

1 Purpose

This Policy sets out the PWR Group's approach to long term sustainability through its Environment, Social and Governance (ESG) framework.

As the ESG landscape continues to evolve, PWR will monitor ESG developments and adapt its approach to ESG to consistently meet or exceed stakeholder expectations.

2 ESG Framework

PWR's ESG framework is designed to assist our stakeholders understand how we manage risks and opportunities related to environmental, social, and governance criteria. Our framework has four elements and is aligned to the framework adopted by The Task Force on Climate Related Disclosures (TCFD) and incoming universal sustainability reporting standards of the ISSB:

1. PWR's approach to sustainability is embedded into our strategy
2. Our governance framework will monitor sustainability performance
3. PWR's risk management approach will include scenario planning, stress testing and stakeholder feedback within the context of PWR's risk appetite
4. Realistic and measurable targets will be in place to track performance and progress

2.1 Strategy

PWR's ESG approach is embedded in our strategy and has been developed in tandem with its vision to be the **global leader in cooling technology inspired by engineering excellence**. It is designed to contribute to PWR fulfilling its purpose:

"Through passionate people and innovative solutions, we lead the way in advanced cooling system design and supply, to exceed the expectations of our global partners across diverse industries"

PWR aspires to create sustainable value through engineering excellence, cutting edge innovation and trusted relationships with our global partners.

In addition to the traditional "Environment", "Society" and "Governance" pillars, a fourth "Innovation, Quality & Design" pillar was deemed appropriate to reflect the deep relationship PWR has with its customers to develop innovative solutions, its opportunities in the realm of clean technology, and the high priority of these topics to stakeholders.

Our ESG strategy is therefore engineered around the four priorities of

- a. Environment
- b. Society
- c. Governance, and
- d. Innovation, Quality & Design.

This will enable us to exceed the environmental and societal expectations of our stakeholders in line with our existing vision and purpose and focus on business strategies that generate long-term value and benefits for all stakeholders.

2.2 Governance

Our focus on long term sustainability will integrate environmental, social, and governance factors into important business and operational decisions.

Our Audit, Risk and Sustainability Committee assist the Board with embedding and communicating PWR's ongoing commitment to environmental stewardship, health and safety, corporate social responsibility, corporate governance and sustainability as it is relevant to PWR.

The Committee oversees:

- a. The establishment of PWR’s overall sustainability framework including its environmental, social and governance (ESG) priorities, objectives and strategy with the goal of further integrating sustainability into the Company’s strategy and operations
- b. The implementation of the PWR’s ESG initiatives, and
- c. Developments relating to long-term sustainability risks and PWR’s response to those risks.

2.3 Risk Management

PWR’s risk management approach to sustainability includes identifying material ESG risks and priorities through scenario planning, stress testing and taking into account stakeholder feedback within the context of PWR’s risk appetite.

2.4 Initiatives and Performance Metrics

PWR will put in place realistic and measurable targets to track performance and progress of its ESG initiatives and disclose these to our stakeholders through our Annual Report.

3 Material ESG Priorities

ESG Pillar	PWR’s Material ESG Priorities
Environment	<p>Action on Climate Change - PWR is committed to playing its part in developing low emissions technology to support customers and help to build a sustainable world for the next generation</p> <p>Circular Economy and Waste - PWR is committed to integrating and advocating good sustainability practices in PWR’s global operations. We take every opportunity we can to recycle.</p>
Society	<p>Developing Passionate People - At PWR’s heart is its people. We believe in them and strive to provide learning and development opportunities for their growth and the growth of our business</p> <p>Health, Safety and Wellbeing - PWR’s DNA calls out respect. Respect for our employees and respect for each other. A culture of respect promotes a safe workplace so that everyone goes home safe every day</p> <p>Promoting Diversity - At PWR we believe that diversity and inclusion promotes good decision making and outcomes for our business and this forms part of PWR’s long term commercial success and strategy.</p>
Governance	<p>Ethical Business Practices - Trust and transparency are critical to the ongoing success of our business relationships with all of our stakeholders. PWR commits to consistently act according to our DNA and moral principles, supported by our Code of Conduct</p> <p>Cybersecurity - Protection of PWR’s intellectual property and that of our customers is paramount. There are strict protocols in place to protect PWR’s intellectual property and that of our customers.</p>

**Innovation,
Quality &
Design**

Innovative Customer Solutions - PWR's true value is provided through industry leading products and services with highly differentiated features and benefits compared to any potential competitor offer. Our willingness to engage in new developments and push boundaries of current capability is without peer, and one of the defining characteristics of a relationship with PWR.

Product Design and Quality - Technology and innovation are advancing at a rapid pace and we pride ourselves at being at the forefront of technology advances in the field of cooling however it requires continued investment and focus and falling behind is not an option.

Process Innovation - Leveraging existing technology to new industries and continuous innovation and learning to remain an industry leader... our project engagement is one of true partnership [with our customers] with a shared goal to succeed in producing the best final product or solution.

4 Administration

4.1 Definitions

Term	Meaning
ESG	Environment, Social and Governance
IISB	International Sustainability Standards Board
PWR Group	PWR Holdings Limited and its controlled entities
TCFD	Task Force on Climate Related Disclosure

4.2 Policy Amendments

Amendments to this Policy can only be made by the PWR Board.

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