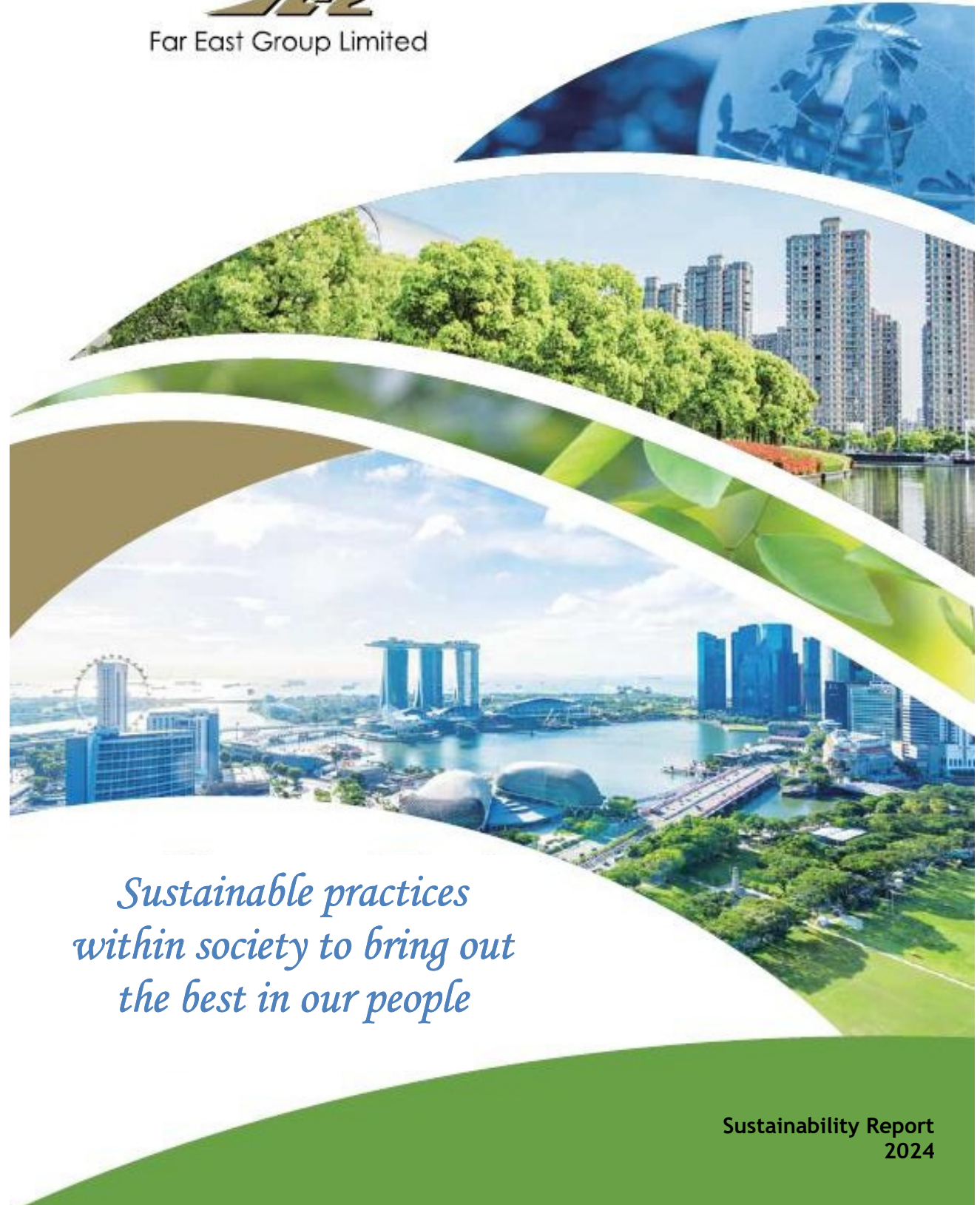




Far East Group Limited



*Sustainable practices  
within society to bring out  
the best in our people*

Sustainability Report  
2024

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This sustainability report has been reviewed by the Company's sponsor, SAC Capital Private Limited (the "**Sponsor**"). This sustainability report 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 Lee Khai Yinn (Telephone number: +65 6232 3210) at 1 Robinson Road, #21-01 AIA Tower, Singapore 048542.

## 1. Corporate Purpose Statement [2-22]

Far East Group Limited (“**Far East Group**”, and together with its subsidiaries, the “**Group**”) is pleased to present our sustainability report (the “**Report**”) for the financial year ended 31 December 2024 (“**FY2024**”). Sustainability considerations are key to our long-term business strategy, and we appreciate the opportunity to present our achievements and ambitions.

The board of directors (the “**Board**”) is responsible for the oversight of the sustainability agenda and strategy and has been involved in the determination of the material factors. In December 2024, the Board established a new Board Committee – the Board Sustainability Committee (“**BSC**”) to assist the Board in fulfilling its corporate governance responsibilities in relation to the Group’s Environment, Social and Governance (“**ESG**”) objectives, by providing strategic directions and considering material issues on sustainability as part of its strategy. The existing Sustainability Council, which ensures that sustainability practices are executed across the different business units, will now report to the BSC to ensure that sustainability practices are implemented across the different business units.

While Far East Group is not in an industry for which climate-related disclosures are mandatory, the Group has established a roadmap for the alignment with the Task Force on Climate-related Financial Disclosure (“**TCFD**”) framework. The management has, in 2024 established processes and procedures for the identification and assessment of climate-related risks, that include relevant physical and transitional risks as well as opportunities that may impact and affect the Group’s business. The impact of such climate-related risks and opportunities will be discussed and reported in the later sections of this Report.

In the course of the reporting period, Far East Group conducted a comprehensive workshop to refresh the Group’s material factors assessment, review targets for the current period as well as engaged in the development of the Group’s ESG Corporate Purpose Statement. The statement reflects the Group’s commitment towards embedding sustainable best practices across the Group’s operations and a clear affirmation of the purpose underlying the enterprise.

The statement: Far East Group is committed to sustainable practices in energy and resource management within the society in which we live, striving to bring out the best in our people through employee care and development and promoting good governance reflects this commitment.

The Group is committed to strengthening its resilience toward a more sustainable future. Embedding sustainability into each business segment would enhance and expedite our overall objective and timelines for the Group to significantly lower our overall carbon emissions. This is the third year where the Group embarks on our journey towards meeting the Greenhouse Gas Emissions (“**GHG**”) targets where FY2022 was set as the baseline year for future references. Scope 1 and 2 emissions are addressed based on available sources of data on fuel and energy consumption. Assessment of Scope 3 disclosure are still on-going and will require more data and more comprehensive understanding of our partners’ supply chain. The Group is working to obtain a better understanding of the supply chain of our partners’ products in order to facilitate Scope 3 disclosure and continues to aim to work with them to reduce the carbon emissions in this area together.

The Board has determined the ESG factors that are material for the continuity of the Group’s business, categorised into three key segments as follows:

- ❖ Environment

- ❖ People
- ❖ Marketplace

### *Environment*

The refrigeration and air-conditioning industry can play a significant role in reducing its impact on the environment. The phasing out of harmful gases and development of energy-efficient products are two areas that can yield mutual benefit to both our business and society at large, and the Group has been working towards achieving these objectives.

### *People*

We recognise that our people are key drivers for our success. We place great emphasis on nurturing them by providing for their continuous training and development and taking care of their well being, health and safety.

### *Marketplace*

It is our responsibility to exceed expectations of our stakeholders in the market. We strive to do so by delivering high-quality and safe products, maintaining financial stability, promoting ethical behavior and tackling the risk of cybersecurity through robust policies and measures.

We would like to thank our staff for their hard work in contributing to this Report.

Board of Directors

30 April 2025

## 2. About the Report

### 2.1. Scope and Boundary [2-2, 2-3]

This Report covers the Group's efforts on sustainability, in relation to the ESG aspects for FY2024.

This Report covers all significant subsidiaries in the Group across the markets which the Group operates in, namely Singapore, Malaysia, Vietnam, Indonesia, Hong Kong and China unless otherwise stated. A list of entities excluded from this Report and reasons for their exclusion are disclosed below. Entities where the Group does not have effective operational control are also excluded. All figures are represented in Singapore dollars. There were no significant changes to the Group's segments, value chain and other business relationships during the reporting period compared with the previous year.

Entities	Country	2024 Effective Interest (%)	Reason for Exclusion
RSP Systems Pte Ltd	Singapore	80%	Size by revenue and asset is immaterial
GPS Compressors Services & Parts Pte Ltd	Singapore	100%	Size by revenue and asset is immaterial
Edenkool Pte Ltd	Singapore	100%	Size by revenue and asset is immaterial
FEG Logistics Pte Ltd	Singapore	100%	Size by revenue and asset is immaterial
Far East Maju Engineering Works Sdn. Bhd.	Malaysia	100%	Size by revenue and asset is immaterial
Far East Enterprises (K.L) Sdn. Bhd.	Malaysia	100%	Dormant Company
Far East Enterprises (Penang) Sdn, Bhd.	Malaysia	94%	Dormant Company
FE & B Engineering (M) Sdn. Bhd.	Malaysia	100%	Dormant Company
Safety Enterprises Sdn. Bhd.	Malaysia	100%	Dormant Company
Green Point Compressor Services & Parts Sdn. Bhd.	Malaysia	100%	Size by revenue and asset is immaterial
Coolwerkz Engineering Limited	Myanmar	60%	Size by revenue and asset is immaterial

*\* Definition of immateriality for entities excluded refers to entities having both revenue and net asset value less than SGD 1 million.*

### 2.2. Reporting Framework

This Report has been prepared in compliance with Rules 711(A) and 711(B) of the Listing Manual B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**"), and with reference to the Global Reporting Initiative ("**GRI**") Universal Standards 2021, which is a globally recognised sustainability reporting framework, and its reporting principles are relevant to the Group's business. This Report has also incorporated recommendations from the TCFD.

In view of the latest enhancement to the sustainability reporting regime announced by the SGX-ST on 23 September 2024, the Group will continue to work towards greater maturity of its climate-related disclosures by incorporating climate-related requirements in the IFRS Sustainability Disclosure Standards issued by the International Sustainability Standards Board ("**ISSB**") by the financial year ending 31 December 2025.

The Report identifies the ESG factors which are material to the Group. The policies, practices, performance and targets follow on from our report last year, reporting on our material factors covering primarily the Group's operations.

### 2.3. Restatement of Information [2-4]

There were no restatements made in previously reported information.

#### **2.4. External assurance and feedback [2-5]**

This report has not undergone external assurance for this Report. The Group's sustainability reporting framework and processes have been internally reviewed. We have incorporated the relevant recommendations and feedback into this report. To ensure accuracy, we have relied on our internal verification processes. Moving forward, and as is required under the Catalist Rules, we plan to obtain external limited assurance in future. We remain committed to engaging with our stakeholders and welcome any feedback. For any inquiries regarding this Report, please feel free to contact us at [info@fareastref.com.sg](mailto:info@fareastref.com.sg).

### **3. Corporate Profile**

#### **3.1. About us [2-1]**

Far East Group Limited is a publicly listed company on the Catalist board of the SGX-ST and is headquartered in Singapore. With over 70 years of industry experience, the Group has established itself as a pioneer in Singapore's heating, ventilation, air-conditioning and refrigeration ("**HVAC&R**") industry, as well as across Southeast Asia ("**SEA**") and the People's Republic of China ("**PRC**"). The Group is a leading provider of refrigeration and air-conditioning systems, products, and solutions. It supplies refrigeration and air-conditioning systems, compressor rack systems, condensing units, heat-exchangers, and monitoring solutions to industries such as supermarkets, food processing, cold storage, logistics, hospitality, healthcare, marine, and oil and gas.

#### **Supply chain, activities, brands and product [2-6]**

The Group's Wholesale and Distribution segment provides end-to-end solutions offering a full suite of services ranging from consultation, engineering design, equipment supplies, commissioning and after-sales support.

The Group's Manufacturing segment manufactures a comprehensive range of energy-efficient heat-exchangers, compressor rack systems and condensing units under its proprietary brands, "Eden" and "Elite", through Eden Refrigeration Manufacturing (Jiangsu) Co., Ltd. and Elite Envirotech Co., Ltd. respectively. Eden products are manufactured under international standards and ISO9001:2015 certified using the latest design and heat transfer technology in manufacturing across a wide range of unit coolers, brine coolers, condensers and custom coils for Commercial, Industrial and Marine applications. All unit coolers and air-cooled condensers are Conformité Européenne (CE) certified and in compliance with the listed European Directives BS EN 60204-1:2006+A1:2009 on safety guidance on machinery.

Elite's compressor rack systems, outdoor packaged refrigeration units and condensing units are designed according to standards widely used in low-temperature storage, food processing, slaughtering processing, chemical, agricultural products processing, cold chain logistics, hospitals, supermarkets and other fields.

In the Engineering Solutions segment, the Group also provides engineering and system integration services, delivering end-to-end solutions tailored to industry-specific needs.

M-Tech Air-Con & Security Engineering Pte Ltd ("**M-Tech**"), established since 1993 in Singapore, is an Air-Conditioning and Mechanical Ventilation ("**ACMV**") service provider for residential and commercial buildings, with vast experience and technical expertise in the design, supply and install of ACMV and electrical systems. M-Tech is a registered contractor with the Building and Construction Authority of Singapore ("**BCA**") certified with Air-conditioning, Refrigeration & Ventilation Works (ME01-L6), Communication & Security Systems (ME04-L1) and Electrical Engineering (ME05-L1) certifications.

RSP Systems Pte Ltd ("**RSP**") in Singapore is the System Integration arm of Far East Group. It specialises in providing a host of monitoring systems ranging from temperature monitoring, energy and resource monitoring, alarms management, and asset management system tools - incorporating Internet of Things ("**IoT**") devices from Eliwell, Schneider Electric and other third-party devices. These systems allow for quick deployment, full system management control and data analytics for troubleshooting and improve efficiency of any refrigeration of HVAC&R system.

### **3.2. Markets served [2-6]**

Far East Group serves a diverse customer base, including distributors, dealers, and refrigeration and air-conditioning contractors. The Group has a strong regional presence, with subsidiaries in Singapore, Malaysia, Hong Kong, Vietnam, Indonesia, Myanmar and China, along with an extensive distribution network spanning Southeast Asia, Mauritius, Australia, Turkey, and Sri Lanka.

The Group is a leading distributor of commercial and light industrial refrigeration systems and products in Southeast Asia and a manufacturer of heat-exchangers and condensing units in the PRC. Its solutions support a broad range of industries, including commercial and retail, food and beverage, supermarkets, cold storage, warehousing and logistics, hospitality, healthcare, marine, and oil and gas sectors.

Beyond distribution and manufacturing, the Group offers engineering and system integration services, delivering customised solutions to optimise HVAC&R performance. Through its subsidiaries in the Engineering Solutions segment, M-Tech and RSP, the Group enhances operational efficiency for clients by providing advanced ACMV services and IoT-driven monitoring solutions.

## **4. Our vision and values**

Sustainability considerations have always been rooted in the values of Far East Group. In 2024, the Group established its ESG vision of being committed to sustainable practices in energy and resource management within the society in which we live, striving to bring out the best in our people through employee care and development and promoting good governance.

We are cognisant that our stakeholders are increasingly taking notice of the ESG impact of our activities, and we view this as an excellent opportunity to assess our business from the lens of sustainability and structure our efforts based on the approach of materiality.

## **5. Stakeholder engagement [2-29]**

We place great value on our relationship with our set of diverse stakeholders and we are committed to engaging with them regularly, finding various ways to further broaden our collaboration. We acknowledge the vital role they play to ensure the success of the Company and its sustainability initiatives. By maintaining an open dialogue with all our stakeholders, we are better able to understand and align their needs in our business decisions. We strive to establish a shared understanding of expectations from both our viewpoint and theirs.



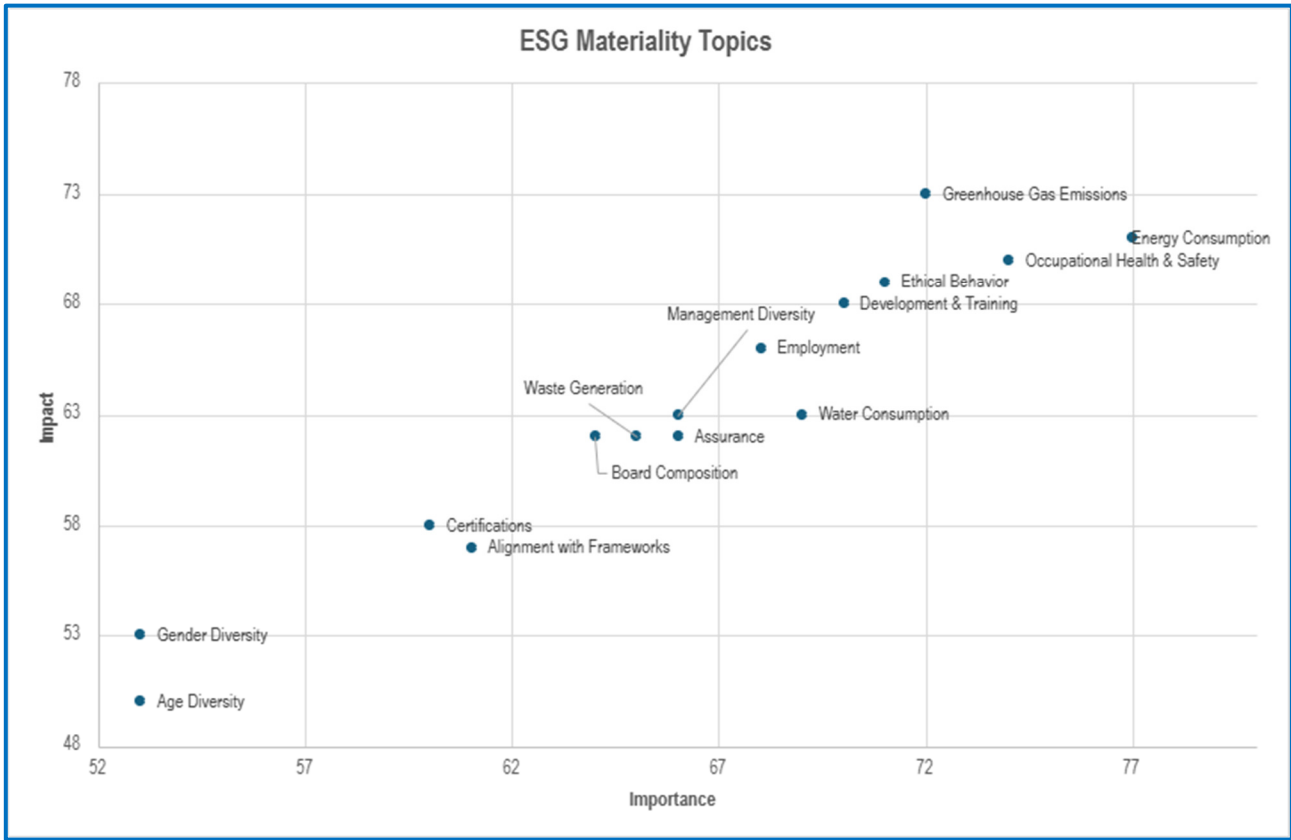
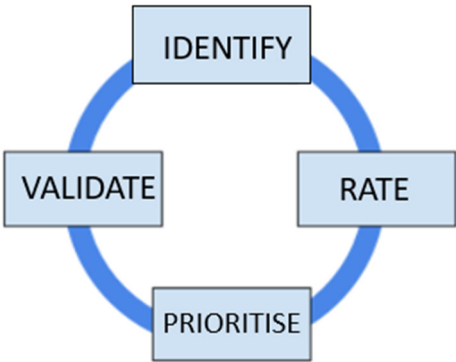
We have identified and prioritised each stakeholder group based on their dependence and influence on our business.

Key Stakeholders	Frequency	Modes of Engagement	Topics Raised	Our Response
Employees	<ul style="list-style-type: none"> <li>- Annual</li> <li>- Ad hoc</li> </ul>	<ul style="list-style-type: none"> <li>- Appraisals</li> <li>- Exit interviews</li> <li>- Casual open feedback</li> <li>- Internal meetings and discussions</li> </ul>	<ul style="list-style-type: none"> <li>- Welfare and benefits</li> <li>- Health and safety</li> <li>- Training and development</li> </ul>	Refer to People segment of this Report
Investors	<ul style="list-style-type: none"> <li>- Bi-Annual</li> <li>- Ad hoc</li> </ul>	<ul style="list-style-type: none"> <li>- Shareholders' and investors' meetings</li> <li>- Corporate announcements and circulars</li> <li>- Half-yearly results announcements</li> <li>- Annual reports</li> <li>- Email and phone communication</li> <li>- Website at <a href="http://www.fareastgroup.com.sg">http://www.fareastgroup.com.sg</a></li> </ul>	<ul style="list-style-type: none"> <li>- Financial stability - Long term value</li> <li>- Growth and markets strategy</li> <li>- Corporate governance and sustainability practices</li> </ul>	Refer to Marketplace segment of this Report and our annual report
Customers	<ul style="list-style-type: none"> <li>- Annual</li> <li>- Ad hoc</li> </ul>	<ul style="list-style-type: none"> <li>- Customer feedback survey</li> <li>- Conferences and industry sessions</li> <li>- Individual meetings</li> <li>- Email and phone communication</li> </ul>	<ul style="list-style-type: none"> <li>- Product quality and safety</li> <li>- Energy efficient products</li> <li>- Competitive pricing</li> </ul>	Refer to Marketplace segment of this Report and our annual report
Regulators / Government	<ul style="list-style-type: none"> <li>- Regularly</li> </ul>	<ul style="list-style-type: none"> <li>- On-site inspections</li> <li>- In-person meetings</li> </ul>	<ul style="list-style-type: none"> <li>- Compliance with environmental regulations</li> <li>- Labour standards compliance</li> <li>- SGX listing requirements</li> </ul>	Refer to Environment and People segment of this Report
Suppliers	<ul style="list-style-type: none"> <li>- Ad hoc</li> </ul>	<ul style="list-style-type: none"> <li>- Conferences and industry sessions</li> <li>- In-person meetings</li> <li>- Vendor assessments</li> </ul>	<ul style="list-style-type: none"> <li>- Product quality</li> <li>- Environmental requirements</li> </ul>	Refer to Marketplace and Environment segments of this Report

6.   **Materiality assessment [3-1, 3-2]**

In order to understand the relevant ESG topics that can have significant impact to the Group’s operations and understand how we can create long-term value to our stakeholders, the Group conducted a repeat materiality assessment in 2024 to determine if any of the previous material factors have changed. The assessment provides the Group a more holistic view of topics that are important to the Group and its stakeholders, as well as, various risks and opportunities.

Based on industry trends and sustainability standards, the Group identified critical topics and issues. These were then rated and reviewed by stakeholders to streamline relevant ESG factors. To further understand the impact on the environment, people, and society in relation to our business operations, we engaged our employees through a survey. This allowed us to prioritise topics based on survey results and stakeholder engagement, and ultimately validate the materiality factors which were ranked high in impact and importance, as reflected in the chart below.



We have identified the following topics which are material to the Group, which have been prioritised and validated by the Board through the discussions with the management:

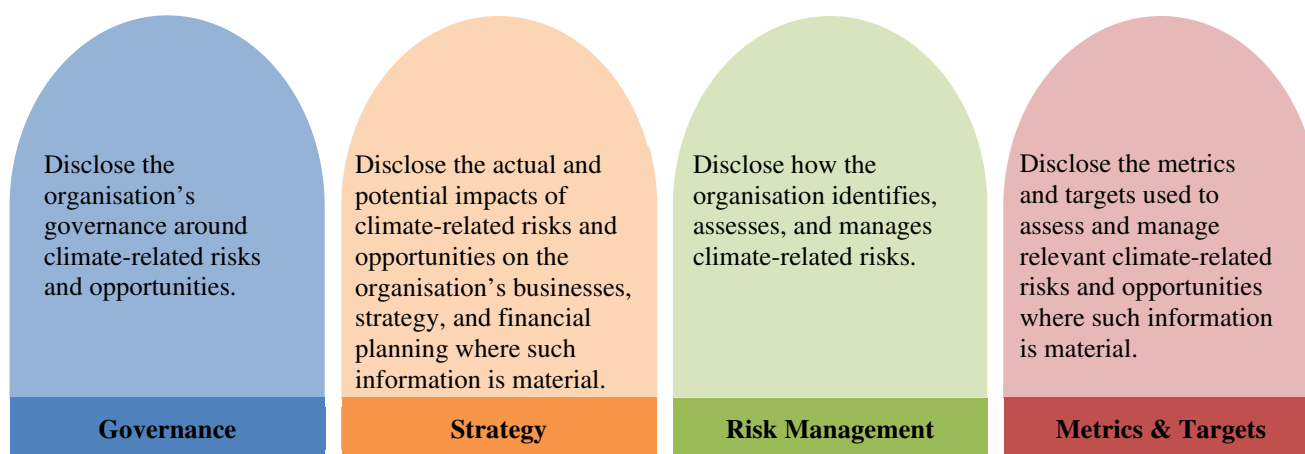
Disclosure Topics	Corresponding GRI Standards	Impact Boundary
Environment		
Environmental Compliance	Environmental Compliance	All facility operations
Energy Consumption	Energy Consumption	All facility operations
People		
Human Capital Development	Employment Development and training	Office and facility employees
Occupational Health and Safety	Occupational Health and Safety	Employees and subcontractors
Marketplace		
Product quality, health and safety	Customer health and safety	Suppliers and facility operators
Cybersecurity	Customer privacy	Office operations
Business Ethics	Anti-corruption	All operations
Financial stability	Economic performance	All operations

The Group constantly monitors these topics to ensure their relevance and significance in the overall assessment of material topics that would affect the Group's ESG priorities. The Group takes a proactive approach in monitoring and managing topics that are material to the Group, anticipating that these topics may shift in response to stakeholder interests, business risks and opportunities.

For FY2024, we have conducted a workshop with the senior management to re-validate these ESG topics and remain applicable. The Group will continue to regularly review and update accordingly.

## 7. Task Force on Climate-Related Financial Disclosure (TCFD) and Climate Risk Management Environment

Far East Group is committed to exploring sustainable pathways to have our emissions reduced to meet the goal of limiting global temperature increase to between 1.5°C - 2°C above pre-industrial levels in future reporting periods. TCFD is an internationally recognised climate disclosure framework aimed at guiding companies in disclosing to their investors and other stakeholders consistent and decision-useful information relating to impacts from climate change and the company's resilience strategy to these impacts. The TCFD disclosure framework centers around four pillars: Governance, Strategy, Risk Management, and Metrics and Targets. In 2024, the management teams of the respective business segments underwent a reassessment of the various climate-related risk factors that may affect and impact on the Group and held an in-house workshop to analyse the scenarios in which the risk factors may affect the Group's business.



*Four Pillars of TCFD Framework*

### ***TCFD Pillar - Governance***

In December 2024, the Board established a new Board Committee – the BSC, to assist the Board in fulfilling its corporate governance responsibilities in relation to the Group's Environment, Social and Governance (“**ESG**”) objectives, by providing directions and considering issues on sustainability as part of its strategy. The members of the BSC are Ms Linda Hoon Siew Kin (Chairman), an Independent Director, Mr Steven Loh Mun Yew, Executive Chairman and Chief Executive Officer (“**CEO**”) and Mr Francis Lai Kum Wai, Chief Financial Officer (“**CFO**”) of the Group.

It is decided that the BSC will meet bi-annually for updates and progress of the Group's sustainability efforts to be briefed to the Board. The BSC will review and monitor the implementation of the Group's sustainability strategy and the Management's commitment and allocation of resources to achieving the desired outcomes of the Group's sustainability strategy. In addition, the BSC oversees the Sustainability Council's development of the Group's sustainability strategy, establishing sustainability policies and practices that will be integrated into the Group's strategic plans and business goals.



### ***TCFD Pillar – Strategy***

The growing impacts of climate change have made it an even more important factor for the Group as it recognises the effects of physical and transition risks to present greater challenges ahead. These emerging drivers present opportunities for cost savings and alignment with customer expectations. To better understand how these opportunities can be leveraged on, the Group has embarked on increasing the frequency of discussions to explore opportunities for our business.

#### **Physical Risks**

With the increasing frequency of extreme weather events such as floods, drought and natural disasters, it is increasingly important for the Group to focus on the well-being of our employees. The Engineering Solutions and Manufacturing segments, which are heavily reliant on skilled labour may experience reduced productivity and efficiency during prolonged periods of heat. Adverse weather events such as extreme heat can cause inefficiency and project delays or staff inability to focus which may lead to workplace incidents. To mitigate these scenarios, the Management would have to schedule more breaks for the staff to cool down and stay hydrated.

#### **Transitional Risks**

Policy changes and market shifts also affects the way in which the Group manages our business. The updates and amendments to Singapore's Workplace Safety and Health Act saw the focus on strengthening of safety measures with the imposition of greater penalties such as increased fines and for any safety breaches or regulatory violations. The Group has reviewed our safety policies and set out a policy across all business segments to enhance our workplace safety measures. The ability to perform the jobs safely while remaining committed to deliver quality products and services to our customers may affect the Group's reputation, an invaluable asset that could be compromised if trust is eroded due to safety incidents.

### Opportunities

Our on-going research and development of our heat-exchangers and condensing units put us at the forefront of our industry. By constantly improving and upgrading our range of products and technical know-how, we are able to leverage on new technologies to tap into new markets and industries. In 2024, the Group has taken on 2 industrial-grade carbon dioxide (CO<sub>2</sub>) installation projects using CO<sub>2</sub> as natural gas refrigerants. These not only increase the energy efficiency of the system delivering higher coefficient of performance (“COP”) but is also more environmentally friendly.

### Scenario-based Analysis

The Group recognises the need for strong action plans to improve climate resilience. The scenario-based analysis would best be read in tandem with the rest of the TCFD pillars in this Report. Upon determining the various risks that may affect the Group, we proceeded to assess the impact of scenarios where the change in climate temperature exceeds the 2°C target. While we have not assessed the impact quantitatively, the Group, with its key management, brainstormed the scenarios of such climate changes and our possible action plans to address such changes.

Being in the HVAC&R and ACMV industry, adverse climate change affects our customers’ demands for our products and services. There will be greater demand for chilling services as well as ACMV maintenance. However, rather than just selling more of our products, the Group is conscious of its responsibilities of not negatively impacting the environment and our staff in doing so. At temperatures fluctuating within the 2°C range, we would have to be mindful of the care for our employees’ work environment and conditions, encouraging more frequent hydration and monitoring their health and safety. There may not be any immediate impact to our operations and products as we have been constantly making improvements to our product lines. At more adverse temperature changes above the 2°C range, more would have to be done to even change the working hours of our employees, such as arranging for work to be performed in the evenings when temperatures are more tolerable. In terms of products, greater efficiency would be demanded as energy to reduce ambient temperatures would rise significantly. The Group is currently assessing such situations and carrying out research into the development of products to cater to such scenarios.

The Board recognises the importance of establishing a robust Enterprise Risk Management Framework (the “Framework”) to strengthen the governance of risks and effectiveness of internal controls. The Framework incorporates the sustainability risks identified in the materiality assessment carried out by management. The Board also receives regular assurances from the CEO, CFO and key management personnel that the Company’s risk management and internal control systems are adequate and effective.

Internally, our investment in the installation of solar panels at our regional headquarters at the end-2023 is put to full use in 2024. It has generated 900,776 kwh of clean renewable energy in FY2024 of which 67.57% is consumed for our operations.

### ***TCFD Pillar – Risk Management***

Being in the business of HVAC&R, climate change presents both opportunities and risks for the Group’s business. In both our refrigeration and the ACMV business, ambient temperatures significantly affect customers’ demands. The higher the ambient temperature, the higher the expectations for the equipment to work harder to bring down temperatures. As customers and end-users look to reduce their energy costs, there is growing demand for solutions that are energy-effective and energy-efficient. This emphasises the need for monitoring of equipment efficiency in delivering the required cooling performance.

The climate-related risks and opportunities identification process of the Group would be applied as below.



The shift in market expectations drives the Group to manufacture, and distribute energy-efficient products and low carbon solutions. Our internal research and development department have upgraded our heat-exchangers to the latest G5 series. In addition, the Group has developed racks and condensing units compatible with natural gases such as CO<sub>2</sub> and ammonia. These low-carbon technologies allow the Group to help our customers lower their carbon emissions, and contribute to long-term cost savings.

Conversely, the increasing carbon costs may post a business and financial impact to the Group. In Singapore, the carbon tax has increased by 5 times from S\$5/tCO<sub>2</sub>e in 2023 to S\$25/tCO<sub>2</sub>e in 2024 and is slated to increase to S\$45/tCO<sub>2</sub>e by 2026 with a view to reaching S\$50-80/tCO<sub>2</sub>e by 2030. Though it is a gradual increase over time, it puts pressure on the Group to decarbonise operations and reduce its financial exposure to the carbon tax. The Group is actively evaluating its financial exposure and is identifying ways to mitigate financial risks associated with carbon pricing policies.

**TCFD Pillar – Metrics & Targets**

The Group is committed to establishing realistic and achievable targets to address climate-related risks and to leverage on emerging opportunities presented as a result. We seek to build trust with the respective stakeholders by transparent and accurate disclosure of climate-related metrics and targets. In the short term, the Group aims to explore ways to reduce our carbon emissions, with the long-term goal of achieving carbon neutrality although the exact timeline has not been firmed yet. Data on our GHG emissions is elaborated in the Environment Performance section of this Report.

## 8. Environmental Performance

### 8.1. Environmental Compliance

Why is it material? [3-1]

Environmental compliance is a critical aspect of the Group's sustainability strategy. We are committed to complying with various applicable international policies and national environmental regulations. Recognising that non-compliance can result in regulatory penalties, reputational damage, and financial loss, we view environmental compliance as essential to the long-term resilience and accountability of the Group. The HVAC&R industry plays a significant role in addressing global environmental challenges, particularly in reducing ozone-depleting substances and greenhouse gas ("**GHG**") emissions. As a manufacturer and distributor of refrigeration and air-conditioning products, the Group recognises its innate responsibility to contribute to the objectives of the Montreal Protocol (1987).

Management Approach [3-3]

The Group ensures environmental compliance by working towards the targets set by the National Environment Agency ("**NEA**") by gradually eliminating ozone-depleting substances from our operations and products. Moreover, the Group has developed a phased plan to discontinue the use of harmful refrigerants to ensure compliance with the evolving local environmental laws in its operating regions.

For example, the Group does not sell chlorofluorocarbon ("**CFC**") refrigerants. We advocate responsible refrigerant management by encouraging customers to use recovery units instead of releasing gases into the atmosphere, during servicing and retrofitting processes. In addition, the Group holds regular engagement sessions with its end-users, through seminars and conferences, to raise awareness on environmental effects of phased-out refrigerants and sustainable alternatives.

To ensure regulatory compliance and further manage our overall environmental impact, the Group integrates ISO 14001:2015 (Environmental Management System) practices at its manufacturing facility in China. Strict compliance measures are enforced in operations, waste disposal, and chemical handling processes. This is affirmed and verified by internal audits, assessments and regular compliance checks.

Performance [2-27]

In FY2024, the Group maintains a strong track record in environmental compliance with zero cases of non-compliance with environmental laws and/or regulations and has not received any significant fines and/or non-monetary sanctions (FY2023: Nil). To support our efforts to transition to more eco-friendly refrigerants, our equipment for commercial applications is compatible with the majority of these gases, including R448, R449A, and other natural gases.

Targets

Moving forward, the Group, led by the BSC, will remain committed to environmental stewardship and continue to collaborate with regulatory bodies to adhere to evolving standards and regulations. We are committed to adhering to our roadmap for phasing out Hydrochlorofluorocarbons ("**HCFC**") by 2030, in line with the Montreal Protocol's targets, and maintain our zero record of environmental-related incidents, investigations and fines in the financial year ending 31 December 2025 ("**FY2025**").



## 8.2. Energy Consumption

Why is it material? [3-1]

As an energy-intensive industry, refrigeration and air-conditioning contribute significantly to GHG emissions and global warming. Thus, energy efficiency is crucial for reducing the Group's carbon footprint and mitigating climate-related risks. Rising energy costs and stricter environmental regulations further reinforce the need for proactive energy management to enhance cost savings and long-term business resilience.

Management Approach [3-3]

The Group is committed to managing energy consumption through a structured approach that includes the implementation of its Green Programme, which guides the development of sustainable and energy-efficient products in our portfolio. This is the core of our innovation and product development strategy. The next phase of our product development focuses on integrating more environmentally friendly and natural refrigerants, such as ammonia and carbon dioxide, which have zero Ozone Depletion Potential (“**ODP**”) and low Global Warming Potential (“**GWP**”). These innovations will support the development of larger cold storage facilities and logistics warehouses, contributing to enhanced food security.

The Group continues to evolve with the changing demands of the market and has integrated various elements in our product offerings, including equipment, controls, and systems to provide comprehensive solutions that enhance energy performance and efficiency. Over time, we plan to expand our offerings to include energy monitoring products to help track and optimise consumption. To support this, we actively promote and showcase highly energy-efficient products alongside smart monitoring systems in our innovation center, located within our service center. This aims to raise awareness among our customers and amplify our indirect impact by encouraging more sustainable practices.

With FY2022 as the baseline year, the Group has made a dedication to transition towards a lower-carbon economy and achieving carbon neutrality. These efforts include solar energy generation, primarily from our operations in Singapore and the PRC, further reinforcing our commitment to sustainable and efficient energy management.

To track the effectiveness of its energy management initiatives, the Group continuously monitors energy consumption, GHG and the contribution of renewable energy sources in our facilities. Lessons learned from these initiatives are incorporated into operational policies and procedures, enabling continuous improvement in energy management strategies.

Engagement with stakeholders has played a crucial role in shaping the Group's energy efficiency initiatives. Employees receive trainings on sustainable energy practices, while customers are educated on the benefits of energy-efficient solutions. Collaboration with suppliers ensures that sustainability considerations are embedded throughout the supply chain. Furthermore, regulatory compliance and investor engagement are key factors driving the Group's efforts to align with international sustainability frameworks, such as TCFD.



An Elite condensing unit engineered and built by Elite Envirotech Co., Ltd.

### Performance [302-1 and 302-3]

In this Report, the unit of measurement for electricity generated and consumed will be reported in kWh instead of mWh as per the FY2023 report to compute the emissions without rounding. FY2024, electricity consumption in the Group increased by 138,832 kWh or 6% over FY2023 due to increased activities, generating increased revenue of S\$19.2 million. The Group has integrated renewable energy into its operations by installing solar panels at key facilities, reducing reliance on non-renewable electricity from the national grid. Total electricity generated from the solar panels in FY2024 was 1,333,105 kWh compared to 551,675 kWh in FY2023 where the solar panels were used for approximately 5 months. Total electricity that was generated from the solar panels that consumed amounts to 900,776 kWh in FY2024 as compared to 377,863 kWh in FY2023.

With the expansion of solar panel installation, the Group has significantly increased the generation of renewable energy. As a result, there was a higher amount of Renewable Energy Certificates (RECs) sold, increasing from 173,812 kWh in FY2023 to 432,331 kWh in FY2024. This underscores our effort to manage our energy consumption to offset emissions.



Regional headquarters covered with solar panels

Other regions such as Malaysia and China also saw moderate increases in electricity use, while consumption in Vietnam and Indonesia declined slightly.

Total Electricity Consumption	FY2023	FY2024
By operation:	kWh	kWh
Singapore	1,494,489	1,574,964
Electricity from National Grid	1,116,626	674,188
Electricity from Solar / Carbon Neutral Sources	377,863	900,776
Malaysia	99,713	103,169
China	548,312	605,782
Hong Kong	1,018	-
Vietnam	13,097	11,590
Indonesia	595	551
<b>Total</b>	<b>2,157,224</b>	<b>2,296,056</b>

Energy Sold	FY2023	FY2024
	kWh	kWh
Singapore	173,812	432,331
<b>Total</b>	<b>173,812</b>	<b>432,331</b>

Electricity consumption intensity decreased slightly at the group level, from 27.11 kWh/S\$'000 in FY2023 to 23.25 kWh/S\$'000 in FY2024, indicating more efficient electricity use relative to revenue, due to the use of solar-generated electricity.

Electricity Consumption Intensity	FY2023	FY2024
	kWh/S\$'000	kWh/S\$'000
<b>Group</b>	27.11	23.25

*\*Intensity values were computed using total energy consumption across all business units divided by the year-end revenue of the fiscal year for the entire group.*

Total fuel consumption rose from 95,755 liters in FY2023 to 111,032 liters in FY2024. This increase was largely incurred by the Engineering Solutions segment where ACMV projects were carried out.

Fuel Consumption	FY2023	FY2024
	Liters	Liters
<b>Singapore</b>		
Diesel	75,504	88,571
Petrol	3,069	2,810
<b>Malaysia</b>		
Diesel	7,082	11,191
Petrol	1,737	1,613
<b>China</b>		
Diesel	2,091	2,630
Petrol	6,272	4,217
<b>Total</b>	<b>95,755</b>	<b>111,032</b>

### 8.3. GHG Emissions and Intensity [305-1, 305-2, 305-3, 305-4, 305-5]

As electricity consumption is a key contributor to GHG emissions, the use of non-renewable energy sources will affect the Group's indirect emissions (Scope 2). The Group also has a commercial fleet for equipment deliveries, servicing, and maintenance, which primarily runs on diesel and petrol. This forms part of the Group's Scope 1 emissions. Please refer to the Energy Consumption section of this Report to see the company's main approach to reducing its sources of Scope 1 and 2 emissions.

The total Scope 1 emissions from mobile combustion rose from 250,561 kgCO<sub>2</sub>e in FY2023 to 291,841 kgCO<sub>2</sub>e in FY2024, reflecting a slight increase in operational fuel use. This was mainly driven by higher diesel consumption in Singapore and Malaysia. Emissions from petrol use in Singapore remained constant, while China's petrol emissions decreased slightly. Overall, emissions intensity decreased from 3.15 kgCO<sub>2</sub>e/S\$'000 in FY2023 to 2.96 kgCO<sub>2</sub>e/S\$'000 in FY2024, indicating slightly lower emissions per unit of revenue. In FY2023, the mobile combustion was 252,634 kgCO<sub>2</sub>e due to a single emission factor ("EF") applied across the various fuels. In this Report, we have further differentiated the EFs based on geographical location to better reflect the relevance of each country's GHG.

The Group primarily tracks fuel consumption related to vehicle use under Scope 1. Emissions are calculated based on the specific type of fuel consumed. For operations in Singapore, EFs were obtained from the CERT Tool v6.0.9, referencing IPCC 2006 guidelines. EFs for China were sourced from the UK Department for Environment, Food and Rural Affairs (DEFRA) 2024.



Scope 1: Mobile Combustion	FY2023		FY2024	
	kgCO <sub>2</sub> e	kgCO <sub>2</sub> e/S\$'000	kgCO <sub>2</sub> e	kgCO <sub>2</sub> e/S\$'000
<b>Singapore - FEG</b>				
Diesel	200,316	2.52	234,984	2.38
Petrol	7,106	0.09	6,506	0.07
<b>China</b>				
Diesel	5,565	0.07	7,000	0.07
Petrol	14,763	0.19	9,926	0.10
<b>Malaysia</b>				
Diesel	18,789	0.24	29,690	0.30
Petrol	4,022	0.05	3,735	0.04
<b>Total</b>	<b>250,561</b>	<b>3.15</b>	<b>291,841</b>	<b>2.96</b>

In FY2024, total Scope 2 emissions decreased across all operations. Singapore achieved the most significant reduction in emissions, from 453,015 kgCO<sub>2</sub>e in FY2023 to 273,518 kgCO<sub>2</sub>e in FY2024, along with a drop in intensity from 5.69 kgCO<sub>2</sub>e/S\$'000 in FY2023 to 2.78 kgCO<sub>2</sub>e/S\$'000 in FY2024, reflecting improved efficiency and greater use of renewables energy. China recorded the next biggest decrease in emission intensity despite having higher GHG emission due to the differentiation of the EFs by geographical region in FY2024. Emissions data for Hong Kong was unavailable for FY2024 as the operations have been converted to a home office in FY2024.

All activity sources under Scope 2 are derived from non-renewable energy sourced through national grids, with the exception of the FEG – Singapore site, which utilises renewable energy from solar sources. Emission factors for Singapore were sourced from the CERT Tool v6.0.9. For Vietnam and Malaysia operations, emission factors were based on IGES recommendations. Indonesia's emission factors were obtained from Kementerian ESDM 2021, while China's were sourced from the Ministry of Ecology and Environment ("MEE") of China.

Emission factors used for Energy Sold were tracked for offsets, using the negative equivalent of the emission factors for Scope 2 – location based.

Scope 2: Location-based	FY2023		FY2024	
	kgCO <sub>2</sub> e	kgCO <sub>2</sub> e/S\$'000	kgCO <sub>2</sub> e	kgCO <sub>2</sub> e/S\$'000
Singapore	453,015	5.69	273,518	2.78
Malaysia	68,281	0.86	70,307	0.71
China	434,317	5.46	479,840	4.86
Hong Kong	397	0.005	-	-
Vietnam	12,100	0.15	10,708	0.11
Indonesia	476	0.006	440	0.004
<b>Total</b>	<b>968,586</b>	<b>12.17</b>	<b>834,813</b>	<b>8.45</b>

**Note:**

In FY2023, a standard EF of 0.2556 was applied across all locations. In FY2024, a differentiated EF based on different geographical regions is used to better reflect the relative GHG emission of each country resulting in the higher kgCO<sub>2</sub>e computation. With higher revenue generated in FY2024, the emission intensity has decreased.

Energy Sold	FY2023	FY2024
	<b>kgCO<sub>2</sub>e</b>	<b>kgCO<sub>2</sub>e</b>
Singapore	70,516	175,397
<b>Total</b>	<b>70,516</b>	<b>175,397</b>

In FY2024, the Group has started to track selected Scope 3 emissions from purchased goods and services which primarily include materials related to utility services, specifically office cleaning and waste generated in operations. EFs were derived from the USEEIO 2024 database, employing a spend-based calculation approach.

Scope 3: Category 1 - Purchased Goods and Services	FY2023		FY2024	
	<b>kgCO<sub>2</sub>e</b>	<b>kgCO<sub>2</sub>e/S\$'000</b>	<b>kgCO<sub>2</sub>e</b>	<b>kgCO<sub>2</sub>e/S\$'000</b>
<b>Vietnam - Far East Refrigeration</b>	116	0.001	66	0.001

Emissions from waste generated in operations cover non-hazardous waste, which is managed through various disposal methods. Emission factors for waste-related emissions were sourced from the CERT Tool v6.0.9.

Scope 3: Category 5 -Waste Generated in Operations	FY2023		FY2024	
	<b>kgCO<sub>2</sub>e</b>	<b>kgCO<sub>2</sub>e/S\$'000</b>	<b>kgCO<sub>2</sub>e</b>	<b>kgCO<sub>2</sub>e/S\$'000</b>
<b>Singapore - FEG</b>	52,599	0.66	77,962	0.79

#### Targets

We will continue to reduce our dependence on conventional energy sources, with the installation of solar panels and new technologies. In addition, periodic review and assessment of our processes will be done to allow us to innovate and improve our operation's efficiency across the Group, and subsequently, reduce GHG emissions.

#### 8.4. Waste Generation

Why it is material [3-1]

Effective waste management is essential to minimise our environmental footprint and comply with local regulations. As a manufacturer and distributor, reducing waste across our operations supports resource efficiency, safeguards community health, and reflects our commitment to sustainable practices. At present, certain facilities do not split our waste by materials.

Management Approach [3-3]

To better monitor our waste, the Management requires the subsidiary companies within the Group to start tracking the type of waste disposed. A further refinement of data captured will be disclosed in subsequent sustainability reports.

Performance [306-3]

In FY2024, the general non-hazardous waste generated in Singapore increased from 93,760 kg in FY2023 to 138,970 kg in FY2024.

Non-Hazardous Waste (kg)	FY2023	FY2024
<b>Singapore - General Waste</b>	93,760	138,970

#### Targets

The Group aims to start creating awareness within the Group by highlighting the importance of effective waste management to our staff. Examples of certain sustainability observances to create such awareness may be World Earth Day, World Nature Conservation Day, etc.

## 9. People

### 9.1. Human Capital Development

Why it is material [3-1]

The Group recognises that human capital development is essential for business sustainability and long-term success. Since the Group operates within the technical industry, it faces ongoing challenges such as a shortage of skilled and talented employees, with in-depth industry knowledge and technical expertise. In addition, there are risks associated with employee attrition, whether voluntary or involuntary, and rising recruitment costs. These can impact operational efficiency, succession planning, and workforce morale.

#### Headcount of employees for the Group as of 31 December 2023 and 2024 [2-7, 2-8, 401-1]

	Male		Female		Total	
	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024
<b>Permanent Contract</b>	287	271	111	91	398	362
<b>Temporary Contract</b>	3	53	0	21	3	74
<b>Total</b>	<b>290</b>	<b>324</b>	<b>111</b>	<b>112</b>	<b>401</b>	<b>436</b>

	Male		Female		Total	
	FY 2023	FY 2024	FY 2023	FY 2024	FY 2023	FY 2024
<b>Full-time</b>	287	323	111	112	398	435
<b>Part-time</b>	3	1	0	0	3	1
<b>Total</b>	<b>290</b>	<b>324</b>	<b>111</b>	<b>112</b>	<b>401</b>	<b>436</b>

Management Approach [3-3]

As we believe that human capital is the driving force to our Group's success, the Group has implemented structured career development programs, skills training, and competitive benefits to attract and retain our talents. The Group is committed to managing human capital through a structured approach that includes training, employee engagement, and workplace safety initiatives.

#### Training and Development

The Group recognises that training and development are vital to human capital development. Investing in our employees' skills and career progression ensures a highly competent and motivated workforce, allowing us to achieve our business goals and success. Each employee has their individual development plans, with various training programs and annual appraisals. These programs are tailored to equip our employees with technical knowledge, leadership skills, and other competencies, to ensure they are well-prepared to navigate their roles and increase overall productivity. Regular performance reviews are conducted to evaluate the progress of our employees and recognise individual contributions to the Group.

Some of the trainings attended by our employees in FY2024:

- Workplace Safety & Health in Metal Work
- Safety Awareness Enhancement for Management Personnel
- ISO9001:2015 Training for Quality Assurance
- Cybersecurity Awareness Trainings
- Business Ethics: Anti-Bribery and Corruption by ISCA
- Carbon Accounting & GHG Management – Key to a Low-Carbon Future
- Sustainability Workshop 2024 – Development of the Group's ESG Corporate Purpose Statement





Board's study trip to manufacturing facilities in China

In addition to the ad-hoc and structured training attended by the staff, 2 new independent directors were appointed to the Board in FY2024. As part of the onboarding process and as a refresher, the Board attended internal sessions with the Management to familiarise them with the Group's sustainability activities. The Board had also visited the Group's manufacturing facilities and test-labs for our Eden and Elite brands of products in China.

#### Performance [404-1 and 404-2]

To track the effectiveness of these initiatives, the Group monitors key indicators such as training hours per employee, employee turnover rates, and participation in upskilling programs. Annual performance appraisals and employee feedback mechanisms help assess the impact of these initiatives, ensuring continuous improvement.



In FY2024, training programs were expanded, with senior management and even the Board attending courses and company visits to further their understanding of the Group's business.

The average training hours based on geographical region in FY2024 are as follows:

Country	Average Training Hours
Singapore	5.05
Malaysia	9.28
China	26.24
Vietnam	2.8
Indonesia	6.30

*\*Average training hours is computed as total training hours of the country divided by the number of employees from that country.*

The average training hours based on gender and employee category in FY2023 and FY2024 are as follows:

Gender				
Year	FY2023	FY2024	FY2023	FY2024
Average Training Hours	2.83	9.30	1.61	17.29

Employee category	Average training hours	
	FY2023	FY2024
Director & C-Level	10.43	18.09
Manager	4.47	11.97
Executive/supervisor	1.05	11.40
Assistant/general worker	1.62	10.99

### Benefits and Wellness

#### Performance [401-1]

The Group recognises the importance of its employee's well-being, and has implemented various programs to support a positive and supportive work environment. Competitive remuneration packages and benefits programs, such as comprehensive health and insurance benefits, are offered to promote employee satisfaction. In addition, employees are given flexible work arrangements, including work-from-home option and staggered work hours, depending on the nature of the work.

With the enforcement of the Workplace Safety and Health Safety Act and implementation of the Flexible Work Arrangement ("FWA") Requests in Singapore, the Group has reviewed staff benefits and safety standards of the respective entities to ensure compliance with the Act. The Group has enacted a FWA Policy in compliance with the requirements in Singapore.

#### Targets

Moving forward, the Group aims to strengthen its succession planning, expand technical training programs, and improve workforce retention strategies. The Group is reviewing its long-term targets for employee development, including its benefits and wellness programs. By continuously investing in human capital, Far East Group remains committed to fostering a skilled, engaged, and resilient workforce that supports sustainable business growth.

#### Our new hire and turnover rates are as follows:

	New Employee Hires (Number)				Rate of Employee Hire (%) *	
Gender	Male		Female		Total	
Age (Years)	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024
Less than 30	24	26	11	1	44	35
Between 30 and 50	37	43	5	10	17	16
More than 50	8	16	1	1	13	16
Total	69	85	17	12	21	19

\*The rate of employee hire is computed by dividing the number of new hires in each age group by the total number of employees in each age group at the end of the financial year.

	Employee Turnover (Number)				Rate of Employee Turnover (%) *	
Gender	Male		Female		Total	
Age (Years)	FY2023	FY2024	FY2023	FY2024	FY2023	FY2024
Less than 30	16	16	5	0	21	22
Between 30 and 50	34	37	9	14	43	15
More than 50	9	18	1	0	10	18
Total	59	71	15	14	19	17

\*The rate of employee turnover is computed by dividing the number of employee turnover in each age group by the average number of employees in each age group in the financial year.

	Rate of New Employee Hire and Turnover (%)			
	Male		Female	
	FY2023	FY2024	FY2023	FY2024
Rate of new employee hire *	24	26	15	11
Rate of employee turnover ^	21	25	14	13

\*The rate of employee hire is computed by dividing the number of new hires of each gender by the total number of employees of each gender at the end of the financial year.

^The rate of employee turnover is computed by dividing the number of employee turnover of each gender by the average number of employees of each gender in the financial year.

## 10. Occupational Health and Safety [403-9]

Why it is material [3-1]

Workplace safety is a fundamental responsibility and a core part of our values of the Group. We recognise that any failure in this area can result in significant reputation risk and operational disruption. By fostering a safe and conducive working environment through our support in employee growth and development, it enhances overall productivity and ensures compliance with regulatory requirements. We strive to uphold our efforts in maintaining high standards of occupational health and safety to minimise the risk of work-related injuries and liabilities.

Management Approach [3-3]

The Group is ISO 45001:2018 (Occupational Health & Safety Management System) certified. The Group enforces strict compliance with safety regulations and government standards in all our facilities. There are regular safety briefings, training sessions, and audits conducted to reinforce best practices to ensure compliance with regulatory requirements. We designate key personnels to oversee workplace safety, such as dedicated on-site safety officer along with an outsourced fire safety manager. These individuals are responsible for implementing and monitoring safety protocols, conducting regular toolbox meetings, inspections and facilitating defibrillator and fire drills. Safety policies are regularly assessed and reviewed to ensure ongoing effectiveness. Preventive measures are implemented, and issues are proactively addressed. To further enhance workplace safety, new safety protocols for high-risk operations were introduced to mitigate potential risks effectively.

## Performance [403-9]

No high-consequence or fatal injuries were recorded in FY2024 (FY2023: Nil), reflecting the effectiveness of ongoing safety initiatives. Continuous improvement measures, including enhanced training and safety inspections, were implemented to reinforce the Group's commitment to workplace safety. Safety officers are also deployed to oversee and ensure adherence to all safety protocols. Our workers have also been sent for courses in workplace safety and health, especially metal works and on construction sites. Additionally, certain safety training courses include assessments to verify participant understanding, with successful completion required to pass the course.

All sub-contractors are engaged on a back-to-back basis in accordance with the terms and conditions imposed by the main contractors. These contracts include specific clauses requiring full compliance with applicable Workplace Safety and Health ("WSH") regulations and guidelines.

## Targets

We are committed to strengthening our safety culture by continuously developing, implementing, and refining campaigns that educate and empower employees on best safety practices. Through these initiatives, we aim to reinforce awareness, enhance workplace safety, and sustain our target of zero high-consequence or fatal injuries.

## 11. Marketplace

### *Product Quality, Health and Safety*

## Why it is material [3-1]

Maintaining product quality and safety are critical to the Group's reputation and business success. Compliance with health and safety standards ensures consumer trust, reduces legal and financial risks, and aligns with regulatory requirements. Any issues regarding the functionality of our products or any harm to the health and safety of our customers on product usage can result in a significant loss of customers.

## Management Approach [3-3]

The Group adheres to stringent quality assurance protocols to ensure product safety. Regular audits and supplier assessments are conducted to uphold quality standards, and a dedicated response mechanism is in place to address customer concerns efficiently.

In addition, the Group invests heavily in research and development to drive continuous innovation, align with market trends, advancing HVAC&R technologies and integrate sustainable technologies that address evolving customer needs. This includes developing eco-friendly products and solutions that align with our sustainability goals.

To uphold our commitment to sustainability and achieving our long-term goal of Net Zero emissions, we introduced a series of industrial unit coolers designed to operate using natural refrigerants such as carbon dioxide and ammonia in 2023. These refrigerants offer significant advantages, including low GWP and zero ODP, making them instrumental in addressing climate-related challenges.

Furthermore, these efforts align with international agreements, including the Montreal Protocol and the Kigali Agreement, where the Montreal Protocol is focused on ozone depletion, the Kigali Amendment targets climate

change through the control of HFC emissions. We remain committed to minimising our operational impact and contributing to a more sustainable future.

#### Performance [416-2]

In FY2024, no recorded cases of non-compliance were reported in relation to product health and safety (FY2023: Nil). The Group also expanded its range of eco-friendly refrigerant solutions to align with sustainability goals.

Traditional equipment offered by the company is generally not associated with significant safety risks. However, newer technologies—such as refrigeration systems using CO<sub>2</sub> or ammonia as refrigerants—may present potential hazards due to the high pressure of CO<sub>2</sub> or the toxicity of ammonia. To mitigate these risks, the Group ensures that such systems are equipped with appropriate safety features, including sensors for leak detection and real-time alert mechanisms. Comprehensive training is provided to contractors for proper installation and to end-users for the safe operation of these systems.

In the event of product failures or customer complaints, concerns are escalated internally through established protocols. The company ensures that all customer issues are addressed promptly and effectively to maintain product safety and customer satisfaction.

#### Targets

We will continue to strengthen health and safety measures in our products, refining our approach to ensure compliance and uphold our target of zero non-compliance incidents in FY2025.

## 12. Corporate Governance and Business Ethics

### 12.1. Ethical Business Conduct and Anti-Corruption [205-1, 205-2, 205-3, 2-23, 2-24, 2-25, 2-26, 2-27]

#### Why it is material [3-1]

Maintaining ethical business practices is essential for protecting stakeholder trust and ensuring long-term business integrity. Corruption, bribery, and unethical behavior pose significant risks to businesses, including legal penalties, reputational damage, and financial losses.

The Group is committed to transparency, accountability, and enforces anti-corruption measures in all markets where we operate. We ensure robust policies, risk management, and reporting mechanisms in place.

#### Management Approach [3-3, 2-23]

We uphold a zero-tolerance policy on corruption and bribery, guided by our Code of Ethics and Conduct (the “**Code**”) and Whistleblowing Policy. All employees are briefed on the Code when they join the Group and are required to strictly adhere to it. Disciplinary action will be taken against any employee who is found to have violated the Code. In addition, we also have a Whistleblowing Policy for any stakeholder to report any suspected fraudulent acts or non-compliance confidentially without fear of reprisals. Such reports will be made to the Chairman of the Audit Committee. Any complaints received will be reviewed and an investigation carried out with appropriate follow-up actions taken.

#### Performance [205-3, 2-24, 2-25, 2-26, 2-27]

In FY2024, we enhanced our anti-corruption framework, strengthening risk assessments, training, and reporting channels. There has been no incidence of whistleblowing and corruption in FY2024 (FY2023: 1) and

no reports of non-compliance with applicable environmental and socioeconomic laws and regulations in FY2024 (FY2023: Nil). As part of the Group's enhancement on ESG compliance, training on anti-bribery and corruption compliance based on the United States' Foreign Corrupt Practices Act 1977 ("FCPA") has been conducted for key executives of the Management team in FY2024.

#### Targets

Far East Group Limited remains committed to strengthening ethical governance and anti-corruption measures. Our key priorities include:

- Conducting 100% corruption risk assessments across all operations to ensure compliance.
- Enhancing anti-corruption training for all employees and business partners to reinforce ethical practices.
- Strengthening our whistleblowing mechanism to encourage transparency and accountability.
- Regularly reviewing and updating policies to align with international best practices and regulatory requirements.

By maintaining a strong ethical foundation, we uphold our commitment to responsible business practices, stakeholder trust, and long-term corporate integrity. We strive to prevent the occurrence of fraud and corruption in our operations by continually reviewing and updating our internal controls and procedures.

### 12.2. Cybersecurity and Data Protection [418-1]

#### Why it is material [3-1]

As the Group handles sensitive business and customer information, data protection and cybersecurity are critical to maintaining trust and ensuring compliance with privacy regulations. With increasing digital transactions and reliance on technology, businesses face growing threats from data breaches, cyberattacks, and regulatory non-compliance. We prioritise data security, privacy protection, and risk mitigation to prevent breaches and unauthorised access.

#### Management Approach [3-3]

The Group implements strict cybersecurity measures, regular system monitoring, and employee training to safeguard sensitive data. We are guided by the Personal Data Protection Act in Singapore to protect the privacy of our customer data. Our data is stored in an Enterprise Resource Planning ("ERP") system which runs on a cloud server and is protected under network security which only accessible by our own employees. We conduct regular internal audits and risk assessments to ensure compliance with relevant privacy regulations. By continuously strengthening our IT infrastructure and security protocols, we reduce cyber risks and enhance data protection.

#### Performance [418-1]

In FY2024, we reinforced our cybersecurity framework as seen in our performance. We have not received any substantiated complaints concerning data leakages or breaches of customer personal data in FY2024 (FY2023: Nil).

We have proactively engaged a professional external party to conduct penetration tests to check the vulnerability of our IT systems to provide the management with an assessment of areas for improvement in terms of our IT hardware, software and systems as in the previous year. While we faced cybersecurity threats such as spam and phishing mails, these were promptly addressed and blocked by the security systems in place,

preventing access to our systems. We enhanced firewall protection, access controls, and monitoring systems while conducting threats.

In FY2024, we continued to proactively tackle issues focusing on key areas such as endpoint security, email security and web security. In addition, training was also provided to the employees of the Group to raise security awareness and to refresh their knowledge of data security and protection and digital threats. Our commitment to safeguarding our systems and data remains unwavering.

#### Targets

We strive to maintain our zero high risk breach record by being vigilant in our review of our risk exposure to cyberattacks and taking the necessary steps to upkeep our system security. We aim to continuously improve cybersecurity by investing in advanced security technologies, regular system upgrades, and compliance with evolving regulations. Our commitment is to maintain data security, prevent breaches, and uphold the highest standards of privacy protection.

### **12.3. Executive Compensation and Pay Structure [2-21]**

The Group ensures that its remuneration framework is fair, competitive, and aligned with business performance, supporting long-term value creation and corporate governance principles. The Remuneration Committee (“RC”) oversees compensation policies, ensuring they balance fixed pay, performance-based incentives, and market benchmarks while promoting sustainable business growth.

We remain committed to transparency and responsible pay practices. Moving forward, we will continue to align compensation with performance including the achievement of ESG related targets, enhance disclosure clarity, and ensure fair and sustainable remuneration policies. Please refer to the Annual Report pages 25-26, 120, and 124 for more information.

### **13. Financial Resilience [201-1, 201-2, 201-3, 201-4]**

#### Why it is material [3-1]

We recognise that financial resilience is the key to ensuring long-term success and strong economic performance is more than just maintaining stability—it is about adaptability, strategic growth, and the ability to turn challenges into opportunities. A strong financial foundation allows us to adapt to market changes, invest in innovation, and continue delivering value to our employees, customers, investors, and the communities we operate in.

In today’s uncertain economic climate, with rising costs, evolving regulations and climate-related financial risks, we remain focused on staying agile. By managing our financial resources effectively, we ensure that we not only withstand challenges but also leverage opportunities for sustainable growth.

Financial resilience enables us to maintain operational efficiency, explore new markets, and invest in sustainability initiatives, ensuring that our business leads in the transition toward a more sustainable, energy-efficient future while also creating lasting value for all our stakeholders.

#### Management Approach [3-3]

The Group ensures financial resilience through strong governance, prudent and efficient cost management, and strategic investments. We optimise resources, maintain liquidity, and assess risks to sustain profitability

while adapting to market changes. Our focus includes investing in energy-efficient solutions, expanding revenue streams, and exploring green financing to align growth with sustainability. Through disciplined financial planning, we strengthen our ability to navigate challenges and create long-term value.

Performance [201-1, 201-2, 201-3, 201-4]

In FY2024, the Group navigated a challenging economic landscape. Revenue reached S\$ 98.7 million, reflecting an increase from FY2023 by 24.1% due to the completion of engineering projects in the Wholesale and Distribution segment and projects being on track for the Engineering Solutions segment. Economic value stood at S\$70.2 million, ensuring sufficient resources to reinvest in business development and sustainability initiatives.

### 13.1. Economic Value Generated & Distributed [201-1]

	FY 2023 S\$'000	FY 2024 S\$'000
<b>Economic value generated (Sales)</b>	79,559	98,743
<b>Economic value distributed:</b>		
- Salaries and wages	14,847	14,491
- Taxes	374	669
- Operating costs *^	4,828	5,675
<b>Economic value retained</b>	59,510	77,908

\* Operating costs refer to the operating expenses incurred in the financial year by the Group other than the salaries and wages as disclosed in the table above.

^ Operating costs for FY2023 is restated to exclude results from associates and impairment losses which were previously included to better reflect the cost structure.

### 13.2. Employee Benefits & Retirement Plans [201-3]

We remain committed to ensuring financial security for our employees through competitive compensation and retirement benefits. We fully comply with Singapore's Central Provident Fund ("CPF") scheme and continue to explore additional financial wellness programs to support long-term workforce resilience.

### 13.3. Government Financial Assistance [201-4]

In 2024, we received a Market Readiness grant from Enterprise Singapore to participate in the Chillventa exhibition in Germany. Chillventa is one of the world's largest exhibitions for the HVAC&R industry. We continue to actively explore sustainability-linked loans and government grants to fund future investments in low-carbon technologies and operational efficiency projects.

### Targets

Moving forward, we aim to strengthen financial resilience, grow revenue, and align investments with sustainability goals. We will expand into new markets, enhance cost efficiency, and scale up renewable energy adoption to manage rising carbon costs. Additionally, we will explore green financing and government incentives to support long-term growth across our operations.



## **Our Memberships, External Initiatives and Charters [2-28]**

1. ASHRAE (American Society of Heating, Refrigerating and Air-conditioning Engineers)  
- Chapter Singapore and Indonesia
2. BizSAFE Level 3
3. Singapore Chinese Chamber of Commerce and Industry
4. Chongqing Association of Refrigeration (重庆制冷协会)
5. China Association of Warehousing and Distribution (中国仓协央厨工业链分会)
6. Chengdu Cold Chain Logistics Commercial Association (成都市冷链物流商会)

## GRI Content Index

Statement of Use: Far East Group has reported the information cited in this GRI content index for the period January 1, 2024 - December 31, 2024, with reference to the GRI Standards.		
Disclosure No.	Disclosure Title	Page No.
<b>GRI 2: General Disclosures</b>		
2-1	Organisational details	7
2-2	Entities included in the organisation's sustainability reporting	5
2-3	Reporting period, frequency and contact point	5
2-4	Restatements of information	5
2-5	External assurance	6
2-6	Activities, value chain and other business relationships	7-8
2-7	Employees	24-27
2-8	Workers who are not employees	24-27
2-9	Governance structure and composition	3-9, Annual report pages 11-47
2-10	Nomination and selection of the highest governance body	Annual report pages 14-22
2-11	Chair of the highest governance body	13, Annual report page 17
2-12	Role of the highest governance body in overseeing the management of impacts	12-14
2-13	Delegation of responsibility for managing impacts	12-14
2-14	Role of the highest governance body in sustainability reporting	12-14
2-15	Conflicts of interest	Annual report page 11
2-16	Communication of critical concerns	29-30, Annual report page 30
2-17	Collective knowledge of the highest governance body	Annual report page 12
2-18	Evaluation of the performance of the highest governance body	13-14, Annual report page 19-22
2-19	Remuneration policies	Annual report pages 22-26
2-20	Process to determine remuneration	Annual report pages 22-26
2-21	Annual total compensation ratio	31, Annual report pages 120 and 124
2-22	Statement of sustainable development strategy	3-4
2-23	Policy commitments	29
2-24	Embedding policy commitments	29-30
2-25	Processes to remediate negative impacts	29-30
2-26	Mechanisms for seeking advice and raising concerns	29-30
2-27	Compliance with laws and regulations	16, 29-30
2-28	Membership associations	33
2-29	Approach to stakeholder engagement	8-9

<b>2-30</b>	Collective bargaining agreements	No employees are covered under collective bargaining agreements
<b>3-1</b>	Process to determine material topics	10-11, 16-17, 22, 24, 27-31
<b>3-2</b>	List of material topics	10-11
<b>3-3</b>	Management of material topics	16-17, 22, 24, 27-31

Disclosure No.	Disclosure Title	Page No.
<b>GRI 3: Material Topics</b>		
<b>GRI 201: Economic Performance 2016</b>		
<b>201-1</b>	Direct economic value generated and distributed	32
<b>201-2</b>	Financial implications and other risks and opportunities due to climate change	32
<b>201-3</b>	Defined benefit plan obligations and other retirement plans	32
<b>201-4</b>	Financial assistance received from government	32
<b>GRI 205: Anti-corruption 2016</b>		
<b>205-1</b>	Operations assessed for risks related to corruption	29-30
<b>205-2</b>	Communication and training about anti-corruption policies and procedures	29-30
<b>205-3</b>	Confirmed incidents of corruption and actions taken	29-30
<b>GRI 302: Energy 2016</b>		
<b>302-1</b>	Energy consumption within the organisation	18-20
<b>302-3</b>	Energy intensity	18-20
<b>GRI 305: Emissions 2016</b>		
<b>305-1</b>	Direct (Scope 1) GHG emissions	20-22
<b>305-2</b>	Indirect (Scope 2) GHG emissions	20-22
<b>305-3</b>	Other indirect (Scope 3) GHG emissions	20-22
<b>305-4</b>	GHG emissions intensity	20-22
<b>305-5</b>	Reduction of GHG Emissions	20-22
<b>GRI 306: Waste 202</b>		
<b>306-3</b>	Waste Generation	22-23
<b>GRI 401: Employment 2016</b>		
<b>401-1</b>	New employee hires and employee turnover	25-27
<b>GRI 403: Occupational Health and Safety 2018</b>		
<b>403-9</b>	Work-related injuries	27-28
<b>GRI 404: Training and Education 2016</b>		
<b>404-1</b>	Average training hours per year per employee	25-26
<b>404-2</b>	Programs for upgrading employee skills and transition assistance programs	24-26
<b>GRI 416: Customer Health and Safety 2016</b>		
<b>416-2</b>	Incidents of non-compliance concerning the health and safety	29

	impacts of products and services	
<b>GRI 418: Customer Privacy 2016</b>		
<b>418-1</b>	Substantiated complaints concerning breaches of customer privacy and losses of customer data	30-31

## TCFD Content Index

TCFD Recommendation		Page No.
<b>Governance – Disclose the organisation’s governance of climate-related risks and opportunities</b>		
a)	Describe the board’s oversight of climate-related risks and opportunities	12-13
b)	Describe management’s role in assessing and managing climate-related risks and opportunities	13-14
<b>Strategy - Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning where such information is material</b>		
a)	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	13-14
b)	Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy, and financial planning	13-14
c)	Describe the resilience of the organisation’s strategy, taking into consideration different climate related scenarios, including a 2°C or lower scenario	14
<b>Risk Management - Disclose how the organisation identifies, assesses, and manages climate-related risks</b>		
a)	Describe the organisation’s processes for identifying and assessing climate-related risks	13-15
b)	Describe the organisation’s processes for managing climate-related risks	13-15
c)	Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation’s overall risk management	13-15
<b>Metrics &amp; Targets - Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material</b>		
a)	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	16-32
b)	Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 GHG emissions, and the related risks	16-32
c)	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	14-16, 22-23