



Sustainability Report FY2023

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This sustainability report has been reviewed by the Company's Sponsor, Evolve Capital Advisory Private Limited (the "Sponsor"). Its contents have not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and SGX-ST assumes no responsibility for its contents, including the correctness of any of the statements or opinions made or reports contained in this sustainability report.

The contact persons for the Sponsor are Mr. Jerry Chua (Registered Professional) and Mr. Paul Kuo (Registered Professional) at 138 Robinson Road, #13-02 Oxley Tower, Singapore 068906, Telephone +65 6241 6626."

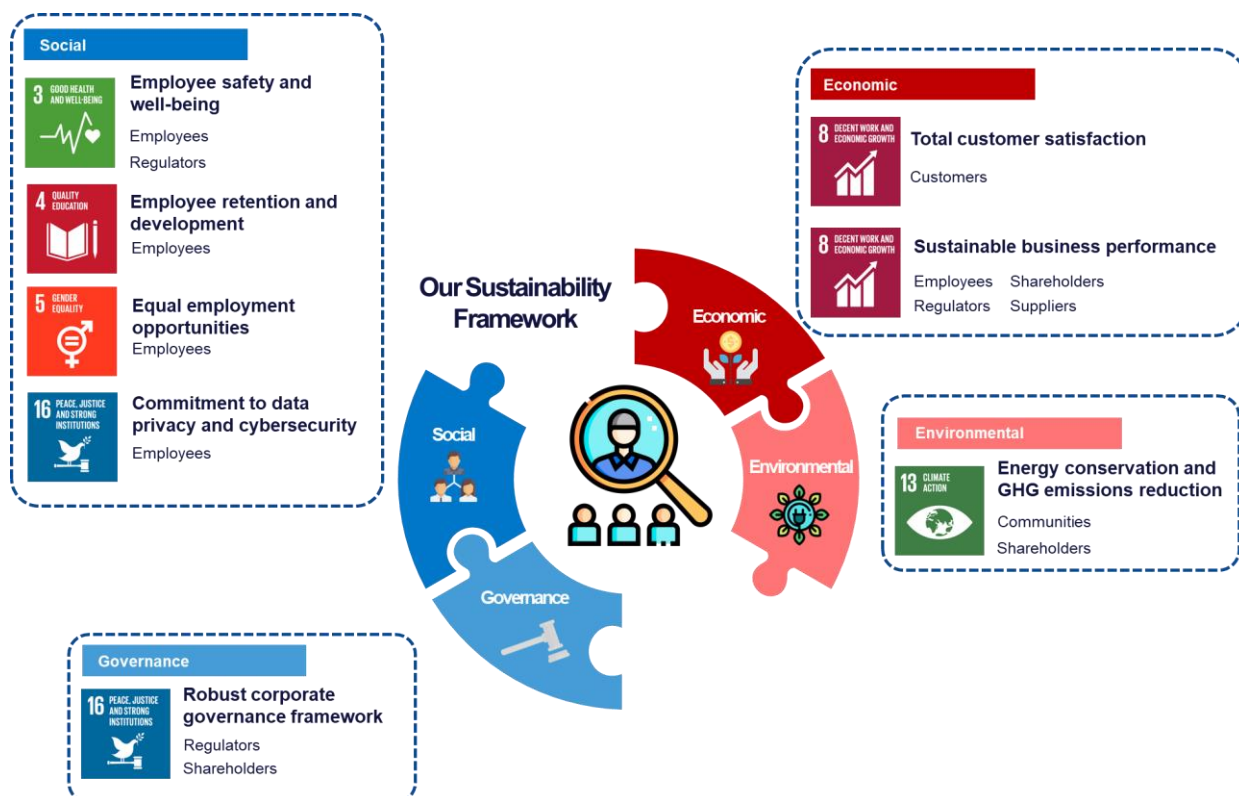
Sheffield Green Ltd. Sustainability Report FY2023

1. Board Statement

Sheffield Green Ltd. (“**Sheffield Green**” or the “**Company**”) and its subsidiaries (the “**Group**” or “**We**”) reaffirm our commitment to sustainability with the publication of our maiden sustainability report (“**Report**”). This Report highlights the Group’s initiatives undertaken under the economic, environmental, social and governance pillars (collectively as “**Sustainability Factors**”).

Having considered of the Group’s sustainability issues as part of its strategic formulation and business strategies, the Board of Directors (“**Board**”) determined the key Sustainability Factors, exercised oversight over the management and monitoring of the key Sustainability Factors.

This Report communicates our support towards the United Nations’ Sustainable Development Goals (“**SDGs**”). As we collaborate closely with our stakeholders throughout the supply chain, their inputs serve as the compass directing our sustainability initiatives towards prioritising our key Sustainability Factors. Below shows the interaction between the key Sustainability Factors, the SDGs and our key stakeholders:



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2. Sustainability Performance at a Glance

An overview of our key sustainability performance for our financial year from 1 July 2022 to 30 June 2023 (“FY2023” or “Reporting Period”) is as follows:

Sustainability pillar	Performance indicator	Sustainability performance
		FY2023
Economic	Rejection rate for mobilised personnel	3.7%
	Economic value generated ¹	US\$27.46 million
	Operating costs ²	US\$2.18 million
	Employee benefits expense	US\$20.43 million
	Payments to providers of capital ³	US\$0.02 million
Environmental	Total Greenhouse Gas (“GHG”) emissions (tonnes CO ₂ e)	24.5
	GHG emissions intensity (tonnes CO ₂ e/ office employee)	0.8
Social	Number of reported incidents of unlawful discrimination ⁴ against employees	-
	Number of workplace fatalities	-
	Number of high-consequence work-related injuries ⁵	-
	Number of cases of substantiated complaint ⁶ concerning breaches of data privacy and loss of data reported	-
Governance	Number of incidents of serious offence ⁷	-
	Number of reported incidents of non-compliance with laws and regulations for which fines and/or non-monetary sanctions were incurred	-

¹ Economic value generated comprises revenue and other losses net of grant income.

² Operating costs comprise cost of services, administrative expenses, net of depreciation of equipment and right-of-use asset, amortisation of intangible asset and employee-related costs.

³ Payments to providers of capital include interest payments made to providers of loans and dividend payments to shareholders (if any).

⁴ An unlawful discrimination refers to an incident whereby the relevant authority has commenced investigation and resulted in a penalty to a company.

⁵ High-consequence work-related injuries refer to injuries from which the worker cannot recover or cannot recover fully to pre-injury health status within 6 months.

⁶ A substantiated complaint refers to a complaint that has been investigated by the relevant authority and violation of regulations has been established.

⁷ A serious offence is defined as one that involves fraud or dishonesty and is being or has been committed against a company by its officers or employees. Such a serious offence is punishable by imprisonment for a term of not less than 2 years and the value of the property obtained or likely to be obtained from the commission of the offence amounts to not less than S\$100,000.

3. Our Business

3.1 Value Chain

We provide a comprehensive end-to-end suite of human resources (“HR”) services as follows:

- Provision of HR services – Supply a wide range of personnel in accordance with customer needs, ranging from management personnel (including C-suite personnel), technical personnel, to offshore crewing personnel across sub-segments of the renewable energy industry; and
- Ancillary services – Provide a range of end-to-end ancillary services related to the provision of personnel, which include primarily visa and work permit applications, training and deployment logistics.

An overview of our business is as follows:



Our Suppliers

We procure the following services from our suppliers:

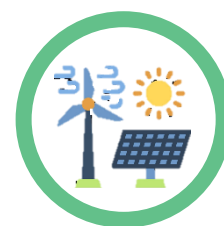
- Supply of personnel; and
- Ancillary services such as notarisation, air tickets, training, meals and transportation.



Our Operations

We are involved in:

- Provision of HR services; and
- Provision of ancillary services.



Our Customers

We serve major market players in the renewable energy industry, including:

- Independent power producers;
- Developers;
- Engineering, procurement, construction, installation contractors;
- Transportation and installation contractors;
- Wind turbine manufacturers;
- Offshore wind foundation manufacturers; and
- Vessel owners.

3.2 People

As at 30 June 2023, the Group has a workforce of 810 full-time employees comprising office employees and mobilised personnel. Mobilised personnel comprise technicians, engineers, and other skilled workers who are responsible for constructing, operating and maintaining renewable energy facilities. Approximately 96% of our workforce are hired on a temporary basis as they relate to mobilised personnel based on the tenure of service agreements with our customers.

	Singapore	Taiwan	Japan	Total
Workforce ⁸				
	8	800	2	810
Permanent full-time				
	8	23	2	33
Temporary full-time				
	-	777	-	777

⁸ Entities covered in the Report, as listed in Section 5 of this Report, do not employ non-guaranteed hours and part-time employees.

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4. Reporting Framework

This Report is prepared in accordance with 711A and 711B of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”). The Company has prepared the Report with reference to the Global Reporting Initiative (“**GRI**”) Standards. We chose to report using the GRI framework as it is an internationally recognised reporting framework.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we mapped our sustainability efforts to the 2030 Agenda for Sustainability Development which is adopted by all United Nations Members States in 2015 (“**UN Sustainability Agenda**”). The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDGs, which form an urgent call for action by all countries - developed and developing - in a global partnership. We incorporated the SDGs, where appropriate, as a supporting framework to shape and guide our sustainability strategy.

Our climate-related disclosures are produced based on the 11 recommendations of the Task Force on Climate-Related Financial Disclosures (“**TCFD**”).

We relied on internal data monitoring and verification to ensure accuracy for this Report. Internal review on the sustainability reporting process is incorporated as part of our internal audit review cycle and we will work towards external assurance for our future sustainability reports.

5. Reporting Scope

This Report covers the following key operating entities which contributed to approximately 92% of the total revenue for the Reporting Period. The Group disposed of Sheffield Green SAS, based in France, on 5 September 2023. Accordingly, the figures relating to Sheffield Green SAS are excluded from this Report.

S/N	Entity
1	Sheffield Green Ltd.
2	Sheffield Green (Asia) Pte. Ltd.
3	Sheffield Green K.K.
4	Sheffield Green (Asia) Pte. Ltd., Taiwan Branch

6. Feedback

We welcome feedback from all stakeholders on this Report. You may send related questions, comments, suggestions or feedback to our investor relations email account: info@sheffieldgreen.com

7. Stakeholder Engagement

Through an internal stakeholder mapping exercise, we identified key stakeholder groups which we prioritise our engagements with.

Our efforts on sustainability are focused on creating sustainable value for our key stakeholders, which comprise communities, customers, employees, regulators, shareholders and suppliers. Key stakeholders are determined for each key Sustainability Factor identified, based on the extent of which they can affect or are affected by operations of the Group.

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We actively engage our key stakeholders through the following channels:

S/N	Key stakeholder	Engagement channel	Frequency of engagement	Key concerns raised by stakeholder
1	Communities	<ul style="list-style-type: none"> Annual report Sustainability report 	Annually	Environmental initiatives
2	Customers	<ul style="list-style-type: none"> Meetings and visits Phone calls 	Ongoing	<ul style="list-style-type: none"> Customer service Range of services
3	Employees	<ul style="list-style-type: none"> Meetings and talks held by the management Emails 	Ongoing	<ul style="list-style-type: none"> Career development and training opportunities Job security Remuneration Workplace health and safety
4	Regulators	Consultations and briefings organised by key regulatory bodies such as SGX-ST and relevant government agencies/bodies	As and when required	Corporate governance
5	Shareholders	<ul style="list-style-type: none"> Annual general meeting Annual report 	Annually	<ul style="list-style-type: none"> Financial profitability Market valuation Dividend payment Corporate governance
		Results announcement	Half-yearly	
		Dedicated email account for investor relations	Ongoing	
6	Suppliers	<ul style="list-style-type: none"> Meetings and visits Email communications Phone calls 	Ongoing	<ul style="list-style-type: none"> Financial stability Fair business practices

Through the above channels, we seek to understand the views of key stakeholders, communicate effectively with them and respond to their concerns.

8. Policy, Practice and Performance Reporting

A sustainability reporting policy (“**SR Policy**”) covering our sustainability strategies, reporting structure, materiality assessment and processes in identifying and monitoring key Sustainability Factors is in place and serves as a point of reference in the conduct of our sustainability reporting. Under this SR Policy, we will continue to monitor, review and update our key Sustainability Factors from time to time, taking into account the feedback that we receive from our engagement with our stakeholders, organisational and external developments.

8.1 Sustainability Governance Structure

The Board advises and supervises the development of our sustainability strategy and performance targets. As part of our continual efforts to enhance and upgrade the knowledge of our Directors on sustainability reporting and to meet the requirement of SGX-ST under Catalist Rule 720(6), we confirm that four Directors or 80% of our Directors have attended at least one of the approved sustainability training courses. We will continuously work towards improving the percentage of Directors attended approved sustainability training courses.

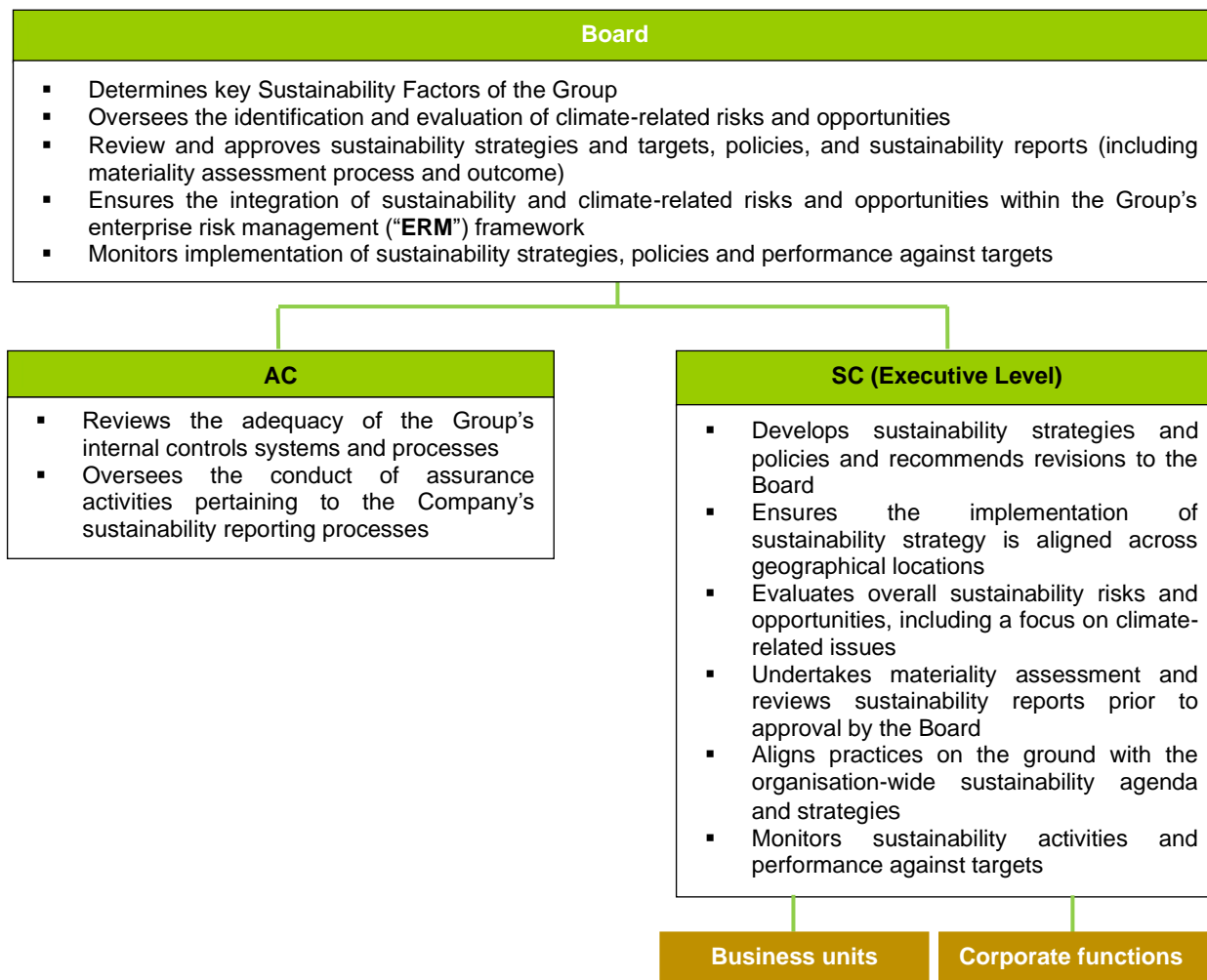
Our sustainability strategy is spearheaded by an executive level sustainability committee (“**SC**”), which includes senior management executives from various support units⁹. The SC is led by the Chairman, Chief Executive Officer cum Executive Director of the Group (“**Chairman**”) and tasked to develop the

⁹ The Sustainability Committee is supported by: (i) the Chief Financial Officer; (ii) the Finance Manager; (iii) the HR and Admin Manager; and (iv) the HR Executive.

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sustainability strategy, review our material impacts, consider stakeholders' priorities and set goals and targets, as well as collect, verify, monitor and report performance data for this Report.

Besides the SC, the Board is also supported by the Audit Committee ("AC") on specific sustainability matters that fall under its terms of reference. Our sustainability governance structure and the responsibilities of component parties are detailed as follows:



As we are still refining our sustainability related metrics measuring, tracking and target setting mechanism, we will link key executives' remuneration to sustainability performance when the mechanism is more matured and stable.

8.2 Sustainability Reporting Processes

Our sustainability process begins with an understanding of the Group's context. This is followed by the ongoing identification and assessment of the Group's impacts. The most significant impacts are prioritised for reporting, and the result of this process is a list of key Sustainability Factors disclosed in this Report.

Processes involved are shown in the chart below:



8.3 Materiality Assessment

We constantly refine our management approach to adapt to changes in the business landscape. The Group performs an annual materiality assessment to ensure that issues disclosed in our sustainability reports remain current, material, and relevant. From the assessment, we identify key areas that impact on our ability to create value for our stakeholders.

Positive and negative, actual and potential impacts are assessed based on: (i) the likelihood of occurrence of actual and potential negative and positive impacts; and (ii) their significance on the economy, environment, people and their human rights and their contribution to sustainable development.

8.4 Performance Tracking and Reporting

We track the progress of our key Sustainability Factors by identifying the relevant performance indicators, measuring and monitoring them. In addition, we set performance targets that are aligned with our strategy to ensure that we remain focused in our path to sustainability. We will consistently enhance our performance-monitoring processes and improve our data capturing systems. A sustainability report is published annually in accordance with our SR policy.

9. Key Sustainability Factors

In FY2023, a materiality assessment was conducted by the SC to understand the concerns and expectations of our stakeholders. Through the materiality assessment, factors with significant impact on the economy, environment, people and their human rights were updated. In this Report, we also reported our progress in managing these factors and set related targets to improve our sustainability performance.

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The key Sustainability Factors applicable to the Group are as follows:

S/N	Key Sustainability Factor	SDG	Key stakeholder
Economic			
1	Total customer satisfaction	Decent work and economic growth	Customers
2	Sustainable business performance	Decent work and economic growth	<ul style="list-style-type: none"> ▪ Employees ▪ Regulators ▪ Shareholders ▪ Suppliers
Environmental¹⁰			
3	Energy conservation and GHG emissions reduction	Climate action	<ul style="list-style-type: none"> ▪ Communities ▪ Shareholders
Social			
4	Equal employment opportunities	Reduced inequalities	Employees
5	Employee safety and well-being	Good health and well-being	<ul style="list-style-type: none"> ▪ Employees ▪ Regulators
6	Employee retention and development	Quality education	Employees
7	Commitment to data privacy and cybersecurity	Peace, justice and strong institutions	Employees
Governance			
8	Robust corporate governance framework	Peace, justice and strong institutions	<ul style="list-style-type: none"> ▪ Regulators ▪ Shareholders

As we are mainly involved in providing HR and ancillary services, water consumption and waste management in FY2023 are not material. We will continue to monitor our water consumption and waste management within our premises and make the related disclosure in future, if and when relevant.

We will update the key Sustainability Factors on an annual basis to reflect changes in business operations, environment, stakeholders' feedback and sustainability trends.

The details of each key Sustainability Factor are presented as follows:

9.1 Total Customer Satisfaction

Our Commitment

We acknowledge that customer satisfaction enhances customer's trust in us and is a key factor in achieving our long-term success.

Our Approach

Our strategies towards customer satisfaction are as follows:

Offer a comprehensive range of human resource services across the entire renewable energy value chain
 We provide a range of services to meet our customers' human resource requirements along the entire renewable energy (both onshore and offshore) value chain. The range of end-to-end human resource services that the Group provides is wide and includes, personnel selection, visa application, training, deployment logistics, and staff and payroll funding and administration.

Maintain presence and proximity to our customers

We established strong and direct local presences in the markets which we operate in. Through our various local subsidiaries and branch office in Taiwan, we are able to serve our customers directly instead of relying on third-party intermediaries. Our local presence in these markets also enables us to gain expertise and demonstrate to our customers an understanding of the local regulations and market conditions, leading to smoother business processes and better service quality.

¹⁰ Figures exclude our operations in Japan due to non-availability of information.

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In order to market our capabilities and services, the Group participates in trade fairs and seminars relating to the renewable energy industry. We believe that such participations keep us abreast of the latest developments in the renewable energy industry, allows us to network with other key market players attending such events and raise our profile in the industry.

Strong capability and capacity to meet the manpower demands of large-scale projects

The Group maintains a quality assurance and control system whereby the mobilised personnel supplied are checked and approved by our consultants in the recruiting department (“**Recruitment Department**”). Our Recruitment Department works closely with our customers to gather as much information as possible about the role they are hiring for, including the type and scope of the duties and responsibilities involved, the skills, experience, training, or qualifications required for the role, and how the position fits into the broader organisational structure of the customer’s business. To maintain a high standard of service, prospective candidates undergo a stringent and systematic recruitment process whereby the most suitable candidates are selected based on customers’ technical and other requirements and specifications.

Our Recruitment Department has a clear understanding and knowledge of the technical requirements that are essential to delivering successful projects and operations in the renewable energy industry. Accordingly, the Group can engage effectively with its customers by sourcing and procuring prospective candidates with experience best suited to their requirements across all phases of a project’s development lifecycle. You may refer to section 9.6 for details on employee retention and development.

In addition, we have built an extensive database of potential candidates through the years of our business. We continue to engage and source potential candidates actively to expand our talent pool.

Our Performance

We developed a quality management system, policies and procedures to comply with our customers’ requirements for provision of offshore workers. To align with market standards and best practices, we attained the following certification:

Certification	Coverage
ISO 9001:2015	Compliance with the requirements of the International Labour Organisation (“ILO”)’s Maritime Labour Convention, 2006 (“ MLC, 2006 ”) as applicable to recruitment and placement services. MLC is an international labour standard established by the ILO to ensure decent working and living conditions for seafarers on board ships

Feedback from our customers relating to the quality and timeliness of our service, quality of mobilised personnel, ability to meet customers’ schedules, pricing are collected via customer satisfaction surveys, calls and messaging applications. Customer complaints are monitored, and corrective actions or preventive actions are determined where required.

During the Reporting Period, we recorded a rejection rate of 3.7% from customers for the personnel that the Group mobilised.

9.2 Sustainable Business Performance

Our Commitment

We believe in creating long-term economic value and consistent economic performance for the Group. We are committed to provide value to various stakeholders through relevant and meaningful ways.

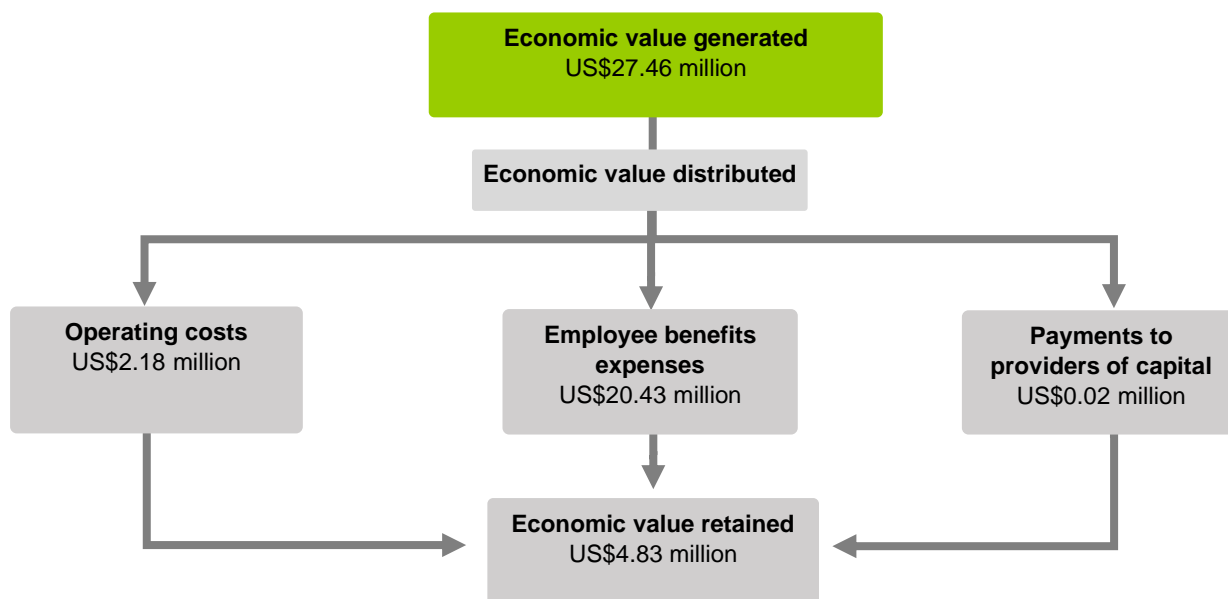
Our Approach

We strive to generate and distribute economic value via our business strategy, which includes staying abreast with market trends, maintaining a healthy balance sheet and strong cash flow, mitigating relevant business risks identified.

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Our Performance

In line with this commitment, value created in FY2023 is distributed to various key stakeholders as follows to enable a more sustainable future:



Details of our financial performance can be found in the financial contents and audited financial statements of our Annual Report.

9.3 Energy Conservation and GHG Emissions Reduction

Our Commitment

Energy use and the resulting carbon emissions cause heat to be trapped in the atmosphere, leading to climate change and global warming. Accordingly, we are committed to conserving energy and reducing our carbon footprint whilst being open to capitalise on opportunities that may arise as we transit to become a low-carbon organisation.

Our Approach

We aim to reduce our environmental footprints and at the same time, establish operational resilience that delivers long-term and sustainable value to our business. We adopt a balanced approach in effectively managing and minimising the impacts arising from our business operations.

Decarbonisation approach

To achieve our decarbonisation goals, we set up a 7-step continuous circular process for our decarbonisation efforts as follows:

Decarbonisation approach



In our operations, we consume energy mainly in the form of purchased electricity for office uses such as lighting, cooling and operating office equipment. Accordingly, we generate indirect GHG emissions (Scope 2) but do not generate material direct GHG emissions (Scope 1¹¹) from our operations. Therefore, no separate disclosure is made on direct GHG emissions (Scope 1) but we will continue to monitor such emissions and to disclose them in future, as and when applicable.

This year, we conducted a GHG emissions profiling exercise for our Scope 2¹² and Scope 3¹³ GHG emissions based on defined organisational boundaries. We track and monitor our Scope 2 and certain categories of Scope 3 GHG emissions closely and are developing mechanisms to track other categories of our scope 3 GHG emissions, where relevant and practicable. We developed a climate change transition plan and will refine and improve the plan as we progressively implement it, by considering changes in business operations, environment and market trends. Progress updates and performance will be provided in our future sustainability reports with assurance on the reporting process covered by an internal review.

Climate change transition plan

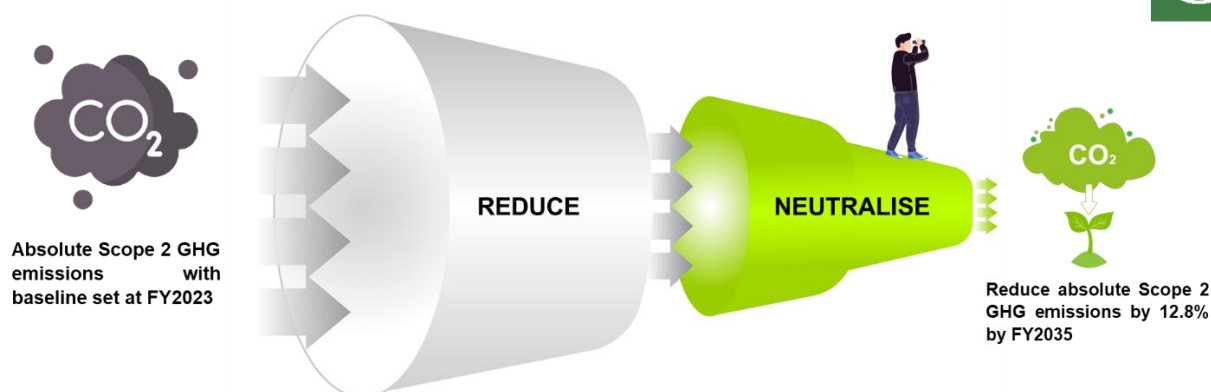
Our climate change transition plan steers us on our decarbonisation journey. Under this plan, we commit to reduce our absolute Scope 2 GHG emissions by 12.8% by FY2035, with FY2023 as the baseline. Our climate change transition plan is focused on two (2) strategic levers of reduce and neutralise as follows:

¹¹ Scope 1 GHG emissions occur from sources that are owned or controlled by a company.

¹² Scope 2 GHG emissions are indirect emissions that arise from the generation of purchased electricity consumed by a company. Scope 2 emissions physically occur at the facility where electricity is generated.

¹³ Scope 3 GHG emissions are indirect emissions (excluding scope 2 GHG emissions) that occur in the value chain of the reporting company, including both upstream and downstream emissions.

Climate change transition plan



Details of our strategic levers are as follows:

Lever	Reduce	Neutralise
Description	<ul style="list-style-type: none"> Reduce absolute emissions first within our operations and followed by our supply chain Replace existing energy source with low or zero-carbon sources 	Neutralise unavoidable residual emissions
Focus area	<ul style="list-style-type: none"> Energy-efficient lighting Behavioural changes Clean energy 	<ul style="list-style-type: none"> Renewable energy certificates ("REC") Carbon credits

We continuously strive to improve our energy use and efficiency through the following initiatives and aspirations:

Lever	Key initiative	Description
Reduce	Energy-efficient lighting solutions	We optimise electricity efficiency using high-efficiency lighting wherever practicable.
	Behavioural changes	We constantly remind our staff on basic and socially responsible habits at their workplaces such as adopting greener work ethics, switching off appliances if not in use, enabling power saving modes and optimising operating temperatures.
	Clean energy	We are constantly exploring opportunities to source for clean and/or renewable energy where we operate in.
Neutralise	<ul style="list-style-type: none"> REC Carbon credits 	The Group plans to explore the use of REC and carbon credits to offset unavoidable residual emissions when the relevant markets mature.

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Our Performance

Key statistics on electricity consumption and GHG emissions during the Reporting Period are as follows:

Performance indicator	Unit of measurement	FY2023
Energy consumption		
Electricity consumption	GJ	176.1
Electricity consumption intensity	GJ/ office employee	5.7
GHG emissions		
Indirect GHG emissions (Scope 2 ¹⁴)	tonnes CO ₂ e	24.5
GHG emissions intensity	tonnes CO ₂ e/ office employee	0.8

During the Reporting Period, we started tracking selected Scope 3 GHG emissions of our operations in Singapore as follows:

Category	Coverage	Unit of Measurement	FY2023 ¹⁵
Category 6: Business travel	Air travel for Singapore's office employees	tonnes CO ₂ e	30.2
Category 7: Employee commuting	Transportation of Singapore's office employees between their homes and their worksites	tonnes CO ₂ e	2.3

9.4 Equal Employment Opportunities

Our Commitment

Human resource is our key asset. A diversified workforce supports business sustainability by offering fresh perspectives and ideas that contribute to the growth of our operations.

Our Approach

We put in place the following policies and measures to promote diversity and equal opportunity:

- An Employee Handbook stipulating standards of practices which include extending equal opportunity to all individuals regardless of race, religion, colour, gender, nationality or age, zero tolerance stance against sexual harassment; and
- Adherence to the Tripartite Alliance for Fair and Progressive Employment Practices (“TAFEP”) guidelines in Singapore and relevant labour laws and regulations in other countries of our operations to ensure that employees are not subjected to workplace discrimination.

Our Performance

The total number of full-time employees covered as at 30 June 2023 is 810. During the Reporting Period, there were zero reported incidents of unlawful discrimination against employees.

Key statistics on employee demographics are as follows:

Gender diversity (%)

We view gender diversity in the Board as an essential element in supporting sustainable development. We have a female representation of one Director in the Board or 20% of the Board. Key statistics on gender diversity of our employees are as follows:

¹⁴ GHG emissions from electricity purchased by the Company (Scope 2) are calculated based on the emissions factors published by the relevant local authorities.

¹⁵ Scope 3 GHG emissions were calculated using emission factors from Supply Chain GHG Emissions Factors for US Commodities and Industries published by US Environmental Protection Agency, as well as calculation tools comprising International Civil Aviation Organisation Carbon Emissions Calculator and Carbon and Emissions Recording Tool.

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Disclosure	FY2023	
	Male	Female
Overall	98%	2%
Employee category		
Management	33%	67%
Non-management	98%	2%

Due to the job nature in the renewable energy industry, the workforce of mobilised personnel is dominated by male non-management employees.

9.5 Employee Safety and Well-being

Our Commitment

We strive to ensure good health and safety for our employees in the workplace. A working environment that supports equal opportunity for all helps to create a level platform for employees to excel and showcase their potential in contributing to the Group. We are also committed to providing a substance free workplace for our employees.

Our Approach

In line with our commitment to promote a healthy and safe work environment with a strong workplace safety culture, new employees are briefed on safety procedures during orientation, workplace accidents are tracked and monitored regularly, and related corrective procedures are followed through.

Our Employee Handbook stipulates our zero-tolerance stance against employees who report for duty while being impaired by the use of alcoholic beverages or drugs and encourages employees with drug or alcohol abuse problem to contact their supervisors or Human Resources personnel for assistance.

To support the safety and well-being of our employees, we provide insurance coverage such as medical insurance in Singapore and social insurance in Taiwan and Japan. Apart from insurance coverage, we provide employee benefits such as reimbursement of expenses incurred from medical consultation and dental check-ups. We also arrange for employees to undergo requisite training and be equipped with personal protective equipment prior to mobilisation to customer sites, where necessary.

In addition, we provide eligible employees with pro-family benefits such as maternity leave, paternity leave and childcare leave in line with the respective pro-family legislations stipulated within each jurisdiction that we operate in.

Our Performance

During the Reporting Period, we recorded zero workplace fatalities, zero high-consequence work-related injuries, zero recordable work-related injuries and zero work-related ill health cases for our employees¹⁶.

9.6 Employee Retention and Development

Our Commitment

We recognise the importance of providing equitable and quality education for our employees. We believe that having a strong team, in particular our experienced recruitment teams, is critical in fulfilling our customers' needs in the renewable energy industry.

¹⁶ Figures exclude mobilised personnel as key workplace health and safety measures are controlled by our customers.

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Our Approach

We place a high priority on the competency development of our employees as we believe that an effective employee training programme is vital to employee retention and the long-term success of any business. The training programme includes training courses on occupational health and safety and environment.

Employee assessments are performed regularly to evaluate the performance of employees, and this helps to encourage them to take self-initiated enrichment actions to improve themselves.

Our Performance

New hires

During the Reporting Period, our new hire rate was 179%. Key statistics on new employee hires are as follows:

Disclosure	FY2023	
	Number	Percentage
Overall new hires	1,449	179%
Gender		
Male	1,432	181%
Female	17	81%

Turnover

During the Reporting Period, our overall turnover rate was 114%. Key statistics on employee turnover are as follows:

Disclosure	FY2023	
	Number	Percentage
Overall turnover	924	114%
Gender		
Male	915	116%
Female	9	43%

We experience high employee turnover due mainly to the nature of our business given that the employment of our mobilised personnel is driven by our customers' project demand. The period of employment contract between us and the mobilised personnel typically ranges between six months to a year.

9.7 Commitment to Data Privacy and Cybersecurity

Our Commitment

Data privacy is of utmost importance to us as our business is required to handle, store and manage personal information pertaining to the databases of personnel and potential candidates, other confidential commercial and operational information maintained by the Group, as well as transmit personal, confidential and proprietary information.

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Our Approach

Proactive management of personal data

We conduct our business in compliance with applicable data protection laws that governs the collection, use, disclosure and care of personal data. In addition to abiding to the data protection laws, we implemented the following measures:

- Adhere to Privacy Policy which is publicly available on the Company's website;
- Require all employees to sign a confidentiality agreement as a condition of employment; and
- Publish the email address of our privacy officer on the Company's website to provide an avenue for reporting data breaches and answering of enquiries, as well as for updating and deleting personal data.

Implement cybersecurity measures to protect our data

To protect our proprietary platforms and safeguard data privacy, all our proprietary IT systems and network are equipped with its own firewall protocols and antivirus software. Third party access to our network is protected by cybersecurity controls which include strict access via remote secure sockets layer virtual private network coupled with multi-factor authentication. Our databases are stored locally with daily local backups and external cloud backups.

Our Performance

In FY2023, there were zero cases of substantiated complaint concerning breaches of data privacy and loss of data reported.

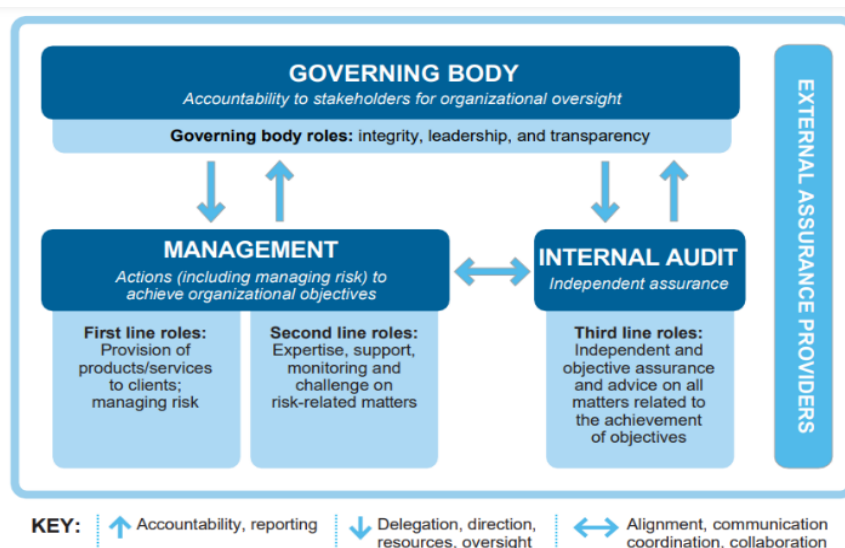
9.8 Corporate Governance and Code of Ethics

Our Commitment

A high standard of corporate governance is integral in ensuring sustainability of our business as well as safeguarding shareholders' interest and maximising long-term shareholder value.

Our Approach

We aligned our corporate governance and risk management approach with the Three Lines Model issued by the Institute of Internal Auditors ("IIA"). The Three Lines Model serves to identify structures and processes that best assist the achievement of organisational objectives and facilitate strong governance and risk management. Under the Three Lines Model, the roles and responsibilities of governing body, management (first and second line roles), internal audit (third line roles) and the relationship among them are defined as follows:



Source: Three Lines Model issued by the IIA

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The Group implemented a Whistleblowing Policy to provide a mechanism for employees to raise concerns through accessible confidential disclosure channels about possible improprieties in matters of financial reporting and others. Refer to Corporate Governance Report of our Annual Report for details on our corporate governance practices.

Our Performance

In FY2023, there were zero incidents of serious offence reported and zero reported incidents of non-compliance with laws and regulations for which fines and/or non-monetary sanctions were incurred.

10. Targets and Progress

To measure our ongoing sustainability performance and drive continuous improvement, we developed a set of targets related to our key Sustainability Factors:

S/N	Key Sustainability Factor	Target ¹⁷
Economic		
1	Total customer satisfaction	<u>Ongoing and long-term</u> Maintain a rejection rate of less than 5% for mobilised personnel
2	Sustainable business performance	<u>Short-term</u> Maintain or improve economic value generated subject to market conditions
Environmental		
3	Energy conservation and GHG emissions reduction	<u>Short-term</u> Reduce GHG emissions intensity (tonnes CO2e/ office employee by FY2025, with FY2023 as the baseline <u>Medium-term</u> Reduce our absolute Scope 2 GHG emissions by 12.8% by FY2035, with FY2023 as the baseline
Social		
4	Equal employment opportunity	<u>Ongoing and long-term</u> Maintain zero reported incident of unlawful discrimination against employees
5	Employee safety and well-being	<u>Ongoing and long-term</u> Maintain zero workplace fatalities, high-consequence work-related injuries, recordable work-related injuries and ill health cases
6	Employee retention and development	<u>Ongoing and long-term</u> Provide training opportunities for development and growth to keep our employees motivated and engaged
7	Commitment to data privacy and cybersecurity	<u>Ongoing and long-term</u> Maintain zero case of substantiated complaint concerning breaches of data privacy and loss of data reported
Governance		
8	Corporate governance and code of ethics	<u>Ongoing and long-term</u> <ul style="list-style-type: none"> Maintain zero incident of serious offence Maintain zero reported incident of non-compliance with laws and regulations for which fines and/or non-monetary sanctions were incurred

For certain key Sustainability Factors identified above, we are still in the process of setting the related medium and long-term targets as their historical data trends have yet to stabilise. We will disclose such targets in our future sustainability reports when the data trends have stabilised, subject to market trends.


¹⁷ Time horizons for target setting are (1) short-term: before FY2025, (2) medium-term: FY2025 – FY2035, (3) long-term: after FY2035, (4) Ongoing: continuous time horizon.

11. Supporting the UN Sustainable Development Goals

The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDGs, which form an urgent call for action by all countries - developed and developing - in a global partnership. We believe that everyone plays an important role in advancing sustainable development and we identified the relevant SDGs which we can contribute to sustainability development through our business practices, products and services. The SDGs that we focus on and the related Sustainability Factors are as follows:

SDGs	Our effort
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Ensure healthy lives and promote well-being for all at all ages</p>	<p><u>Section 9.5 Employee safety and well-being</u> We implement measures to ensure a safe and secure working environment for our employees.</p>
 <p>4 QUALITY EDUCATION</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	<p><u>Section 9.6 Employee retention and development</u> We invest in training, education and development of our people to enhance our business competencies.</p>
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p> <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p><u>Section 9.1 Total customer satisfaction</u> We are determined to render quality services to our customers by providing a comprehensive range of human resource services across the entire renewable energy value chain, participating in trade fairs and seminars relating to the renewable energy industry to keep abreast of latest developments in the renewable energy industry and network with other major players attending such events, screening for suitable candidates based on knowledge of customers' technical and other requirements and specifications.</p> <p><u>Section 9.2 Sustainable business performance</u> We contribute to economic growth through creating long-term value for our stakeholders.</p>
 <p>10 REDUCED INEQUALITIES</p> <p>Reduce inequality within and among countries</p>	<p><u>Section 9.4 Equal employment opportunities</u> We create a diverse and inclusive workplace that will bring new perspectives to our business and strengthen our ability to overcome new challenges.</p>
 <p>13 CLIMATE ACTION</p> <p>Take urgent action to combat climate change and its impact</p>	<p><u>Section 9.3 Energy conservation and GHG emissions reduction</u> We implement measures to reduce our energy consumption as not only does it help to improve energy efficiency and reduce GHG emissions, but they also help us in reducing costs incurred to support our business operations.</p>

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SDGs	Our effort
 <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<p><u>Section 9.7 Commitment to data privacy and cybersecurity</u> We are committed to the privacy and security of data collected during our operations. We put in place a Privacy Policy which is publicly available on the Company's website, as well as cybersecurity measures to protect our data.</p> <p><u>Section 9.8 Corporate governance and code of ethics</u> We maintain a high standard of corporate governance to safeguard our shareholders' interest and maximise long-term shareholders' value and carry out business with integrity by avoiding corruption of any form.</p>

12. Our Disclosures Based on TCFD Recommendations

Our climate-related disclosures are produced based on the 11 recommendations of TCFD.

Governance

a. Describe the board's oversight of climate-related risks and opportunities.

The Board oversees the management and monitoring of the Sustainability Factors and consider climate-related issues in determining the Group's strategic direction and policies.

b. Describe management's role in assessing and managing climate-related risks and opportunities.

The Board is ultimately responsible for the oversight of the Group's sustainability matters and is primarily supported by our SC. Our sustainability strategy is spearheaded by our SC, which includes the senior management executives from various support units. The SC is led by the Chairman. The responsibilities of the SC include considering climate-related issues in the development of sustainability strategy, target setting, evaluation of sustainability risks and opportunities, as well as collection, verification, monitoring and reporting of performance data.

Strategy

a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

The climate-related risks and opportunities identified by the Group during a climate-related risk assessment exercise includes the following:

- **Increased severity of extreme weather events** – The demand for the Group's human resources services and the Group's performance is affected by the weather conditions including, potential impact from climate change, known and unknown, and by the seasonal nature of the renewable energy industry. Adverse weather conditions, whether caused by climate change factors or otherwise, can impede those portions of customers' projects where work is required to be carried out offshore. Such work that is performed offshore is subject to inclement weather and seasonal storms and as such, may only be carried out during certain periods of the year. Hence, service agreements entered between the Group and the Group's customers for projects carried out offshore are usually affected by the typhoon or monsoon seasons and other weather conditions. Any such occurrence may have a material adverse effect on the Group's prospects, business, operations and financial results. Furthermore, the extreme weathers from climate change raises awareness for reduction in GHG emissions which presents opportunities to the Group which is in the renewable energy sector; and
- **Enhanced emissions-reporting obligations** - With rising concerns over the effects of climate change, key stakeholders such as the regulators and shareholders are demanding climate-related information. Failure to comply with the relevant climate reporting requirements may lead to adverse impacts on the Group's reputation and financial performance. On the other hand, enhanced emissions reporting obligations raise climate awareness among our employees and with more defined job responsibilities and training, the Group will be better positioned to use energy resources responsibly and meet the rising needs and expectations of regulators and our shareholders concerning the environment.

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The Group's assessment on potential implications of the above climate-related risks was undertaken based on a range of climate scenarios using the Representative Concentration Pathway ("RCP") adopted by the Intergovernmental Panel on Climate Change ("IPCC"):

Scenario	Description
IPCC RCP 2.6/1.5°C	This scenario is in line with the Paris Agreement to limit global warming to below 2°C by 2100 as a result of efficiency enhancements and behaviour changes as key mitigation strategies
IPCC RCP 8.5/4°C	The "business-as-usual" scenario assumes that emissions continue to rise with significant increases in global temperatures, as no concerted efforts are made to reduce emissions

We selected 1.5°C and > 4°C warming scenarios for the purpose of our inaugural qualitative climate scenario analysis. The impact of the climate-related risks is analysed on group-wide activities in the short-term (before FY2025), medium-term (FY2025 - FY2035) and long-term (after FY2035) with details as follows:

Warming scenario 1: 1.5°C warming (RCP 2.6)

Risk	Potential impact magnitude		
	Short-Term	Medium-Term	Long-Term
Key transition risk identified			
Enhanced emissions-reporting obligations	●	●	●
Key physical risk identified			
Increased severity of extreme weather events	●	●	●

Warming scenario 2: > 4°C warming (RCP 8.5)

Risk	Potential impact magnitude		
	Short-Term	Medium-Term	Long-Term
Key transition risk identified			
Enhance emissions-reporting obligations	NA ¹⁸	NA ¹⁸	●
Key physical risk identified			
Increased severity of extreme weather events	NA ¹⁸	NA ¹⁸	●

Legend

● Minor ● Moderate ● Major

In terms of our business strategy and financial planning based on the scenarios above, we will continue to formulate adaptation and mitigation plans and explore allocating resources towards transitioning to low-carbon practices. We strive to minimise the climate risks associated with our business and will seize opportunities in an effective manner such as expanding collaboration and partnership with key stakeholders to innovate and develop low-carbon goods and services for the market.

¹⁸ Not applicable as this scenario is unlikely in the short and medium term.

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Strategy

c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

The resilience of an organisation's strategy is dependent on its ability to adapt and thrive in the face of changing circumstances and emerging risks. The climate scenario analysis is crucial in providing insights on the potential extent of the climate-related risk exposure to our businesses as well as the potential opportunities.

Through our climate scenario analysis, we concluded that unmitigated climate risks (under warming scenario > 4°C warming) may result in a severe financial impact in the long-term. Under the warming scenario 1.5°C, much of the impact will be attributable to transition risks from enhanced emissions-reporting obligations. To address the risks and capitalise on opportunities associated with climate change, we will continuously build on our strategy to remain resilient as we progress in our sustainability journey.

Risk Management

a. Describe the organisation's processes for identifying and assessing climate-related risks

b. Describe the organisation's processes for managing climate-related risks.

c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.

The Group's climate-related risks and opportunities are identified and assessed during a climate-related risk assessment exercise. We also manage our climate-related risks by monitoring the trend of climate-related performance indicators. We will integrate climate-related risks into our risk management framework in the future.

Metrics and Targets

a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

We track, measure and report on our environmental performance, such as energy consumption, GHG emissions and disclose related metrics in our sustainability report. Monitoring and reporting these metrics help us in identifying areas with material climate-related risks and enabling us to be more targeted in our efforts.

b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.

To support the climate change agenda, we disclose our Scope 2 and selected Scope 3 GHG emissions in the Report and set climate-related targets such as those related to energy consumption, GHG emissions and water consumption. Other than indirect GHG emissions (Scope 2), we do not generate material direct GHG emissions (Scope 1) from our operations. Therefore, no separate disclosure is made on direct GHG emissions (Scope 1) but we will continue to monitor such emissions and to disclosure in future, as and when applicable.

We recognise the importance of monitoring our indirect Scope 3 GHG emissions and started tracking and disclosing indirect Scope 3 GHG emissions from business travel (category 6) and employee commuting (category 7) in FY2023. We aim to review our Scope 3 GHG emissions to better track and disclose our material Scope 3 GHG emissions and expand the reporting coverage of our Scope 3 GHG emissions on categories relevant to the Group wherever applicable and practicable.

c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

As a commitment towards mitigating climate change, we have set climate-related targets related to energy consumption and GHG emissions. Refer to Section 10 for further details.

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Appendix GRI Content Index

Statement of use	Sheffield Green Ltd. has reported the information cited in the GRI content index for the period from 1 July 2022 to 30 June 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI standard	Disclosure	Location/ Page reference
GRI 2: General Disclosures 2021	2-1 Organisational details	1, Annual Report 2023 ("AR 23"): 84, 143 – 144
	2-2 Entities included in the organisation's sustainability reporting	4
	2-3 Reporting period, frequency and contact point	2, 4, 7
	2-4 Restatements of information	Not applicable as this is our maiden sustainability report
	2-5 External assurance	4
	2-6 Activities, value chain and other business relationships	3, 8 - 9
	2-7 Employees	3, 13 - 14
	2-8 Workers who are not employees	None
	2-9 Governance structure and composition	5- 6, AR 23: 17 - 18
	2-10 Nomination and selection of the highest governance body	AR 23: 28 - 35
	2-11 Chair of the highest governance body	5- 6, AR 23: 26 - 28
	2-12 Role of the highest governance body in overseeing the management of impacts	5- 6
	2-13 Delegation of responsibility for managing impacts	5- 6
	2-14 Role of the highest governance body in sustainability reporting	5- 6
	2-15 Conflicts of interest	AR 23: 14
	2-16 Communication of critical concerns	17, AR 23: 55
	2-17 Collective knowledge of the highest governance body	5, AR 23: 15 - 16
	2-18 Evaluation of the performance of the highest governance body	AR 23: 35 - 37
	2-19 Remuneration policies	AR 23: 38 - 43
	2-20 Process to determine remuneration	AR 23: 38 - 43
	2-21 Annual total compensation ratio	Information is not provided due to confidentiality constraints
	2-22 Statement on sustainable development strategy	1, AR 23: 04 - 05
	2-23 Policy commitments	13, 16 - 21
	2-24 Embedding policy commitments	13, 16 - 21
	2-25 Processes to remediate negative impacts	17, AR 23: 55
	2-26 Mechanisms for seeking advice and raising concerns	17, AR 23: 55
	2-27 Compliance with laws and regulations	13, 17
	2-28 Membership associations	None
	2-29 Approach to stakeholder engagement	4 - 5
	2-30 Collective bargaining agreements	None of our employees are covered by collective bargaining agreements.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	5 - 7
	3-2 List of material topics	8
	3-3 Management of material topics	8 - 17
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	9 - 10
	201-3 Defined benefit plan obligations and other retirement plans	AR 23: 133
	201-4 Financial assistance received from government	AR 23: 131
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	17

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GRI standard	Disclosure	Location/ Page reference
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	13
	302-3 Energy intensity	13
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	13
	305-3 Other indirect (Scope 3) GHG emissions	13
	305-4 GHG emissions intensity	13
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	15
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	14
	401-3 Parental leave	During the Reporting Period, no employees were applicable to maternity and paternity leave.
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	14
	403-5 Worker training on occupational health and safety	14 - 15
	403-6 Promotion of worker health	14
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	14
	403-9 Work-related injuries	14
	403-10 Work-related ill health	14
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	15
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	13 - 14
	405-2 Ratio of basic salary and remuneration of women to men	Information is not provided due to confidentiality constraints
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	13
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	16