FY2022

PNE INDUSTRIES LTD

Sustainability Report 2022

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BOARD STATEMENT [GRI 2-12, GRI 2-22]

Dear Stakeholders,

The year 2022 has not been easy for many companies, PNE notwithstanding. With the COVID-19 pandemic transitioning towards the endemic phase, we are now focusing on implementing long-term sustainability strategies and initiatives into our business operations.

Enhancing Our ESG Commitments

The Board assumes overall responsibility for PNE's business affairs and strategic directions. It also determines the material ESG factors that are pertinent to the Group's business. The Board is supported by the Nominating Committee ("NC"), the Remuneration Committee ("RC"), and the Audit Committee ("AC"), which oversees the management of ESG factors that are material and relevant to our business as well as PNE's approach to sustainability reporting.

We will ensure that our sustainability approach and strategies remain updated and will continue to review existing and potential ESG factors on an annual basis. We strive for active and regular engagement with stakeholders to understand the concerns and expectations raised, which aids us in formulating our ESG factors.

We understand that the effect of climate change has become prominent and the increasing use of natural resources continues to impact the lives of people and wildlife. We continue to chart our path forward for more environmentally sustainable operations to improve resource utilisation. To do this effectively, we have embarked on an assessment of environmental risk and opportunities to better understand the impacts of climate change and build a more resilient business across our business operations. The climate change-related disclosures will be discussed in the years to come.

Creating Sustainable Value for All

The overall focus of our sustainability strategy has always been to create value for all stakeholders – our customers, shareholders, employees and the broader communities in which we operate. We are aware that a lot more work needs to be done. As we continue to move along the sustainability agenda, we urge our stakeholders to join us as we look to scale greater heights and build a sustainable future for all.

COMMITMENT TO SUSTAINABILITY [GRI 2-24]

PNE approaches sustainability based on our four sustainability pillars of Marketplace, Environment, Workplace and Community, which are aligned with the UN Sustainable Development Goals ("SDGs").

REPORT OVERVIEW

This Sustainability Report FY2022 ("SR") is delivered annually by PNE to present PNE's sustainability initiatives and performances in the financial year ending 30th September 2022, centering around the topics under Environment, Social and Governance ("ESG"), which are important to our stakeholders as well as business operations.

REPORTING FRAMEWORKS AND BENCHMARKS [GRI 2-3]

This SR has incorporated the Global Reporting Initiative (GRI) Standards as the primary reporting framework to disclose ESG performance. GRI Standards is globally recognized as a competent sustainability reporting framework that enables businesses, governments and other organisations to report on their economic, environmental and social impacts other than their contribution towards sustainable development. In applying the GRI Standards 2021, we prioritized the four principles for defining report content as follows:

- Principle 1 – Stakeholder inclusiveness;
- Principle 2 – Sustainability Context;
- Principle 3 – Materiality; and
- Principle 4 – Completeness.

This report is also prepared following the United Nations Sustainable Development Goals (UN SDGs) and Singapore Exchange Securities Limited Listing Rules 711A and 711B. Please refer to the GRI Content Index on page 18 for further information on the relevant references of GRI principles.

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

This SR covers the sustainability performance of our business operations in Singapore, the People's Republic of China ("PRC"), and Malaysia for the financial year from 1st October 2021 to 30th September 2022, unless otherwise stated.
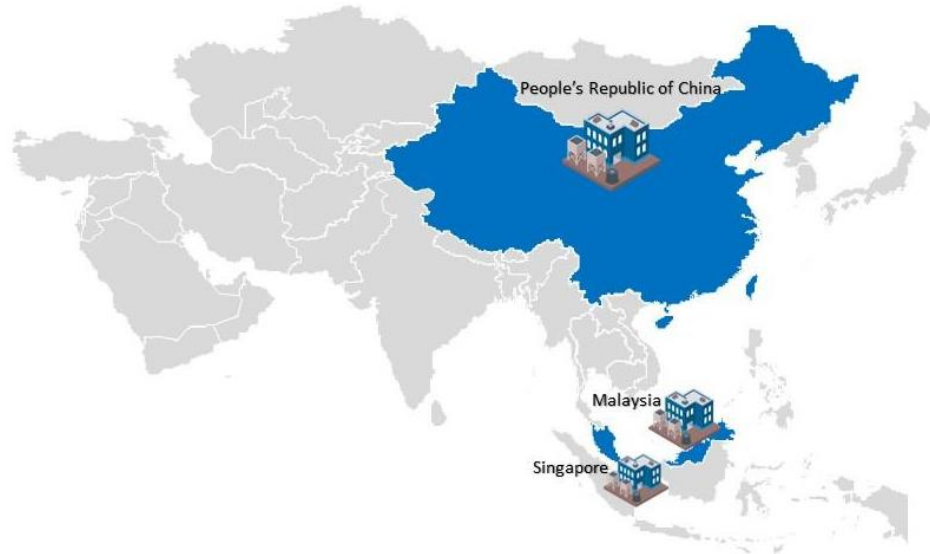

Figure 1: Geographical presentation of PNE's business operation

FEEDBACK [GRI 2-3]

We welcome and value all feedback from our stakeholders on this SR or any aspects of the sustainability performance to further improve our disclosure and performance. Please do not hesitate to share feedback by emailing pnehq@pne.com.sg.

Since 2000, PNE Industries Ltd is a listed company on the Main Board of Singapore Exchange. The business is mainly operated by two divisions – Contract Manufacturing and Trading Divisions.

Since starting manufacturing in 1983, PNE has grown into various divisions and has expanded around the world. All the products produced by PNE are recognized and verified by professional boards through continuos efforts.

The Manufacturing facility located at Tebrau Industrial Estate, Johor Bahru, is 8,000 square metres and produces high mixed to low volume products. The Malaysian plant specialises in manufacturing PCBA, electronic control systems, and engineering software and is also responsible for system verifications and production testing designs.

Trading of Emergency Lighting Equipment

Contract Manufacturing of Electronic Controllers

PNE has established a reputable name in the construction and building industry in Southeast Asia, especially in Singapore and Malaysia where it offered emergency lightings to buildings and construction companies.

The sales office in Malaysia and Singapore are responsible for the global marketing and sales of PNE emergency lighting equipment. The emergency lightings offered by PNE have been SIRIM- and PSB-/TUV-certified and approved.
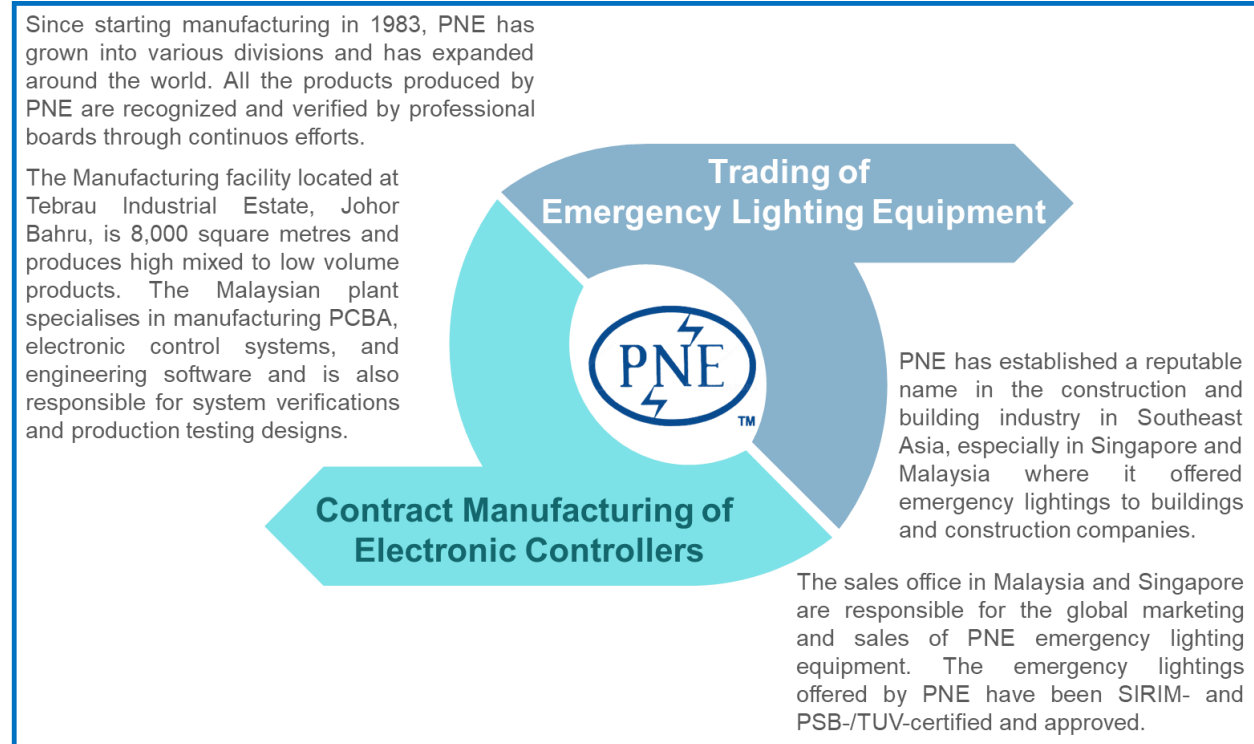
Figure 2: Two main business divisions in PNE

Contract Manufacturing Division focuses on the production of certain customized models which adapt the distinctive specifications desired by our respective customers, the production outcome includes electronic controllers and other electrical products associated with electronic control systems and engineering software. IoT (Internet of Things) devices continue to advance and consumers are becoming increasingly sophisticated. Such experience induced a higher demand and greater production of electrical appliances, which usually are incorporated with intelligent features. PNE aspired to fill the gap and work jointly with customers to develop electronic controllers which accommodate the wide range of intelligent features available in the market and facilitate energy management. The IoT-enabled emergency lighting equipment which can be monitored and controlled through software and Wi-fi will launch by 2023.

Trading Division takes charge of the electronic products which commonly fit the mass market such as emergency lighting equipment and related products. These products are designed with general specifications. Emergency lighting equipment, such as the "Exit" sign, is a type of lighting equipment that turns on or remains on when a power failure occurs. "Exit" signs are self-lit signage installed in buildings to indicate the direction and location of emergency escape routes and/or exits. PNE produces its own "PNE"-branded emergency lighting equipment with wide variations. These products are designed, manufactured and then distributed to our trading partners and consumers.

VISION & MISSION [GRI 102-11]

PNE has established a vision and mission as follows:

Figure 3: PNE's vision and mission

RESPONSIBLE SUPPLY CHAIN [GRI 308-1]

PNE's strong belief in its ability to provide high-quality yet sustainable products and resilient manufacturing services. We remain committed to operating with a transparent and responsible supply chain to develop long-term, constructive and transparent relationships with the stakeholders.

We aim to improve the performance of the supply chain by exploring supply chain reinforcement methods other than taking precautionary actions in supply chain management. Accountable risk management procedures being carried out with up-to-date procurement and inventory management processes. Besides, PNE constantly practices diversification in supplier resources to strive for the improvement of business resilience and agility.

SUPPLIER ENVIRONMENTAL ASSESSMENT [GRI 2-23, GRI-24, GRI 2-25, GRI 308-1]

PNE aligns the expectations of the supplier's commitment towards sustainability. We practice transparency and minimise negative environmental impact along our supply chains. A set of supplier assessment forms is established and integrated with the environmental assessment criteria, shown in Figure 4 is utilized to evaluate new onboarding suppliers. We encourage our new onboarding suppliers to provide environmental data as supporting details, which will aid in the outcome of the assessment.

Number of suppliers undergone supplier assessment screening in FY2021 and FY2022

FY2021 — 83%

FY2022 — 91%

*Total number of 160 additional suppliers on boarded in FY2022, **91%** of these suppliers undergone supplier assessment screening with their environmental data, an increase of 8% as in comparison with FY2021.*

Figure 4: Supplier Assessment Criteria

SUSTAINABILITY AT PNE

STAKEHOLDER ENGAGEMENT [GRI 2-29]

Regular engagement with stakeholders brings about beneficial value-creation processes in the ecosystem of sustainable businesses. The collation of information from our stakeholders aids the organization to devise strategies for facing challenges and managing risks in this emerging electrical and electronic industry. The following table includes various modes of engagement efforts by PNE to communicate with respective stakeholders throughout FY2022.

Stakeholder Group	Mode of Engagement	Frequency	Interest & Concerns
Government & Regulators	❖ SGX Announcements ❖ Annual Reports	❖ Ad Hoc ❖ Annually	❖ Energy & Emissions ❖ Environment Compliance
Customers	❖ Customer Feedback Forms ❖ Face to Face/Phone Meetings with Clients ❖ Company Website/Phone Calls	❖ Ad Hoc ❖ Regular ❖ Regular	❖ Customer Satisfaction ❖ Customer Health & Safety
Employees	❖ Staff Training Sessions ❖ Annual Year End Performance Appraisal System ❖ Company News via Company Newsletter or Intranet	❖ Annually ❖ Annually ❖ Regular	❖ Employment ❖ Training & Education ❖ Occupational Health & Safety
Investors & Shareholders	❖ Annual General Meeting ❖ Half-yearly Results & Announcements ❖ Company Website	❖ Annually ❖ Half-yearly ❖ Ad Hoc	❖ Financial & Non-Financial Performance
Contractors & Suppliers	❖ Supplier Feedback Forms ❖ Face to Face/Phone Meetings with Suppliers	❖ Ad Hoc ❖ Regular	❖ Supplier Environmental Assessment
Communities	❖ Volunteer Activities	❖ Ad Hoc	❖ Local Community Engagement

Table 1: Stakeholder Groups and various modes of engagements

MATERIALITY ASSESSMENT [GRI 2-16]

Reassessment of existing material topics in PNE's commitment towards sustainability is carried out regularly with an external consultant's assistance to identify potential and relevant material topics. A plan of action is established to ensure the identification of material topics is systematic and accountable, the figure below shows key actions involved in the materiality assessment activity.

Step 1: Performed a reassessment on existing material topics selected in FY2021 to ensure topics are relevant

Reassess the applicability of existing material topics

Organize internal discussion to assess material topics

Step 2: Hold internal meeting within the organization to discuss the material topics in relevance to PNE's business operation and to the industry

Step 3: Working team presented proposal of identified material topics to Management for review and endorsement.

Proposal for Management's review and endorsement

Disclose material topics

Step 4: Finally, PNE to disclose finalized material topics in SR FY2022

Figure 5: Key actions in Materiality Assessment Activity

In FY2022, we reassessed the material topics and the fourteen material topics, shown in Table 2 remained significant to the business' sustainable value chain and the stakeholders. The table below outlined the scopes and boundaries[1] for the fourteen material topics in FY2022:

Material Topics	GRI Standards Disclosure		Aspect Boundary[1]
Economic Performance	201-1	Direct economic value generated and distributed	Within organisation
Energy	302-1	Energy consumption within the organisation	Within organisation
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Within organisation
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Within organisation
Employment	401-1	New employee hires and employee turnover	Within organisation
Occupational Health and Safety	403-1	Occupational health and safety management system	
Occupational Health and Safety	403-2	Types of injuries and rates of injury, occupational diseases, lost days, absenteeism and number of work-related fatalities	Within organisation
Occupational Health and Safety	403-3	Occupational health and safety committee	Within organisation
Occupational Health and Safety	403-4	Methods of promoting worker participation and communication on health and safety	Within organisation
Occupational Health and Safety	403-5	Training programs on occupational health and safety on both office and factory setting	Within organisation
Occupational Health and Safety	403-6	Health campaign and banners to promote worker health	Within organisation
Occupational Health and Safety	403-7	Regular safety audit and follow guidelines under RBA OHAS management system	Within organisation
Occupational Health and Safety	403-9	Hazard risk assessments and protections with engineering controls and personal protective equipment (PPE)	Within organisation
Training and Education	404-1	Average hours of training per year per employee	Within organisation

Table 2: Material Topics and Boundary

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[1] Aspect Boundary is a description of where the impacts occur for a material topic and the organization's involvement with those impacts. Organizations might be involved with impacts either through their activities or as a result of their business relationships with other entities. Global Reporting Initiatives (GRI).

"The SDGs represent an unprecedented global consensus and is the result of 193 countries coming together in agreement on a comprehensive and ambitious development agenda for people and the planet towards 2030. The SDGs describe the greatest challenges and needs of our time and the goals for addressing these. Achieving these goals requires collective action across governments, civil society, the private sector and dedicated individuals and communities and needs to be matched with the necessary resources, innovation capacity and partnerships to drive implementation. The private sector, in this context, is an indispensable partner and has a critical role to play in advancing the global development agenda." – by SDG Accelerator in United Nations Development Program (UNDP) Denmark

The SDGs are intended to enable both nations and corporations to identify common purposes and opportunities for action. We acknowledge the importance of adopting these initiatives and measures. The following table outlines the SDGs that we believe are most relevant to our businesses.

SDGs	SDG's Description	PNE's Position
Goal 3: Good Health & Well-Being	Ensure healthy lives & promote well-being for all at all ages	PNE places high importance on the health & safety of its stakeholders & proactively promote safety, health and well-being at the workplace and the communities it serves
Goal 5: Gender Equality	Achieve gender equality & empower all women and girls	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
Goal 7: Affordable & Clean Energy	Increase substantially the share of renewable energy in the global energy mix	PNE adopts cleaner energy to optimise the use of energy across all business divisions
Goal 8: Decent Work & Economic Growth	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	PNE upholds fair employment practices across its business and supply chain, making a decent workplace for its employees
Goal 10: Reduced Inequalities	Reduce inequality within and among countries	PNE creates equal opportunities for both its employees and communities
Goal 16: Peace, Justice & 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 upholds integrity and compliance with all applicable laws and regulations across its business operations

Figure 6: Six SDGs Aligned in PNE's business

MARKET PLACE

ECONOMIC PERFORMANCE [GRI 201-1]

As of the financial year ended 30 September 2022, we earned a total revenue (SGD'000) of 73,725, profit before interest and tax (SGD'000) of 3,985 and profit after tax (SGD'000) of 3,604. For a detailed breakdown of our FY2022 financial results, please refer to the relevant sections of our Annual Report 2022. We continue striving to deliver positive and sustainable returns to our shareholders in the long run.

CORPORATE GOVERNANCE [GRI 2-23, GRI 2-27]

Good corporate governance is the foundation for maintaining the trust of our stakeholders, which guides our corporate strategy, risk management and business conduct. Our corporate governance framework and practices are elaborated in the "Corporate Governance" section in PNE's Annual Report FY2022. The Board is responsible for ensuring that PNE has the structure, strategy and people to deliver long-term value to our shareholders.

GOVERNANCE AND ETHICS [GRI 2-23, GRI 2-27]

PNE's commitment to fostering a culture of responsibility and ethical behaviour is cascaded to all of our employees. They are required to adhere to PNE's sustainability-related policies, which prescribe the principles, rules and guidelines that define ethical behaviour across ESG elements.

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 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.
Employee Grievance Procedure Policy	This policy sets out to guide employees to raise issues with their supervisors, managers or with the Human Resource department in a constructive way.
Environment 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.
Environmental Sustainability Policy	This policy aims to integrate sustainable development actions in all its activities by promoting sound environmental practices in PNE.
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 safe and healthy environment.
Conflict Minerals Policy Statement	This policy sets out to 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.

Table 3: Sustainability-Related Policies in PNE's business operation

QUALITY STATEMENT [GRI 2-25]

We continuously improve the delivery of our products and services to assure customer satisfaction through a course of actions:

Setting annual objectives for our business and processes

Measuring, reviewing and taking actions to meet the set objectives

Meeting the statutory and regulatory requirements

Continually improving the effectiveness of our processes and quality management system – specifically for ISO 9001

Practicing environmental transparency in our environmental compliance and achievement

Figure 7: Quality Statement

All our business divisions implement management systems which are certified by relevant local and international benchmark standards. We attained the ISO 9001:2015 Quality Management System ("QMS"), the international standard that specifies requirements for a quality management system, demonstrating that our products and services are offered to meet customer and regulatory requirements. Figure 3 demonstrates the international standard quality and regulatory requirements attained by PNE.

Qualification ISO 9001:2015

Qualification SIRIM (Malaysia)

Qualification PSB (Singapore)

Qualification IATG 16949:2016

Qualification ISO 14001:2015

Figure 8: International Standard Quality and Regulatory Requirements attained by PNE

RESPONDING TO CLIMATE CHANGE

In 2021, the Singapore government announced the Singapore Green Plan 2030, which charted a roadmap with ambitious and concrete targets over the next ten years to achieve Singapore's long-term net zero emissions target. The Green Plan outlined five key pillars that focus on strengthening Singapore's economic, climate and resource resilience. In addition, the Green Plan aims to improve the living environment of Singaporeans and create new businesses and job opportunities.

Since SGX has rolled out mandatory climate reporting for listed companies in selected sectors starting from 2023, we began our assessment of environmental risk and opportunities to better understand the impacts of climate change and build a more resilient business across our business operations. The climate change-related disclosures will be discussed in the years to come.

DRIVING ENERGY EFFICIENCY [GRI 2-25, GRI 302-1]

We have been working on several initiatives in driving energy efficiency across our operations as below:

- Data monitoring on the electricity usage by our designated officials to identify and investigate significant abnormalities;
- Fortnightly inspections on electrical rooms, transformer rooms and the main switchboard rooms as well as assessment of the readings on electric meters; and
- Calibration of the electrical recording instrument is made compulsory to perform every two years to maintain accuracy and repeatability in the measurement.

In FY2022, PNE's overall operations across three countries have reduced 75,628 kWh to 4,817,562 kWh from 4,893,190 kWh in FY2021.

Total Energy Consumption In PNE's Business Operation
(kWh, FY2020 – FY2022)

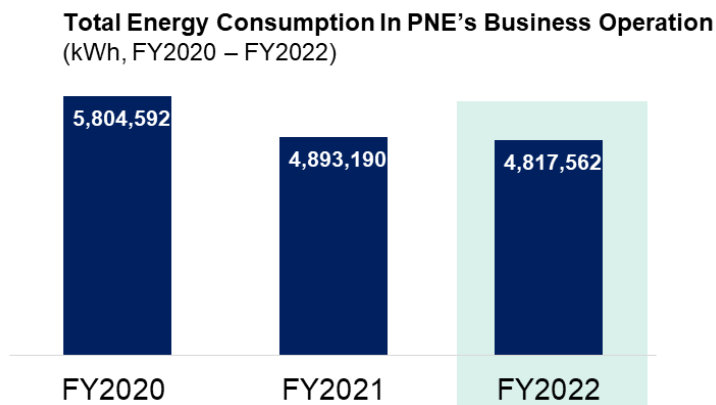|		
5,804,592	4,893,190	4,817,562
FY2020	FY2021	FY2022

Figure 9: Total Energy Consumption in PNE from FY2020 – FY2022

Despite having these initiatives in driving energy efficiency being performed, we also steering directly towards the widespread usage of renewable energy in all of our business operations.

MAINTAINING ENVIRONMENTAL STANDARDS PRACTICES [GRI-24, GRI 2-27, GRI 307-1]

We are committed to complying with all applicable laws and regulatory requirements in the cities we operate in. At PNE, we are guided by the Environmental Policy that ensures the following:

- 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;
- Prevent pollution and reduce depletion of resources resulting from our activities, products and services through reduction, reuse and recycling processes;
- Ensure compliance with the environmental regulations and other environmental requirements that we subscribe; and
- Establish, implement and maintain our environmental management system to ISO 14001 requirements.

> **"Embedding sustainability in strategy is essential to meet evolving investor pressure, consumer demand, and regulatory requirements."** – World Economic Forum June 2022

This enables us to maintain our licenses to operate in our various markets and to effectively manage the risks associated with our activities.

To stay competitive and relevant in the modern global market, sustainable development initiatives are promoted in PNE's activities through sensible environmental sustainability practices. Please refer to our website for more details on our past and current practices. Also, internal training on practicing environmental-related policies is provided to all employees to ensure sustainability is extensively embedded into our products and services across the organisation.

We have established a team to maintain and ensure the environmental sustainability policy is updated with changes to the environmental laws and regulations. This ensures that the organisation is aligned with the requirements of the authorities. An annual review by SGS is carried out every year to evaluate the effectiveness of the implementations in PNE.

Stringent compliance and management practiced in PNE's operation by adhering to all the requirements and regulations have brought about the outcome of zero monetary value of significant fines, non-monetary sanctions and cases brought through dispute resolution mechanisms in FY2022. We aim to maintain such a competent track record with responsible management and strong policies.

MAINTAINING INTERNAL OCCUPATIONAL HEALTH AND SAFETY [GRI-22, GRI-23, GRI-24, GRI 2-25, GRI 2-27, GRI 403-1, GRI 403-2, GRI 403-3, GRI 403-4, GRI 403-5, GRI 403-6, GRI 403-7, GRI 403-9]

We recognise occupational health and safety ("OHAS") as a rising concern in the manufacturing industry setting. Hence, the health and safety of our employees are of utmost importance to form an integral part of our organizational culture. Our commitment to providing a safe and healthy workplace is reflected in the Safety and Health Policy, where 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 about safety and health. Also, the management, together with the employees, will take every measure to prevent work-related injuries, illnesses, fire hazards and accidents.

We make effort to consult and involve all employees in building a safe and healthy work environment where everyone is encouraged to take ownership and responsibility for organizational safety. Each employee plays an important role in maintaining a high standard of safety and health in the workplace. Everyone must be fully committed to 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.

Workplace accidents and illness undermine the productivity of our business operations, therefore we have adopted an occupational health and safety management system. This management system aids to manage potential risks and helps the alignment with the legal requirements set by the local authorities and International Labour Organization ("ILO") guidelines such as Regulations 1996 and the Occupational Safety and Health Act 1994 (Act 514). We form the Safety & Healthy Committee to provide occupational health services and take charge of the monitoring of occupational health and safety issues, which include the identification of work-related hazards, risk assessment and application of a systematic hierarchy of controls.

Responsible Business Alliance ("RBA") management system version 7.0 is established and implemented by PNE to consistently identify and control health and safety risks, minimize incidents and achieve full compliance with health and safety legislation across the business operations. RBA management system aims to improve social, economic and environmental conditions in the global electronic supply chain through a standardized code of conduct. Eight core elements under Section B of the RBA management system focus on Health & Safety and cover all PNE staff and contractors who are working on behalf.

Under the RBA management system's guidelines, we encourage our employees' involvement in decision-making, consultation and frequent communication on OHAS issues through regular safety committee meetings and OHAS-related feedback forms. To ensure OHAS practices and procedures compliance, our Health & Safety Committee conducts internal safety audits quarterly while the Department of Occupational Safety and Health (Malaysia) carries out audits on our workplace health and safety policies on an annual basis. Also, our senior management has played an important role to conduct an annual internal review of OHAS policies.

In addition, OHSA training is made compulsory for Health & Safety Committee and all our employees, to create great awareness and understanding of work-related hazards, injuries and illnesses to minimize OHAS incidents. Health & Safety Committee also planned meaningful health campaigns and put-up informative health banners to promote awareness of employees' health.

A hazard risk assessment is carried out to identify potential work-related injuries in PNE's work settings. Preventive measures such as the installation of engineering controls and provision of personal protective equipment (PPE) are implemented, especially in manufacturing settings.

The following RBA Codes are some of the guidelines being adopted to implement the RBA management system to monitor and manage OHAS issues in PNE's business operation:

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 & Breast Feeding
RBA-P-HS-08_Incident & Emergency Management
RBA-P-HS-09_Hazard Identification & Risk Assessment Management
RBA-P-HS-10_PPE Management

Table 4: RBA management system code implemented to monitor and manage OHAS issues

In FY2022, there were zero injuries and PNE strives to maintain this rate for the upcoming financial years. The rates of injury, occupational diseases, lost days, absenteeism, and the number of work-related fatalities has been summarized in Figure 10.
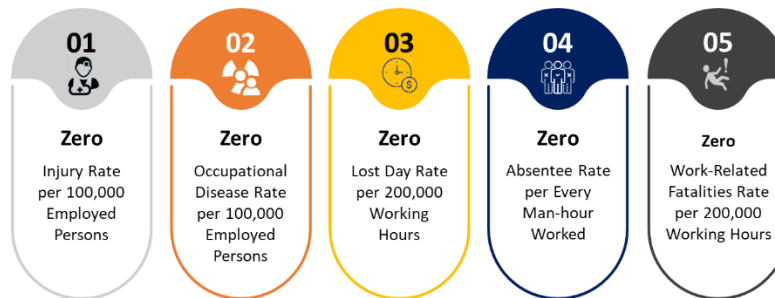

01	02	03	04	05
Zero	**Zero**	**Zero**	**Zero**	**Zero**
Injury Rate per 100,000 Employed Persons	Occupational Disease Rate per 100,000 Employed Persons	Lost Day Rate per 200,000 Working Hours	Absentee Rate per Every Man-hour Worked	Work-Related Fatalities Rate per 200,000 Working Hours

Figure 10: Summary of Occupational Health and Safety Metrics in FY2022

PNE's workforce of 799 employees across Singapore, Malaysia and the PRC are formed by colleagues with diverse backgrounds including gender and age groups. PNE practices fair employment and promotes inclusion other than building diversity in our workforce. A diverse workforce enables the diversity of thoughts in terms of skills, viewpoints and characteristics which helps the organisation spot opportunities and anticipates problems, and devise solutions for various issues and challenges. Human Rights Policy is implemented in PNE to eliminate any form of discrimination or harassment in the business environment. Besides, PNE's core business is aligned with SDG 8 – "Decent Work & Economic Growth" and SDG 10 – "Reduced Inequalities" to uphold fair employment practices across the management of business operations and value chain to create a conducive environment for collaboration. As such, PNE is fully committed to creating an inclusive work environment and prohibiting discrimination and harassment against any group of age, race, gender, religion or nationality.

As shown in Figure 11(a), PNE has a total of 799 employees in FY2022, 58% of the workforce are female. 42% are male. Figure 11(b) outlines the breakdown of employees by gender and age group in FY2022. PNE's Grievance Procedure Policy, an effective grievance mechanism, provides a comprehensive and informative set of procedures for all organization members regardless of gender, designation and length of service to raise their concerns to their supervisors, management or the human resources department
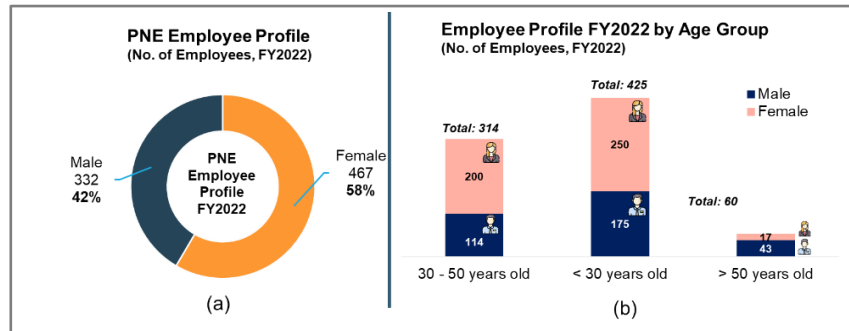

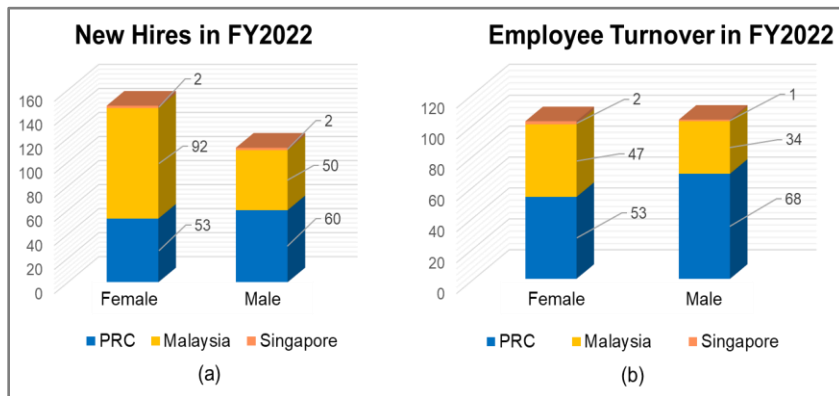Figure 11: PNE Employee Profile FY2022

Figure 12: PNE Employee New Hires & Employee Turnover in FY2022

Meanwhile, Figure 12(a) and Figure 12(b) respectively outline the employee new hires and employee turnover in FY2022.

The competency and integrity of our employment practices are well maintained and updated by annual reviews carried out by the policy management and environmental representatives. Other than the Human Right Policy, other relevant policies are being implemented in business operations to protect our employees and business which involves whistleblowing, health and safety are also being reviewed annually.

We remain committed to providing continuous professional and personal growth for all employees. To support our employees in performing to the fullest of their potential and capabilities, we have introduced several initiatives and training programs at different levels since FY2020 on the following:

- The employees at the operational and production level are provided with detailed job and safety training based on local authorities' guidelines; and
- The employees at the managerial levels are provided with team management and effective leadership training, covering the area of ISO Awareness training, risk management training, Air Pollution Control seminars, Information Security Management System (ISMS) training, Injection Molding training and Radiation Safety practices (all levels).

These initiatives and training programs aim to ensure that all employees are equipped with the relevant skillset and knowledge they require to perform in their roles. For example, new employees have onboarding training to ensure smooth integration into our corporate environment, whereas experienced employees have targeted training programmes to enhance their professional skillsets.

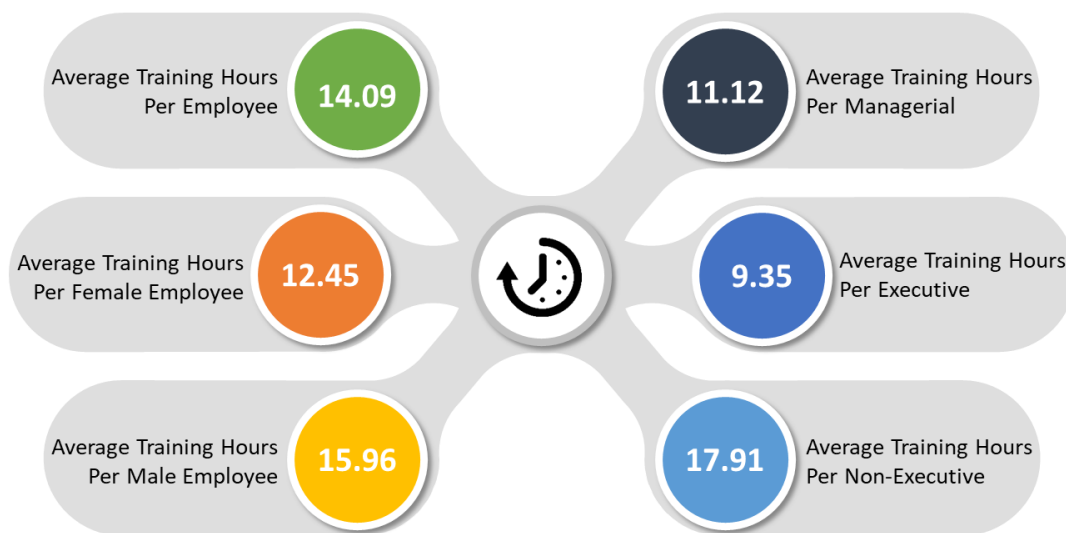## Average Training Hours Per Employee by Gender and Employee Category
(Hours, FY2022)

Average Training Hours Per Employee: **14.09**	**11.12** Average Training Hours Per Managerial
Average Training Hours Per Female Employee: **12.45**	**9.35** Average Training Hours Per Executive
Average Training Hours Per Male Employee: **15.96**	**17.91** Average Training Hours Per Non-Executive

Figure 13: Average Training Hours per Employee by Gender and Employee Category in FY2022

To ensure that our training programs remain relevant and effective for our employees, we obtain feedback on the effectiveness of the training programs. Recognising the value of consistent learning and development, we aim to increase the amount of training offered to employees and maintain more than 15 hours of training hour per employee in FY2023.

GRI CONTENT INDEX

GRI Standard 2021 - Disclosure Title		Page Reference & Remarks
GRI 2: General Disclosures 2021		
ORGANISATIONAL PROFILE		
2-1	Organizational details	Sustainability Report 2022: Pg [4, 5]
2-2	Entities included in the organization's sustainability reporting	Sustainability Report 2022: Pg [4, 5]
2-3	Reporting period, frequency and contact point	Sustainability Report 2022: Pg [4]
2-4	Restatements of information	No restatement of information for Sustainability Report 2022
2-5	External assurance	PNE has not sought external assurance for Sustainability Report 2022
2-6	Activities, value chain and other business relationships	Sustainability Report 2022: Pg [5]
2-7	Employees	Sustainability Report 2022: Pg [16]
2-8	Workers who are not employees	Sustainability Report 2022: Pg [16]
2-9	Governance structure and composition	Annual Report 2022 Sustainability Report 2022: Pg [9]
2-10	Nomination and selection of the highest governance body	Annual Report 2022
2-11	Chair of the highest governance body	Annual Report 2022
2-12	Role of the highest governance body in overseeing the management of impacts	Sustainability Report 2022: Pg [2]
2-13	Delegation of responsibility for managing impacts	Annual Report 2022
2-14	Role of the highest governance body in sustainability reporting	Annual Report 2022
2-15	Conflicts of interest	Annual Report 2022
2-16	Communication of critical concerns	Sustainability Report 2022: Pg [7]
2-17	Collective knowledge of the highest governance body	Annual Report 2022
2-18	Evaluation of the performance of the highest governance body	Annual Report 2022
2-19	Remuneration policies	Annual Report 2022
2-20	Process to determine remuneration	Annual Report 2022
2-21	Annual total compensation ratio	Annual Report 2022
2-22	Statement on sustainable development strategy	Sustainability Report 2022: Pg [2, 8, 14]
2-23	Policy commitments	Sustainability Report 2022: Pg [6, 9, 10, 14]
2-24	Embedding policy commitments	Sustainability Report 2022: Pg [3, 6, 13, 14, 17]
2-25	Processes to remediate negative impacts	Sustainability Report 2022: Pg [6, 11, 12, 14]
2-26	Mechanisms for seeking advice and raising concerns	Sustainability Report 2022: Pg [7, 9, 10]
2-27	Compliance with laws and regulations	Sustainability Report 2022: Pg [9, 10, 13, 14]
2-28	Membership associations	Annual Report 2022
2-29	Approach to stakeholder engagement	Sustainability Report 2022: Pg [7]
2-30	Collective bargaining agreements	Not applicable

MATERIAL TOPICS		
GRI 201: ECONOMIC PERFORMANCE 2016		
201-1	Direct economic value generated and distributed	2022 Annual Report: 2022 Sustainability Report: Pg [10]
GRI 302: ENERGY 2016		
302-1	Energy consumption within the organisation	2022 Sustainability Report: Pg [12]
GRI 307: ENVIRONMENTAL COMPLIANCE 2016		
307-1	Non-compliance with environmental laws and regulations	2022 Sustainability Report: Pg [13]
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016		
308-1	New suppliers that were screened using environmental criteria	2022 Sustainability Report: Pg [6]

MATERIAL TOPICS		
GRI 401: EMPLOYMENT 2016		
401-1	New employee hires and employee turnover	2022 Sustainability Report: Pg [16]
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018		
403-1	Occupational health and safety management system	2022 Sustainability Report: Pg [14]
403-2	Hazard identification, risk assessment, and incident investigation	2022 Sustainability Report: Pg [14]
403-3	Occupational health services	2022 Sustainability Report: Pg [14]
403-4	Worker participation, consultation, and communication on occupational health and safety	2022 Sustainability Report: Pg [14]
403-5	Worker training on occupational health and safety	2022 Sustainability Report: Pg [14]

MATERIAL TOPICS		
403-6	Promotion of worker health	2022 Sustainability Report: Pg [14]
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2022 Sustainability Report: Pg [14]
403-9	Work-related injuries	2022 Sustainability Report: Pg [14]
GRI 404: TRAINING AND EDUCATION 2016		
404-1	Average hours of training per year per employee	2022 Sustainability Report: Pg [17]