



FRENCKEN GROUP LIMITED

ESG POLICY

INTRODUCTION

The objective of Frencken Group Limited's ESG Policy (Rev2024) is to provide practical guidance which aligns all our business units on the guidelines for Responsible Business Conduct. This ESG Policy is referenced to the OECD Responsible Business Conduct (RBC) Guidelines for Multinational Enterprises (MNEs). The recommendations from the OECD RBC Guidelines have been adapted to provide in plain English language, explanations to recommended practices are adhered across all of Frencken Group Limited's business locations.

We have implemented in parts beginning from 2022 and in full some of these provisions of the RBC Guidelines to streamline our policy, processes and monitoring of our performance as a Responsible MNE operating in 18 sites globally. Through our adherence to implemented practices, we have been able to address any potential adverse impact to our operations related to our key stakeholders our employees and suppliers to meet the demands of our Customers and Regulators.

This ESG alignment of Frencken Group is referred to as Frencken Sustain Life (FSL). It is our ESG Strategy direction with clear guidance on best practices already established in our operations to safeguard our operating environment, uphold our integrity and maintain equality in our social standards.

This ESG Policy is designed with the localized understanding of legal and global responsible business conduct across all our 19 business operations within the United States, Europe, India, Southeast Asian countries, and in China. This ESG Policy is the guiding principle prescribed by our highest corporate governance body. We have this year begun setting up our ESG performance measures and monitoring systems which prevents bribery and corrupt practices across all our operations, to ensure our responsible supply chain practices are adhered to in all our business relationships with internal and external stakeholders.

Due to our global multisite operations, we have adapted the OECD Guidelines to Responsible Business Conduct and named our adaptation the ESG Policy as we have interpreted the recommendations from the UN Guiding Principles on Business and Human Rights principles as well as the ILO Tripartite Declaration on Principles Concerning Multinational Enterprises and Social Policy according to the legal and localized regulations in all our operating sites. Our implementations are aligned to labor, social and environmental standards in corporate ESG reporting disclosures as required for listing on SGX.

ESG RISK MITIGATION

Frencken Group Limited acknowledge that recognizing ESG risks and managing them successfully requires clear guidance. Responsible business conduct is critical to minimize disruptions and monitor impact on business reputation related to Environment, Social and Governance. This ESG Policy is the guidance with recommended responsible practices to avoid all deliberate actions which will adversely impact the reputation of Frencken Group Limited as a global company.

Behavior of our employees in all our business relationships under any circumstances will be consistent with the recommendations in this ESG Policy. This includes prohibitions of behaviors that are inconsistent with the recommendations in this ESG Policy by any employees and stakeholders.

The next layer of our risk management and control systems is embedded through customer requirements and meeting voluntary certification requirements while maintaining high integrity for our business operations.

Our Mechatronics and Integrated Manufacturing Services segments serve our customers credibly by ensuring we have all the necessary management systems in place such as the one on Quality (ISO9001), Environment (ISO14001) and Social (ISO45001), in addition to the Automotive Quality Management System (IATF16949) and the Medical Device Quality System (ISO13485).

As a Group, we consistently aim to ensure compliance and generate positive ESG impact. We understand the importance of ensuring that our people and our environment is protected and our people are safe, healthy and competent within their roles and responsibilities to recognise the fundamentals of ethical conduct in business and operations.

Within this context, we have continued our efforts to adopting new and maintaining existing best practices throughout our organization using this ESG Policy (Rev 2024) .

FRENCKEN' RESPONSIBLE BEHAVIOUR

Frencken Group Limited's employees across our 19 operating locations are aware, adhere to and embed responsible behaviors which have been sustaining operations over the past 75 years. Our headcount has consistently stood at 3,500 personnel.

All our Frencken Group Limited's businesses are operating in full compliance with domestic laws in their respective jurisdictions. This ESG Policy enables our employees and leaders in those operating sites to honor other considerations pertaining to specific responsible business conduct.

As small medium supply chain partners, we are agile to adhere to any emerging requests from our larger global brand customers. At Frencken Group Limited, we adhere and formalize all compliance requirements of our regulators and investors. Our Frencken employees are equipped through this ESG Policy to make sound decisions considering the nature and extent of impact to our operations and reputation. Frencken Group Limited's ESG Policy enables us to add value to our operations while attracting talent, customers, and investors.

CORPORATE SUSTAINABILITY GRI STANDARDS



Frencken Group Limited's ESG Policy is accompanied by adherence to our Corporate Governance -Standards of Business Conduct (SOBC), Global HR Policy. At each operating sites localized policy on Environment, Quality, Safety and Health applies. These are applicable accordance to the materiality aspects outlined by GRI Standards for corporate sustainability reporting at local site level.

SGX prescribes its listed issuers to adopt the Global Reporting Initiative (GRI) to provide clearer communication to stakeholders regarding the company's sustainability and ESG risks. Environment Social and Governance (ESG) matters range from material sourcing practices to labor management and anti-corruption policies. Frencken Group Limited is a listed issuer since 2005 on SGX

ESG Policy		
IMPACTING ESG PERFORMANCE OF FRENCKEN GROUP LIMITED		
Environment	Social	Governance
<p>Environmental Compliance Managing Water, Energy, Effluent, Emission & Waste</p> <p>Supplier Responsible material sourcing Environmental Compliance</p>	<p>Employment Labor Management & Industrial Relations Occupational Health Safety</p> <p>Non-Discrimination Diversity and Equal Opportunity Freedom of Association NO Child Labor NO Forced Labor Human Rights</p> <p>Suppliers Supplier Social Assessment Socioeconomic Compliance</p>	<p>Ethics and Integrity Anti-Bribery and Corruption</p> <p>Procurement Practices</p> <p>Stakeholder Engagement</p>

Frencken Group Limited upholds its corporate integrity by application of this ESG Policy in communication with internal and external stakeholders across its 18 operating locations.

Frencken Group Limited reserves the right to verify compliance and address any violation appropriately. For centralized communication on this ESG Policy contact dominic.lee dominic.lee@frenckengroup.com (Vice President Group HR) or Sunita.Devi@frenckengroup.com (Sustainability, Senior Manager)

ENVIRONMENT

Environmental Compliance in managing Water, Energy, Effluents, Emission & Waste

We adhere to all Environmental requirements throughout our operations and we are proactive in taking precautionary measures to safeguard our environment. We adapt innovative technologies in our work premises to help measure and cap all forms of degradation to our environment (including waste and recycling best practices). We assure optimum environmental protection during every phase of our operations.

We continue to invest in technologies for conserving energy and water while we adhere to all use of strategies which reduces our emissions and complements the reuse and recycling of materials utilized across all our operating units.

All our employees are trained on importance of environment protection. All our key employees at each operational site have been trained and certified on Environment related topics. In our business we adhere to all mandatory Quality Management Systems ISO 9001, ISO14001 and ISO 45001 which mandates our Environment and Social Quality Management systems.

We meet all environmental standards of our customer segments. All products manufactured along our supply chain applies a complete and sustainable product life cycle including material flow.

Supplier Environmental Compliance

		Responsible Material sourcing	<p>Chemicals and other substances, which are potentially harmful substances for the environment are treated before going into the environment according to Environment regulation mandates. We continue to identify ways to reduce hazardous materials in our supply chain by collaborating with wider responsible sourcing communities. We adhere to an established system in safe handling, transporting, storing, recycling, reuse, and disposal of hazardous materials across all relevant business units.</p> <p>We ensure all products and services meet contractual agreement criteria indicated by our customers and other key vendors and suppliers to safeguard high quality material sourcing and active passive safety standards upon delivery. Our employees are trained, briefed and monitored during work hours to ensure they use those materials safely in line with its intended purpose.</p>
	SOCIAL STANDARDS GLOBAL HR POLICY HANDBOOK	Employment Labour Management & Industrial Relations	<p>As a responsible corporate citizen, <u>we offer equal employment opportunities and adhere to fair market labour and industrial relations practices across our business operations.</u></p> <p><u>We adhere to a ZERO RECRUITMENT POLICY “No Recruitment Fee” Policy</u> Frencken Group practices a “No Recruitment Fee” policy in recruiting its foreign workers. Frencken Group covers the official cost of recruiting foreign</p>

workers. Any other costs not listed therein shall not be charged to the workers, and should they be, will be handled according to **the following**: -

According to Frencken's "No Recruitment Fee" policy stated in this document, where recruited foreign workers are concerned, no recruitment fees, including any fees incurred to them at any stage of the recruitment process, whether by us, our contractors, our agents or their sub-agents in receiving and sending countries will be charged to them.

Recruitment agencies are responsible for monitoring their possible sub-agencies to make sure that they follow these guidelines and do not charge any recruitment related fees from the workers. If such fees are found to be charged to the workers, Frencken will require the recruitment agency to repay the workers. If such an action has not been undertaken by the recruitment agency, Frencken will suspend any relationship with the agency until the matter is rectified.

Frencken will terminate all contract or partnership with any recruitment agency that is found to be non-compliant with the Frencken's policies after the necessary investigations and warnings.


In the event, any worker paid any recruitment fee, Frencken will observe the "Employer Pay Principle" and

		<p>Non-Discrimination Practices Diversity and Equal Opportunity</p> <p>No Forced Labor</p> <p>No Child Labor</p>	<p>reimburse the worker in full according to an agreed payment plan.</p> <p>We <u>offer fair market compensation</u> as mandated by the Employment laws within the jurisdictions in which we operate. We fulfill all social benefit provisions in wages, overtime hours and rest days in conformity with applicable laws, industry standards, and relevant requirements of the International Labour Organization (ILO).</p> <p>We clearly prohibit all forms of discrimination. We <u>do not discriminate</u> on the basis of race, nationality, skin color, religion, ideology, political or union activity, gender orientation, age, disability, diseases or pregnancy.</p> <p><u>We prohibit all forms of forced or compulsory labor.</u> All our employees have the freedom to provide reasonable notice for any termination of their employment contract.</p> <p><u>Child labor is not allowed</u> at any phase in our operations across business units. We comply with the ILO conventions that sanctions minimum employment age and the ban on child labor according to local legal employment age requirements. We are steadfast in prohibiting those below employment age to function within our global operations. At Frencken as part of our remediation policy, <u>we do no harm</u> to the development, health and safety of</p>
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		<p>Human Rights</p>	<p>children within our business premises.</p> <p><u>We respect and adhere to all internationally recognized human rights provisions</u> within all our operations across business locations globally. We ensure within direct sphere of influence, all our stakeholders within the boundary of our operations such as vendors, suppliers, customer, communities, regulators, authorities, investors, and visitors, are well safeguarded and do not contribute to any violation of human rights protocol.</p>
		<p>Occupational Health Safety and Security Practices</p>	<p><u>We do not compromise on employees' health, safety and wellbeing</u> requirements in their workplace. We go beyond the sanctions of national legislation, by continuous improvement of work conditions for employees in all our business locations where they are secured with 24hours security surveillance services to safeguard our work premises across the globe. We adhere to risk identification and mitigation practices relating to Occupational Health Safety and Security Practices with our ISO45001.</p>
		<p>Freedom of Association</p>	<p><u>We respect and preserve freedom of association</u> and acknowledge the rights of employees to collective bargaining agreements. We allow employees to discuss working conditions openly with individual business unit General Managers without fear of retaliation.</p>

GOVERNANCE	Ethics and Integrity	<p><u>We expect the highest level of integrity in all business relationships and related activities.</u> Employees are prohibited to be involved in all forms of fraud, bribery and any corrupt practices which includes favoritism and nepotism. Employees are bound by the Employment Act and local regulations within each operation jurisdiction to obey all laws and rule of law which is applied across all business relationships.</p>
	Anti-corruption	<p><u>WE STRICTLY ENFORCE NO corruption, and NO bribery practices is guiding our business conduct including procurement practices.</u> We conduct our business thorough supply chain due diligence assessments based on customized risk mitigation framework by business verticals aligned to our value chain at sites according to the customers we serve in accordance to the local regulatory guidelines.</p>
	Responsible Procurement Practices	

This ESG Policy should be read in conjunction with the Global Human Resources Policies and Procedures Handbook specific to locations where FGL and its subsidiaries operate.

Signed: 
 Vice President, Group HR
 FRENCKEN GROUP LIMITED