

TEHO International Inc Ltd.

SUSTAINABILITY REPORT 2026

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

The contact person for the Sponsor is Ms Audrey Mok (Tel: (65) 6232 3210) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.

Table of Contents

1 BOARD STATEMENT 3
2 ABOUT THE REPORT 4
2.1 Report Scope 4
2.2 Report Methodology 4
2.3 Report Structure 5
2.4 Report Contact and Feedback 5
2.5 Internal Review 5
3 CORPORATE PROFILE 6
3.1 Vision and Mission 6
3.2 Scale of business 6
3.3 Governance 6
3.4 Ethics and Compliance 7
4 INTEGRATING SUSTAINABILITY INTO OUR BUSINESS 8
4.1 Sustainability Management Framework 8
4.2 Key Stakeholders and Material Issues 8
4.3 Alignment with International Initiatives 9
4.3.1 Sustainable Development Goals (SDGs) 9
4.3.2 United Nations Global Compact (UNGC) 11
4.4 Awards and Certifications 11
5 CLIMATE-RELATED DISCLOSURES 12
5.1 Governance 12
5.2 Risk Management 12
5.3 Strategy 13
5.4 Metrics and Targets 16
6 STAKEHOLDER ENGAGEMENT 17
6.1 Protecting Our Environment for the Community 18
6.1.1 Our Approach 18
6.1.2 Reduction of Carbon Footprint 18
6.1.3 Reduction of Water Consumption 20
6.1.4 Reduction of Paper Consumption 21
6.2 Caring for Our Employees 23
6.2.1 Our Approach 23
6.2.2 Employment Practices and Fair Labour Practices 23
6.2.3 Workforce Profile and Diversity 24

6.2.4 Employee Benefits and Well-Being 25
6.2.5 Safety and Health in the Workplace 26
6.2.6 Individual Rights 26
6.3 Focusing on Our Customers' Needs 27
6.3.1 Our Approach 27
6.3.2 Customer Feedback and Satisfaction 27
6.3.3 Service Quality and Safety 27
6.4 Partnering Our Suppliers 28
6.4.1 Our Approach 28
6.4.2 Supplier Selection 28
6.4.3 Supplier Review 28
7 SGX 5 PRIMARY COMPONENTS INDEX 30
8 GRI CONTENT INDEX 31
9 GLOSSARY 35

1 BOARD STATEMENT

It gives us great pleasure to present our sustainability report for the financial year ended 30 June 2026 ("**FY2026**"). In this report we will be highlighting the progress and achievements of our organisation for FY2026, focussing on our commitment to working alongside our valued stakeholders to build a sustainable business based on our resilience, adaptability and innovation. Material Environmental, Social and Governance ("**ESG**") factors are encapsulated in the Group's corporate strategy and business plan formulation.

The Board of Directors (the "**Board**") is entrusted with the ultimate responsibility of setting the Group's ESG goals and overall management of material ESG factors, supported by the Corporate Sustainability Committee ("**CSC**"), the Corporate Sustainability Champion and the Corporate Sustainability Work Group. Working through the CSC, the management of the Company is tasked with identification and implementation of the Company's approach to the material ESG factors identified. Information on the governance structure is further provided in section 3.3 of this report. Information regarding the basis for report boundaries and the Group's materiality assessment is provided in section 4 of this report.

This sustainability report is structured to reflect the interests of our key stakeholders, namely, the (i) employees, (ii) customers, (iii) suppliers, and (iv) communities. The identification of such key stakeholders is based on an analysis performed on our business and operation models as the basis for our stakeholder mapping and materiality assessment. For each stakeholder group, we have laid out our approaches that govern how material issues are identified as well as how the issues are prioritised and managed. We then present our initiatives relating to sustainability in the areas of environmental, social and economic issues relevant to our Group. Finally, we provide our key performance indicators, performance targets and outcomes of the material ESG factors.

It is our belief that building a sustainable business is vital to the Group's continued success and that we must be fully accountable for the impacts on our environment, customers, people, community as well as our financial performance.

The delivery of sustainable results is a critical aspect of our ability to remain strong and financially stable. Acknowledging this helps focus our commitment to the principles laid out in our Corporate Sustainability Policy. Our commitment to these principles includes, but is not limited to, demonstrating good governance by incorporating sustainability principles into activities and decision-making processes across businesses and operations, reviewing and continually striving to improve our sustainability performance, as well as reporting the performance and status of our sustainability activities on an annual basis. Our responsibility to society is to ensure that sustainable practices are incorporated into every link of our value chain. We must meet the needs not only of our customers, employees and the community we operate in, but also those of our environment.

This report provides details on how we have met our responsibilities with our key stakeholders in FY2026.

On behalf of TEHO's Board of Directors,

Lim See Hoe
Executive Chairman and Chief Executive Officer

2 ABOUT THE REPORT

This sustainability report articulates our commitment to sustainability and transparency. The report is designed to provide a transparent and balanced view of TEHO International Inc Ltd. ("**TEHO**" or the "**Company**" and together with its subsidiaries, the "**Group**"), to reflect the interests of our key stakeholders, and to address those interests pragmatically. This report aims to include comprehensive and accessible information on the Company's strategy towards sustainability, key issues as well as data according to recognised standards.

2.1 Report Scope

The report covers the performance of our consolidated entities for FY2026. The content of this report focuses on the sustainability performance, activities and initiatives that are under our direct control and our local supply chain, excluding joint ventures. Our reporting scope has been expanded to include operations in Europe, the Americas, and the Republic of Korea since FY2024. As a result, we have adjusted our baseline in FY2025 from FY2019 to FY2024. This adjustment ensures that our performance metrics accurately reflect our expanded operational footprint and allows for more meaningful year-on-year comparisons moving forward.

This report covers our marine and offshore segment, within our material operational boundaries in Singapore, Europe, the Americas and Republic of Korea. TEHO Water was included in our sustainability reports as it contributes meaningfully to water treatment and environmental sustainability. Its inclusion ensures a more comprehensive and accurate reflection of our sustainability performance.

Material issues and topics described in this report have been selected according to their level of significance within the Company boundaries, the sustainability context and the expectations of stakeholders. These are reported in a consistent manner for comparability of our performance indicators over time.

This sustainability report focuses on the Group's sustainability strategies and practices whilst highlighting the economic, environmental, social and governance aspects of our activities and developments. The report aims to provide an overview of our approach, priorities and targets, as well as a performance review for our key sustainability areas.

2.2 Report Methodology

This Sustainability Report has been prepared in compliance with Rules 711A and 711B of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") (the "**Catalist Rules**") for the financial year ended 30 June 2026.

The Report has been prepared with reference to the Global Reporting Initiative ("**GRI**") Standards 2021 and the SGX-ST's sustainability reporting requirements. Climate-related disclosures are prepared with reference to the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**"). As the International Sustainability Standards Board ("**ISSB**") Standards build on the TCFD framework, the Group will continue to enhance its sustainability reporting practices and progressively align its climate-related disclosures with the ISSB Standards.

This Report covers the Group's environmental, social and governance ("**ESG**") performance for the period from 1 July 2025 to 30 June 2026. The Group will continue to strengthen its data collection and reporting processes to improve the quality, consistency and comparability of its sustainability disclosures.

2.3 Report Structure

This Sustainability Report is structured to reflect the interests of our key stakeholders. We have identified four (4) key stakeholder groups, namely, employees, customers, suppliers and communities. For each stakeholder group, we lay out our management approaches that govern how material issues are identified as well as how the issues are prioritised and managed. Further, we then present our initiatives relating to sustainability in the areas of environmental, social and economic issues relevant to our aspects and boundaries. Finally, we provide the information of our key performance indicators, performance targets and outcomes.

The information regarding the basis for report boundaries and our materiality assessment is provided in section 4 of this report.

Altogether, this report provides the basis for our responses and disclosures with reference to the GRI-Standards 2021 requirements. Relevant sections in the report are referenced in the GRI Content Index provided in section 8 of this report.

2.4 Report Contact and Feedback

We welcome and value your feedback on the content of this report and encourage you to contact us through the following channels:

- In writing to:
  TEHO International Inc Ltd.
  1 Commonwealth Lane
  #09-23 One Commonwealth
  Singapore 149544

  Attention to:
  Corporate Sustainability Committee

- Via our contact page at https://teho.com.sg/contact/

This report is provided in PDF format only and is available for download on the following page of our website: https://investor.teho.com.sg/sr.html or on SGXNet.

2.5 Internal Review

In line with the requirement of sustainability reporting disclosures by SGX, TEHO has undergone an internal review process covering specific procedures and controls of our sustainability reporting process. While we have not sought external assurance for this report, we have relied on internal data monitoring and verification to ensure accuracy.

3 CORPORATE PROFILE

3.1 Vision and Mission

Our vision is to be a leading and trusted key supplier for the marine, offshore and oil & gas industries.

Our mission is to build a company that is recognised internationally as a dependable key supplier and servicing different customers in various major ports of the world.

3.2 Scale of business

Since our establishment in 1986, TEHO Group has grown from a small, domestic rigging and mooring company to an international marine and offshore solutions provider, with diversified interests including real estate developments and consultancy.

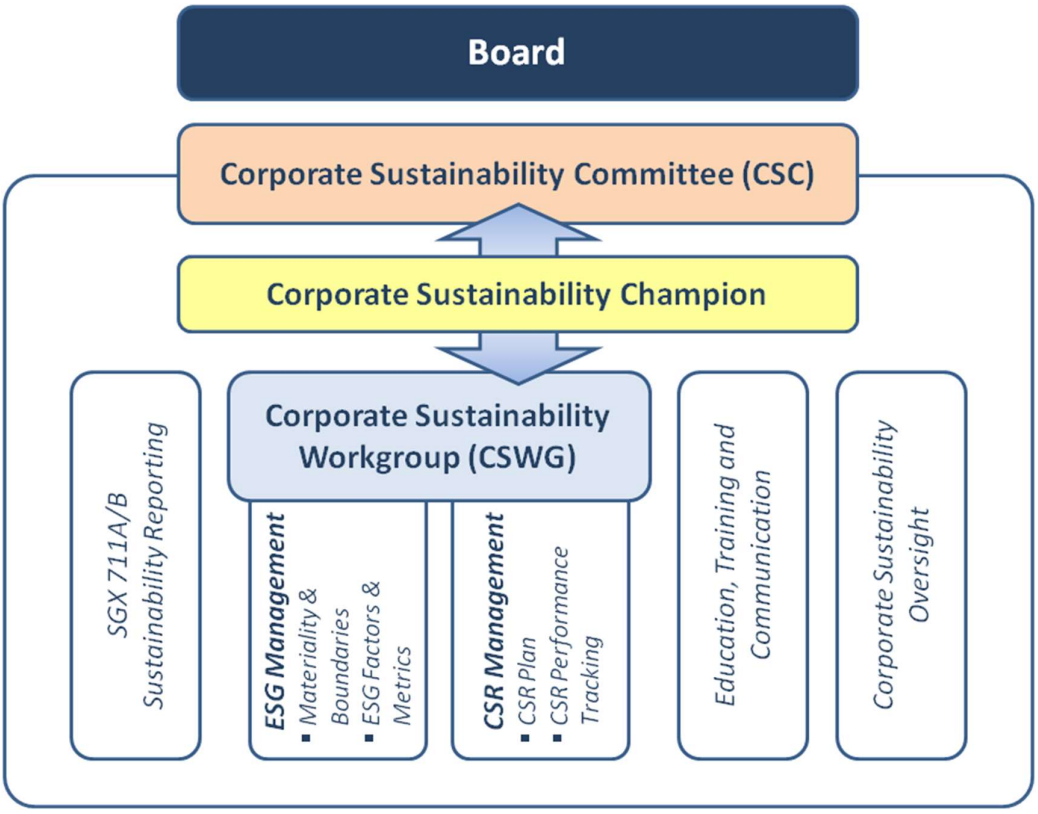
Originally in the rigging and mooring business, our focus on customer service and continuous product and staff development generated significant growth and financial stability, and led to our listing on the Singapore Exchange in 2009 as TEHO International Inc Ltd.

Since then, we have expanded the Group through acquisitions and diversification into other industries including water treatment, engineering businesses, property development and consultancy services. This strategic diversification has strengthened our capabilities, broadened our expertise, and provided multiple avenues for sustainable growth. At the same time, we extended the global reach of our rope and mooring business to Europe, the Americas, China, Republic of Korea and the Middle East through wholly-owned subsidiaries and local partnerships.

3.3 Governance

The Board oversees all corporate governance and operational matters relating to our business. For corporate sustainability, the Board is supported by the **CSC** which includes designated senior executives and is chaired by our Executive Chairman and Group Chief Executive Officer ("**CEO**"). The CSC provides leadership and approval over corporate sustainability matters such as Corporate Social Responsibility ("CSR") plan, community investment and environmental initiatives. Supported by the CSC, our Corporate Sustainability Champion (the "**Champion**") is our Subject Matter Expert ("**SME**") in the area of corporate sustainability. It proactively raises awareness through education and training across the organisation. Further, through the Corporate Sustainability Work Group ("**CSWG**"), which comprises specialists involved in the day-to-day activities of the CSC, our Champion identifies the Group's ESG factors, before engaging stakeholders, businesses and functions to execute the Group's sustainability plan. Businesses and functions provide back-to-back assurance over the quality of information used for sustainability reporting.

Consistent with the TCFD recommendations, the Board also oversees climate-related risks and opportunities, ensuring that governance structures support the Group's decarbonisation strategy and climate disclosures. This reinforces our commitment to transparent and accountable climate governance.



3.4 Ethics and Compliance

Being a listed company on the SGX-ST, we are committed to maintaining a high standard of corporate governance, to ensure greater transparency and to protect the interests of the Company's shareholders. Our corporate governance framework covers ethics and compliance through a Code of Conduct as well as action guidelines which are to be adhered by employees across the organisation. TEHO has in place a whistle-blowing policy, which establishes the procedures for reporting in good faith any improper conduct while protecting the whistle-blower from reprisals. In addition, the Employee Code of Conduct, found in the Employee Handbook, sets out expectations of employees in relation to issues such as fraud or bribery. Our employees are required to adhere to the Employee Code of Conduct and maintain high levels of integrity. Internal Auditors monitor for risk of corruption and report any findings to the Audit and Risk Committee ("**ARC**"), without the presence of management as a means of monitoring TEHO's policies and performance internally. As part of its ongoing anti-corruption efforts, the Group communicates its anti-corruption policies and expectations to employees through awareness programmes, training materials and internal communications to reinforce ethical standards and strengthen internal controls. No incidents of corruption were reported in FY2024, FY2025 and FY2026.

Target	Perpetual target: To maintain zero incident of corruption and increase the Group's employees' awareness of anti-corruption.

4 INTEGRATING SUSTAINABILITY INTO OUR BUSINESS

We believe CSR is a key driver towards long-term sustainability. Such responsibility is pragmatically integrated into our business practices as one of the core values in our corporate culture. Embedding such responsibility into our management and operational processes across the value chain allows us to establish credibility among our stakeholders. Through our actions today, we play a part in influencing the environment for our community. By integrating the notion of sustainability in our business, we ensure that our business strategies and operations are in line with a long-term vision towards a conducive and sustainable future.

Despite escalating global trade tensions in a slowing economy, we remain steadfast in growing our core business in a sustainable manner. We expect greater challenges in the coming years and will strive to remain committed to seeking high-value and high-performance product offerings to sustain our competitive edge.

4.1 Sustainability Management Framework

In FY2026, we performed an analysis on our business and operation models as the basis for our stakeholder mapping and materiality assessment. Through our analysis, we identified four (4) key stakeholder groups within our sustainability context and their respective material issues are to be shown in this report. The outcome was reviewed and approved by the Board.

4.2 Key Stakeholders and Material Issues

We perform regular reviews of our assessment and feedback process in relation to ESG topics. Key to this is our regular Enterprise Risk Management exercise which entails the identification, assessment and documentation of key stakeholders, material risks and corresponding internal controls. Such material risks include fraud and corruption, environmental, health and safety, and human capital risks which are ESG-relevant. We are continuously improving the adequacy and effectiveness of our risk and control self-assessment process in response to the changing business and operational environment.

Through regular stakeholder engagement, we identify and review material issues that are most relevant and significant to both the Group and stakeholders. For external stakeholders, we prioritise issues that are important to society and applicable to us. Based on these insights, we focus our sustainability efforts and report on issues that are most material to our business and stakeholders.

Considering that specific stakeholders and material issues may differ across countries and regions, this report covers stakeholder engagement and material issues for our operations in Singapore, Europe, the Americas and Republic of Korea.

Stakeholders	Material Issues	Significance
Employees	❖ Employee well-being through workplace health & safety and work life balance ❖ Regular training of employees on critical skillsets to sustain competitiveness ❖ Competitive compensation scheme to retain talents ❖ Non-discrimination, diversity and equality ❖ Senior management engagement with employees	An ethical and professional working environment is crucial in cultivating a corporate culture which motivates and empowers our employees to meet their full potential both professionally and personally.
Customers	❖ Safety of our customers in our services delivery ❖ Customer data privacy protection ❖ Customer satisfaction and customer-centric approach	The quality and safety of our services and products to our customers are the core focus of our commitments. Through our quality and safety commitments to our customers, we will, in turn, be contributing to their own successful sustainable development.
Suppliers and partners	❖ Environmental, labour and human rights impact in the supply chain	To effectively and meaningfully implement our sustainability agenda, it is important that our suppliers and partners share our values in their business practices in the areas such as the environment, human rights, labour practices and corporate ethics. Such alignment of values is a crucial part of building mutually beneficial relations with suppliers and channel partners to enhance both their own competitiveness and that of ours.
Community	❖ Environmental education initiatives related to environmental sustainability ❖ Impact on communities and local economies ❖ Economic value generated and distributed to local community	We recognise that responsible environmental management is fundamental to the long-term well-being of the communities in which we operate. Our environmental initiatives are therefore designed not only to manage current operational impacts, but also to support sustainable outcomes over the long term through reduced emissions, efficient use of resources, and environmental awareness across our workforce and stakeholders.
Common to All Stakeholder Groups	❖ Compliance with prevailing laws and regulations ❖ Good corporate governance & ethics, transparency and non-financial reporting ❖ Ethical business practices such as anti-corruption ❖ Grievance mechanisms	Legal compliance and ethical practices are the core foundation of our business. This culture is established and sustained through strong corporate governance, transparent reporting and open communications with all our stakeholder groups.

4.3 Alignment with International Initiatives

4.3.1 Sustainable Development Goals (SDGs)

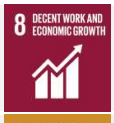
Established in 1945 under the Charter of the United Nations (the "**UN**"), the General Assembly occupies a central position as the chief deliberative, policymaking and representative organ of the UN. Comprising all 193 Members of the UN, it provides a unique forum for multilateral discussion of the full spectrum of international issues covered by the Charter. It also plays a significant role in the process of standard-setting and the codification of international law.

On 25 September 2015, the UN General Assembly adopted the 17 Sustainable Development Goals ("SDGs") to end poverty, protect the planet, and ensure prosperity for all as part of a new sustainable development agenda. Each goal has specific targets to be achieved over short-, medium-, long-term horizon or even perpetual targets. Although the SDGs are primarily aimed at governments, they

represent an important opportunity for businesses to also act for a more sustainable world. We will use SDGs as one of the guiding principles for our sustainability initiatives.

We acknowledge that our participation in reaching the SDGs has room for improvement. As we advance on our sustainability journey, we will continue to assess our alignment with the SDGs and, whenever possible, redirect our internal priorities and sustainability strategy to more effectively and comprehensively address the goals.

SDGs Logo Source: http://www.un.org/sustainabledevelopment/news/communications-material

SDG Goal	Relevant Targets to Our Businesses (*Source: http://sustainabledevelopment.un.org*)	Our Participation
	13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	We have our own internal processes and environmental policies to reduce electricity and fuel consumption. Our approach to mitigating climate change includes staff training and implementing energy-efficient measures. We monitor and report our Green House Gas ("GHG") emissions and set reduction targets.
	15.1: By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.	We strive to ensure that we use paper from responsible sources. The paper used in our offices are Forest Stewardship Council ("FSC") certified, Programme for the Endorsement of Forest Certification ("PEFC") certified, or made from KHAN-NA. We actively promote the use of such papers across our organisation. Through that, the Company supports efforts in mitigating global warming and the creation of positive rural community engagement, job opportunity, and better livelihood for the farmers and members of the community.
           	The following SDGs goals are relevant to our business, operations and value chain. They are addressed in our various policies at group level. Such goals are also embedded in various initiatives carried out across the organisation.
    		We believe these goals are not relevant to our business or industry. They are not within our boundaries and scope of influence; therefore, we are currently unable to make noticeable contributions to such goals.

4.3.2 United Nations Global Compact (UNGC)

The UN Global Compact is an UN initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The UN Global Compact is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and anti-corruption.

Below are the references of our report to the ten principles of the UN Global Compact.

Principle		Report Section
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	6.2.2, 6.2.4, 6.2.6
Principle 2	Make sure that they are not complicit in human rights abuses.	6.2.6
Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	6.2.2, 6.2.6
Principle 4	Elimination of all forms of forced and compulsory labour.	6.2.2, 6.2.6
Principle 5	Effective abolition of child labour.	6.2.1, 6.2.2, 6.2.6
Principle 6	Elimination of discrimination in respect of employment and occupation.	6.2.2, 6.2.3, 6.2.6
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges.	6.1
Principle 8	Undertake initiatives to promote greater environmental responsibility.	6.1
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.	6.1
Anti-Corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	3.4

4.4 Awards and Certifications

The Group remains committed to maintaining high standards of environmental stewardship, workplace safety, quality management and responsible employment practices. This commitment is reflected through the attainment and maintenance of various externally recognised certifications, accreditations and workplace standards, which support the Group's efforts in promoting operational excellence, regulatory compliance and continuous improvement. These recognitions reinforce stakeholder confidence in the Group's governance practices and demonstrate its commitment to sustainable and responsible business conduct. There were no material changes to the Group's certifications, accreditations and workplace standards during FY2026 as compared to FY2025.

5 CLIMATE-RELATED DISCLOSURES

The Group adopts a phased approach for climate-related disclosure with reference to the TCFD recommendations and progressively aligned with the climate-related requirements of the ISSB Standards.

For the purposes of this report, short-term refers to a two-year period, medium-term refers to a five-year period, and long-term refers to a ten-year period.

5.1 Governance

The Board oversees all corporate governance and operational matters relating to our business, including climate-related matters. Our sustainability strategy is supported by the CSC in consultation with the Board. The CSC includes designated senior executives and is chaired by our Executive Chairman and Group CEO. They provide leadership and approval over corporate sustainability matters such as CSR plan, community investment and environmental initiatives.

The Board has also attended related sustainability reporting training including the Listed Entity Director Programme - Environmental, Social and Governance Essentials conducted by the Singapore Institute of Directors ("**SID**"), as well as Sustainability E-Training for Directors jointly conducted by ISCA and SAC Capital Private Limited. The Company will arrange for newly appointed directors to undergo such training courses within one year from the date of their appointment, where necessary.

5.2 Risk Management

The Group integrates climate-related risks into its broader enterprise risk management ("**ERM**") framework to support a structured and proactive approach to identifying, assessing, and managing climate impacts. This process is designed to consider both the likelihood and potential impact of identified risk across short-, medium-, and long-term horizons. The climate-related risks and opportunities identified through this process inform the scenario analysis and assessment of business resilience discussed in Section 5.3 (Strategy).

Transition risk: Reputational risk

Reputational risk arises when stakeholders—such as investors, customers, regulators, and the public—perceive that an organisation is not adequately addressing climate change. This risk has become increasingly significant as global expectations of corporate climate responsibility continue to rise. Failure to act decisively on climate-related issues may lead to negative publicity, erosion of stakeholder trust, and diminished brand value.

In the context of climate transition, reputational risk over the short-term can manifest in several ways:

- **Investor Confidence:** Institutional investors increasingly integrate ESG criteria into their decision-making. A lack of credible climate action may result in divestment or exclusion from ESG-focused portfolios.
- **Customer Loyalty:** Environmentally conscious customers may shift preferences toward competitors with stronger sustainability credentials, impacting revenue and market share.
- **Regulatory Scrutiny:** Perceived inaction may attract closer scrutiny from regulators, potentially leading to reputational damage and compliance challenges.
- **Talent Attraction and Retention:** Employees, especially younger generations, are drawn to companies with strong climate commitments. Weak climate performance may hinder recruitment and retention.

The financial implications of reputational risk over the medium-term can be significant. The Group may face reduced access to capital, increased cost of financing, and loss of business opportunities. To mitigate these risks, the Group must ensure transparent communication of its climate strategy, demonstrate measurable progress in emissions reduction, and actively engage stakeholders through sustainability reporting aligned with frameworks like TCFD and International Sustainability Standards Board ("**ISSB**").

By proactively managing reputational risk, the Group not only protects its brand and stakeholder relationships but also positions itself as a responsible and resilient organisation in the low-carbon economy.

Physical risk: Acute risk

Acute physical risk refers to the increasing frequency and severity of extreme weather events—such as floods, heatwaves, and storms—driven by climate change. These risks pose direct threats to operational continuity, asset integrity, and financial stability.

Extreme weather events can cause physical damage to facilities, particularly those located in coastal or industrial zones like Tuas Lane. Flooding may lead to equipment failure, inventory loss, and costly repairs, while heatwaves can strain cooling systems, reduce worker productivity, and increase energy consumption. These disruptions can result in unplanned downtime, delayed deliveries, and reputational harm due to service interruptions.

From a financial standpoint, acute risks can lead to higher insurance premiums, increased maintenance costs, and potential asset write-downs. In severe cases, they may trigger business continuity risks and affect revenue generation. Moreover, insurers may reassess coverage terms or withdraw coverage from high-risk areas, further increasing exposure. These risks are considered short- to medium-term, as their impacts are already observable and expected to intensify over the coming years.

By addressing acute physical risks, the Group not only safeguards its operations but also demonstrates resilience to investors and stakeholders, aligning with the expectations of climate disclosure frameworks like TCFD and ISSB.

5.3 Strategy

Building on the climate-related risks and opportunities identified in Section 5.2 (Risk Management), the scenario analysis set out in this section is used to assess business resilience and to inform our strategic priorities across short-, medium-, and long-term horizons.

Scenario Analysis: RCP 2.6 and RCP 8.5

Aligned with the recommendations of the TCFD, the Group conducted a qualitative scenario analysis to assess how selected climate-related risks could affect our operations, business resilience and strategic direction across different climate futures. The analysis supports our ongoing work to strengthen climate governance, inform risk management priorities, and enhance the robustness of our climate-related disclosures.

We selected Representative Concentration Pathways ("RCP") 2.6 and 8.5 from IPCC frameworks and international best practices to represent, respectively, a lower-emissions (Paris-aligned) pathway with stronger policy and market transition pressures, and a higher-emissions pathway with more severe physical impacts over time.

Explanation of RCP 2.6 and RCP 8.5:

- **RCP 2.6** : This scenario assumes strong global action to cut greenhouse gas emissions, aiming to keep global warming below 2°C.
- **RCP 8.5** : This is the "business-as-usual" scenario, with emissions continuing to rise. It leads to more than 4°C of warming by 2100, causing severe physical risks like frequent extreme weather.

The table provides a comparative overview of physical and transition risks under two climate scenarios across three time horizons. Below is a detailed elaboration of each scenario and time horizon, focusing on how these risks evolve and their implications for the Group's operations and strategy.

Time Horizon	Physical Risks	Transition Risks
RCP 2.6 (Low Emissions/Paris-Aligned Scenario)		
Short-term	The frequency and severity of extreme weather events remain moderate. While mitigation efforts globally begin to take effect, there is still a risk of operational disruptions—such as temporary facility shutdowns or delays—resulting from sporadic floods, storms, or heatwaves. These events may affect supply chains, asset integrity, and productivity, especially at locations like Tuas Lane with higher exposure.	Transition risks start to increase as governments and regulators tighten climate-related policies and standards. Stakeholder expectations for emissions reductions, transparent reporting, and sustainable operations also rise. The Group may face new compliance requirements, increased demand for climate disclosures, and pressure to demonstrate progress on decarbonisation initiatives.
Medium-term	The impacts of physical risks stabilise or improve due to widespread adoption of mitigation measures (e.g., renewable energy, improved facility resilience). The likelihood of disruptive events decreases, and the Group benefits from investments in risk management and adaptation.	Transition risks peak during this period. Regulatory requirements become stricter, carbon pricing mechanisms are more prevalent, and the market increasingly favours companies with strong sustainability credentials. The Group may encounter higher costs associated with compliance, but opportunities emerge for green financing, access to sustainability-linked loans, and expansion into markets that reward low-carbon operations.
Long-term	The impacts of physical risks stabilise or improve due to widespread adoption of mitigation measures (e.g., renewable energy, improved facility resilience). The likelihood of disruptive events decreases, and the Group benefits from investments in risk management and adaptation.	Reputational risks remain high if the Group fails to sustain adaptation and decarbonisation efforts. Maintaining strong climate action enhances the Group's competitive position, bolsters stakeholder trust, and ensures continued access to capital and favourable market conditions.

RCP 8.5 (High Emissions/Business-As-Usual Scenario)		
Short-term	Physical risks begin to intensify, with an increasing frequency of extreme weather events such as floods, storms, and heatwaves. These can cause operational disruptions, asset damage, and increased maintenance costs, particularly for vulnerable facilities.	Transition risks are less pronounced initially, as regulatory and market pressures to reduce emissions are slower to materialise. However, reputational risks may start to emerge as stakeholders' expectations for climate action grow.
Medium-term	Severe impacts manifest, including substantial asset damage, higher insurance premiums, and operational disruptions—especially at sites like Tuas Lane. The Group faces increased risks of business interruptions, inventory loss, and costly repairs, making resilience planning critical.	As global climate awareness increases, transition risks rise. Investors and customers scrutinise the Group's climate strategy, demanding more robust disclosures and emissions reductions. Regulatory risks may also escalate as governments respond to mounting climate impacts.
Long-term	Risks become critical: sustained threats to assets and supply chains may lead to major financial losses and business continuity crises. The Group must address persistent vulnerabilities to maintain operations and protect long-term viability.	Reputational risks escalate if the Group is perceived as taking insufficient climate action. Stakeholder trust and access to capital may be compromised, affecting the Group's ability to compete and grow in the market.

Scenario analysis shows: (i) under RCP 2.6, transition drivers like regulation and disclosure gain early significance, making emissions-reduction, reporting, and stakeholder engagement critical; and (ii) under RCP 8.5, growing physical risks over time call for stronger asset resilience, business continuity plans, and supply chain readiness, especially where exposure to extreme weather is high.

By factoring in these time horizons, the Group can proactively identify material risks and opportunities, adapt its climate strategy, and ensure robust business continuity planning. Insights from scenario analysis inform policy adjustments, resilience efforts, and long-term viability, supporting alignment with global climate disclosure frameworks such as TCFD and ISSB.

Opportunities

The Group recognises that improving resource efficiency presents a significant opportunity to reduce operational costs, enhance sustainability performance, and strengthen its competitive positioning. By implementing energy-efficient processes and technologies across its operations, the Group can achieve multiple strategic and financial benefits while contributing to its decarbonisation objectives.

Energy efficiency initiatives may include upgrading to LED lighting, optimising HVAC systems, and deploying energy management systems are our short to medium-term opportunities, as they deliver immediate cost savings and emissions reductions while enhancing operational resilience. These

measures can lead to substantial reductions in electricity consumption, thereby lowering utility expenses and reducing Scope 2 GHG emissions.

In addition to cost savings, resource efficiency contributes to operational resilience. Efficient systems are often more reliable and require less maintenance, reducing downtime and improving productivity. Furthermore, these initiatives align with stakeholder expectations, including investors, customers, and regulators, who increasingly prioritise environmental responsibility and carbon reduction.

From a financial perspective, resource efficiency can improve margins by lowering input costs and may also unlock access to green financing or sustainability-linked loans.

Overall, resource efficiency is not only a sustainability imperative but also a strategic lever for long-term value creation, risk mitigation, and alignment with global climate disclosure frameworks such as TCFD and ISSB.

As part of its decarbonisation strategy, the Group is progressing the implementation of a rooftop solar photovoltaic ("PV") system at its Tuas Lane facility in Singapore under a long-term Solar Power Purchase Agreement ("SPPA"). The project forms part of the Group's ongoing efforts to increase the use of renewable energy, reduce carbon emissions, and support the transition to a lower-carbon economy. Upon completion, the installation is expected to contribute to lower energy costs and improved environmental performance over the long term.

The initiative demonstrates the Group's commitment to managing climate-related risks and opportunities while creating long-term value for stakeholders.

5.4 Metrics and Targets

The Group monitors and discloses key climate-related metrics to evaluate its environmental performance, track progress toward decarbonisation, and support transparent reporting aligned with the TCFD and ISSB frameworks. These metrics include Scope 1 direct GHG emissions, Scope 2 energy indirect GHG emissions and selected Scope 3 GHG emissions arising from business travel, as well as energy consumption, water usage and paper consumption across its operations. By consistently measuring these indicators, the Group is able to assess its exposure to climate-related risks and identify opportunities for improvement.

To support its climate strategy, the Group has set specific targets aimed at reducing its carbon footprint and improving resource efficiency. These include reducing Scope 2 emissions through renewable energy adoption and lowering paper consumption as part of its broader sustainability efforts. The Group has been reporting on energy and carbon emissions since 2017, demonstrating a long-standing commitment to environmental accountability.

The Group recognises the requirement by the SGX-ST for all listed companies to report Scope 1 & 2 GHG emissions in accordance with disclosure standards issued by ISSB from financial year commencing on or after 1 January 2025. During FY2026, the Group expanded its GHG inventory to include Scope 1 emissions arising from diesel, petrol and natural gas consumption across its operations. For detailed disclosures on Scope 1, Scope 2 and Scope 3 GHG emissions, including performance metrics and reduction targets, please refer to section 6 of this report. These disclosures support our climate strategy and provide the basis for evaluating our progress toward decarbonisation under the TCFD framework.

6 STAKEHOLDER ENGAGEMENT

We believe that good CSR practices go hand-in-hand with good corporate management practices. We also recognise that it is vital that our management approaches are adaptable to the dynamics of our business and operational environment in such a way that we can continuously assess our impacts, develop sustainability objectives and respond in a proper manner to meet our stakeholders' expectations. Our CSR framework is based on our approach to sustainability and includes policies and measurement mechanisms to monitor the impacts made by our businesses and operations.

The key to the success of our sustainability programme is (i) regular and up-to-date communication about our CSR policies and activities to all our stakeholders, and (ii) provision of appropriate feedback mechanisms. These allow us to monitor and evaluate how we are doing and explore new possibilities stimulated by stakeholder responses. We see our sustainability reports as being a critical component of this continuous cycle of communication and evaluation. The overall sustainability context of the stakeholder engagements is managed through our CSR plan for our sustainability governance oversight.

Stakeholder	**Management Approach**	**Initiatives**	**Outcome and Responses**	**Boundaries**
Employee	Code of Conduct, Fair Employment Practices, Training and Career Development, Pension Scheme	Staff Communication Sessions, Staff Feedback Process, Staff Exit Interviews, bizSAFE certification	Work Life Balance Programmes, Training Programmes, Employee Benefits	Singapore, Europe, the Americas & Republic of Korea Operations
Customer	Policies on Quality Assurance, Data Security for Customer Information, ISO9001	Customer Feedback Process, Customer Data Protection Awareness and Education Program	Customer Complaints and Compliments Statistics / Trends	Singapore, Europe, the Americas & Republic of Korea Operations
Supplier	Supplier Selection and Regular Review Process	Feedback and Communication with Suppliers through Supplier Performance Review	Incident Register, Supplier Engagement	Singapore, Europe, the Americas & Republic of Korea Operations
Community	Selection of Community Initiatives in Alignment with Organisation Goals	CSR Programme, Awards and Accolades	Increase Visibility of Company's CSR Efforts, Energy Efficient Lighting (e.g. LED), Digital Filing and Document to Reduce Paper Consumption.	Singapore, Europe, the Americas & Republic of Korea Operations

6.1 Protecting Our Environment for the Community

6.1.1 Our Approach

We are committed to maintaining and building on our stringent environmental policies and standards across the Group. We continually seek new and innovative ways to reduce any adverse environmental impact of our products and services while maintaining the highest levels of quality. We recognise our responsibility to protect the environment for the health and wellbeing of the community.

6.1.2 Reduction of Carbon Footprint

We recognise that the effective management and monitoring of our carbon footprint can reduce operating costs, raise brand profile, create a competitive edge and increase stakeholder value. Our carbon footprint is measured in terms of GHG emissions. GHG emission is an absolute measure of how much carbon dioxide equivalent ("CO_2e") is emitted. Our GHG emissions comprise direct (Scope 1), energy indirect (Scope 2) and selected other indirect (Scope 3) emissions. Scope 1 emissions arise primarily from diesel, petrol and natural gas consumption. Scope 2 emissions arise primarily from purchased electricity consumption, while Scope 3 emissions currently comprise business travel only.

Considering the changes and dynamics of business and operations, we established our GHG emission efficiency index for consistent tracking of carbon footprint over time. Although various business lines and operations account for different percentages of GHG emissions across the organisation, they are well-aware and supportive of this target and have aligned our environmental objectives accordingly. The Group's Scope 1, Scope 2 and Scope 3 GHG emissions are detailed in Table 1.

Restatement of comparative information
During FY2026, the Group enhanced and standardised its GHG accounting methodology. Comparative figures for FY2024 and FY2025 were recalculated to include Scope 1 fuel-combustion emissions, express emissions consistently in tonnes of CO_2 equivalent, apply reporting-period-specific location-based electricity emission factors for each country, and correct unit-conversion and decimal-placement errors identified in prior Scope 2 calculations. These changes affected Scope 1, Scope 2, total reported GHG emissions and the GHG Emission Index. Scope 3 business-travel data and the underlying electricity-consumption activity data were not restated.

		FY2024 (Base year)*	FY2025*	FY2026
Scope 1 (From Diesel, Petrol and Gas Consumption)				
Singapore	tonnes-CO_{2e}	82.02	76.49	72.28
Europe	tonnes-CO_{2e}	0.12	10.14	8.71
Scope 2 (From Electricity Consumption)				
Singapore	tonnes-CO_{2e}	91.84	83.03	97.03
Europe	tonnes-CO_{2e}	12.04	9.37	6.49
The Americas	tonnes-CO_{2e}	43.58	52.71	50.25
Republic of Korea	tonnes-CO_{2e}	0.93	2.66	2.64
Scope 3 (From Business Travel)				
Singapore	tonnes-CO_{2e}	51.39	50.21	35.81
Europe	tonnes-CO_{2e}	43.45	40.63	22.93
The Americas	tonnes-CO_{2e}	13.18	16.01	11.01
Republic of Korea	tonnes-CO_{2e}	0.36	1.73	1.91
Total Reported GHG Emissions	**tonnes-CO_{2e}**	**338.91**	**342.98**	**309.06**
GHG Emission Index[1]	**tonnes-CO_{2e}/SGD million**	**4.56**	**4.38**	**4.10**

Table 1: GHG Emissions and Intensity

* Comparative information for FY2024 and FY2025 has been restated following a review of the Group's GHG emissions reporting methodology and underlying data. The restatement affects Scope 2 emissions, Total Emissions and the GHG Emission Index and has been made to improve the accuracy, consistency and comparability of disclosures across reporting periods.

Scope 1 emissions are disclosed in the FY2026 report together with recalculated FY2024 and FY2025 comparatives, following implementation of a Group-wide process for collecting direct fuel-consumption data.

Total GHG emissions decreased from 342.98 tonnes-CO_2e in FY2025 to 309.06 tonnes-CO_2e in FY2026, representing a reduction of approximately 9.9%. The GHG Emission Index also improved from 4.38 to 4.10 tonnes-CO_2e per SGD million of revenue, reflecting a reduction in carbon intensity and demonstrating that the Group's emissions decreased at a faster rate than revenue generation. The improvement was primarily driven by lower Scope 3 emissions from business travel across several operating regions, partially offset by higher Scope 2 emissions in Singapore.

During FY2026, the Group revised its GHG emission reduction targets and adopted FY2024 as the new baseline year to improve consistency and comparability of sustainability performance reporting. Based on the revised baseline, the Group achieved a GHG Emission Index of 4.10 tonnes-CO_2e per SGD million of revenue in FY2026, representing a reduction of approximately 10.1% from the FY2024 baseline of 4.56. This performance exceeded the Group's FY2026 short-term target and achieved the FY2030 target of a 10% reduction ahead of schedule. The Group continues to work towards its FY2040 target of a 15% reduction. The Group will continue to monitor its emissions profile and implement initiatives aimed at reducing carbon intensity while supporting sustainable business growth.

Targets

Short-term target:
To reduce the GHG Emission Index by a further 2% in FY2027 from the FY2026 level of 4.10 tonnes-CO_2e per SGD million of revenue.

Mid- and long-term target:

[1] Derived from total emissions (tonnes-CO_{2e}) divided by total revenue (SGD million).

To reduce GHG emission efficiency index by 10% by FY2030 and 15% by FY2040, based on FY2024 baseline.

6.1.3 Reduction of Water Consumption

Access to clean water remains one of the most pressing global sustainability challenges. At TEHO, we acknowledge the gravity of this issue and are dedicated to playing our role in addressing it. In alignment with our commitment to fostering a positive impact on both society and the environment, we are delighted to share our water consumption data.

Considering the changes and dynamics of our business and operations, we established our water consumption index for consistent tracking of water consumption over time. Although various business lines and operations account for different percentages of water consumption across the organisation, they are well-aware and supportive of this target and have aligned our environmental objectives accordingly. The total water consumptions are detailed in Table 2.

		FY2024 (Base year)	FY2025	FY2026
Singapore	m^3	1,744.40	1,456.80	1,157.90
Europe	m^3	121.00	117.49	139.00
The Americas	m^3	1,093.98	341.00	250.00
Republic of Korea	m^3	Nil[2]	6.00	15.00
Total Water Consumption[3]	**m^3**	**2,959.38**	**1,921.29**	**1,561.90**
Water Consumption Index	**m^3/SGD million**	**40.35**	**24.54**	**20.72**

Table 2: Water Consumption

Water consumption by the Group continued to decrease in FY2026, with total water consumption declining from 1,921.29 m^3 in FY2025 to 1,561.90 m^3 in FY2026, representing a reduction of 18.7%. The decrease was primarily attributable to lower water usage in Singapore and The Americas.

In Singapore, water consumption decreased from 1,456.80 m^3 in FY2025 to 1,157.90 m^3 in FY2026, reflecting continued optimisation of operational activities following the higher water usage recorded in FY2024 for reverse osmosis system testing. Water consumption in The Americas also decreased from 341.00 m^3 to 250.00 m^3 following the remediation measures implemented in prior years. While water consumption in Europe increased from 117.49 m^3 to 139.00 m^3, the increase was not material to the Group's overall water consumption. Water consumption in the Republic of Korea remained immaterial to the Group.

As a result of lower overall water consumption and higher revenue generation, the Group's Water Consumption Index improved from 24.54 m^3 per SGD million of revenue in FY2025 to 20.72 m^3 per SGD million of revenue in FY2026, representing a reduction of approximately 15.6%. Compared with the FY2024 baseline of 40.35 m^3 per SGD million of revenue, the FY2026 Water Consumption Index represents an overall improvement of 48.6%.

During FY2026, the Group adopted FY2024 as the baseline year for its water consumption targets to enhance the consistency and comparability of sustainability performance reporting. Based on the

[2] FY2024 water consumption data was unavailable as water charges under the warehouse lease arrangement were aggregated with other tenanted areas and could not be reliably apportioned. Water consumption data has been available since FY2025 and is disclosed accordingly.

[3] Derived from total water consumption (m^3) divided by total revenue (SGD million).

revised baseline, the Group has made significant progress towards its water efficiency objectives. While the Group did not fully achieve its FY2026 short-term target of a 50% reduction, it made significant progress towards its water efficiency objectives and remains on track towards its medium- and long-term targets of reducing the Water Consumption Index by 60% by FY2030 and 80% by FY2040.

The Group will continue to monitor water consumption across its operations and identify opportunities to improve water efficiency through operational controls, employee awareness, and responsible resource management practices.

Targets

Short-term target:
To reduce the Water Consumption Index by a further 2% in FY2027 from the FY2026 level of 20.72 m^3 per SGD million of revenue.

Mid- and long-term target:
To reduce water consumption index by 60% by FY2030 and 80% by FY2040, based on FY2024 baseline.

6.1.4 Reduction of Paper Consumption

All our employees are urged to use softcopies as far as possible and minimise paper wastage at work. For example, double-sided printing is set as a default, lower grammage paper is used for daily printing, and blank sides of unneeded single-sided copies are used for printing drafts. Paper re-use and recycling habits are also cultivated through initiatives such as our in-house reminders posted near the copy machines.

All wastepaper from our offices is collected for recycling. We encourage all employees to adopt digital documents instead of paper documents and archive the documents in softcopy with the aim to further reduce paper consumption. In addition, we publish our annual report digitally and will only be circulating our printed annual report upon request.

Considering the changes and dynamics of business and operations, we established our paper consumption index for consistent tracking of paper consumption over time. Although various business lines and operations account for different percentage of paper consumption across the organisation, they all support the Group's initiatives and have aligned to our environmental objectives accordingly.

		FY2024 (Base year)	FY2025	FY2026
Singapore	kg	706	439	353
Europe	kg	240	526	392
The Americas	kg	160	120	134
Republic of Korea	kg	30	30	30
Total Paper Consumption	**kg**	**1,136**	**1,115**	**909**
Percentage of paper with FSC certification	**%**	**86**	**89**	**85**
Paper Consumption Index[4]	**kg/SGD million**	**15.28***	**14.24**	**12.06**

Table 3: Paper Consumption

* Restated in FY2025 as the prior year's disclosures were based on entity-level data, whereas the current year reflects combined reporting for improved consistency and comparability.

[4] Derived from total paper consumption (kg) divided by total revenue (SGD million).

The Group continues to promote the responsible use of paper through digitalisation and paperless work practices. During FY2026, total paper consumption decreased from 1,115 kg in FY2025 to 909 kg, representing a reduction of 18.5%.

The reduction was primarily attributable to lower paper consumption in Singapore and Europe. Paper consumption in Singapore decreased from 439 kg to 353 kg, reflecting the continued adoption of electronic documentation and workflow processes. Paper consumption in Europe decreased from 526 kg to 392 kg following the higher operational requirements recorded in FY2025. Paper consumption in The Americas increased marginally from 120 kg to 134 kg, while paper consumption in the Republic of Korea remained unchanged at 30 kg.

As a result of lower overall paper usage and higher revenue generation, the Group's Paper Consumption Index improved from 14.24 kg per SGD million of revenue in FY2025 to 12.06 kg per SGD million of revenue in FY2026, representing a reduction of 15.3%. Compared with the FY2024 baseline of 15.28 kg per SGD million of revenue, the FY2026 index represents an improvement of 21.1%.

The percentage of paper sourced from Forest Stewardship Council ("FSC") certified suppliers was 85% in FY2026 (FY2025: 89%). The Group remains committed to sourcing paper from responsibly managed and sustainable sources wherever practicable.

During FY2026, the Group adopted FY2024 as the baseline year for its paper consumption targets to enhance the consistency and comparability of sustainability performance reporting. Based on the revised baseline, the Group achieved a Paper Consumption Index of 12.06 kg per SGD million of revenue, exceeding its FY2026 short-term target of reducing the index by 10% from the FY2024 baseline. The Group will continue to strengthen digitalisation initiatives and promote responsible paper consumption practices to support the achievement of its medium- and long-term targets.

Targets	Short-term target: To reduce the Paper Consumption Index by a further 2% in FY2027 from the FY2026 level of 12.06 kg per SGD million of revenue. Mid- and long-term target: To reduce paper consumption index by 70% by FY2030 and 80% by FY2040, based on FY2024 baseline.

6.2 Caring for Our Employees

6.2.1 Our Approach

Our people are a key asset to the Group. We are committed to fair employment practices, employee well-being, workplace safety, and continuous development. Our human resource policies are guided by applicable local labour laws and recognised international standards across the regions where we operate.

6.2.2 Employment Practices and Fair Labour Practices

The Group is committed to fair and responsible employment practices across all operations. We uphold non-discrimination, freedom of association, and strictly prohibit forced and child labour. Our employment practices are guided by applicable labour laws and recognised international standards, and are supported by internal policies, employee training, and established grievance mechanisms.

Across all regions, the Group complies with local regulations governing wages, working hours, leave entitlements, workplace safety, and employee protection, including Singapore's Tripartite Guidelines, EU labour directives, and relevant labour legislation in the Americas and the Republic of Korea.

As at 30 June 2026, no employees were covered by a collective bargaining agreement. Subsequent to the reporting period, the Group commenced discussions and has engaged with the relevant parties towards formalising a collective agreement with the National Trades Union Congress ("NTUC") to support fair employment practices and employee welfare.

6.2.2.1 Communications and Engagement

We maintain open communication with employees through regular engagement sessions and established feedback channels. These mechanisms enable employees to raise concerns, provide feedback, and escalate issues where necessary. Feedback gathered through these channels is reviewed by management and used to support continuous improvement in workplace practices.

6.2.2.2 Career Development and Training

The Group recognises the importance of continuous learning in maintaining a skilled and competitive workforce. Employees participate in regular performance and development reviews, and training programmes are provided to support both technical and professional development needs. In FY2026, 100% of employees received regular performance and career development reviews.

Average Training Profile	**FY2025**	**FY2026**
Senior Management	21.1	22.7
Managerial	7.2	19.5
Non-managerial	3.4	5.9
Male Employees	6.5	10.7
Female Employees	1.3	4.8
Average hours per Employee	**4.7**	**8.7**

Table 4: Average Training Profile by Level and Gender

While average training hours per employee increased from 4.7 hours in FY2025 to 8.7 hours in FY2026, the Group did not achieve its target of 16 training hours per employee. The reported training hours do not fully capture certain self-directed e-learning and mandatory online training programmes, including IT and cybersecurity awareness training. The Group will continue to enhance its training tracking processes and learning and development initiatives to support employee growth and target achievement.

Targets	Short-, mid-, and long-term target: The Group maintains its target of 16 training hours per employee annually over short-, mid- and long-term. We seek to diversify training delivery methods, with a goal of achieving 50% of training via e-learning by FY2028.

6.2.3 Workforce Profile and Diversity

The Group values workforce diversity and is committed to providing equal opportunities regardless of gender, age, ethnicity, or background. As of FY2026, the Group's employee numbers for Singapore, Europe, the Americas, and the Republic of Korea are shown in the table below.

Employee demographic data, including workforce composition by region, gender distribution, and age group, are disclosed below to support transparency and monitoring of diversity trends.

	FY2025	FY2026
Singapore	90	83
Europe	26	25
The Americas	20	15
Republic of Korea	2	2
Total Number of Employees	**138**	**125**
Permanent Employees	**100%**	**100%**

Table 5: Number of Employees

Gender Diversity	**FY2025**			**FY2026**		
	Male	**Female**	**Ratio (M: F)**	**Male**	**Female**	**Ratio (M: F)**
Senior Managerial	3 (50%)	3 (50%)	1:1	3 (50%)	3 (50%)	1:1
Managerial	14 (74%)	5 (26%)	2.85:1	14 (78%)	4 (22%)	3.55:1
Non-managerial	74 (65%)	39 (35%)	1.86:1	66 (65%)	35 (35%)	1.86:1
Total	**91 (66%)**	**47 (34%)**		**83 (66%)**	**42 (34%)**	

Table 6: Gender Diversity

Age Group	**FY2025**		**FY2026**	
	Number	**Percentage**	**Number**	**Percentage**
Below 30 years old	30	22%	23	18%
30 to 50 years old	63	45%	65	52%
Above 50 years old	45	33%	37	30%

Table 7: Age Group for Total Employees

During FY2026, the Group recorded 32 new hires and 45 employee resignations, compared to 30 new hires and 20 resignations in FY2025. The higher number of resignations resulted in a net workforce decrease of 13 employees during the year.

The employee turnover rate increased from 15% in FY2025 to 34% in FY2026. The Group continues to monitor workforce movements as part of its human capital management and workforce planning efforts, while maintaining recruitment, employee engagement and talent development initiatives to support business continuity and operational requirements.

	FY2025	FY2026
New Hires	30	32
Resignees	20	45
Net Increase/(decrease)	**10**	**(13)**
Turnover Rate	**15%**	**34%**

Table 8: Number of Hires and Resignees

Age Group	New Hires		Resignees	
	FY2025	FY2026	FY2025	FY2026
Below 30 years old	37%	41%	20%	42%
30 to 50 years old	47%	46%	75%	42%
Above 50 years old	17%	13%	5%	16%
Gender Ratio (M:F)	2.75:1	1.91:1	2.33:1	1.81:1

Table 9: Age Group for Number of New Hires and Resignees

In addition to the human resources which we manage under our payroll internally, we also engage contracted cleaners who work within our premises. The cleaners are not included in our headcount.

We expect that all the contracted companies we work with will share our core principles of HR management practices. In our vendor selection process, we take into consideration of their HR management practices as one of the key selection and performance criteria. We regularly review the performance of our vendors based on these criteria as a key basis to determine whether to continue to engage the vendors with their services.

Target	Perpetual target: Consistently advocate fairness and equality in workplace.

6.2.4 Employee Benefits and Well-Being

The Group provides statutory and beyond-statutory benefits in accordance with local regulations across all operating regions. These benefits include retirement contributions, healthcare coverage, insurance, leave entitlements and employee assistance programmes, where applicable. In Singapore, employees are covered under the Central Provident Fund scheme, with additional medical benefits provided by the Group.

The Group also supports employees through parental leave benefits in accordance with applicable local legislation. Eligible employees are entitled to maternity, paternity, childcare and other parental leave benefits prescribed by the jurisdictions in which they operate. The Group believes that providing parental leave and family-friendly workplace practices supports employee well-being and work-life balance.

We support employee well-being through flexible work arrangements and wellness initiatives, aimed at promoting a sustainable work–life balance across the organisation.

6.2.5 Safety and Health in the Workplace

The Group is committed to maintaining a safe and healthy workplace and complies with applicable workplace safety and health regulations, including Singapore's Workplace Safety and Health Act and equivalent standards in other regions. We have implemented safety management measures and attained recognised certifications such as bizSAFE.

The Group encourages employee participation in workplace safety and health matters through regular communication, safety briefings, toolbox meetings and reporting channels. Employees are encouraged to report safety concerns, hazards and incidents to management, and feedback is considered as part of the Group's continuous efforts to improve workplace safety and health practices.

No workplace safety incidents were reported in FY2026. The Group aims to achieve zero workplace safety and health incidents and continues to enhance safety awareness and training programmes.

Targets	Mid-term target: Implement comprehensive OHS training programmes for all employees to ensure they understand safety protocols and preventive measures and to achieve 100% completion rate for OHS training programme by FY2027. Perpetual target: We aim for zero cases of workplace safety and health incidents with the implementation of these preventive measures.

6.2.6 Individual Rights

Respecting and protecting basic human rights is fundamental to our operations and is embedded in our Code of Conduct. The Group prohibits discrimination and harassment, respects employees' rights to freedom of association, and maintains zero tolerance for forced or child labour.

In FY2026, there were no reported incidents of human rights violations, forced labour, child labour, or discrimination. The Group remains committed to sustaining a respectful and inclusive work environment.

Targets	Mid-term target: Implement comprehensive training programmes to educate employees about non-discrimination policies and practices and to achieve 100% completion rate for non-discrimination training programme by FY2027. Perpetual target: We aim to sustain zero incidents so as to create a work environment free from fear, harassment or discrimination. Additionally, to conduct regular thorough reviews of existing policies to ensure they effectively address and prevent discrimination.

6.3 Focusing on Our Customers' Needs

6.3.1 Our Approach

Customer service, quality products and the highest level of product safety have always been our priorities, with customer satisfaction being the goal of all our corporate activities. Customer retention begins with trust, and we place utmost importance on training our employees in customer service excellence as well as in continuously striving to improve the quality and safety of our products and services.

Open and frequent communication and responsive feedback are integrated into our daily activities with customer interaction. In addition to striving for excellence in product service and support, we attach enormous importance to data privacy. We have processes and controls in place over confidential and sensitive data related to our customers such as contracts.

Since 2019, we have been certified under the ISO 9001:2015 standard for quality management systems. We have passed the renewal assessment in 2022 and 2025 and have again been certified for a further three years until 2028. This certification has helped us increase the control of our internal processes and the quality of our services.

6.3.2 Customer Feedback and Satisfaction

We value customer feedback and regularly engage with our customers through various communication channels, including our website, customer visits and business engagements. Customer feedback, compliments and complaints are reviewed as part of our continuous improvement process, with corrective and preventive actions implemented where appropriate to enhance service quality and customer experience.

The Group uses a Customer Satisfaction Index based on the proportion of customers who have transacted with the Group for two consecutive years. This serves as an indicator of customer retention and the strength of our long-term customer relationships.

In FY2026, the Customer Satisfaction Index decreased to 7.05 (FY2025: 7.64), representing a decline of approximately 7.8%. The decrease was primarily attributable to a lower level of repeat business from customers in the United States. Management believes this may be influenced by changes in customer shipping routes, supply chain arrangements and broader market conditions, including geopolitical developments and trade-related measures. The Group remains focused on maintaining strong customer relationships through continuous engagement and service excellence.

Despite these challenges, the Group remains committed to strengthening customer relationships through responsive service, operational reliability and ongoing customer engagement.

Targets	Short-, mid- and long-term target: We aim to achieve a Customer Satisfaction Index of 8 by FY2027, and gradually improve to reach the maximum score of 10 by FY2030, maintaining that level through FY2035 and beyond.

6.3.3 Service Quality and Safety

Reliability and quality of our products are of paramount importance to us. Health and safety of our customers is always our priority. To ensure product safety to our customers, we have in place a set of key quality assurance processes and standards, such as ISO 9001:2015 and bizSAFE to ensure compliance with regulations and international standards. No incident of product safety was reported in FY2026.

Target	Perpetual target: We aim to sustain zero product safety incidents so as to foster a 'Safety First' culture through employee training and quality control.

6.4 Partnering Our Suppliers

6.4.1 Our Approach

As part of our ambition to realise sustainability throughout our value chain, we extend the application of responsible business practices to our local partners and suppliers. We recognise that we are only at the beginning of our journey to integrate sustainable business practices throughout our supply chain, and we commit in our pragmatic approach to continuous improvement. We aim to identify new opportunities for collaboration with our suppliers, gradually increase transparency and continue to build shared capacity to minimise our indirect environmental and social impacts.

The Group's commitment to ethical business and labour standards include but are not limited to, prohibition of illegal payments, bribery and gifts, being against unlawful employment of minors and forced labour, supporting anti-harassment and anti-discriminatory labour practices, refusal to participate in anti-trust, anti-competitive, price fixing, fraud, money laundering and conflict of interest activities, as well as strict compliance of local laws and regulations.

6.4.2 Supplier Selection

Our key suppliers are carefully selected through our supplier selection process. When selecting our key suppliers, we examine criteria such as financial health, quality of products and services, as well as competitiveness of pricing. In addition, we take into consideration the overall sustainability policies adopted by our suppliers. Our final decision on supplier selection is based on the overall assessment which takes a balanced view across all selection criteria.

6.4.3 Supplier Review

We regularly review the performance of our key suppliers to determine whether to extend our partnership with them. During the key supplier review process, we engage with our key suppliers to communicate our expectations and mutual feedback. Such review process ensures alignment of our key suppliers' services and products to our business requirements and sustainability objectives through pragmatic and continuous improvement in our partnership with our key suppliers.

Key suppliers are randomly selected for annual screening. Some of the key suppliers who have sustainability policies in place and selected for screening in prior year are not being selected for screening again in current year. The random selection basis is to ensure that all the key suppliers have an equal chance of being selected.

In FY2026, 46% of key suppliers had sustainability policies in place, compared with 32% in FY2025. The increase reflects the growing adoption of sustainability practices among our supplier base, as more suppliers have established formal sustainability policies and integrated environmental, social and governance considerations into their operations.

The supplier sustainability targets were established based on the FY2024 baseline and were intended to be achieved progressively over the short-, medium- and long-term horizons. The FY2026 result of 46% exceeded the Group's FY2027 and FY2030 milestones ahead of schedule due to stronger-than-expected adoption of sustainability policies among key suppliers. The Group will review and recalibrate future supplier sustainability targets, where appropriate, to ensure that they remain relevant, sufficiently challenging and aligned with the Group's ongoing sustainability objectives.

Targets	Short-, Mid- and Long-term targets: We aim to increase this figure of our key suppliers to have sustainability policies in place to 35% by FY2027, 40% by FY2030 and 60% by FY2035, through enhanced supplier engagement, capacity-building initiatives, and integration of sustainability criteria into procurement processes.

7 SGX 5 PRIMARY COMPONENTS INDEX

N.B.: *AR = Annual Report, SR = Sustainability Report (i.e. this report)*

SGX Reference	SGX Primary Component	Disclosed in this Report
710A: Board Diversity Policy		
5	Reference to Board Diversity Policy	*AR: Corporate Governance*
711B: Primary Components		
1-1a	Material environmental, social and governance factors	*SR: Section 6*
1-1aa	Climate-related disclosures	*SR: Section 5*
1-1b	Policies, Practices and Performance	*SR: Section 6*
1-1c	Targets	*SR: Section 6*
1-1d	Sustainability Reporting Framework	*SR: Section 2.2*
1-1e	Board statement and associated governance structure for sustainability practices	*SR: Section 1*

8 GRI CONTENT INDEX

Statement of use	TEHO International Inc Ltd. has reported the information cited in this GRI content index for the period 1 July 2025 to 30 June 2026 with reference to the GRI Standards.
GRI1 used	GRI 1: Foundation 2021

N.B.: *AR = Annual Report, SR = Sustainability Report (i.e. this report)*

Section & Number		Disclosure	Response
General Disclosures			
The organisation and its reporting practices	2-1	Organisational details	*SR: Section 2*
	2-2	Entities included in the organisation's sustainability reporting	*SR: Section 2.1*
	2-3	Reporting period, frequency and contact point	*SR: Section 1, 2.1, & 2.4*
	2-4	Restatements of information	*Restatement of comparative information disclosed in Section 6.1.2.*
	2-5	External assurance	*SR: Section 2.5*
Activities and workers	2-6	Activities, value chain and other business relationships	*AR: Page 3 to 5 & 12, SR: Section 6.4*
	2-7	Employees	*SR: Section 6.2.3*
	2-8	Workers who are not employees	*SR: Section 6.2.3*
Governance	2-9	Governance structure and composition	*AR: Corporate Governance, SR: Section 3.3*
	2-10	Nomination and selection of the highest governance body	*AR: Corporate Governance, SR: Section 3.3*
	2-11	Chair of the highest governance body	*AR: Corporate Governance, SR: Section 3.3*
	2-12	Role of the highest governance body in overseeing the management of impacts	*AR: Corporate Governance, SR: Section 3.3*
	2-13	Delegation of responsibility for managing impacts	*AR: Corporate Governance, SR: Section 3.3*
	2-14	Role of the highest governance body in sustainability reporting	*AR: Corporate Governance, SR: Section 3.3*
	2-15	Conflicts of interest	*AR: Corporate Governance, SR: Section 3.3*
	2-16	Communication of critical concerns	*AR: Corporate Governance, SR: Section 3.3*
	2-17	Collective knowledge of the highest governance body	*AR: Corporate Governance, SR: Section 3.3*
	2-18	Evaluation of the performance of the highest governance body	*AR: Corporate Governance, SR: Section 3.3*
	2-19	Remuneration policies	*AR: Corporate Governance, SR: Section 3.3*
	2-20	Process to determine remuneration	*AR: Corporate Governance, SR: Section 3.3*
	2-21	Annual total compensation ratio	*AR: Corporate Governance, SR: Section 3.3*
Strategy, policies and practices	2-22	Statement on sustainable development strategy	*SR: Section 1*
	2-23	Policy commitments	*SR: Section 3, 4, 4.1, 5, 6.1.1, 6.2.1, 6.3.1, 6.4.1; AR: Corporate Governance*

Section & Number		Disclosure	Response
	2-24	Embedding policy commitments	*AR: Corporate Governance*
	2-25	Processes to remediate negative impacts	*SR: Section 4.1*
	2-26	Mechanisms for seeking advice and raising concerns	*AR: Corporate Governance*
	2-27	Compliance with laws and regulations	*No incident reported*
	2-28	Membership associations	*SR: Not reported*
Stakeholder Engagement	2-29	Approach to stakeholder engagement	*SR: Section 4.2 & 6*
	2-30	Collective bargaining agreements	*SR: Section 6.2.2*
Material			
Disclosures on material topics	3-1	Process to determine material topics	*SR: Section 2.1, 2.2, 2.3*
	3-2	List of material topics	*SR: Section 4.2*
	3-3	Management of material topics	*SR: Section 4.1, 4.2*
Economic			
Economic Performance	201-1	Direct economic value generated and distributed	*AR: Page 17*
	201-2	Financial implications and other risks and opportunities due to climate change	*SR: Section 6.1*
	201-3	Defined benefit plan obligations and other retirement plans	*SR: Section 6.2.4*
	201-4	Financial assistance received from government	*AR: Page 104*
Anti-corruption	205-1	Operations assessed for risks related to corruption	*SR: Section 4.2*
	205-2	Communication and training about anti-corruption policies and procedures	*SR: Section 3.4*
	205-3	Confirmed incidents of corruption and actions taken	*No incident reported*
Anti-competitive Behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	*No incident reported*
Environment			
Materials	301-1	Material used by weight	*SR: Section 6.1.4*
	301-2	Recycled input materials used	*This topic is not relevant to TEHO's business activities*
	301-3	Reclaimed products and their packaging materials	*This topic is not relevant to TEHO's business activities*
Energy	302-1	Energy consumption within the organisation	*SR: Section 6.1.2*
	302-4	Reduction of energy consumption	*SR: Section 6.1.2*
	302-5	Reductions in energy requirements of products and services	*SR: Section 6.1.2*
Water	303-2	Management of water discharge-related impacts	*This topic is not relevant to TEHO's business activities*
	303-3	Water withdrawal	*This topic is not relevant to TEHO's business activities*
	303-4	Water discharge	*This topic is not relevant to TEHO's business activities*

Section & Number		Disclosure	Response
	303-5	Water consumption	*SR: Section 6.1.3*
Emissions	305-1	Direct (Scope 1) GHG emissions	*SR: Section 6.1.32*
	305-2	Energy indirect (Scope 2) GHG emissions	*SR Section 6.1.2*
	305-3	Other indirect (Scope 3) GHG emissions	*SR Section 6.1.2*
	305-5	Reduction of GHG emissions	*SR Section 6.1.2*
Social			
Employment	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	*SR: Section 6.2.4*
	401-3	Parental leave	*SR: Section 6.2.4*
Labor/ Management Relations	402-1	Minimum notice periods regarding operational changes	*SR: Section 6.2.2*
Occupational Health and Safety	403-1	Occupational health and safety management system	*SR: Section 6.2.5*
	403-2	Hazard identification, risk assessment, and incident investigation	*SR: Section 6.2.5*
	403-3	Occupational health services	*SR: Section 6.2.5*
	403-4	Worker participation, consultation, and communication on occupational health and safety	*SR: Section 6.2.5*
	403-5	Worker training on occupational health and safety	*SR: Section 6.2.5*
	403-6	Promotion of worker health	*SR: Section 6.2.5*
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	*SR: Section 6.2.5*
	403-8	Workers covered by an occupational health and safety management system	*SR: Section 6.2.5*
	403-9	Work-related injuries	*SR: Section 6.2.5*
	403-10	Work-related ill health	*SR: Section 6.2.5*
Training and Education	404-1	Average hours of training per year per employee	*SR: Section 6.2.2.2*
	404-2	Programs for upgrading employee skills and transition assistance programs	*SR: Section 6.2.2.2*
	404-3	Percentage of employees receiving regular performance and career development reviews	*SR: Section 6.2.2.2*
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	*SR: Section 6.2.3*
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	*No incident reported*

Section & Number		Disclosure	Response
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	*SR: Section 6.3.1, 6.3.3*
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	*No incident reported*
Marketing and Labelling	417-1	Requirements for product and service information and labelling	*SR: Section 6.3.3*
	417-2	Incidents of non-compliance concerning product and service information and labelling	*No incident reported*
	417-3	Incidents of non-compliance concerning marketing communications	*No incident reported*
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	*No incident reported*

9 GLOSSARY

Term	Description
Audit and Risk Committee ("ARC")	The Board committee responsible for overseeing risk management, internal controls, internal audit and compliance matters.
Carbon dioxide equivalent ("CO_2e")	A standard unit used to measure and compare the impact of different greenhouse gases based on their global warming potential.
Corporate Sustainability Committee ("CSC")	The management committee responsible for overseeing the Group's sustainability initiatives and reporting.
Corporate Sustainability Work Group ("CSWG")	A cross-functional work group supporting the implementation and monitoring of sustainability initiatives across the Group.
Enterprise Risk Management ("ERM")	A structured process for identifying, assessing and managing risks and opportunities that may impact the Group's objectives.
Environmental, Social and Governance ("ESG")	Environmental, social and governance factors considered in assessing the sustainability and long-term performance of an organisation.
Forest Stewardship Council ("FSC")	An international non-profit organisation promoting responsible management of the world's forests through independent certification.
Greenhouse Gas ("GHG")	A gas that contributes to the greenhouse effect by absorbing and emitting infrared radiation.
Global Reporting Initiative ("GRI")	An international organisation that develops sustainability reporting standards and guidance.
International Sustainability Standards Board ("ISSB")	A standard-setting body established by the IFRS Foundation to develop globally consistent sustainability-related disclosure standards.
Photovoltaic ("PV")	Technology that converts sunlight directly into electricity through solar panels.
Programme for the Endorsement of Forest Certification ("PEFC")	An international non-governmental organisation promoting sustainable forest management through independent certification.
Representative Concentration Pathway ("RCP")	Climate scenarios adopted by the Intergovernmental Panel on Climate Change ("IPCC") to model future greenhouse gas concentration trajectories.
Scope 1 Emissions	Direct greenhouse gas emissions from sources owned or controlled by the organisation.
Scope 2 Emissions	Indirect greenhouse gas emissions associated with the purchase and consumption of electricity.
Scope 3 Emissions	Other indirect greenhouse gas emissions arising from activities not owned or controlled by the organisation, such as business travel and purchased goods and services.
Singapore Exchange Securities Trading Limited ("SGX-ST")	The securities and derivatives exchange in Singapore.
Solar Power Purchase Agreement ("SPPA")	A long-term agreement under which electricity generated from a solar photovoltaic system is purchased from a third-party provider.
Sustainable Development Goals ("SDGs")	The 17 global goals adopted by the United Nations to achieve a more sustainable future by 2030.
Task Force on Climate-related Financial Disclosures ("TCFD")	A framework that provides recommendations for disclosing climate-related governance, strategy, risk management, and metrics and targets.
United Nations Global Compact ("UNGC")	A voluntary initiative encouraging businesses to align operations and strategies with principles relating to human rights, labour, environment and anti-corruption.