

PNB

LABOUR RIGHTS POLICY

Frequently Asked Questions (FAQ)



FAQ on PNB Labour Rights Policy (“Policy”)

1. PNB has introduced different types of expectations such as Core Expectations and Best Practices. What is the intention behind this approach?

PNB outlines its Core Expectations that serve as minimum considerations that are applicable within the scope of this Policy. In addition, Best Practices are drawn as additional considerations for Investee Companies in line with international best practices.

2. If there are any differences between local and international laws or regulations on labour rights, what is PNB’s position in relation to its Labour Rights Policy?

We believe our Investee Companies should adhere to local labour laws and regulations of the countries that they operate in. This applies to local and migrant workers.

3. How will PNB ensure Investee Companies comply with the Labour Rights Policy? Are the disclosures in the company’s Annual, Integrated or Sustainability Report sufficient?

The Labour Rights Policy outlines among others the Key Material Issues that will be the focus of PNB in its engagements with Investee Companies. The policy is largely principle based in which we will leave it to the Investee Companies to craft their own Labour Rights policy taking into consideration the Key Material Issues and expectations outlined in PNB’s policy. Disclosures in the Annual, Integrated or Sustainability Reports of Investee Companies should be in line with any regulatory disclosure requirements and will serve as one of the reference points for PNB.

4. What will be the actions taken by PNB if Investee Companies do not comply with this Policy?

PNB will engage with Investee Companies to identify and understand the challenges in adopting this Policy. In line with PNB’s [Escalation Matrix](#), there are various investor touchpoints that will be applicable should there be any unaddressed or unmitigated Key Material Issues.

5. Will PNB impose a living wage policy on its Investee Companies?

In relation to its Sustainability Framework, PNB’s commitment to establishing a living wage policy by 2023 is an internal target for the organisation. It should be noted however that one of the Key Material Issues under PNB’s Labour Right’s Policy relates to [Fair Wages & Benefits](#).

6. The PNB Labour Rights Policy requires Investee Companies to disclose strategy, assessment, grievance mechanism and policy related to labour rights. Where should these be disclosed?

The disclosures can be made but not limited to the Annual Report or Integrated Report and be further explained in the Sustainability Report (if any). We also strongly encourage Investee Companies to publish their Labour Rights or equivalent policy on their website.

7. Should we have further queries on this Policy, how can we reach PNB?

Kindly reach out to sustainability@pnb.com.my for further clarification.

PNB

