

Social Compliance Policy Statement

Modern Group is a leading supplier of structural steel products and modularized solutions. Our companies serve the power, buildings, mining, oil & gas, and chemical industries, offering integrated services for estimating, procurement, steel fabrication, piping prefabrication, electrical & instrumentation, protective coatings, modular construction, and logistics, all under one roof.

Modern Group works closely with our customers to achieve the best sourcing experience, as we honor our agreements responsibility for each project. In addition, modern Group ensures that social and ethical standards are met within our business and throughout our supply chain as a global supplier.

This statement reflects Modern Group's SA8000 Management System Procedures governing social compliance. The SA8000 is an auditable certification standard that encourages organizations to develop, maintain, and apply socially acceptable practices in the workplace.

Below are our minimum standards and the basic principles we expect from our management team, suppliers, and vendors.

GENERAL PROVISIONS

1. All Modern Group managers, business partners, subcontractors, suppliers, vendors, and agents must comply fully with all legal requirements relevant to the conduct of their business activities.
2. Employment at Modern Group companies is a free choice. There is no forced, bonded, indentured, or involuntary labor. Workers are not required to pay fees or surrender identification cards to gain employment and are free to terminate employment after reasonable notice.
3. The freedom of association and the right to collective bargaining is respected. Modern Group allows open negotiations, trade unions, and worker organizations.
4. Any worker representatives are not discriminated against or barred from Modern Group's facilities.
5. Modern Group provides safe and well-equipped working spaces that safety observers and HSE officers' monitor.
6. To minimize potential workshop accidents or risk of injury, HSE managers take preventive steps to promote safety inherent in the working environment.



7. All workers receive applicable occupational Health and Safety training as part of their indoctrination and employment as required.
8. Modern Group provides access to clean toilet facilities, potable water, dining facilities, and staff dormitories.
9. Accommodations, when provided, are clean, safe, and meet the basic needs of the workers.
10. Modern Group does not engage in or support the use of child labor. No Modern Group subcontractors, suppliers, or business partners may recruit child labor.
11. The International Labor Organization (ILO) defines Child Labor as work that deprives children (any person under 18) of their childhood, potential, and dignity, which harms their physical or mental development.
12. Modern Group companies pay fair wages and provide benefits to workers for a standard working week, at a minimum, provincial standard, or industry standards.
13. All workers are provided with written and understandable information about their employment conditions, working hours, wages, bonuses, pay periods, and benefits before they enter employment.
14. Wages are paid directly to the workers, at the agreed intervals and in full. Overtime pay is compliant with national legislation.
15. Deductions from wages as a disciplinary measure shall not be permitted, nor shall any deductions from wages not provided for by national law be allowed without the expressed permission of the worker concerned.
16. Working hours comply with Chinese national labor laws and industry standards of the local labor market.
17. Modern Group is an equal opportunity employer that does not discriminate in hiring, compensation, access to training, promotion, termination, or retirement based on race, nationality, origin, religion, age, disability, gender, marital status, sexual orientation, union membership, or beliefs.
18. Modern Group provides regular, full-time employment to the extent possible.
19. Contract, part-time, and outsourced workers receive the same rights, benefits, and opportunities as other workers performing similar activities.



20. Modern Group will not subject workers to harsh or inhumane treatment, physical abuse, discipline, threat of physical abuse, sexual abuse, verbal abuse, or other forms of intimidation.
21. All worker incidents, fights, accidents, or disciplinary actions are reported and recorded for administrative and legal purposes.
22. To be fair and compliant with local laws, Modern Group management ensures access to a confidential means of reporting inhumane treatment and workplace grievances.
23. Modern Group complies with all applicable environmental laws, rules, and regulations. Where possible, Modern Group minimizes waste and recycles raw materials, paper, and plastics.
24. Wherever possible, Modern Group controls waste regarding groundwater, chemicals, oils, VOCs, airborne particulates, welding gases, and other forms of pollution.
25. Modern Group reduces electric power consumption wherever possible, including scheduling specific works for off-peak hours.
26. Regarding energy use, all production and manufacturing processes, including electric cutting, machining, welding, lighting, heating, and ventilation, are based on maximizing energy efficiency and reducing emissions.

Modern Group commits to comply with this policy within its business and works collaboratively with its associates to drive compliance throughout the supply chain.