concerns
Government and Regulators	• Annual Reports	• Continuous • Annually	• Corporate Governance • Anti-Bribery and Anti-Corruption • Compliance • GHG and Other Emissions
Customers	• Customer Feedback Forms • Face to Face/ Phone Meetings with Customers • Company Website/ Phone Calls	• Ad-hoc • Regular • Regular	• Product and Service Quality • Compliance
Employees	• Staff Training Sessions • Annual Year-end Performance Appraisals • Monthly/ Ad-Hoc meetings with Head of Departments ("**HODs**")	• Annually • Annually • Regular	• Diversity • Employment • Development and Training • Occupational Health and Safety
Investors and Shareholders	• Annual General Meeting and Annual Reports • Half-yearly Results and Announcements • Company Website	• Annually • Half-yearly • Ad-hoc	• Economic Performance • Corporate Governance
Contractors and Suppliers	• Supplier Feedback Forms • Face to Face/ Phone Meetings with Suppliers	• Ad-hoc • Regular	• Compliance
Communities	• Volunteer Activities	• Ad-hoc	• Community Investment

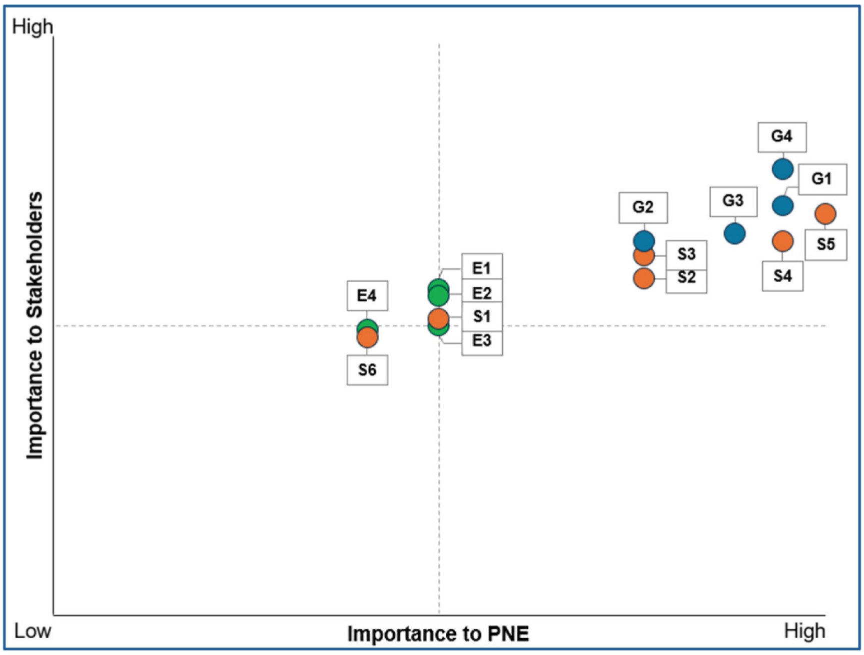
Table 1: Stakeholder Groups and various modes of engagement

MATERIALITY ASSESSMENT [GRI 3-1, GRI 3-2]

The continual reassessment of PNE's sustainability commitment involves collaboration with external consultants, ensuring a thorough identification of potential and pertinent material topics. A meticulously crafted plan of action, outlined below, ensures a systematic and accountable approach to materiality assessment:

- **Step 1:** Reassess existing material topics selected in FY2025 to determine ongoing relevance.
- **Step 2:** Conduct internal meetings within PNE to deliberate on the material topics, aligning them with PNE's business operations and industry dynamics.
- **Step 3:** Evaluate and propose material topics to the Sustainability Committee for review and prioritisation.
- **Step 4:** Endorsement of material topics by the Chief Sustainability Officer.
- **Step 5:** Approval of finalised material topics by the Board of Directors.
- **Step 6:** Disclosure of finalised material topics in the SR, providing transparent insight into prioritised areas of focus.

Figure 3 below presents PNE's FY2025 Materiality Matrix, illustrating the 14 identified material topics and their relative importance to the Group and its stakeholders. These topics are categorised across the ESG pillars and highlight the key areas that influence PNE's sustainability performance and stakeholder engagement.



Material Topics	
Environmental Pillar	**Label**
GHG & Other Emissions	E1
Energy Consumption	E2
Water Consumption	E3
Waste Generation	E4
Social Pillar	**Label**
Diversity	S1
Employment	S2
Development and Training	S3
Occupational Health and Safety	S4
Product & Service Quality	S5
Community Investment	S6
Governance Pillar	**Label**
Economic Performance	G1
Anti-Bribery and Anti-Corruption	G2
Corporate Governance	G3
Compliance	G4

Figure 3: PNE's Materiality Matrix FY2025

In FY2025, Compliance (G4) emerged as the top material topic, reflecting increased regulatory demands and stakeholder expectations. Economic Performance (G1) remained the second most material topic, underscoring its continued importance to the Group's resilience. Product and Service Quality (S5) moved from first to third, as improvements last year led to reduced stakeholder concern. Occupational Health and Safety (S4) also rose in priority, demonstrating our commitment to workplace safety. These developments highlight our focus on governance, performance, and safety in response to evolving sustainability expectations.

SUSTAINABLE DEVELOPMENT GOALS (SDGs) [GRI 2-22]

The SDGs form an integral and essential framework for PNE due to their holistic approach to addressing global challenges. The SDGs provide a universal language that transcends borders, uniting nations and businesses in a shared vision for a sustainable and equitable future. As a responsible corporate entity, PNE recognises that our operations and decisions have far-reaching impacts on society, the environment, and the economy. The SDGs offer a structured roadmap that aligns seamlessly with our commitment to responsible business practices, guiding us in our pursuit of creating positive impacts across various dimensions, from environmental conservation and social equity to economic inclusivity.

3 GOOD HEALTH AND WELL BEING

Goal 3: Good Health and Well-Being
Ensure healthy lives and promote well-being for all at all ages.

PNE's Position:
PNE places high importance on the health and safety of its stakeholders and proactively promote safety, health and well-being at the workplace and the communities it serves.

5 GENDER EQUALITY

Goal 5: Gender Equality
Achieve gender equality and empower all women and girls.

PNE's Position:
PNE treats everyone with respect and uphold gender equality in hiring and employment, striving to provide a workplace where equal opportunities are given regardless of gender.

7 AFFORDABLE AND CLEAN ENERGY

Goal 7: Affordable and Clean Energy
Increase substantially the share of renewable energy in the global energy mix.

PNE's Position:
PNE adopts cleaner energy to optimise the use of energy across all business divisions.

8 DECENT WORK AND ECONOMIC GROWTH

Goal 8: Decent Work and Economic Growth
Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.

PNE's Position:
PNE upholds fair employment practices across its business and supply chain, making a decent workplace for its employees.

10 REDUCED INEQUALITIES

Goal 10: Reduced Inequalities
Reduce inequality within and among countries.

PNE's Position:
PNE creates equal opportunities for both its employees and communities.

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Goal 16: Peace, Justice and Strong Institutions
Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels.

PNE's Position:
PNE upholds integrity and compliance with all applicable laws and regulations across its business operations.

Figure 4: Six SDGs Aligned in PNE's business

Moreover, the SDGs serve as a strategic compass for PNE, helping us identify opportunities for innovation, collaboration, and positive influence. By aligning our business strategies with the SDGs, we not only contribute to the global development agenda but also enhance our resilience, reputation, and stakeholder relationships. The SDGs are not just a set of goals; they represent a collective vision for a better world, and PNE is dedicated to playing a meaningful role in achieving this vision through our actions, initiatives, and unwavering commitment to sustainable development.

Climate-Related Disclosures

The Group acknowledges that the Task Force on Climate-Related Financial Disclosures ("**TCFD**") provides recommendations regarding the disclosure of climate-related risks and opportunities. TCFD has four overarching elements, including governance, strategy, risk management, and metrics and targets, to assess the impact of key climate-related risks and opportunities. While we have adopted certain recommendations from TCFD where feasible, we will continue to strengthen our disclosure and data collection capabilities consistent with TCFD and IFRS Sustainability Disclosure Standards in the near future.

GOVERNANCE

The Board has considered sustainability issues in the Group's business and strategy, determined the material ESG factors and has overseen the management and monitoring of the material ESG factors. As established in the Group's Sustainability Reporting Policy and Procedure, the Group's ESG Governance Structure is as follows:

Role	Responsibility
The Board of Directors	• Maintains overarching responsibility for setting and guiding the Group's sustainability strategy and direction • Approves the final sustainability report
Sustainability Committee	• Works with department heads to identify and address ESG risks and opportunities • Ensures compliance with reporting standards and regulatory requirements • Coordinates the collection of data from relevant departments and subsidiaries • Reviews and validates data to ensure accuracy and compliance with reporting standards • Prepares and compiles the sustainability report • Oversee the development of the sustainability report
Department Heads	• Collect and submit accurate data on sustainability initiatives and performance • Participate in identifying material sustainability topics • Ensure that the data provided complies with the relevant sustainability reporting standards
Internal Audit	• Conduct internal audits to ensure the accuracy and reliability of reported data per SGX Rulebook Practice Note 7.6 Sustainability Reporting Guide • Check compliance with the chosen Sustainability Framework and highlight areas for improvement in the key controls in the current sustainability reporting process

Table 2: PNE ESG Governance Roles and Responsibilities

STRATEGY

The Group recognizes that climate change may affect its business through both transition and physical risks. Although we have not yet conducted a formal climate-related assessment, we continuously monitor emerging developments and use the TCFD framework to guide our understanding of potential impacts.

- **Transition Risks**
  Over the short to medium term, the Group expects climate-related regulations such as carbon taxes, reporting requirements and emissions-related standards to become more stringent. These developments may increase compliance obligations and operating costs. Additionally, growing customer and stakeholder expectations for a low carbon product may also affect market competitiveness if the Group does not adapt.
- **Physical Risks**
  While the Group's current exposure to physical risks such as weather-related supply chain disruption is currently deemed low, climate change could increase the frequency and severity of such events over the longer term.
- **Opportunities**
  The Group acknowledges that the transition to a low-carbon economy presents opportunities to enhance operational efficiency and improve market positioning. Adopting more resource efficient and environmentally friendly practices may help attract customers seeking sustainable partners.

- **Scenario Analysis and Future Enhancements**
  The Group is currently building internal capability to assess climate-related risks and opportunities across different time horizons and climate scenarios. As this capability develops, we aim to evaluate the resilience of our business strategy and enhance the transparency of our climate disclosures in future reporting cycles, aligned with the SGX roadmap towards ISSB standards.

RISK MANAGEMENT

The Group is at an early stage incorporating climate-related considerations into its risk management framework. While the Group has not yet formally identified or assessed climate-related risks and opportunities, we recognise that climate change may have potential implications for our operations, supply chain, and long term business resilience.

At present, climate-related risks have not been integrated into the Group's risk management and internal control systems. Our existing risk and control systems focus primarily on strategic, financial, operational, compliance and information technology risks. As our understanding of climate-related issues evolves, the Group aims to progressively embed climate considerations within existing risk management and internal control systems.

To support this transition, the Group plans to:

- Develop a structured approach for identifying, assessing, and monitoring climate-related risks and opportunities.
- Build internal capabilities to evaluate climate-related impacts, including physical and transition risks.
- Establish processes to integrate climate-related insights into overall risk management systems.
- Engage relevant internal functions to ensure accountability and oversight of climate-related risk management.

As part of this ongoing effort, the Group will continue monitoring regulatory developments, industry practices, and stakeholder expectations. Our objective is to gradually enhance the sophistication of our climate-related risk assessment processes and align them with recognised frameworks such as TCFD and ISSB standards.

METRICS AND TARGETS [GRI 305-1, GRI 305-2, GRI 305-4]

The Group monitors the following metrics to assess climate-related risks and opportunities in line with its strategy and risk management processes:

Metric	Unit	Reference Page
GHG emissions (Scope 1 and 2)	tCO_2e	13
Total GHG emissions	tCO_2e	13
GHG emission intensity	tCO_2e/million revenue	13
Total electricity consumption	kWh	15
Energy consumption intensity	kWh/million revenue	15

Table 3: List of metrics used to assess climate-related risk and opportunities

The principal GHG emissions produced by the Group were from diesel, gasoline, and refrigerant consumption (Scope 1), and purchased electricity (Scope 2). The details of the Group's Scope 1 and 2 emissions can be found in the section "Environment: Responding to Climate Change – GHG Emissions".

Environment

RESPONDING TO CLIMATE CHANGE – GHG EMISSIONS [GRI 305-1, GRI 305-2, GRI 305-4]
In August 2025, SGX introduced updated climate reporting requirements for listed companies, extending mandatory climate reporting timelines. In anticipation of these changes, PNE has begun strengthening its understanding of environmental impacts and preparing for future reporting expectations.

Although climate-related risks are not currently assessed as a top priority for the Group, the Sustainability Committee and Senior Management continue to monitor emerging regulatory and market developments. In line with SGX Practice Note 7.6, PNE is gradually enhancing its approach to climate-related disclosures and building a foundation for more comprehensive reporting in the coming years.

In FY2025, the Group continues to calculate its GHG emissions using the World Business Council for Sustainable Development ("**WBCSD**") and the World Resources Institute's ("**WRI**") GHG Protocol, the globally recognised standard for corporate carbon accounting. This ensures our reporting is consistent, transparent and aligned with prevailing best practices.

By adopting robust methodologies from the outset, PNE aims to progressively strengthen the accuracy and comparability of its emissions data. This establishes a clear pathway for future enhancements in climate-related disclosures, supporting our long-term commitment to responsible business practices and sustainable growth. The Group's Scope 1 and 2 emissions are detailed below.

Performance and Target

Types of GHG Emissions[1]	Unit	FY2025	FY2024[2]
Scope 1 – Direct GHG Emissions	tCO_2e	166.79	240.41
• *Diesel consumption*		85.03	64.67
• *Gasoline consumption*		35.69	36.62
• *Refrigerant consumption*		46.07	139.12
Scope 2 – Energy Indirect GHG Emissions (Purchased electricity)		4,588.49	3,871.01
Total GHG emissions		**4,755.28**	**4,111.42**
GHG emission intensity	**tCO_2e/million revenue**	**66.86**	**67.43**

Table 4: GHG Emissions

Scope 1 – Direct GHG Emissions
In FY2025, the Group recorded a decrease in scope 1 emissions of 30.62%, decreasing from 240.41 tCO_2e in FY2024 to 166.79 tCO_2e in FY2025. This reduction was largely driven by a 66.88% decrease in refrigerant consumption, as majority of the servicing and maintenance work had been completed in FY2024.

At the same time, emissions from fuel combustion through vehicle usage showed mixed trends. Diesel-related emissions rose from 64.67 tCO_2e to 85.03 tCO_2e, reflecting increased transportation and logistics activity in line with higher revenue and operational demands. In contrast, gasoline-related emissions fell slightly from 36.62 tCO_2e to 35.69 tCO_2e. Overall, the increase in diesel consumption offsets the reduction in gasoline use, contributing to a net rise in transport-related emissions.

[1] GHG emissions are reported in tonnes of carbon dioxide equivalent based on the GHG Protocol, with Global Warming Potential values derived from IPCC's Sixth Assessment Report published in 2023.

[2] FY2024 GHG emissions have been recalculated to reflect updated fuel emission factors for Scope 1 and national grid emission factors for Scope 2. Scope 1 emissions have been revised from 241 tCO_2e to 240.41 tCO_2e, while Scope 2 emissions was revised from 3,307 tCO_2e to 3,871.01 tCO_2e. As a result, total GHG emissions and GHG emissions intensity are also restated to ensure consistency with the revised methodology.

Despite these challenges, the Group will continue to implement and monitor the effectiveness of the following measures to reduce its direct GHG emissions:

- Select vehicles with efficient fuel consumption;
- Regularly inspect and maintain vehicles to optimise performance and engine efficiency; and
- Closely monitor vehicles with heavy emissions.

Scope 2 – Energy Indirect GHG Emissions
Indirect GHG emissions are primarily purchased electricity from national grids across the Group's operating locations. In FY2025, scope 2 emissions increased by 18.53% compared to FY2024 due to higher electricity consumption to support higher production volumes across its manufacturing facilities. Recognising this impact, the Group is actively implementing energy efficiency initiatives to reduce its carbon footprint. The Group's energy conservation measures are set out in the section headed "Driving Energy Efficiency".

Target
The Group updated its emissions-reduction target following a clearer understanding of its carbon footprint and the practical requirements of our operations. With improved data accuracy and better visibility into emissions drivers, we have refined our approach to setting realistic and meaningful goals. As a result, the Group has revised its target to achieve a reduction of 1% in emissions intensity by FY2030, using FY2024 as the new baseline year. This updated target reflects our commitment to continuous improvement while ensuring our climate ambitions remain achievable and aligned with our current operating conditions. Medium- to long-term targets have not been set as the Group is still strengthening its data systems and assessing the feasibility of longer-range commitments.

Target - FY2025	Status - FY2025	Target - FY2030	Timeline
1% reduction of emissions intensity in accordance with sales value (tCO_2e/million revenue)	Achieved	1% reduction of emissions intensity in accordance with sales value (tCO_2e/million revenue)	FY2030

DRIVING ENERGY EFFICIENCY [GRI 302-1, 302-3]

We have been actively spearheading a range of initiatives aimed at bolstering energy efficiency throughout our operations. These include:

- **Data Monitoring and Investigation:** Our designated officials conduct rigorous data monitoring on electricity usage, allowing us to swiftly identify and investigate any significant abnormalities.
- **Routine Inspections and Assessment:** We conduct regular inspections on critical areas such as electrical rooms, transformer rooms, and main switchboard rooms. Simultaneously, we assess the readings on electric meters to ensure the seamless functioning of our electrical systems.
- **Calibration for Precision:** Ensuring the accuracy and reliability our measurements is a top priority. To achieve this, the calibration of electrical recording instruments is done regularly.

Performance and Target

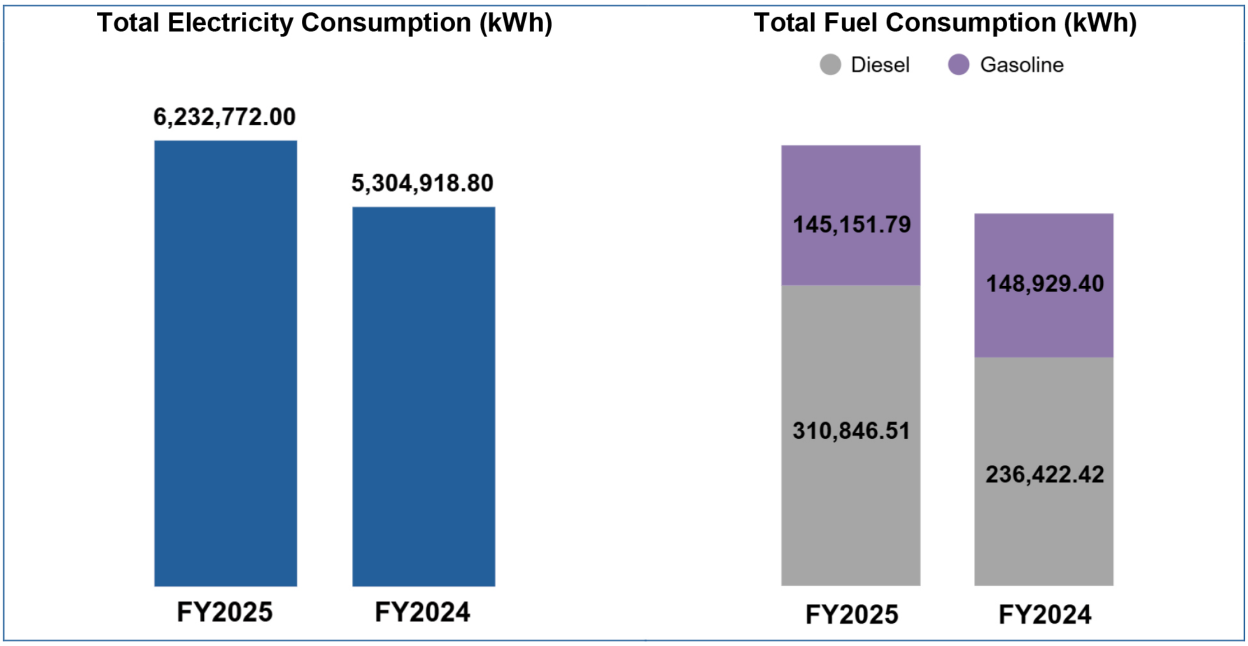


Figure 5: Total Energy Consumption

Types of Energy Consumption	Unit	FY2025	FY2024[2]
Non-renewable sources[3]	kWh	455,998.29	385,351.82
• *Diesel*		310,846.51	236,422.42
• *Gasoline*		145,151.79	148,929.40
Electricity consumption (Purchased electricity from the grid)		6,232,772.00	5,304,918.80
Total energy consumption		**6,688,770.29**	**5,690,270.62**
Energy consumption intensity	**kWh/million revenue**	**94,047.75**	**93,321.37**

Table 5: Breakdown of Energy Consumption

In FY2025, PNE's operations across three countries resulted in an increase of 17.55% in overall energy consumption and slightly higher intensity by 0.78%, primarily driven by higher production activity aligned with the revenue increase in the reporting year. The stable intensity amid operational expansions demonstrates the Group's ability to manage energy use effectively and supports progress towards its refreshed FY2030 goal of reducing energy intensity by 1% from the FY2024 baseline.

<u>Target</u>
With a better understanding of the Group's carbon footprint and practical requirements of our operations, the Group has set a target to reduce energy consumption intensity by 1% by FY2030, using FY2024 as the baseline year. This timeline reflects the scale and complexity of operations across three countries, where achieving the target will require coordinated planning and implementation of energy efficiency measures alongside continued business growth. Medium to long-term targets have not been set as the Group is still strengthening its data systems and assessing the feasibility of longer-range commitments.

Despite these strides in energy efficiency, we are committed to advancing further. Our focus extends to the widespread adoption of renewable energy across all our business operations. This strategic direction aligns with our overarching commitment to sustainability and reinforces our dedication to mitigating environmental impact across our global operations.

Target - FY2025	Status - FY2025	Target - FY2030	Timeline
1% reduction of energy consumption intensity in accordance with sales value (kWh/million revenue)	Not achieved	1% reduction of energy consumption intensity in accordance with sales value (kWh/million revenue)	FY2030

[2] Energy consumption from fuel sources for FY2024 has been recalculated using updated conversion factors adopted in FY2025. As a result, energy consumption from fuel sources has been revised from 392,952 kWh to 385,351.82 kWh. As a result, total energy consumption and energy intensity figures have been restated to ensure consistency with the revised methodology.

[3] The unit conversion method for energy consumption data is based on guidance from the U.S. Energy Information Administration (EIA).

MINIMISING WASTE [GRI 306-3, GRI 306-4, GRI 306-5]
In FY2025, PNE generated approximately 105.62 tonnes of waste, which has been further segregated into e-waste[4] and metal-bearing residues[5], with total waste corresponding to an intensity of 1.49 tonnes per million revenue. This reflects a 21.36% increase in total waste and 4.05% in waste intensity compared to FY2024, largely driven by expanded business activities and the additional materials required to support operational growth which is aligned with the revenue increase.

Performance and Target

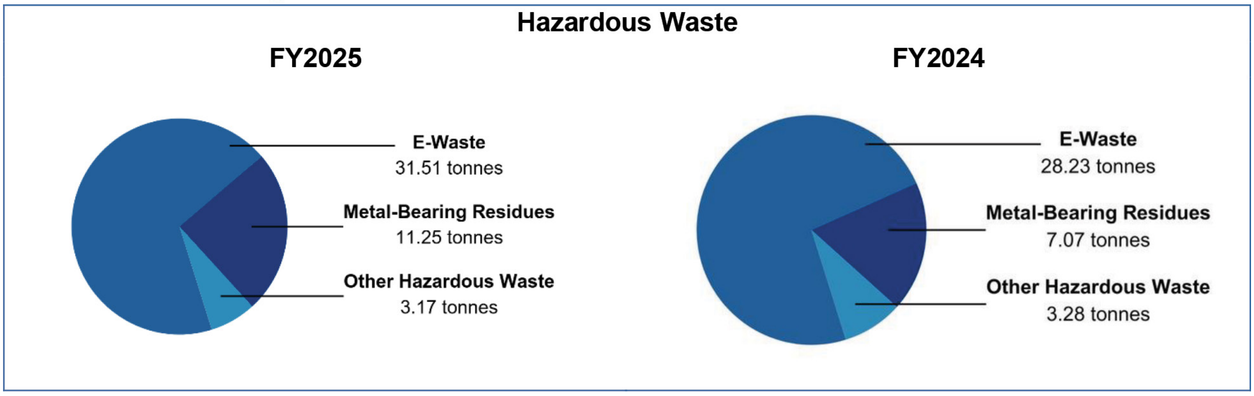


Figure 6: Hazardous Waste Generation

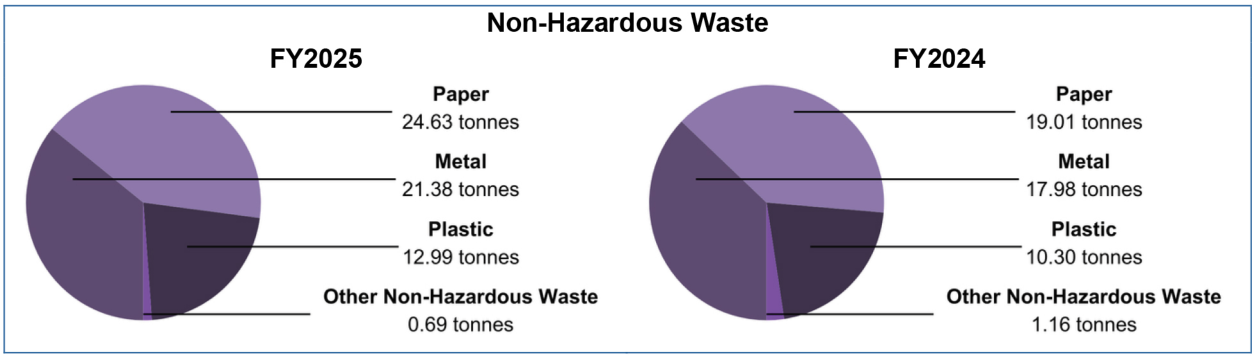


Figure 7: Non-Hazardous Waste Generation

Waste Category	Unit	FY2025	FY2024
Total waste generated	tonnes	**105.62**	**87.03**
• *Hazardous*		45.93	38.58
• *Non-Hazardous*		59.69	48.45
Waste intensity	**tonnes/million revenue**	**1.49**	**1.43**

Table 6: Total Waste Generated

Waste Disposal Method	FY2025 Tonnes	FY2025 Percentage of Total Waste	FY2024 Tonnes	FY2024 Percentage of Total Waste
Recycled	**104.73**	99.16%	**85.99**	98.81%
• *Hazardous*	45.04		37.54	
• *Non-Hazardous*	59.69		48.45	
Incineration	**0.62**	0.59%	**0.90**	1.03%
• *Hazardous*	0.62		0.90	
Solidification	**0.27**	0.26%	**0.14**	0.16%
• *Hazardous*	0.27		0.14	
Total waste diverted from disposal	**104.73**	**99.16%**	**85.99**	**98.81%**
Total waste directed to disposal	**0.89**	**0.84%**	**1.04**	**1.19%**

Table 7: Waste Management Distribution

[4] E-waste refers to electronic waste from electrical or electronic equipment which includes all components, sub-assemblies and consumables, in accordance with definitions set by the Basel Convention.

[5] Metal-bearing residues refer to dust, slag, dross or ash containing arsenic and other metals, in accordance with definitions set by the Basel Convention.

Despite the increase in generated waste, PNE strengthened its waste management performance through rigorous recovery and recycling practices. As a result, 99.16% of all recorded waste was diverted from disposal and recovered through recycling or responsible treatment channels, underscoring strong alignment with circular economy principles. Notably, PNE recycled an additional 18.74 tonnes of waste compared to the previous year, reflecting its continued commitment to resource efficiency and sustainable operations.

PNE remains committed to minimising waste generation across all operational stages by applying the principles of reduce, reuse, and recycle. Through enhanced segregation systems and continual optimisation of waste handling processes, the Group works to reduce environmental impact and maximise diversion away from landfills.

Target

To strengthen its focus on meaningful waste management outcomes, the Group has refined its initial target of reducing waste intensity by 1%. Recognising that enhanced recycling delivers greater environmental benefit and aligns more closely with circularity principles, the Group has set a new perpetual target to maintain a recycling rate above 90% for all waste generated. This updated target better reflects the Group's commitment to responsible resource use, waste diversion, and continual improvement in line with its broader ESG priorities.

Target – FY2025	Status – FY2025	Target	Timeline
1% reduction of waste generated intensity in accordance with sales value (tonne/ million revenue)	Not Achieved	Maintain a 90% recycling rate for all waste generated.	Perpetual

WATER CONSUMPTION [GRI 303-3]

Water plays a vital role in the Group's production activities, employee safety, and maintaining high product standards. Using water efficiently helps the Group minimise environmental impacts, conserve natural resources, and uphold its broader sustainability commitments. Through responsible water management, the Group enhances operational resilience, reduces costs, and supports progress toward its ESG objectives.

Performance and Target

In FY2025, total water consumption across most operational sites was approximately 30.32 megalitres (ML), reflecting an 11.55% increase compared to FY2024. This increase can be attributed to higher production activities in the reporting year, as water is an integral part of the manufacturing process, used in cleaning printed circuit boards (PCBs) and more to remove particulates which could affect product performance. Despite the increase in overall consumption, water consumption intensity decreased by 4.36% in FY2025 compared to the prior year, enabling us to achieve our target ahead of schedule. We will continue to strengthen our water management practices and monitoring processes to sustain this progress and drive further improvements.

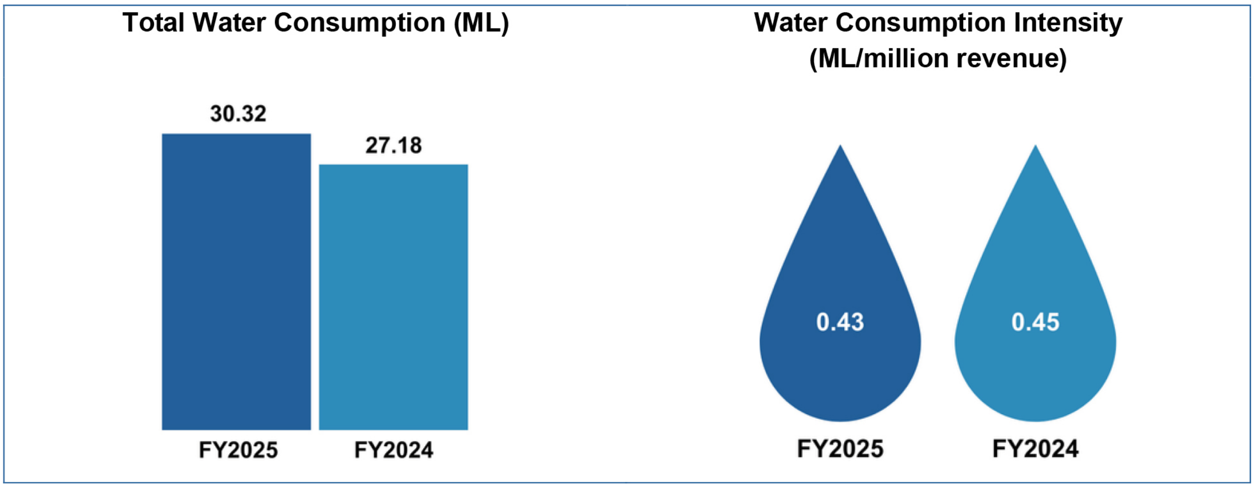


Figure 8: Water Consumption

Target

Aligned with GRI focus on transparent target-setting and performance disclosure, the Group is pleased to have achieved its FY2025 water-intensity goal ahead of the FY2027 target year. Building on this progress, the Group has adopted an ongoing target to maintain its water consumption intensity at 0.43 ML per million dollars of revenue on a perpetual basis.

Target – FY2025	Status – FY2025	Target	Timeline
1% reduction of water consumption intensity in accordance with sales value (ML/ million revenue)	Achieved	Maintain its water consumption intensity at 0.43 ML/ million revenue	Perpetual

MAINTAINING ENVIRONMENTAL STANDARDS AND COMPLIANCE [GRI 2-27]

Our commitment to legal compliance and environmental responsibility at PNE is underscored by our adherence to all applicable laws and regulatory requirements across the cities in which we operate. Our guiding Environmental Policy articulates our commitment to:

- **Transparency and Communication:** Making our environmental policy accessible to the public and communicating it comprehensively to all employees and stakeholders.
- **Pollution Prevention and Resource Conservation:** Undertaking measures to prevent pollution and reduce resource depletion through strategic reduction, reuse, and recycling processes.
- **Regulatory Compliance:** Ensuring strict compliance with environmental regulations and other subscribed environmental requirements.
- **International Organisation for Standardization ("ISO") 14001 Environmental Management System:** Establishing, implementing, and maintaining an environmental management system in line with ISO 14001 requirements.

This approach not only safeguards our licenses to operate in diverse markets but also effectively manages the risks associated with our activities.

To remain competitive and relevant in the global market, PNE actively promotes sustainable development initiatives through sound environmental practices. Our website provides detailed insights into our past and ongoing sustainability practices. Internally, comprehensive training on environmental policies is provided to all employees, embedding sustainability into our products and services throughout the organisation.

To uphold the highest standards, we have a dedicated team responsible for updating our environmental sustainability policy in response to changes in environmental laws and regulations. Reviews by Société Générale de Surveillance ("**SGS**") are conducted once every three years to further evaluate the effectiveness of our implementations, ensuring continued alignment with regulatory requirements.

Performance and Target

In FY2025, our dedication to stringent compliance and responsible management resulted in zero significant fines, non-monetary sanctions, or cases brought through dispute resolution mechanisms. We remain steadfast in our pursuit of maintaining this exemplary track record through robust policies and responsible management practices.

Target – FY2025	Status – FY2025	Target	Timeline
Maintain zero significant fines, non-monetary sanctions, or cases brought through dispute-resolution mechanisms	Achieved	Maintain zero significant fines, non-monetary sanctions, or cases brought through dispute-resolution mechanisms	Perpetual

Marketplace

ECONOMIC PERFORMANCE [GRI 201-1]

As the financial year drew to a close on 30 September 2025, PNE reaffirmed its commitment to resilience and adaptability in an ever-changing global landscape. The organisation's economic contributions extends beyond profitability, encompassing value creation for stakeholders including employees, suppliers, shareholders, and the wider community. PNE's approach focuses on sustaining long-term growth while reinforcing its commitment to responsible business practices and operational efficiency. The breakdown of economic value generated, economic value distributed ("**EVD**"), and economic value retained ("**EVR**") can be seen in Figure 9 below.

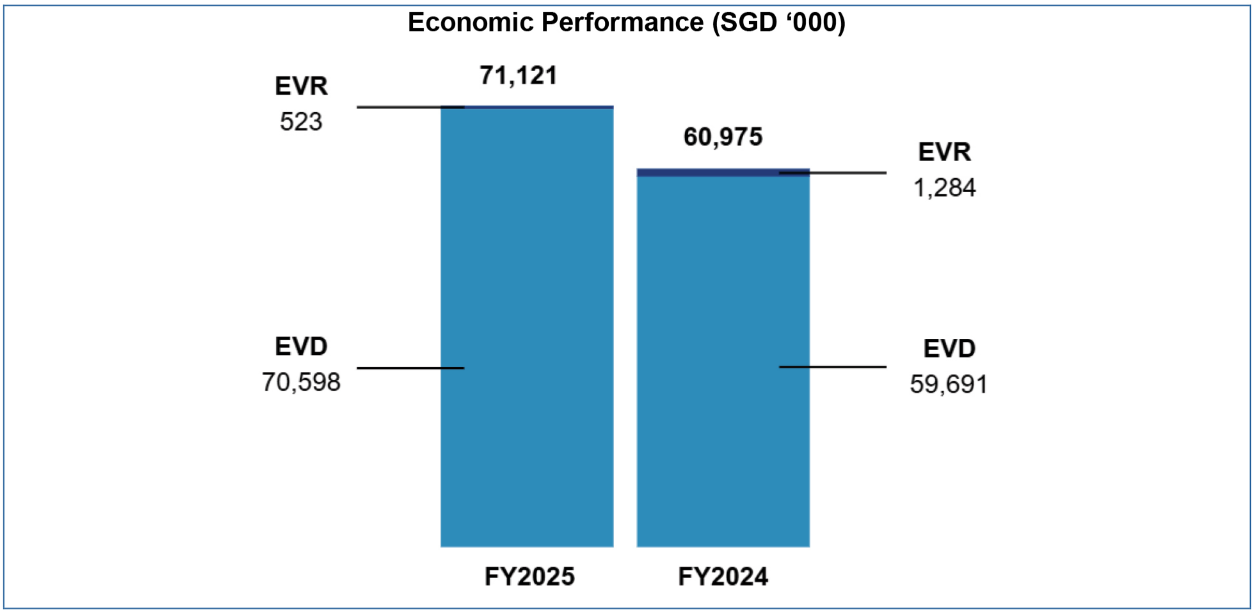


Figure 9: Financial Performance in FY2025

For a comprehensive breakdown of FY2025 financial results, we invite you to explore the pertinent sections of our Annual Report 2025. Our ongoing commitment is to consistently pursue positive and sustainable returns, ensuring enduring value for our shareholders in the long term.

CORPORATE GOVERNANCE

Robust corporate governance is the bedrock upon which we secure and fortify the trust of our stakeholders. It serves as the guiding force for shaping our corporate strategy, navigating risk management, and upholding ethical business conduct. A comprehensive exposition of our corporate governance framework and practices is meticulously detailed in the "Corporate Governance" section of PNE's Annual Report FY2025.

The Board assumes a pivotal role in ensuring that PNE is equipped with the requisite structure, strategy, and human capital to deliver enduring value to our shareholders. With an unwavering commitment to transparency, accountability, and ethical standards, our corporate governance practices lay the foundation for sustainable growth and resilience in a dynamic business landscape. By adhering to the highest standards of governance, we affirm our dedication to preserving the confidence of our stakeholders and maintaining the integrity of our operations.

GOVERNANCE AND ETHICS [GRI 205-3]

PNE's unwavering commitment to cultivating a culture of responsibility and ethical conduct extends throughout our organisational fabric. This commitment is not merely an expectation; it's a shared responsibility cascaded to every employee within our diverse workforce. In line with this ethos, adherence to PNE's sustainability-related policies is a fundamental requirement. These policies intricately outline the principles, rules, and guidelines that delineate ethical behaviour across various ESG elements, ensuring that our employees operate with integrity, accountability, and a shared commitment to driving positive impact. Through this collective adherence, we fortify our foundation as a responsible corporate entity, dedicated to fostering a workplace culture that mirrors our values and contributes to a sustainable future. For more information about our sustainability commitments and related policies, we invite stakeholders to visit the Code of Conduct section on our website.

Sustainability-Related Policies	
Anti-Corruption and Anti-Bribery Policy	This policy sets out the parameters, including the principles and guidelines, which PNE adopts concerning anti-corruption and anti-bribery.
Anti-Slavery and Human Trafficking Policy	This policy sets out to prevent modern slavery from taking place within PNE or in any component of its supply chain.
Drug and Alcohol Policy	This policy sets out 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.
Grievance and Complaint Policy	This policy sets out to guide stakeholders, which include employees, to raise issues with PNE's supervisors, managers, or with the Human Resource department in a constructive way.
Environmental Sustainability Policy	This policy sets out the commitment of PNE to strive for continual improvement in the environmental performance relating to its activities, products, and services.
Human Rights Policy	This policy sets out to provide a working environment free of any form of discrimination or harassment.
Safety and Health Policy	This policy sets out the commitment to prevent work related injuries and illnesses, fire hazards and accidents, and ensure that all employees work in a safe and healthy environment.
Responsible Minerals Sourcing Policy	This policy sets out to support the Dodd Frank Act to end human rights violations in the mining of 3TG+C minerals (tin, tungsten, tantalum, and gold) from the area known as the "Conflict Region" in the east of the Democratic Republic of the Congo (DRC) and surrounding countries.

Table 8: Sustainability-Related Policies in Business Operations

Throughout FY2025, PNE maintained a commendable record with zero confirmed incidents of corruption. This commitment underscores our dedication to ethical business practices and integrity, contributing to a transparent and responsible corporate environment.

Target – FY2025	Status – FY2025	Target	Timeline
Maintain zero confirmed incidents of corruption	Achieved	Maintain zero confirmed incidents of corruption	Perpetual

QUALITY STATEMENT

Our unwavering commitment to the continuous enhancement of product and service delivery is exemplified through a strategic framework:

1. Setting Strategic Annual Objectives: We proactively establish annual objectives for both our business and processes, aligning our focus with the dynamic needs of our customers and the evolving business landscape.

2. Performance Measurement and Review: We rigorously measure and review our performance against these set objectives, ensuring a keen understanding of our progress and identifying areas for refinement.

3. Adhering to Statutory and Regulatory Requirements: Meeting statutory and regulatory requirements is a non-negotiable aspect of our commitment, underpinning our dedication to compliance and ethical business conduct.

4. Continuous Improvement: Our pursuit of excellence is marked by a commitment to continually enhance the effectiveness of our processes and our Quality Management System ("QMS"), notably compliant with ISO 9001 standards.

5. Environmental Transparency: We place a premium on environmental transparency, ensuring compliance and achievements in environmental standards. This commitment is a testament to our responsibility towards sustainable business practices.

All our business divisions implement management systems benchmarked against relevant local and international standards. Our attainment of the ISO 9001:2015 Quality Management System certification is a testament to our commitment to meeting the highest international standards. This certification signifies that our products and services are consistently delivered to meet both customer expectations and regulatory requirements. Figure 10 provides a visual representation of the international standard quality and regulatory achievements accomplished by PNE, reinforcing our dedication to excellence and customer satisfaction.

Figure 10: International Standard Quality and Regulatory Requirements attained by PNE

> ***"Quality is not just a benchmark; it's the cornerstone of our business. It is the assurance we provide to our customers, the standard we uphold in every process, and the commitment we make to excellence. Quality is not an option; it is the essence of who we are and the promise we deliver in every product and service."***
>
> \- Head of Quality Department, PNE

RESPONSIBLE SUPPLY CHAIN

PNE holds a robust conviction in its capacity to deliver products and manufacturing services that are not only of high quality but also sustainable. Our commitment extends to the cultivation of a transparent and responsible supply chain, fostering enduring, constructive, and transparent relationships with all stakeholders.

Our focus is on elevating supply chain performance through proactive measures that go beyond precautionary actions. We embrace accountable risk management procedures, implementing contemporary procurement and inventory management processes to ensure operational resilience. In our pursuit of excellence, we continually explore innovative methods to fortify the supply chain.

Moreover, PNE places a premium on supplier diversification, an ongoing practice aimed at enhancing business resilience and agility. This approach underscores our dedication to adaptability and reinforces our capacity to navigate dynamic market landscapes. We stand firm in our commitment to sustainable practices, both in the products we offer and the manner in which our supply chain functions.

SUPPLIER ENVIRONMENTAL ASSESSMENT [GRI 308-1]

At PNE, we are committed to fostering a supply chain that reflects our sustainability values. We actively engage suppliers to align their practices with our environmental standards, ensuring that sustainability is embedded across our procurement processes. To support this, we have implemented a structured supplier evaluation framework that incorporates environmental criteria into our onboarding assessments. This approach enables us to identify and mitigate potential environmental impacts early, while promoting transparency and accountability throughout our supply network.

As illustrated in Figure 11, our assessment tools provide a consistent and data-driven method for evaluating new suppliers, reinforcing our commitment to responsible sourcing and continuous improvement.

Figure 11: Supplier Assessment Criteria

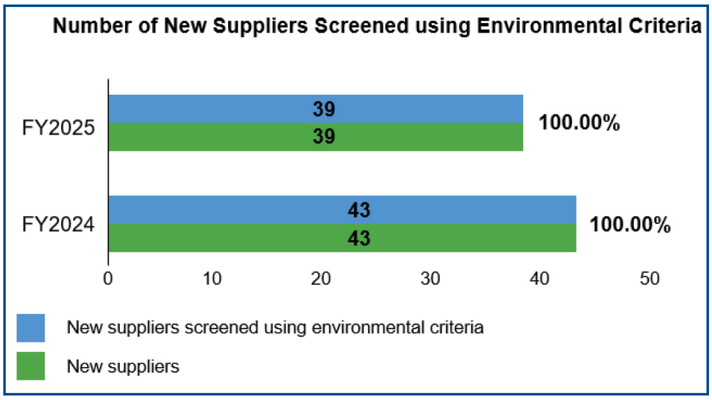


Figure 12: Number of New Suppliers Screened using Environmental Criteria

In FY2025, we are pleased to report that 100% of newly onboarded suppliers have undergone environmental criteria assessments as part of our sustainability screening process. In line with our commitment to environmental responsibility, we also actively encourage our new suppliers to furnish additional environmental data as supporting details. This collaborative effort enhances the depth and quality of our supplier assessments, while reinforcing our shared commitment to sustainability across the value chain.

Target - FY2025	Status - FY2025	Target	Timeline
Maintain >90% assessment for new suppliers	Achieved	Maintain >90% assessment for new suppliers	Perpetual

Workplace

MAINTAINING INTERNAL OCCUPATIONAL HEALTH AND SAFETY [GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-9]
At PNE, we recognise the evolving landscape of occupational health and safety within the manufacturing industry and acknowledge its pivotal significance. Safeguarding the health and well-being of our employees is not just a priority; it's an embedded ethos shaping our organisational culture. Our unwavering commitment is articulated through our robust Safety and Health Policy, affirming our fundamental responsibility to cultivate a workplace where safety and health are non-negotiable principles.

In line with our commitment, PNE strictly complies with all applicable laws and regulations governing safety and health to safeguard the well-being of our workforce. We foster a proactive safety culture through shared responsibility between management and employees, working together to prevent work-related injuries, illnesses, fire hazards, and accidents.

Across our operational sites, we have implemented occupational health and safety management systems that align with both local regulatory standards and the International Labour Organisation ("**ILO**") guidelines. Additionally, by adopting the Responsible Business Alliance ("**RBA**") Management System Version 8.0, we reinforce our commitment to systematically identifying and mitigating health and safety risks which could affect our people. This framework, grounded in a standardised code of conduct, applies to all PNE staff and contractors, and promotes active employee participation in decision-making, consultation, and communication— driving our culture of continuous improvement.

The adoption of the RBA management system is integral to PNE's commitment to monitor and manage OHAS issues in our business operations. Guided by a set of comprehensive codes, we adhere to the highest standards outlined by the RBA. Some of the key RBA codes that serve as pivotal guidelines in implementing our OHAS management system include:

Responsible Business Alliance (RBA) Management System Code
RBA-P-HS-05_Emergency Medical Assistance Management
RBA-P-HS-06_Machine Safeguard Procedure
RBA-P-HS-07_Pregnancy and Breast Feeding
RBA-P-HS-08_Incident and Emergency Management
RBA-P-HS-09_Hazard Identification and Risk Assessment Management
RBA-P-HS-10_Personal Protection Equipment Management

Table 9: RBA management system code implemented to monitor and manage OHAS issues

Our efforts transcend mere compliance, embodying a deep-rooted commitment to creating an environment where safety is everyone's responsibility. Each team member is encouraged to take ownership of and contribute to organisational safety, fostering a collective commitment to reporting accidents and identifying potential hazards. PNE's Safety and Health Committee, established in accordance with the Occupational Safety and Health (Safety and Health Committee) Regulations 1996 of Malaysia, references the RBA-P-HS-09_ Hazard Identification and Risk Assessment Management system code to identify work-related hazards and assess risks on a regular and spontaneous basis, as well as investigate work-related incidents.

The results of the aforementioned processes are used to evaluate and continually improve PNE's occupational health and safety management system in accordance with the RBA-P-HS-08_Incident and Emergency Management system code. Workers are instructed to report work-related hazards and hazardous situations in accordance with the RBA-P-HS-05_Emergency Medical Assistance Management system code, and workers may remove themselves from work situations that they believe could cause injury or ill health, as stipulated by the management system codes RBA-P-HS-06_Machine Safeguard Procedure and RBA-P-HS-07_Pregnancy and Breast Feeding. Workers are also protected against reprisals under PNE's Employee Grievance Procedure Policy.

We provide occupational health services as stipulated by the RBA-P-HS-09_Hazard Identification and Risk Assessment Management system code. Our commitment to safety excellence extends beyond routine compliance measures. The Safety and Health Committee conducts internal safety audit meetings on a quarterly basis. Internal safety audits, coupled with annual audits from the Department of Occupational Safety and Health, validate our adherence to the highest standards. In addition, our OHAS policies are reviewed periodically, reinforcing our commitment to continuous improvement. This allows us to prevent and mitigate significant negative occupational health and safety impacts directly linked by our business relationships as well.

Our employees participate in the development, implementation, and evaluation of the occupational health and safety management system extensively (refer to Figure 13 below). PNE's Safety and Health Committee consists of both management and employees. Compulsory OHAS training, such as general safety orientation and PPE training, for the Safety and Health Committee and all employees, serves as a testament to our proactive approach to enhancing awareness and understanding of work-related hazards. Beyond training, our Safety and Health Committee orchestrates impactful health campaigns and informative banners, instilling a heightened awareness of employees' health across the organisation.

Figure 13: Employee Engagement in PNE's Occupational Health and Safety System

We have provided access to non-occupational medical and healthcare services to our workers, including appointing a panel clinic near the workplace. PNE also facilitates such access by providing Foreign Workers Hospitalization & Surgical Insurance (SKHPPA) for foreign workers and social security contributions.

In our pursuit of safety excellence, hazard risk assessments are conducted systematically, with a particular focus on manufacturing settings. The implementation of preventive measures, including engineering controls and the provision of personal protective equipment ("PPE"), reflects our holistic and proactive stance towards maintaining a safe and healthy working environment for every member of the PNE family.

Performance and Target

In FY2025, PNE is pleased to report a strong safety record, with zero workplace fatalities, no high consequence work related injuries, and no incidents of reported injury across our operations. Moving forward, we will continue to strengthen our occupational health and safety practices, ensuring the well-being of all employees remains a core priority in the years ahead.

Target – FY2025	Status – FY2025	Target	Timeline
Maintain zero reported injuries at workplace.	Achieved	Maintain zero reported injuries at workplace	Perpetual

MAINTAINING A DIVERSE WORKFORCE [GRI 2-7, GRI 401-1, GRI 405-1]

PNE's workforce comprised of 829 employees across Singapore, Malaysia, and the PRC, reflecting a rich mix of genders, ages, and cultural backgrounds. Gender representation within the Group stood at 58.02% female and 41.98% male. In terms of age profile, 36.19% of employees were under 30 years old, 54.04% were between 30 and 50, and 9.77% were over 50 years old. Employee data is reported based on year-end headcount and excludes contract workers to maintain clarity and consistency in disclosure.

Performance and Target

Category	FY2025 Full-time Employees	FY2024[6] Full-time Employees
Total	**829**	**766**
By gender		
Female	481	449
Male	348	317
By age group		
Below 30 years old	300	284
30 - 50 years old	448	405
Over 50 years old	81	77
By geographical region		
Singapore	25	26
Malaysia	614	546
PRC	190	194

Table 10: Employee Breakdown by Gender and Geographical Region

Category	FY2025		FY2024	
	New Hires	Rate of New Hires	New Hires	Rate of New Hires[7]
Total	**334**	**40.29%**	**460**	**60.05%**
By gender				
Female	200	59.88%	272	59.13%
Male	134	40.12%	188	40.87%
By age group				
Below 30 years old	182	54.49%	294	63.91%
30-50 years old	146	43.71%	155	33.70%
Over 50 years old	6	1.80%	11	2.39%
By geographical region				
Singapore	6	1.80%	1	0.22%
Malaysia	279	83.53%	350	76.09%
PRC	49	14.67%	109	23.70%

Table 11: New Hires in FY2025 and FY2024

[6] To maintain clarity and reliability in reporting, a review of our workforce data was conducted, and the total headcount for FY2024 has been restated to from 853 to 766, as 87 contract staff were originally counted within PRC location figures under earlier reporting practices. PRC headcount has also been restated from 281 to 194.

[7] Total new hire rate for FY2024 has been restated from 54% to 60.05%, reflecting adjustments in overall headcount figures.

Category	FY2025 Turnover	FY2025 Rate of Turnover	FY2024 Turnover	FY2024 Rate of Turnover[8]
Total	**271**	**32.69%**	**572**	**74.67%**
By gender				
Female	168	61.99%	354	61.89%
Male	103	38.01%	218	38.11%
By age group				
Below 30 years old	137	50.55%	351	61.36%
30-50 years old	117	43.17%	211	36.89%
Over 50 years old	17	6.27%	10	1.75%
By geographical region				
Singapore	7	2.58%	0	0.00%
Malaysia	211	77.86%	351	61.36%
PRC	53	19.56%	221	38.64%

Table 12: Turnover in FY2025 and FY2024

In FY2025, new hires declined by 27.39% compared to FY2024, while resignations fell by 52.62%, significantly reducing the need for replacement hiring. Improved retention allowed the Group to direct more of its recruitment efforts toward growth-related roles, resulting in a net increase of 63 employees to support higher production capacity and revenue growth during the year. These outcomes reflect the effectiveness of the Group's engagement and retention initiatives, which continue to strengthen workforce stability and foster a committed, motivated, and high-performing employee base.

With our strengthened talent base, attention also remains on ensuring effective leadership at the governance level. As of 30 September 2025, PNE's Board comprised 5 Directors, 100.00% of whom were male. Approximately 20.00% were between the ages of 30 and 50, while 80.00% were over 50 years old.

The Group remains committed to fair employment practices and an inclusive culture where diversity is integral to how we work. This blend of experiences and perspectives enhances our ability to identify opportunities, navigate challenges, and drive innovation.

Our Policy Commitments

We uphold a strong framework of policies designed to promote fairness, dignity and respect across all our operations:

- **Human Rights Policy:** Establishes zero tolerance for discrimination and harassment and guides respectful conduct throughout our operations and value chain.
- **Grievance Procedure Policy:** Provides clear, accessible channels for employees to raise concerns, regardless of gender, role or tenure, ensuring issues are addressed promptly and fairly.
- **Supporting Policies:** Our Whistleblowing, Health & Safety and other related policies undergo annual reviews to ensure they remain robust, relevant and effective in safeguarding our people and the organisation.

In FY2025, PNE recorded zero incidents of workplace discrimination, underscoring our commitment to maintaining an inclusive, equitable and respectful work environment. This commitment is aligned with international expectations for responsible employment practices, including the principles reflected in SDG 8 (Decent Work & Economic Growth) and SDG 10 (Reduced Inequalities), which guide our efforts to foster fair opportunities and uphold the rights and well-being of all employees.

<u>Target</u>

The Group achieved its target of reducing employee turnover by 5 – 10% ahead of the FY2027 schedule, meeting this goal in FY2025. To ensure the continued relevance of its targets without annual revisions, the Group has revised its employee turnover target from a time-bound reduction to a perpetual performance benchmark. Going forward, the Group aims to maintain an employee turnover rate of below 35% per annum. The revision reflects the Group's commitment to sustaining workforce stability over the long term.

[8] Total turnover rate for FY2024 has been restated from 67% to 74.67%, reflecting adjustments in overall headcount figures.

In addition, the Group continues to progress toward its broader workforce commitments, including:

- Achieving 10% women representation in managerial roles by 2030, with 2025 as the baseline year.
- Maintaining zero incidents of workplace discrimination as part of its commitment to an inclusive and respectful work environment

Together, these targets reflect the Group's dedication to prioritising employee well-being, diversity, and inclusivity across its operations.

Target – FY2025	Status – FY2025	Target	Timeline
Record zero incidents of workplace discrimination	Achieved	Record zero incidents of workplace discrimination	Perpetual
Reduce overall employee turnover rate by 5-10%	Achieved	Achieve less than 35% employee turnover rate	Perpetual
N.A	N.A	Achieve 10% women representation in managerial roles by 2030.	2030

BENEFITS [GRI 401-2, GRI 401-3]
PNE has provided corresponding benefits to its full-time staff, including but not limited to health care, disability and invalidity coverage, parental leave, and retirement provisions, in accordance with the relevant laws and regulations at each of its operating locations. The following table illustrates further information related to parental leave in FY2025:

Category	FY2025		FY2024	
	Female	Male	Female	Male
Total number of employees that were entitled to parental leave	372	115	330	82
Total number of employees that took parental leave	16	3	13	6
Total number of employees that returned to work in the reporting period after parental leave ended	13	3	13	6
Return to work rate of employees that took parental leave	81.25%	100.00%	100.00%	100.00%

Table 13: Parental Leave Statistics

In FY2025, 3 female employees who took parental leave chose not to return to work, opting instead to dedicate more time to family responsibilities. These decisions were voluntary, and the employees were not subject to termination.

CULTIVATING A SKILLED WORKFORCE [GRI 404-1, GRI 404-3]
Our unwavering commitment to employee growth and development is reflected in the wide range of initiatives and training programs available. At the operational and production levels, we prioritise comprehensive training aligned with local authorities' guidelines, ensuring employees are fully equipped with the skills and safety knowledge required for their roles. At the managerial level, our programs focus on strengthening leadership and team management capabilities. Across all levels, training covers a broad spectrum, including ISO awareness, RBA code of conduct, risk management, workplace safety and inspection — underscoring our dedication to continuous professional and personal advancement.

We provide comprehensive training and development programs to ensure all employees are equipped with the skills and knowledge needed to perform effectively. Our approach includes onboarding support for new hires and ongoing development opportunities for all staff, fostering individual growth and strengthening organizational resilience.

In FY2025, 100% of employees received regular performance and career development reviews. We continuously evaluate and enhance our training programs to ensure relevance and impact, supporting ongoing employee development and adaptability in line with GRI standards.

Average Training Hours	FY2025	FY2024[9]
Per employee	23.81	34.29
Per female employee	23.45	32.07
Per male employee	24.31	37.54
Per managerial	42.69	19.72
Per executive	25.73	14.54
Per general staff	21.91	36.11

Table 14: Average Training Hours per Employee by Gender and Employee Category

We remain committed to providing employees with meaningful opportunities for growth and skill development, aiming for an average of 10–15 training hours per employee annually. This target was successfully achieved in FY2025, although average training hours were lower compared to FY2024. The decrease was primarily due to training providers encountering scheduling conflicts, which postponed non-essential training for employees. Additionally, increased production demands and ongoing renovation works resulted in certain non-critical sessions being deferred to maintain operational efficiency. Despite these challenges, the Group will continue implementing initiatives to sustain and enhance progress moving forward.

Target – FY2025	Status – FY2025	Target	Timeline
Maintain an average of 15 hours of training per employee	Achieved	Maintain an average of 10 - 15 hours of training per employee	Perpetual

[9] For FY2024, average training hours per employee has been restated from 30.79 hours to 34.29 hours, while average training hours for female was revised from 28.67 hours to 32.07, and males were revised from 33.94 hours to 37.54 hours, reflecting adjustments in overall headcount figures.

Community

ENABLING BETTER COMMUNITIES

At PNE, we understand that our success is intricately tied to the well-being of the communities in which we operate. With a deep sense of responsibility, we are dedicated to actively contributing to the betterment of these communities. Through targeted initiatives, philanthropy, and collaborative partnerships, we aim to create a positive impact on the lives of individuals and families. Whether it's supporting education, healthcare, or environmental sustainability, our goal is to empower communities to thrive and create a legacy of positive change.

Our commitment extends beyond financial contributions; we believe in actively engaging with communities, listening to their needs, and working together to address challenges. By fostering a spirit of collaboration and mutual respect, we aim to enable better communities that are not only resilient but also sustainable. At PNE, community development is not just a corporate initiative; it's a fundamental part of our identity, reflecting our belief that a prosperous and harmonious community is the foundation for a successful and enduring business.

We have registered as part of the Corporate Social Responsibility (CSR) programme under KITARecycle (Malaysia) as follows:

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In FY2025, PNE donated over ten thousand Malaysian Ringgit worth of gifts to orphaned children in Johor Bahru through a locally coordinated initiative, reflecting our ongoing commitment to inclusive and meaningful community development. Within the same year, PNE made a cash donation to a charity screening of "Legasi: Bomba The Movie", which was organised by the Malaysian Council for Sports, Welfare and Culture of Fire & Rescue Members to honour Malaysia's firefighting community, which is an important stakeholder group given our manufacturing presence in the region. Our commitment to social responsibility extends beyond a single year, as we provided a cash sponsorship for "Run for Goodwill: Fulfilling Dreams 2024" in FY2024, organised by the Johor Bahru Electrical & Electronics Associations to support welfare and disability-care organisations, encourage healthy living, and strengthen community cohesion.

Sustainability Data Performance Table

Corresponding GRI Indicators		Metric	FY2025	FY2024
GRI 2-7	Total number of employees	No. of total employees	829	766
	Employee per region	No. of employees hired per region	Singapore: 25 Malaysia: 614 PRC: 190	Singapore:26 Malaysia: 546 PRC: 194
GRI 201-1	Direct economic value generated and distributed	Currency (SGD ‘000)	Revenue: 71,121 EVD: 70,598 EVR: 523	Revenue: 60,975 EVD: 59,691 EVR: 1,284
GRI 205-3	Confirmed incidents of corruption and actions taken	No. of confirmed incidents	0	0
GRI 302-1	Energy consumption within the organisation	Kilowatt hour (kWh)	6,688,770.29	5,690,270.62
GRI 302-3	Energy intensity	Kilowatt hour per million revenue (kWh/million revenue)	94,047.75	93,321.37
GRI 303-3	Water withdrawal	Megaliters (ML)	30.32	27.18
	Water intensity	Megalitres per million revenue (ML/million revenue)	0.43	0.45
GRI 305-1	Direct (Scope 1) GHG emissions	Tonnes of carbon dioxide equivalent (tCO_2e)	166.79	240.41
GRI 305-2	Energy indirect (Scope 2) GHG emissions	Tonnes of carbon dioxide equivalent (tCO_2e)	4,588.49	3,871.01
GRI 305-4	GHG emissions intensity	Tonnes of carbon dioxide equivalent per million revenue (tCO_2e/million revenue)	66.86	67.43
GRI 306-3	Waste generated	Tonnes	Hazardous: 45.93 Non-hazardous: 59.69 Total: 105.62	Hazardous: 38.58 Non-hazardous: 48.45 Total: 87.03
	Waste intensity	Tonnes per million revenue (t/million revenue)	1.49	1.43
GRI 306-4	Waste diverted from disposal	Tonnes	Hazardous: 45.04 Non-hazardous: 59.69 Total: 104.73	Hazardous: 37.54 Non-hazardous: 48.45 Total: 85.99
GRI 306-5	Waste directed to disposal	Tonnes	Hazardous: 0.89 Non-hazardous: 0.00 Total: 0.89	Hazardous: 1.04 Non-hazardous: 0.00 Total: 1.04
GRI 308-1	New suppliers that were screened using environmental criteria	Percentage	100.00%	100.00%
GRI 401-1	New employee hires and employee turnover	No. of new employee hires and employee turnover	New hires: 334 Turnover: 271	New hires: 460 Turnover: 572
	New employee hires, gender breakdown	Percentage	Male: 40.12% Female: 59.88%	Male: 40.87% Female: 59.13%
	New employee hires, age breakdown	Percentage	< 30 years old: 54.49% 30 to 50 years old: 43.71% > 50 years old: 1.80%	< 30 years old: 63.91% 30 to 50 years old: 33.70% > 50 years old: 2.39%
	Employee turnover, gender breakdown	Percentage	Male: 38.01% Female: 61.99%	Male: 38.11% Female: 61.89%
	Employee turnover, age breakdown	Percentage	< 30 years old: 50.55% 30 to 50 years old: 43.17% > 50 years old: 6.27%	< 30 years old: 61.36% 30 to 50 years old: 36.89% > 50 years old: 1.75%

Corresponding GRI Indicators		Metric	FY2025	FY2024
GRI 401-3	Employees which took parental leave	No. of employees which took parental leave	Male: 3 Female: 16	Male: 6 Female: 13
	Parental leave return rate	Percentage	Male: 100% Female: 81.25%	Male: 100% Female: 100%
GRI 403-9	Work-related injuries	Per million worked hours	0	0.37
GRI 404-1	Average hours of training per employee	No. of average training hours per employee	23.81	34.29
	Average hours of training per gender	No. of average training hours per gender	Male: 24.31 Female: 23.45	Male: 37.54 Female: 32.07
	Average hours of training per job category	No. of average training hours per job category	General staff: 21.91 Executive staff: 25.73 Managerial staff: 42.69	General staff: 36.11 Executive staff: 14,54 Managerial staff: 19.72
GRI 404-3	Percentage of employees receiving regular performance and career development reviews	Percentage	100.00%	100.00%
GRI 405-1	Board members gender breakdown	Percentage	Male:100.00%	Male: 100.00%
	Board members age breakdown	Percentage	< 30 years old: 0.00% 30 to 50 years old: 20.00% > 50 years old: 80.00%	< 30 years old: 0.00% 30 to 50 years old: 16.67% > 50 years old: 83.33%
	Employee gender breakdown	Percentage	Male: 41.98% Female: 58.02%	Male: 41.38% Female: 58.62%
	Employee age breakdown	Percentage	< 30 years old: 36.19% 30 to 50 years old: 54.04% > 50 years old: 9.77%	< 30 years old: 37.08% 30 to 50 years old: 52.87% > 50 years old: 10.05%

Table 15: Sustainability Data Performance Table

GRI Content Index

Statement of use	PNE Industries Ltd. has reported the information cited in this GRI content index for the period from 1st October 2024 to 30th September 2025 with reference to the GRI Standards 2021.
GRI 1 used	GRI 1: Foundation 2021

GRI Standard 2021 - Disclosure Title		Page Reference & Remarks
GRI 2: General Disclosures 2021		
2-1	Organisational details	Sustainability Report Pg 4 – 5
2-2	Entities included in the organisation's sustainability reporting	Sustainability Report Pg 4 - 5
2-3	Reporting period, frequency and contact point	Sustainability Report Pg 3, 4, 6
2-4	Restatements of information	Sustainability Report Pg 6
2-5	External assurance	PNE has not sought external assurance for Sustainability Report 2025.
2-6	Activities, value chain and other business relationships	Sustainability Report Pg 5
2-7	Employees	Sustainability Report Pg 26 – 27
2-8	Workers who are not employees	Not applicable.
2-9	Governance structure and composition	Sustainability Report Pg 2
2-10	Nomination and selection of the highest governance body	Annual Report 2025 Pg 10 – 11
2-11	Chair of the highest governance body	Annual Report 2025 Pg 10
2-12	Role of the highest governance body in overseeing the management of impacts	Annual Report 2025 Pg 7 – 8 Sustainability Report Pg 2
2-13	Delegation of responsibility for managing impacts	Annual Report 2025 Pg 7 – 8
2-14	Role of the highest governance body in sustainability reporting	Sustainability Report Pg 2
2-15	Conflicts of interest	Annual Report 2025 Pg 7
2-16	Communication of critical concerns	Annual Report Pg 17 Sustainability Report Pg 6
2-17	Collective knowledge of the highest governance body	Annual Report 2025 Pg 5 – 6
2-18	Evaluation of the performance of the highest governance body	Annual Report 2025 Pg 12
2-19	Remuneration policies	Annual Report 2025 Pg 12 – 14
2-20	Process to determine remuneration	Annual Report 2025 Pg 12
2-21	Annual total compensation ratio	Unable to disclose due to confidentiality constraints
2-22	Statement on sustainable development strategy	Sustainability Report Pg 2, 9, 10
2-23	Policy commitments	Sustainability Report Pg 20
2-24	Embedding policy commitments	Sustainability Report Pg 20
2-25	Processes to remediate negative impacts	Sustainability Report Pg 20
2-26	Mechanisms for seeking advice and raising concerns	Sustainability Report Pg 6
2-27	Compliance with laws and regulations	Sustainability Report Pg 18 and 20
2-28	Membership Associations	Not applicable.
2-29	Approach to stakeholder engagement	Sustainability Report Pg 7
2-30	Collective bargaining agreements	Not applicable
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	Sustainability Report Pg 8
3-2	List of material topics	Sustainability Report Pg 8
3-3	Management of material topics	Sustainability Report Pg 11 – 30

GRI Content Index

GRI Standard 2021 - Disclosure Title		Page Reference & Remarks
GRI 201: Economic Performance 2016		
201-1	Direct economic value generated and distributed	Sustainability Report Pg 19
GRI 205: Anti-corruption 2016		
205-3	Confirmed incidents of corruption and actions taken	Sustainability Report Pg 20
GRI 302: Energy 2016		
302-1	Energy consumption within the organisation	Sustainability Report Pg 14 – 15
302-3	Energy intensity	Sustainability Report Pg 15
GRI 303: Water and Effluents 2018		
303-3	Water withdrawal	Sustainability Report Pg 17 - 18
GRI 305: Emissions 2016		
305-1	Direct (Scope 1) GHG emissions	Sustainability Report Pg 13
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report Pg 13
305-4	GHG emissions intensity	Sustainability Report Pg 13
GRI 306: Waste 2020		
306-3	Waste generated	Sustainability Report Pg 16
306-4	Waste diverted from disposal	Sustainability Report Pg 16
306-5	Waste directed to disposal	Sustainability Report Pg 16
GRI 308: Supplier Environmental Assessment 2016		
308-1	New suppliers that were screened using environmental criteria	Sustainability Report Pg 22 - 23
GRI 401: Employment 2016		
401-1	New employee hires and employee turnover	Sustainability Report Pg 26 - 27
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Sustainability Report Pg 28
401-3	Parental leave	Sustainability Report Pg 28
GRI 403: Occupational Health and Safety 2018		
403-1	Occupational health and safety management system	Sustainability Report Pg 24 - 25
403-2	Hazard identification, risk assessment, and incident investigation	Sustainability Report Pg 24 - 25
403-3	Occupational health services	Sustainability Report Pg 24 - 25
403-4	Worker participation, consultation, and communication on occupational health and safety	Sustainability Report Pg 24 - 25
403-5	Worker training on occupational health and safety	Sustainability Report Pg 24 - 25
403-6	Promotion of worker health	Sustainability Report Pg 24 - 25
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Sustainability Report Pg 24 - 25
403-9	Work-related injuries	Sustainability Report Pg 24 - 25
GRI 404: Training and Education 2016		
404-1	Average hours of training per year per employee	Sustainability Report Pg 28 - 29
404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Report Pg 28 - 29
GRI 405: Diversity and Equal Opportunity 2016		
405-1	Diversity of governance bodies and employees	Annual Report 2025 Pg 8 – 10 Sustainability Report Pg 26 - 27