



Frencken's **Responsible Supply Chain Policy** subsections are adapted from the established RBA guidelines for supply chain operations which is conducted in an ethical manner, reflecting our environmental and social responsibility.

This policy document consists of guidelines which we adhere to in Frencken. These best practices are in full compliance with the laws, rules, and regulations in the local countries where we operate.

These best practices are inherent to a responsible supply chain policy which is applicable to all our materials suppliers, subcontractors, transportation, security and services vendors.

Frencken's Responsible Supply Chain Policy is divided into 2 subsections:

A. Sustainable and Resilient Supply Chain

Supply Chain Resilience

ESG Performance

B. Best Practices in Responsible Supply Chain Business

[4M+E = Materials sourcing, Machine and Methods in production, Manpower in operating Environment (including shipping and delivery)]

Environment

Declarations for Restricted Materials

Environment Permits and Reporting

Social

Safe, health and wellbeing in our premises

Safe machines

Safety Communication

Governance

Anti-Corruption

Information & Privacy

Whistleblowing

A. Sustainable and Resilient Supply Chain

- We run a tight ship involving our core business – supply chain- procurement, manufacturing and delivery for our global customers.
- We assess our supply chain for risks and are transparent in communicating those risks and mitigation plans with all our stakeholders.
- We have a clear procedure for escalation and controls called Business Continuity Plan in the event of any supply chain disruption/crisis situation.
- We initiate the Business Continuity Plan to resume supply chain operations in the event of any supply chain disruption/crisis situation.
- Our procurement is carried out in a credible manner which deters fraud, collusion and corruption.
- Our manufacturing facilities adhere to all local regulations and maintain licenses to operate.
- Our supply chain partners are well aware of the way we do business and how we impose on maintaining best practices in supply chain operations to safeguard against any supply chain disruptions.
- We asses our response towards business continuity.

We anticipate our suppliers to align with best practices in their own supply chain

Internal controls in supply chain(4M +E)	Are there complete procedures in the event of a crisis?
Suppliers and (Materials):	<i>Are suppliers able to supply expected quality and quantity of materials/ supplies during crisis situations?</i>
Timeliness (Method)	<i>Can the procedures meet – Recovery Time Objective (RTO) for each operation activity?</i>
Logistics (Method and Environment)	<i>Are logistics matters in supply chain, up to date and harmonized to support operations during a crisis?</i>
Technical (Machines and Method):	<i>Is the equipment and process strategy viable and does it work?</i>
Personnel (Man and Environment)	<i>Are there competent and experienced people in supply chain to manage during a crisis?</i>

- Frencken takes quick action during emergencies/ crisis situations.
- Potential emergency situations and events are simulated – such as fire drills and safety evacuation trainings, where emergency plans are tested for response procedures, emergency reporting, employee notification and safety procedures.
- Frencken adheres to local laws and conducts emergency preparedness drills (such as fire) annually.
- During this period emergency plans are checked in all workspaces (including appropriate fire detection and suppression equipment, clear and unobstructed egress, adequate exit facilities, contact information for emergency responders, and recovery plans).
- The emergency preparedness plan is to minimize harm to life, environment, and property.
- From time to time, we respond to customers’ request for supply chain information – regarding our supply chain compliance (including RBA, Ecovadis, etc.)

2. ESG Performance

- Our global Customers have Net Zero targets and Carbon Neutral strategies where they place high emphasis on ESG Performance.
 - We at Frencken have established a corporate-wide sustainability and ESG performance Roadmap (called Frencken Sustain Life- FSL) to guide our supply chain operations and to minimize ESG risks in:
 - A) supply chain specific Environment targets (*in Materials procured*).
 - B) supply chain specific Governance targets (*in Local Procurement to minimize supply chain risks*)
 - C) supply chain specific Social targets (*in adequate Training*)
 - Our Customers rate and rank us using ESG embedded supplier assessments for evaluating supplier related risks in their supply chain.
- Our Customers expect us (their suppliers) to align with their ESG performance.**
- This Responsible Supply Chain Policy is our first step in that direction.
 - We have set ESG criteria for supplier selection and supplier audit from 2023.
 - Our ESG Performance is tracked, documented, and publicly reported in our yearly financial statements.

We anticipate our suppliers to align with similar procedures.

B. Best Practices in Responsible Supply Chain Business

1. ENVIRONMENT

Environmental responsibility is integral to producing world-class products.

At Frencken we identify all relevant environmental impacts and minimize adverse effects on our stakeholders- employees, community and customers within our manufacturing operations. We adapted guidelines from the ISO14001 management systems and the Eco Management and Audit System (EMAS) as reference in this policy subsection.

We at Frencken strictly adhere to Environmental standards as below in our supply chain related matters.

a) Declarations for Restricted Materials

- We at Frencken regard adherence to all applicable laws, regulations, and our customers' compliance requirements on restricted substances or materials in products/parts we manufacture as HIGH PRIORITY COMPLIANCE MATTER ON MATERIALS PROCURED.
- We have ZERO TOLERANCE towards Non -Disclosure of Materials Declarations as per our Customers' requirements.
- We comply with all declarations requests from customers including CMRT, PFAS, PBT, REACH and ROHS which are commonly required declarations in a majority of our operations in both business segments (IMS & Mechatronics).

b) Environmental Permits and Reporting

- We at Frencken's operating sites, acquire all the necessary environmental permits (e.g. air emissions and water discharge monitoring), approvals, and registrations, and we keep current those records for operational and reporting compliance requirements.
- We at Frencken acknowledge that within the premises of our supply chain operations we use energy water, fossil fuels and mineral materials.
- Our Customers expect us to adhere to practices where we are responsible in the use of those resources in production with proper maintenance to support facility processes (this includes materials management and monitoring of resource within limits).

- We acknowledge that the use of natural resources would generate Emissions and Effluents (discharges) of pollutants and generation of waste.
- We keep track of air emissions, water discharges and waste by types (hazardous and non hazardous) in our manufacturing facility as part of our ESG Performance monitoring in our supply chain business.
- We treat fines and penalties as a serious matter in our own operations.

We anticipate our suppliers to align with Environment protection and pollution prevention

2. SOCIAL: SAFETY

Frencken as a Responsible Supply Chain operations fosters and facilitates a safe and healthy work environment.

Frencken is consistent in making sure employees/ labour receive sufficient training to identify and resolve safety and health issues in the workplace.

The ISO 45001 and ILO Guidelines on Occupational Safety and Health were referred to prepare guidelines in this subsection. Frencken emphasizes health and safety standards as below:

a) Safety, Health and Wellbeing in our premises

- Frencken's utmost care and concern is in protecting employees and visitors to its premises from potential exposure to health and safety hazards
- We provide appropriate, well-maintained, personal protective equipment (where necessary), and educational materials about safety risks.
- We strictly follow safety procedures to prevent, any workplace injuries (*including methods of reporting, classification of injury / illnesses, give access to medical care, investigate incidences, and implement corrective actions*).

b) Safeguard machines, equipment and fleet

- In Production machinery and equipment shall be evaluated for safety risks and hazards.
- Machine and equipment maintenance records are monitored to ensure machines pose no threat to workers/ employees.
- In Warehouse and Logistics all fleet and company assets have updated maintenance records to ensure it functions well and its safe.

c) Safety Communication

- In the Factory environment and office facilities all essential safety information briefs are provided to safeguard employees and visitors.
- All safety briefs and related information IS CLEARLY POSTED on noticeboards within the premises for all employees and visitors.
- Security guard personnel (and other services vendors) receive Safety updates.
- All warehouse and storage facilities in Frencken adhere to safety guidelines.
- All visitors and employees in Frencken have access to clean toilet facilities, potable water and a hygienic cafeteria.

Frencken adheres to Social Compliance best practices in our own supply chain operations:

- Our Global HR Policy and Standard of Business Conduct reiterates the employment and labour management regulations and rules.
- We adhere to NO forced/bonded/involuntary/exploitative/ NO Child labour.
- We support NO unreasonable restrictions on workers' freedom of movement and freedom of association
- As part of the hiring process, all employees are given an employment contract (in native language where

applicable) which contain details of agreed wages and benefits, work hours and rest days including those relating to minimum wages, overtime hours and legally mandated benefits all paid via bank transfer.

- Frencken adheres to a ZERO RECRUITMENT FEE policy (no fees imposed or deducted for employment).
- If any such fees are found to have been paid by workers, such fees MUST BE repaid.
- If there are student workers within the supply chain, Frencken upholds the wage rate for student workers, interns, and apprentices as per local Employment Act.
- *Any violations found SHOULD BE REPORTED auditchair@frenckengroup.com*

We anticipate our suppliers to align in maintaining social compliance in their workplace.

C. ETHICS & GOVERNANCE

Our Governance best practices is pivotal in meeting the responsible conduct of supply chain business. This has ensured we continue to maintain licenses to operate ethically.

This includes standards as below:

1. Anti Corruption

- We at Frencken uphold the highest standards of integrity in all business interactions and have ZERO TOLERANCE towards all forms of bribery and corruption in all our supply chain operations and management.
- In our supply chain business, all stakeholders have been informed of our WHISTLEBLOWING channel auditchair@frenckengroup.com to report any forms of bribery, undue influence or improper advantage promised, offered, authorized, given, or accepted.
- We STRICTLY ADHERE to the Standards of Business Conduct (SOBC) and have all employees undergo the online training and assessment annually.

2. Information & Privacy

- We at Frencken uphold rights to all intellectual property and transfer of information via monitored technology to ensure customer and supplier information is secured.
- All of Frencken's business dealings and information disclosures are in accordance with applicable and prevailing regulations on privacy.
- Frencken has ZERO TOLERANCE against falsification of records or misrepresentation of conditions.
- We have in place systems and processes to ensure confidentiality, anonymity, and protection of customer, supplier and employees' data.
- Frencken employees comply with privacy and information security laws and regulatory requirements when its related to personal/professional information use.
- We are committed to protect privacy expectations of employees, suppliers and customers.

3. Whistleblowing channel

- All of our supply chain stakeholders are free to express concerns, raise issues regarding any violations or malpractices using Frencken's Whistleblowing channel auditchair@frenckengroup.com without fear of retaliation, intimidation or discrimination.
- The Audit Committee will investigate each complaint received via this email and update the relevant parties on actions taken.

We anticipate our suppliers to align with similar best practices in their own supply chain

Mr Koay Hoon Chiow
VP Global Supply Chain
Frencken Group Limited