

SPINDEX

SUSTAINABILITY REPORT 2025

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Spindex Industries Limited - Sustainability Report FY2025

BOARD STATEMENT

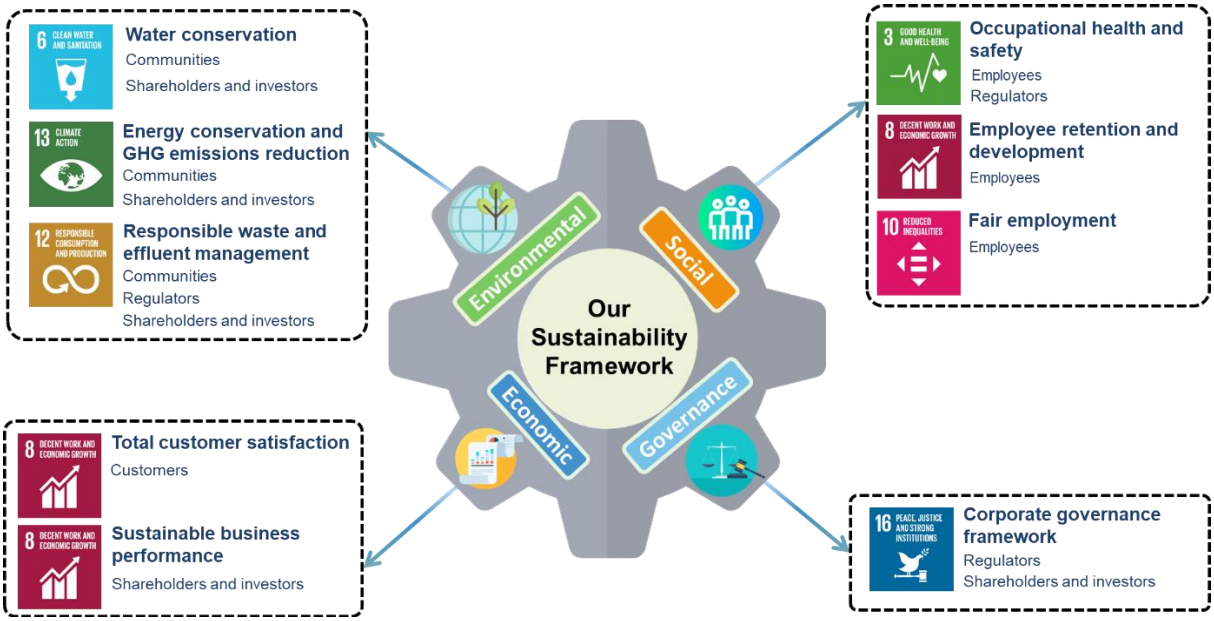
Spindex Industries Limited (the "**Company**"), together with its subsidiaries (collectively as the "**Group**" or "**We**"), is pleased to publish its sustainability report ("**Report**"). For this Report, we provide an overview of our approach, practices, and performance of our material sustainability factors under the economic, environmental, social and governance pillars that are the most material and relevant to our business (collectively as "**Sustainability Factors**").

In line with our commitment to transparency in sustainability reporting, the Board of Directors ("**Board**"), having considered sustainability issues as an integral part of its strategy formulation process and business strategies, determined the material Sustainability Factors, exercised oversight and monitored them. The management team and functional units have the responsibility to identify, measure and address sustainability-related matters on an ongoing basis to ensure that they are addressed.

As we continue with our sustainability journey, we remain committed to building a responsible business that delivers sustainable value to our stakeholders over the long term.

SUSTAINABILITY FRAMEWORK AND PERFORMANCE HIGHLIGHTS

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



A summary of our material sustainability performance for our financial year from 1 July 2024 to 30 June 2025 ("**FY2025**" or the "**Reporting Period**") is as follows:

Sustainability Pillar	Sustainability Metric	Sustainability Performance	
		FY2025	FY2024
Economic	Market standards adopted	Relevant market standards [1] have been adopted in our operations	Relevant market standards[1] have been adopted in our operations
	Revenue	$181.0 million	$180.3 million
	Profit for the financial year	$6.6 million	$15.6 million
Environmental	Water consumption intensity (CuM/ revenue $'000)	2.06	2.08
	Scope 1 and 2 Greenhouse gas ("GHG") emissions (tonnes CO_2e)	29,782	29,797
	GHG emissions intensity (tonnes CO_2e/ revenue $'000)	0.166	0.165
	Hazardous waste generated intensity (tonnes/ revenue $'000)	0.03	0.03
	Non-hazardous waste generated intensity (tonnes/ revenue $'000)	0.02	0.02
Social	Number of workplace fatalities	-	1
	Number of high consequence[2] work-related injuries	-	-
	Turnover rate	19.9%	20.3%
	Average training hours	15.3	15.8
	Number of reported incidents of discrimination [3] raised by our employees	-	-
Governance	Number of incidents of corruption[4]	-	-
	Number of incidents of non-compliance with applicable environmental laws and regulations that resulted in fines and/or non-monetary sanctions	3	-
	Number of incidents of non-compliance with applicable laws and regulations [5] that resulted in significant fines (i.e. more than 5% of revenue) and/or non-monetary sanctions	-	-

REPORTING FRAMEWORK

This Report is prepared in accordance with 711A and 711B of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Rules. The Report is prepared in accordance with the Global Reporting Initiative ("**GRI**") Standards. We choose to report using the GRI Standards as it is one of the most widely used and internationally accepted sustainability reporting standards. A GRI content index is inserted at the end of this Report on our responses to the disclosure requirements.

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

Our climate-related disclosures are produced based on the 11 recommendations of the Taskforce on Climate-related Financial Disclosures ("**TCFD**"). Following the publication of the International

[1] The market standards adopted, and certifications attained by selected entities of the Group to maintain customer experience include ISO 9001: 2015, ISO 14001:2015, IATF 16949: 2018 and High Technology Expertise certification.
[2] A high consequence work-related injury refers to an injury from which the worker cannot recover or cannot recover fully to pre-injury health status within 6 months.
[3] A reported incident of discrimination is one whereby an investigation by a relevant authority has resulted in a penalty to a company.
[4] A corruption is defined as one that involves fraud or dishonesty involving an amount not less than SGD 100,000 and is punishable by imprisonment for a term of not less than two (2) years, which is being or has been committed against a company by officers or employees of the company.
[5] Incidents involving fraud or dishonesty and non-compliance with environmental laws and regulation are excluded.

Sustainability Standards Board ("**ISSB**") Standards – International Financial Reporting Standards ("**IFRS**") S1 and IFRS S2, we conducted a gap analysis against our existing TCFD reporting and are in the process of aligning our climate-related disclosures to the ISSB Standards. We are guided by the phased approach described in Practice Note 7.6 Sustainability Reporting Guide in aligning our climate-related disclosures with the ISSB Standards.

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

REPORTING SCOPE

The scope of this Report focuses on the Group's major operations, namely the head office in Singapore, manufacturing operations in China, Malaysia and Vietnam which collectively contributed approximately 98% of the Group's revenue for FY2025 (FY2024: 100%).

S/N	Entity[6]
1	Spindex Industries Limited ("Spindex")
2	Synturn (M) Sdn. Bhd.
3	Spindex Precision Engineering (Shanghai) Co., Ltd
4	Spindex Precision Technologies (Nantong) Co., Ltd.
5	Spindex Industries (Hanoi) Co., Ltd

FEEDBACK

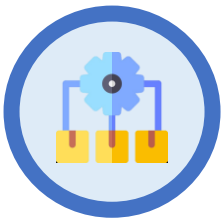
We are fully committed to our stakeholders and welcome feedback pertaining to any aspect of our sustainability policies, processes and performance. Kindly address all feedback to corporate@spindex.com.sg. Your feedback is vital to us in achieving our goals to build a sustainable and thriving business. As part of our efforts to promote environmental conservation, there will be no hard copies made of this Report.

OUR BUSINESS

VALUE CHAIN

The Group is principally involved in precision machined components and assemblies with manufacturing locations in China, Malaysia and Vietnam. Details of our value chain are as follows:

[6] Spindex Precision Engineering (Suzhou) Co., Ltd. was excluded from the reporting scope as its business operations were inactive during the Reporting Period.



Our suppliers

We procure following materials, consumables and capital equipment from our suppliers:

- Metal materials such as brass, aluminium, steel, stainless steel and alloy steels;
- Components, tools and computer numerical control equipment for various precision engineering processes; and
- Cleaning solutions or chemicals for cleaning of components.



Our operations

We are a precision engineering manufacturer with the following core competencies:

- Turning;
- Machining;
- Grinding;
- Surface treatments; and
- Mechanical sub-assemblies.



Our customers

We have a global customer base across different industries, including:

- Printing and imaging;
- Automotive;
- Industrial and power tools; and
- Consumer products and others.

PEOPLE

As at 30 June 2025, the Group has a total of 1,671 (FY2024: 1,634) employees with the following breakdown:

	Singapore	China[7]	Malaysia	Vietnam	Total
Overall (full-time and part-time employees)[8]	21	344	662	644	1,671
Permanent employees	20	4	177	417	618
Temporary employees[9]	1	340	485	227	1,053

POLICY, PRACTICE AND PERFORMANCE REPORTING

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

[7] Figures were restated due to the realignment of employment classifications in our China operations to standardise workforce reporting.
[8] We had no employees on non-guaranteed hours in FY2024 or FY2025. With 1 part-time employee in FY2025 and none in FY2024, no separate disclosure of human resource metrics by full-time and part-time employment type is made.
[9] Temporary employees comprise employees hired on a term and contract basis.

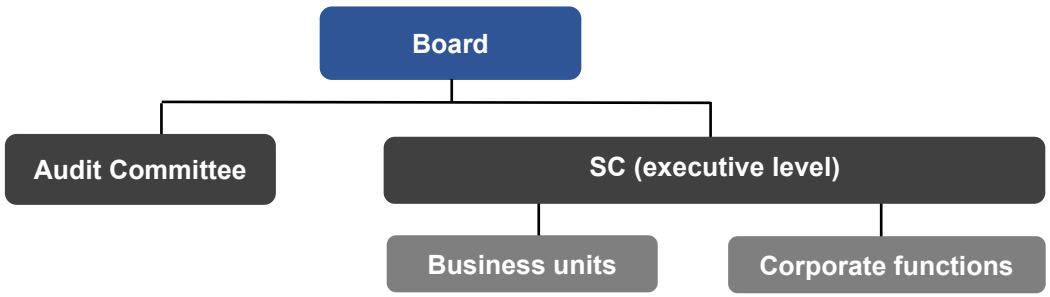
SUSTAINABILITY GOVERNANCE

The Board considers sustainability matters as part of a larger strategy formulation for long-term value creation and leads the sustainability agenda. The Group integrates sustainability in its business decision making and operations. As part of our continual efforts to upgrade the knowledge of our directors on sustainability reporting and to meet the requirement of SGX-ST under Listing Rule 720 (7), we confirm that all directors have attended one of the approved sustainability training courses.

The Board, with support from the Group's executive level Sustainability Committee ("**SC**"), will review the material Sustainability Factors, evaluate the performance and provide strategic direction on the reporting process. Our sustainability strategy is developed and directed by the SC in consultation with the Board. The SC, which includes senior management executives and representatives of plant management from various sites, is led by the Group Managing Director. It is tasked to develop the sustainability strategy, responsible for all sustainability related matters such as identifying material Sustainability Factors, review their material impacts, recommending improvement initiatives, consider stakeholder priorities, set goals and targets, as well as collect, verify, monitor and report sustainability metrics for this Report.

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

Sustainability governance structure



Terms of reference of component parties

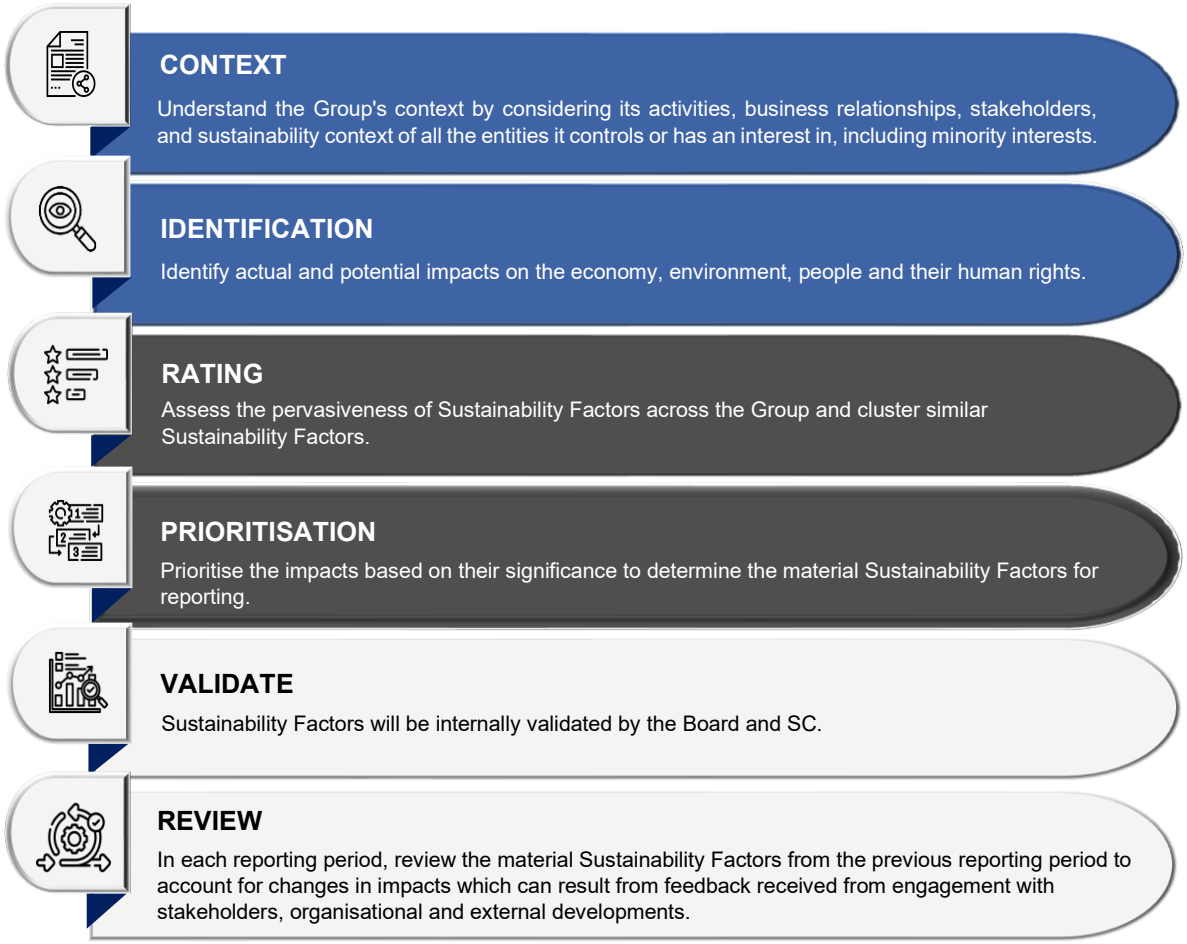
Component Party	Members	Terms of Reference
Board	Board members	• Determine material sustainability factors of the Group • Review and approve sustainability strategies, policies and targets (including materiality assessment process and outcome) • Monitor implementation of sustainability strategies, policies and performance against targets • Oversee the identification and evaluation of climate-related risks and opportunities • Ensure the integration of sustainability and climate-related risks and opportunities within the Group's enterprise risk management ("**ERM**") framework • Review and approve sustainability reports
Audit Committee	Audit Committee members	• Review the adequacy and effectiveness of the Group's internal controls and risk management systems • Oversee the conduct of assurance activities pertaining to the Group's sustainability reporting processes
SC	▪ Group Managing Director ▪ Group Financial Controller ▪ General Manager of various manufacturing plants ▪ Group Human Resources Director	• Develop sustainability strategies and policies • Ensure that the implementation of sustainability strategies is aligned across business segments • Evaluate overall sustainability risks and opportunities, with a focus on climate-related risks and opportunities • Perform materiality assessment • Monitor sustainability activities and performance against targets • Align the Group's practices with the organisation-wide sustainability agenda and strategies • Consolidate sustainability metrics to track sustainability impact on a group basis and for reporting purposes • Prepare sustainability reports
Business units/ Corporate functions	Representatives from business units or corporate functions designated to support the work of the SC	• Align practices on the operational level with the Group's sustainability agenda and strategies • Collect and compile sustainability metrics to track sustainability impact and for reporting purposes

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

SUSTAINABILITY REPORTING PROCESS

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

Processes involved are shown in the chart below:



MATERIALITY ASSESSMENT

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

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

PERFORMANCE TRACKING AND REPORTING

We track the progress of our material Sustainability Factors by identifying the relevant data points and measuring them. In addition, performance targets are set to ensure that we maintain the right course in our path to sustainability. We also consistently enhance our performance-monitoring processes and improve our data capturing systems. A sustainability report will be published annually in accordance with our SR Policy.

STAKEHOLDER ENGAGEMENT

Through a stakeholder mapping exercise, we identified key stakeholder groups which we prioritise our engagements with. They include individuals or groups that have an interest and that are affected or could be affected by our activities.

The SC reviewed the stakeholders across the Group's value chain and identified key stakeholder groups of communities, customers, employees, regulators, shareholders and investors and suppliers. Relevant stakeholders are identified for each of our Sustainability Factors and we engage them as follows:

Key Stakeholder Groups	How We Engage	Frequency	Main Concerns and Expectations	How We Respond
Communities	• Phone and email channels • Media relations	Ongoing	• Contribution to communities • Impacts of business decisions on their environment • Pollution (air, land, water)	Raise awareness through sustainable business practices and assessing our potential harmful impacts on the environment
Customers	• Monitoring product sales • Contacts to our customer service • Feedback channels through email	Ongoing	• Reputation in the market • Quality control	Establish policies for quality control and assurance that ensure our goods are of excellent quality and to promptly address customer complaints
Employees	• Meetings • Training and development • Emails • Face-to-face communication	As and when required	• Fair employment • Training and career development opportunities • Workplace health and safety • Job security • Remuneration and benefits	• Adopt human resource policies and best practices that promote fair treatment, safe working conditions, rewards and recognition for performance • Ensure career growth
	Performance appraisals	Annually		
	Long-service awards	Annually		
Regulators	Consultations and briefings organised by key regulatory bodies such as Singapore Exchange and relevant government agencies/ bodies	As and when required	• Corporate governance • Environmental compliance • Workplace health and safety • Manpower related matters	• Attend courses regularly to stay updated on latest regulatory requirements • Engage with the respective local government authorities and agencies where we operate, as a mean to keep abreast of changes to laws and regulations

Key Stakeholder Groups	How We Engage	Frequency	Main Concerns and Expectations	How We Respond
Shareholders and investors	• Annual general meeting • Annual reports • Sustainability reports	Annually	• Group's strategic development • Current financial performance • Market valuation • Dividend payment • Corporate governance	• Appoint an investor relations firm on a retainer basis, to communicate regularly with the analysts • Monitor the dissemination of material information closely to ensure that it is disclosed to the market timely • On a need basis and with the help of the investor relations firm, meetings are held based on interest level of analysts and shareholders. This provides us with the opportunity to build strong relationships with our analysts and shareholders
	Result announcements on SGXNet	Half-yearly		
	• Company's website • General announcements on SGXNet • Meetings with analysts and shareholders	As and when required		
Suppliers	• Regular meetings • Visits • Emails • Tender process	As and when required	• Transparency with tender process • Demand and pricing volatility	Establish policies and guidelines that ensure a fair selection and procurement process, and in line with ethical business practices

MEMBERSHIP OF ASSOCIATIONS

The Group engages with various relevant industry/trade associations through the following memberships:

Country	Membership
Singapore	• Singapore National Employers' Federation • Singapore Business Federation • Singapore Institute of Directors • Entrepreneur's Organisation • Young Presidents' Organisation
China	Shanghai Electroplating Association
Malaysia	• Federal of Malaysian Manufacturers • Malaysia External Trade Development Corporation

MATERIAL SUSTAINABILITY FACTORS

In FY2025, a materiality assessment was performed by the SC to update the material Sustainability Factors and this was followed by a stakeholder engagement session[10] to understand the concerns and expectations of our key stakeholders. Through the materiality assessment and having considered the topics of concerns and expectations of identified key stakeholders, factors with significant impacts on the economy, environment, people and their human rights were updated.

We endeavour to incorporate the SDGs from the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, where applicable, as a supporting framework to shape and guide our sustainability strategy. Below are the results showing how our material Sustainability Factors relate to these SDGs:

S/N	Material Sustainability Factor	Key Stakeholder	SDG	Our Effort
Economic				
1	Total customer satisfaction	Customers		Offer comprehensive range of solutions, gather customers' feedback, emphasise on quality control and technological innovation to meet customers' needs and expectations
2	Sustainable business performance	Shareholders and investors		Contribute to economic growth through creating long-term value for our shareholders
Environmental				
3	Water conservation	• Communities • Shareholders and investors		Implement checks and measures to reduce water wastage
4	Energy conservation and GHG emissions reduction	• Communities • Shareholders and investors		Implement measures to reduce energy consumption, improve efficiency, lower GHG emissions and reduce costs
5	Responsible waste and effluent management	• Communities • Regulators • Shareholders and investors		Ensure proper disposal of waste and treatment of effluents, and adopt reuse and recycling measures where practicable
Social				
6	Occupational health and safety	• Employees • Regulators and investors		Implement measures to ensure that the environment our employees work in is both safe and secure
7	Employee retention and development	Employees		Offer training opportunities to help employees develop skills that enhance productivity and provide various employee benefits to support a decent work environment
8	Fair employment	Employees		Emphasise on adopting equitable labour practices and protecting human rights
Governance				
9	Corporate governance framework	• Regulators • Shareholders and investors		Maintain high standards of corporate governance practices to ensure the sustainability of our business

[10] The Company distributed an online survey to both its internal and external stakeholders of customers, employees and suppliers to gather perspectives on the most important sustainability factors for the Group to prioritise.

To ensure the relevance of the material Sustainability Factors, the SC constantly reviews them against the changing business environment, stakeholder opinions, and emerging global and local trends. For FY2025, pursuant to the review, there are no changes to the material Sustainability Factors identified from FY2024.

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

ECONOMIC

TOTAL CUSTOMER SATISFACTION

Commitment
In line with our vision to be a world class and preferred precision parts solution provider for our customers globally, we are committed to providing appropriate solutions to our customers that is competitive in pricing, quality and delivery, and ensuring service excellence.

Approach
We are committed to building a loyal customer base for our long-term sustainability by maximising customer's satisfaction through the following:

Offering a comprehensive range of precision engineering solutions that meets customers' needs
Spindex was founded in 1981 and today it is a highly integrated solution provider of precision machined components and assemblies with manufacturing locations in China, Malaysia and Vietnam. We serve diverse market sectors consisting of multinational corporations in imaging and printing, consumer-related products and machinery and automotive systems. Through investments in flexible manufacturing and information technology and an agile organisation, we can constantly reconfigure our resources to customise our products and services to meet our customers' needs. We pride ourselves on our ability to integrate into the supply chain of our worldwide customer base and continuously re-invent ourselves to be at the forefront of today's global marketplace.

Proactively gather customer feedback to formulate strategies
Customer feedback collected from various touchpoints such as our customer service teams and emails are monitored and analysed to gather valuable insights into current and future customer requirements. Insights gathered are discussed during regular management meetings to drive product and service improvements, enhance operational level and provide inputs for strategies. Customer complaints are investigated, corrective actions are taken, and relevant policies and procedures are in place to address complaints promptly.

Adoption of market standards on quality control and technological innovation
Quality is our top priority. We have developed quality systems (including policies and procedures), over the years of our business, to ensure that only certified good quality products are shipped to our customers. Our quality assurance teams ensure compliance with the requirements of our customers and our quality systems. We are committed to continually improve the effectiveness of our quality systems.

Innovation is the fundamental driving force for our enterprise development. We prioritise continuous improvements and innovation through investment in research and development to achieve our vision to be a preferred precision parts solution provider for our customers.

Performance
To align with market standards and best practices, our operations attained the following certifications:

Standard/ Certification	Area
ISO 9001:2015	ISO 9001: 2015 standard specifies requirements for a quality management system that can demonstrate the ability to consistently provide products and services that meet customer and applicable statutory and regulatory requirements.
ISO 14001:2015	ISO 14001: 2015 standard specifies requirements for an environmental management system that can be used to enhance environmental performance.
IATF 16949:2018	The International Standard for Automotive Quality Management Systems emphasises the development of a process-oriented quality management system that provides for continual improvement, defect prevention and reduction of variation and waste in the supply chain. The goal is to meet customer requirements from the automotive sector efficiently and effectively.
High Technology Expertise certification (高新技术企业)	The High-tech Enterprise certification demonstrates a company's strong credibility and dedication to technological innovation.

SUSTAINABLE BUSINESS PERFORMANCE

Commitment
We believe in creating long-term economic value for our shareholders through relevant and meaningful ways.

Approach
We strive to strike a balance between rewarding shareholders by way of delivering profits, executing our business strategy, which includes staying abreast with market trends, maintaining a robust balance sheet with strong operating cash flow, whilst mitigating relevant business risks identified.

Performance
Further details of our economic performance can be found in the financial contents and audited financial statements of the Annual Report 2025.

ENVIRONMENTAL

WATER CONSERVATION

Commitment
We recognise the importance of managing our water consumption efficiently to avoid the depletion of valuable water resources. Accordingly, we are committed to the responsible usage of water resources.

Approach
We rely on water resources supplied primarily by municipal water suppliers mainly for rinsing chemicals during plating process, cleaning precision engineering components and treating wastewater at our manufacturing plants. Water consumption trends are regularly tracked, analysed and corrective actions are taken when unusual consumption patterns are observed.

Our Hanoi plant implemented a pipeline system to reduce water consumption by recycling water from the plating process. Overflow from the rinse tanks is directed to a storage tank and then repurposed for washing products.

Performance
Key statistics on water consumption are as follows:

Sustainability Metric	Unit of Measurement	FY2025	FY2024
Water consumption from all areas of operations	CuM	369,418	374,642
Water consumption from areas of operations with water stress[11]	CuM	143,026	131,813
Water consumption intensity	CuM/ revenue $'000	2.06	2.08

ENERGY CONSERVATION AND GHG EMISSIONS REDUCTION

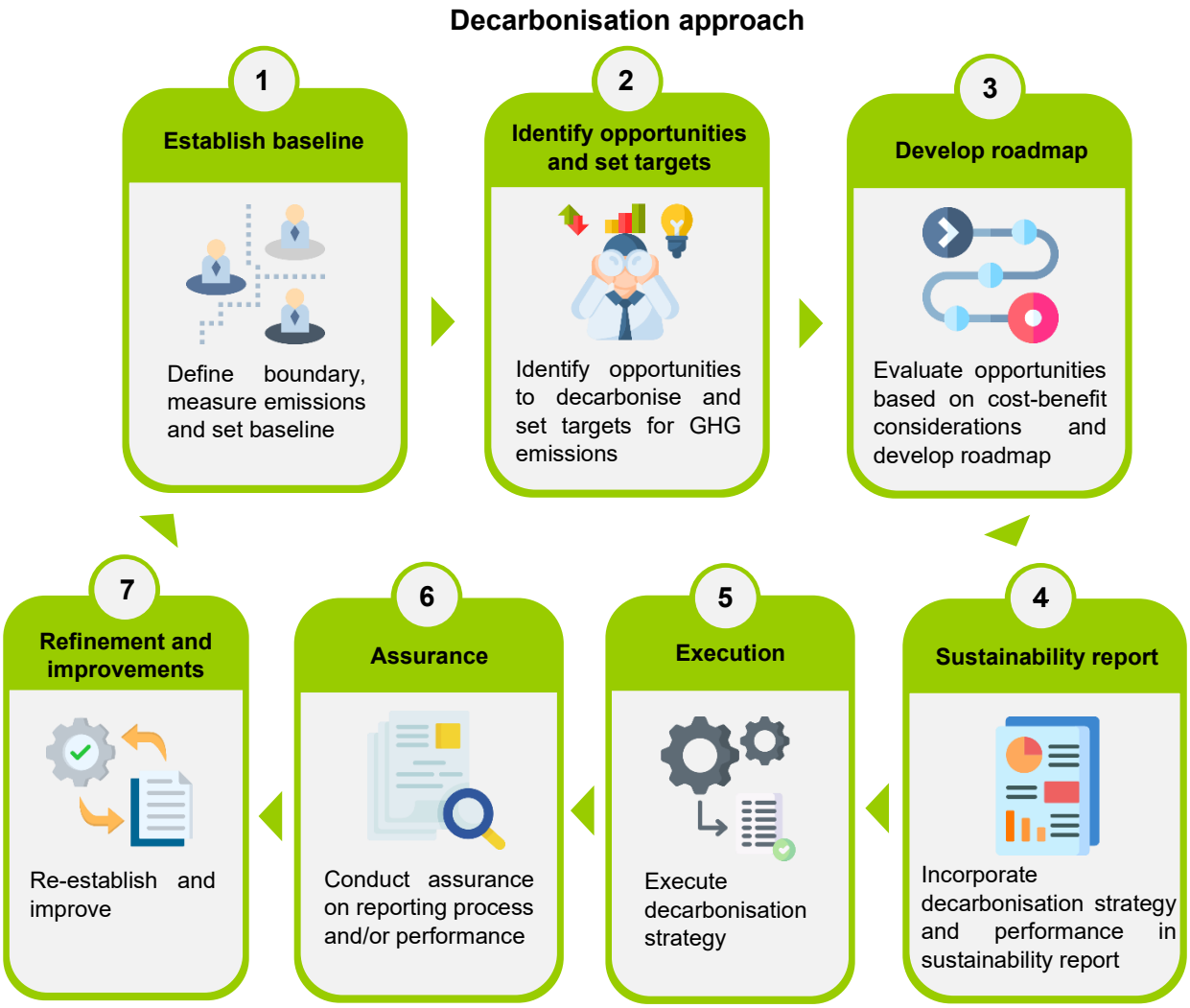
Commitment
We acknowledge that our energy consumption and the resultant GHG emissions contribute to climate change. Accordingly, we are committed to reduce our carbon footprint whilst open to capitalise on opportunities that may arise as we transit to become a low-carbon organisation.

Approach
In our operations, we rely mainly on the following energy sources:
- Diesel and petrol fuel for a small fleet of vehicles and forklifts; and
- Electricity for operating machinery and equipment, forklifts and office equipment that is supplied by the local utilities service providers.

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

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

[11] Areas with water stress across the Group's areas of operations are identified based on the World Resources Institute Aqueduct Water Risk Atlas. This include our manufacturing plants located in China and Vietnam. We are monitoring steps taken at the governmental level to mitigate water stress in the respective countries or regions, whilst strengthening our water conservation efforts.



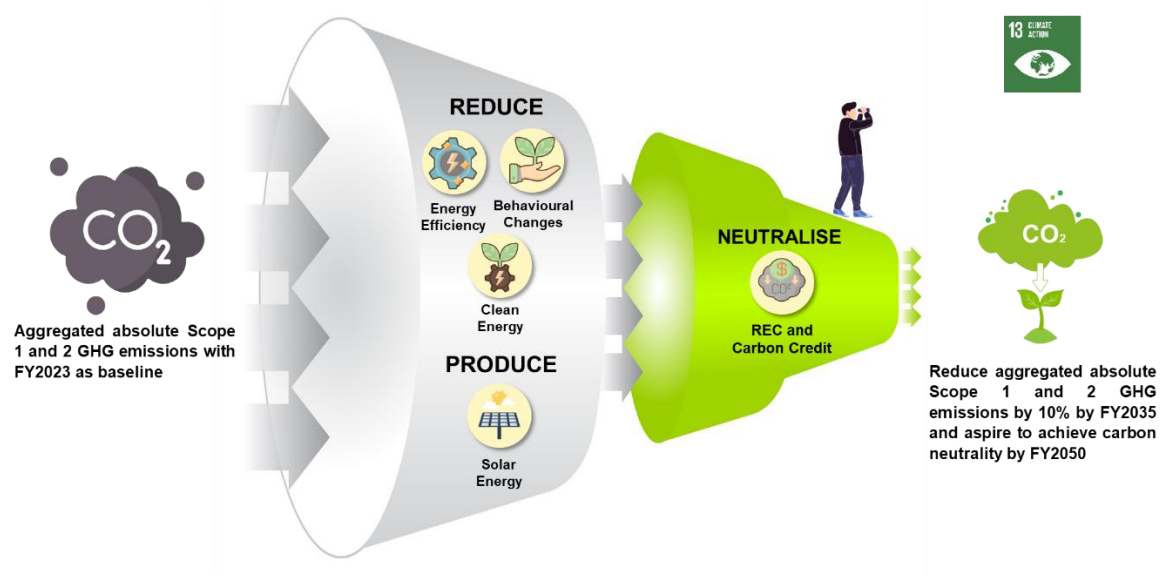
We track and monitor our Scope 1, 2 and certain categories of Scope 3 GHG emissions closely and are developing mechanism to track our other categories of our scope 3 GHG emissions, where relevant and practicable.

We measure our GHG emissions in alignment with the GHG Protocol: A Corporate Accounting and Reporting Standard (2004) and adopted the operational control approach as a basis to determine GHG emissions data consolidation boundaries across our entities. This approach has been selected as it allows us to manage emissions from our operations where we have practical control to introduce relevant measures and implement operating policies. We have assessed that we have operational control over all reporting entities covered in this Report.

We developed a climate change transition plan and will refine and improve the plan as we progressively implement it, by considering changes in business operations, environment and market trends. Progress updates and performance will be provided in our future sustainability reports with assurance on the reporting process covered by an internal review.

Climate change transition plan

Our climate change transition plan steers us on our decarbonisation journey. Under this strategy, we commit to reduce our aggregated absolute Scope 1 and 2 GHG emissions by 10% by FY2035 and aspire to achieve carbon neutrality by FY2050, with FY2023 as our baseline. Our climate change transition plan is focused on three (3) strategic levers of reduce, produce and neutralise as follows:



Details of our strategic levers are as follows:

Lever	Reduce	Produce	Neutralise
Description	• Reduce absolute GHG emissions first within our operations and followed by our supply chain • Replace existing energy source with low or zero-carbon sources	On-site generation of green or renewable energy	Neutralise unavoidable residual GHG emissions
Focus Area	• Energy efficiency ❖ Machinery and Equipment ❖ Lighting • Behavioural changes • Clean energy	Solar energy	• Renewable energy certificates ("**REC**") • Carbon credits

We review our energy consumption regularly to control usage, and corrective actions are taken when there are unusual consumption patterns. We continuously strive to improve our energy use and efficiency through the following initiatives and plans:

Lever	Key Initiative	Description
Reduce	Energy efficiency – Machinery and equipment	• Select energy-saving electrical devices • Shift transformers and various high heat generating equipment to better-ventilated areas to reduce heat generation at manufacturing plants
	Energy efficiency – Lighting	Replace lightings with energy efficient LED light bulbs
	Behavioural changes	We constantly remind our staff on basic and socially responsible habits at their workplaces such as adopting greener work ethics, switching off appliances if not in use and enabling power saving mode.
	Clean energy	We constantly explore opportunities to source for cleaner and/or renewable energy where we operate in.
Produce	Solar energy	Solar panels are installed on the rooftop of our Malaysia plant and newly installed at our Nantong plant to generate electricity. These initiatives enable us to generate clean energy and at the same time, reduce our utility cost.
Neutralise	• REC • Carbon credits	The Group plans to explore the use of REC and carbon credits to offset unavoidable residual GHG emissions when the relevant markets mature.

Performance

Key statistics on energy consumption and GHG emissions are as follows:

Sustainability Metric	Unit of Measurement	FY2025	FY2024
Energy consumption			
Non-renewable sources			
Fuel consumption	GJ	1,325	1,151
Purchased electricity consumption	GJ	153,403	151,444
Renewable sources			
Solar energy consumption	GJ	6,932	3,477
Total energy consumption	GJ	161,659	156,071
Total energy consumption intensity	GJ/ revenue $'000	0.90	0.87
GHG emissions			
Scope 1[12] GHG emissions (Direct emissions)	tonnes CO_2e	103	90
Scope 2[13] GHG emissions (Indirect emissions from electricity)	tonnes CO_2e	29,679	29,707[14]
Aggregated Scope 1 and 2 GHG emissions	tonnes CO_2e	29,782	29,797
GHG emissions intensity			
Aggregated Scope 1 and 2 GHG emissions intensity	tonnes CO_2e/ revenue $'000	0.166	0.165

Fuel and energy consumption intensity increased mainly due to higher diesel use from a new surface finishing line at the Hanoi plant, replacing previously outsourced processes. The increase in solar energy consumption is mainly due to the commissioning of a new photovoltaic system at our Nantong plant.

During the Reporting Period, selected Scope 3 GHG emissions[15] for our operations are as follows:

Category	Coverage	Unit of Measurement	FY2025	FY2024
Category 1: Purchased goods and services	• Purchased materials comprising carbon steel, stainless steel and aluminium • Water supply	tonnes CO_2e	34,477	33,920[16]
Category 5: Waste generated in operations	• Plastic • Paper	tonnes CO_2e	78	Not available
Category 6: Business travel	Air travel	tonnes CO_2e	70	62
Category 7: Employee commuting	Transportation of employees between their homes and their worksites	tonnes CO_2e	2,447	2,717

The increase in air travel emissions is mainly due to business development activities, machinery procurement, and meeting attendance related to new product launches. The decrease in employee commute emissions is mainly due to changes in workforce composition and commuting patterns.

[12] Scope 1 GHG emissions occur from sources that are owned or controlled by the Company. Scope 1 GHG emissions are calculated based on the 2006 IPCC Guidelines for National Greenhouse Gas Inventories.

[13] Scope 2 GHG emissions are indirect emissions that arise from the generation of purchased electricity consumed by the Company. Scope 2 GHG emissions are calculated based on the grid emission factors published by the relevant local authorities. Renewable energy has no direct emissions at the point of electricity generation and therefore use an emission factor of zero in Scope 2 GHG emissions.

[14] Scope 2 GHG emissions for FY2024 were revised due to the adoption of updated grid emission factors published by the relevant local authorities. As a result, Scope 2 GHG emissions, aggregated Scope 1 and 2 GHG emissions and aggregated Scope 1 and 2 GHG emissions intensity were revised accordingly.

[15] Scope 3 GHG emissions were calculated using a mix of emission factors from Department for Environment Food and Rural Affairs, UK ("**DEFRA**") and authorities, life cycle databases such as International Stainless Steel Federation and International Aluminium Institute, and calculation tools comprising International Civil Aviation Organization Carbon Emissions Calculator and GHG Protocol tool.

[16] Figure was restated due to an improvement in tracking mechanism.

RESPONSIBLE WASTE AND EFFLUENT MANAGEMENT

Commitment
Proper waste and effluent management are essential for environmental sustainability. We conscientiously monitor and control waste generated, and effluent discharged into the environment, minimising our environmental impact.

Approach
Under our commitment to manage waste and effluent responsibly, various measures are implemented, and they include promoting recycling and reusing of raw materials, proper treatment of effluent and hazardous waste before discharge or disposal and organising annual training courses on environmental awareness for employees relating to chemical safety, waste classification, spillage response to promote environmental compliance.

Key waste and effluent generated from our manufacturing operations are as follows:
- Hazardous waste typically relates to waste from chemicals that may be harmful to humans if consumed, such as plating effluents comprising sludge, nickel dross, waste oil and coolant;
- Effluent mainly relates to wastewater generated from our manufacturing plants; and
- Non-hazardous waste mainly relates to typical packaging and production waste, comprising papers, plastic, wooden and metallic materials.

Waste diverted from disposal
Waste generated is subjected to reuse and recycle processes. We are aware of the impact of waste generation on the environment and have taken the following reuse and recycling measures:
- Improve compressing, filtering, and spinning processes to properly filter impurities from used cutting oil for reuse;
- Conduct packaging recycling programmes such as collaboration with customers to improve reusing and recycling of packaging materials, environmentally friendly packaging methods and avoiding contamination of packaging materials to allow for effective recycling; and
- Initiate awareness campaigns on reusing and recycling at the manufacturing plants to encourage reduction of waste generated from operations.

Waste sent for disposal
Hazardous waste that is not reused or recycled, is handled, stored, and disposed in a manner that adheres to best practices and meets local regulatory requirements. We ensure that waste generated is safely disposed to prevent the risk of environmental contamination.

We conducted annual supplier audits to monitor the performance of our disposal vendors and ensure that they are licensed and satisfy applicable regulations.

Effluent treated before discharge
Effluent (i.e. wastewater from industrial activities) is treated at our in-house waste treatment plants before being discharged into the local waterways. For respective manufacturing plants, effluent generated are monitored and tracked alongside production activities. In addition, month-to-month comparisons are also made to detect irregularities.

Performance
Waste generated
Key statistics on the amount of waste generated are as follows:

Sustainability Metric	Unit of Measurement	FY2025	FY2024
Effluent generated	CuM	311,546	334,063
Effluent generated intensity	CuM/ revenue $'000	1.74	1.85
Amount of hazardous waste generated	tonnes	6,158	5,804
Hazardous waste generated intensity	tonnes/ revenue $'000	0.03	0.03
Amount of non-hazardous waste generated	tonnes	4,220	3,894
Non-hazardous waste generated intensity	tonnes/ revenue $'000	0.02	0.02

The decrease in effluent generated intensity is mainly attributable to the dismantling of the ageing electroplating line at our Shanghai plant, which contributed to the amount of effluent discharge.

Waste diverted from disposal

As a result of the initiatives on reusing and recycling of certain waste generated from operations, we achieved a 37% (FY2024: 29%) reusability of packaging materials purchased and a 113% (FY2024: 98%) reusability of cutting oil purchased across the Group in FY2025. The increase in cutting oil reusability is mainly due to initiatives at our Hanoi and Malaysia plants to extend the use of cutting oil. The Hanoi plant improved recovery efficiency through equipment upgrades, while the Malaysia plant enhanced oil reuse with regular filtration, operator training, and preventive maintenance of the oil circulation system.

During the Reporting Period, there were three (FY2024: zero) incidents of fines and/ or non-monetary sanctions incurred arising from non-compliance with applicable environmental laws and/or regulations. The three incidents involved non-compliance related to uncontrolled emissions from open production areas, wastewater discharges exceeding regulatory limits, and insufficient air emissions monitoring infrastructure. Corrective actions included keeping production facility doors and windows closed during operations, dismantling outdated equipment, upgrading the wastewater treatment facility, and improving air emission outlets to meet current environmental standards.

SOCIAL

OCCUPATIONAL HEALTH AND SAFETY

Commitment

Employees' safety and wellbeing have always been and continue to be a key priority for us. We strive to create a safe and healthy working environment for our employees, raise awareness, maintain vigilance, and foster a strong safety awareness culture particularly at the ground level by ensuring that proper trainings are provided to our employees.

Approach

A Safety Committee is in place to supervise workplace safety and health ("**WSH**") and the dissemination of related information and requirements. As a group centralised function, the committee comprises representatives from various departments. On WSH matters, the Safety Committee is primarily responsible for overseeing the WSH function of our subsidiaries to ensure that WSH standards are upheld and in line with industry's best practices. Other responsibilities of the committee include reviewing, reinforcing existing WSH standards and regulations and effective implementation of new WSH standards and regulations. Members of the Safety Committee hold regular meetings to assess safety inspection results, evaluate infrastructures, and review incidents, as well as to coordinate and organise safety-related workshops. Employees are empowered to report any potentially unsafe situations and to take ownership of the safety culture within the workplace.

Regular hazard identification and risk assessments are conducted at our Malaysia plant to identify the hazards and risks associated in various work activities and processes. The identified hazards are assessed taking into consideration the existing controls in place and additional controls required. We also work closely with third-party vendors to ensure that they understand the relevant regulatory requirements on occupational health and safety, as well as our requirements and expectations.

On dissemination of WSH information and requirements, the Safety Committee conducts external and internal trainings such as orientation programmes on workplace safety, safe work procedures and personal protection equipment, chemical handling, radiation safety, occupational noise-related hazards, fire drill, forklift safety awareness and first aid to promote awareness amongst employees. Employees from designated departments are also sent for specialised safety trainings. The Safety Committee works closely with the Human Resource Department to provide comprehensive coverage and emphasis on employee health and safety through annual medical check-ups and audiometric tests.

All near-miss incidents and accidents are promptly reported to the Safety Committee. With timely reporting, the Group ensures that all injured workers are attended to, and investigations are promptly

conducted. Post-incident briefings are also provided to the employees to raise awareness and reduce the likelihood of recurrence. To reinforce awareness, regular safety briefings are conducted to remind employees of established safety measures and precautions. Other measures adopted to manage WSH at the workplace include daily patrols to alert employees on potential unsafe practices and the provision of personal protection equipment. Employees or visitors on site are required to follow our WSH policies. We will continue to monitor safety performance at our manufacturing plants to ensure that necessary measures are taken to address any other forms of health and safety risks at the workplace.

Performance
Key statistics on the number and rate (per 200,000 recordable working hours) of our work-related injuries and work-related ill health cases are as follows:

Sustainability Metric	FY2025		FY2024	
	Number	Rate	Number	Rate
Workplace fatalities	-	-	1	0.04
High consequence work-related injuries	-	-	-	-
Recordable work-related injuries[17]	2	0.09	3	0.13
Recordable work-related ill health cases[18]	-	-	-	-

The work-related injuries involved injuries caused by falling equipment and injuries to the fingers caused by machinery. Lessons learned have been communicated to all employees to prevent recurrence.

EMPLOYEE RETENTION AND DEVELOPMENT

Commitment
Today's constantly changing business environment calls for a competitive workforce attuned to the latest developments in skills and capabilities. The Group recognises this and believes that an engaged workforce with strong leadership is a key driver for growth, innovation, and sustainability. Investment in employee's learning and development helps us to build a resilient and future-ready workforce, which will in turn provide a competitive edge for the Group's future growth and success.

Approach
Training and education
We believe in investing in continuous development and training for our employees. Within the Group, training and development opportunities are identified based on employees' training needs and role requirements.

Performance appraisal system
We remunerate employees competitively based on merit. Our confirmed full-time employees receive regular feedback on their performance and career development. Regular training need analysis is conducted based on employees' competencies and professional knowledge.

Employee remuneration and benefits
We value the contribution from our employees. We strongly believe that with fair remuneration and the provision of equal opportunities for development, our engaged workforce will be driven to contribute positively to the Group. In determining our remuneration packages and human resource policies, we consider relevant regulatory requirements, salary, and employment conditions of comparable companies within the industry. We also encourage our staff to provide feedback regularly to align expectations and aid decision making.

The Group strives to comply with local labour regulations across our operations, as well as minimum wage laws, where applicable. The Group endorses Singapore's Tripartite Guidelines on Fair Employment Practices and the Employers' Pledge of Fair Employment Practices and contributes to the Central Provident Fund scheme in Singapore, a defined pension scheme. For our employees below 55

[17] Recordable work-related injuries refer to all work-related injuries that a company is required to report to the authorities.
[18] Work-related ill health cases refer to negative impacts on health arising from exposure to hazards at work.

years old, we make an additional contribution of 17% as an employer on top of the employee's 20% contribution.

In support of local government's pro-family legislation across our operations, eligible working mothers and fathers are entitled to maternity leave, paternity leave and where applicable, childcare leave and shared parental leave in certain areas of operations. For instance, in our Singapore operations, eligible working mothers and fathers who are legally married and whose new-born child is a Singapore citizen, are entitled to 16 weeks of maternity leave and 4 weeks of paternity leave respectively. Eligible working parents of at least one child who is a Singapore citizen are entitled to either 6 days of paid childcare leave annually if the child is below seven years old or 2 days of extended childcare leave annually if the child is between ages of 7 to 12 years old.

In addition, we provide medical insurance for our employees, as well as annual health screenings for certain employees. To take care of employees' welfare, respective subsidiaries have carried out their own initiatives such as the distribution of festival goods to employees and reimbursement for sports-related activities.

Performance

New hires

Key statistics on new hires of our full-time employees are as follows:

Sustainability Metric	FY2025		FY2024	
	Number of new hires	Rate of new hires	Number of new hires	Rate of new hires
Overall new hires	368	22.0%	381	23.3%
Gender				
New hires (Male)	205	19.3%	247	22.9%
New hires (Female)	163	26.9%	134	24.1%
Age				
New hires (< 30)	211	38.8%	188	34.2%
New hires (30 - 50)	156	14.8%	190	18.8%
New hires (> 50)	1	1.4%	3	4.2%

Turnover

Key statistics on employee turnover of our full-time employees are as follows:

Sustainability Metric	FY2025		FY2024	
	Number of turnover	Rate of turnover	Number of turnover	Rate of turnover
Overall turnover	332	19.9%	331	20.3%
Gender				
Turnover (Male)	219	20.6%	207	19.2%
Turnover (Female)	113	18.6%	124	22.3%
Age				
Turnover (< 30)	165	30.3%	162	29.5%
Turnover (30 - 50)	157	14.9%	158	15.6%
Turnover (> 50)	10	13.5%	11	15.3%

Training and education

The training and development programmes attended by employees covered relevant areas such as orientation, first aid, occupational health and safety, waste and effluent management, skill development, operational efficiency and environmental knowledge. Key statistics on employee training hours are as follows:

Sustainability Metric	FY2025	FY2024
Overall		
Total training hours	25,529	25,766
Average training hours per employee	15.3	15.8
Gender (Male)		
Total training hours	16,112	16,055
Average training hours per employee	15.1	14.9
Gender (Female)		
Total training hours	9,416	9,710
Average training hours per employee	15.5	17.5
Management		
Total training hours	4,246	3,046
Average training hours per employee	36.6	24.4
Non-management		
Total training hours	21,283	22,720
Average training hours per employee	13.7	15.1

Performance appraisal system

During the Reporting Period, 99% (FY2024: 99%) of our confirmed employees received regular performance appraisals.

Parental leave

Key statistics on maternity leave, paternity leave and shared parental leave (collectively as "**Parental Leave**") taken by confirmed full-time employees are as follows:

Sustainability Metric	FY2025		FY2024	
	Male	Female	Male	Female
Number of employees entitled to Parental Leave	23	22	19	19
Number of employees who took Parental Leave	23	22	19	19
Number of employees who returned to work after Parental Leave ended	23	16	19	19
Return to work rate of employees who took Parental Leave	100%	73%	100%	100%
Retention rate of employees 12 months after they returned to work from Parental Leave[19]	89%	100%	90%	87%

FAIR EMPLOYMENT

Commitment

As workforce demographics shift and the emergence of global markets, workplace diversity is fast becoming a necessity to cater to market demands.

[19] Retention rate is calculated based on employees who took Parental Leave in the preceding reporting period.

Approach
The Group is committed to fair employment practices and emphasis is placed on protecting human rights and adopting equitable labour practices. The Group's recruitment process adheres to the strict guidelines on non-discrimination and fairness, regardless of gender, ethnicity, religion or age.

Performance
As at 30 June 2025, the Group had a total of 1,671 (FY2024: 1,634) full-time and part-time employees across its offices and manufacturing plants, of which males made up 63.7% (FY2024: 66.0%) of the total workforce. The higher proportion of males is attributable to the nature of the industry we operate in. Across the Group, there were no reported incidents of discrimination raised by our employees in FY2025 (FY2024: none).

Key statistics on employee demographics are as follows:

Gender diversity (%)
Key statistics on gender diversity of our employees are as follows:

Sustainability Metric	FY2025		FY2024	
	Male	Female	Male	Female
Overall	63.7%	36.3%	66.0%	34.0%
Employee category[20]				
Management	45.3%	54.7%	45.0%	55.0%
Non-management	65.0%	35.0%	67.5%	32.5%

Age diversity (%)
Key statistics on age diversity of our employees are as follows:

Sustainability Metric	FY2025			FY2024		
	Below 30	30 – 50	Over 50	Below 30	30 – 50	Over 50
Overall	32.6%	63.0%	4.4%	33.6%	62.0%	4.4%
Employee category[20]						
Management	12.8%	67.5%	19.7%	12.6%	66.7%	20.7%
Non-management	34.0%	62.7%	3.3%	35.1%	61.7%	3.2%

GOVERNANCE

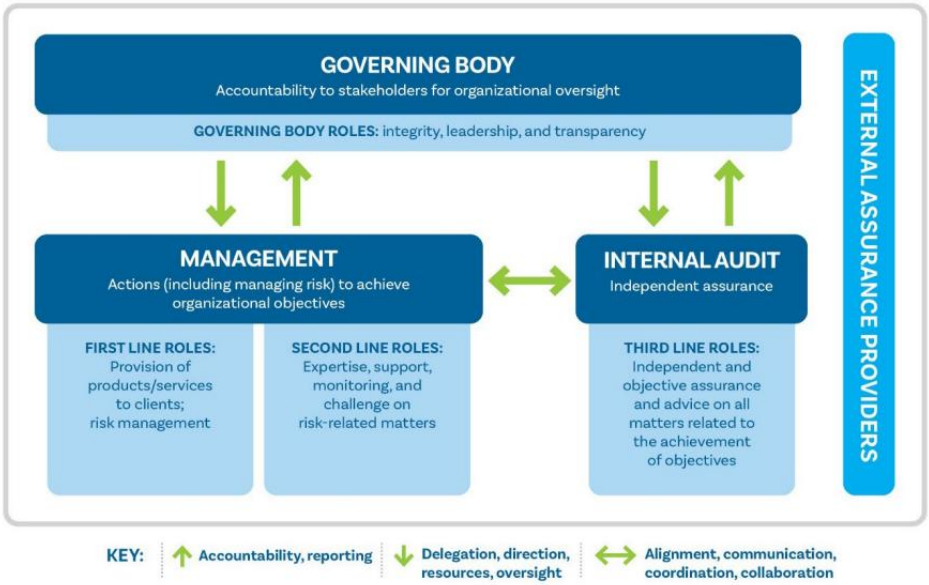
CORPORATE GOVERNANCE FRAMEWORK

Commitment
The Group is committed to uphold the highest standards of corporate governance and business integrity in all our business dealings, which we believe are essential for the long-term viability of our businesses and the enhancement of shareholder value.

Approach
The management and Audit Committee assume the responsibility in supporting the Board in the implementation of internal controls and systems, as well as the monitoring of regulatory compliance.

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

[20] Figures were restated as a correction.



Source: Three Lines Model issued by the IIA

We put in place an ERM framework to track and manage the risks in which we are exposed. We regularly assess and review our businesses and operational environment to identify and manage strategic, operational, financial and compliance risks that may impact our sustainability. With a positive and proactive attitude, we believe that risks faced by the Group could be converted into opportunities and bring about favourable outcomes.

Recognising that non-compliance with laws and regulation may pose detrimental financial and reputational impact on the Group, we maintain a zero-tolerance stance towards bribery, corruption, fraud and violation of laws and regulations.

Given the geographical diversity of our businesses, the management and Audit Committee constantly update themselves on the latest developments in the laws and regulations of countries where the Group operates to ensure compliance. The subsidiaries also constantly engage with the local government authorities and agencies, as a mean to keep abreast of changes to laws and regulations.

Our policies and commitments for enforcing anti-corruption and ethical business practices are as follows:

- An anti-corruption policy is in place to provide a communication channel for employees to report fraudulent practices and to guide them on the processes available to address concerns regarding suspicious, fraudulent or irregular activities. The Group's orientation and induction program for new employees also includes guidance on business conduct and related policies covering entertainment, gifts and whistleblowing; and
- A whistle-blowing policy is in place to provide guidance on suspicion, reporting and investigation of fraudulent and irregular practices within the Group. The whistle-blowing policy sets forth the process for investigation and management reporting. All whistle-blowing cases reported are objectively investigated by independent personnel with appropriate remedial measures and follow-up actions taken where warranted. The Audit Committee maintains oversight of this policy and periodically reviews the adequacy of the whistle-blowing arrangements to ensure that employees may confidently raise their concerns about potential improprieties in matters of financial reporting or business conduct.

You may refer to the Corporate Governance Report of the Annual Report 2025 for details of our corporate governance practices.

Performance

In FY2025, all (FY2024: all) employees received anti-corruption training. We reported no (FY2024: zero) incidents of corruption reported in FY2025. Additionally, there were no (FY2024: zero) incidents of non-compliance with applicable laws and regulations that resulted in significant fines (i.e. more than 5% of revenue) and/or non-monetary sanctions.

TARGETS AND PROGRESS

To measure our ongoing sustainability performance and drive continuous improvement, we developed a set of targets related to our material sustainability factors. Our progress against these targets is reviewed and reported on an annual basis with details as follows:

Legend	Progress tracking
○○○	New target
●●●	Target achieved
●●○	On track to meet target
●○○	Not on track, requires review

S/N	Material Sustainability Factor	Target[21]	Current Year's Progress
Economic			
1	Total customer satisfaction	Ongoing Adhere to the market standards and best practices in operations	●●● Achieved ISO 9001:2015, ISO 14001:2015, IATF 16949:2018 and High Technology Expertise certifications
2	Economic performance	Short-term Improve our financial performance subject to market conditions	●●○ The Group's revenue was generally stable in FY2025. The Group's profit for the year declined from $15.6 million in FY2024 to $6.6 million in FY2025. The decline in Group's profit for the year is mainly due to a substantial increase in administrative expenses.
		Ongoing Maximise returns for long-term profitability, with the aim of creating sustainable shareholder value	●●○ Uncertainties are expected to affect economic and business volatility for the rest of 2025 and into 2026. The Group will continue to manage its operations efficiently and its expenses prudently to deal with the volatile business environment. Tariffs will add additional indirect costs that have to be managed with improvement in operational efficiencies and improved work processes. The Group is in a strong financial position and will continue to invest selectively to maximise production efficiency and capitalise on opportunities to grow its business.

[21] Time horizons for target settings are: (i) short-term: within 5 years (up to FY2028); (ii) medium-term: between 6 and 20 years (from FY2029 to FY2043); (iii) long-term: beyond 20 years (after FY2043); and (iv) ongoing: encompassing short-, medium-, and long-term.

S/N	Material Sustainability Factor	Target	Current Year's Progress
Environmental			
3	Water conservation	Short-term Reduce or maintain water consumption intensity	●●● Slight decrease in water consumption intensity from 2.08 CuM/ revenue $'000 in FY2024 to 2.06 CuM/ revenue $'000 in FY2025
4	Energy conservation and GHG emissions reduction	Short-term Reduce aggregated Scope 1 and 2 GHG emissions intensity Medium-term and long-term Reduce our aggregated Scope 1 and 2 GHG emissions by 10% by FY2035 and aspire to achieve carbon neutrality by FY2050, with FY2023 as our baseline	●●○ Slight increase in aggregated Scope 1 and 2 GHG emissions intensity from 0.165 tonnes CO2e/ revenue $'000 to 0.166 tonnes CO2e/ revenue $'000 ●○○ Aggregated Scope 1 and 2 GHG emissions increased by 9.8% compared to the FY2023 [22] baseline, mainly due to the production ramp-up at our Nantong plant. While FY2025 emissions exceeded the FY2023 baseline, we remain committed to managing emissions and progressing towards our FY2035 target.
5	Responsible waste and effluent management	Ongoing Maintain zero incidents of non-compliance with applicable environmental laws and regulations that resulted in fines and/ or non-monetary sanctions	●○○ Recorded three incidents of non-compliance related to uncontrolled emissions from open production areas, wastewater discharges exceeding regulatory limits, and insufficient air emissions monitoring infrastructure. Corrective actions, which included keeping production facility doors and windows closed during operations, dismantling outdated equipment, upgrading the wastewater treatment facility, and improving air emission outlets, were taken to meet current environmental standards.

[22] FY2023 aggregated Scope 1 and 2 GHG emissions is revised from 22,787 tonnes CO2e to 27,136 tonnes CO2e following the adoption of updated grid emission factors published by the relevant local authorities.

S/N	Material Sustainability Factor	Target	Current Year's Progress
Social			
6	Occupational health and safety	On-going • Maintain zero workplace fatalities, high consequence work-related injuries and ill health cases • Reduce number of recordable work-related injuries	●●● • Maintained zero workplace fatalities, high consequence work-related injuries and ill health cases • Number of recordable work-related injuries reduced from 3 in FY2024 to 2 in FY2025
7	Employee retention and development	Short-term Maintain or improve average training hours per employee	●●○ There is a slight decrease in average training hours per employee from 15.8 in FY2024 to 15.3 in FY2025. The slight decrease is primarily attributable to a reduction in orientation and workplace safety training hours, in line with the lower number of new hires at our Nantong operations during FY2025.
8	Fair employment	On-going Maintain zero reported incidents of discrimination raised by our employees	●●● Maintained zero reported incidents of discrimination raised by our employees
Governance			
9	Corporate governance framework	On-going • Maintain zero incidents of corruption • Maintain zero incidents of non-compliance with laws and regulations for which significant fines and/or non-monetary sanctions were incurred	●●● • Maintained zero incidents of corruption • Maintained zero incidents of non-compliance with laws and regulations for which significant fines and/or non-monetary sanctions were incurred

For the material Sustainability Factors identified this Report, the Board and SC have considered the relevance and usefulness of setting related targets in the short-term, medium-term and long-term horizons. As the historical data trends for certain material Sustainability Factors have yet to stabilise, we have not set the related medium and long-term targets. We will disclose such targets in our future sustainability reports when the data trends have stabilised and subject to market trends.

SUPPORTING THE TCFD

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

Governance

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

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

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

Our sustainability strategy is developed and directed by the SC in consultation with the Board. The SC, which includes senior management executives and representatives of plant management from various sites, is led by the Group's Managing Director. The responsibilities of the SC include considering climate-related issues in the development of sustainability strategy, target setting, as well as collection, monitoring and reporting of sustainability metrics.

Strategy

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

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

We recognise that climate change poses different types of risks to our business. The Group's assessment on potential implication of climate-related risks was undertaken based on the Network of Central Banks and Supervisors for Greening the Financial System ("**NGFS**") range of climate scenarios:

Scenario	Description
Orderly Net zero 2050	Reaching net-zero global CO_2 emissions by 2050 will require an ambitious transition across all sectors of the economy. Scenarios tend to emphasise the importance of decarbonising the electricity supply, increasing electricity use, increasing energy efficiency, and developing new technologies to tackle hard-to-abate emissions. Transition risks to the economy could result from higher emissions costs and changes in business and consumer preferences. Physical risks would be minimised.
Hot house world Current policies	While many countries have started to introduce climate policies, they are not yet sufficient to achieve official commitments and targets. If no further measures are introduced, 3 °C or more of warming could occur by 2100. This would likely result in deteriorating living conditions in many parts of the world and lead to some irreversible impacts like sea-level rise. Physical risks to the economy could result from disruption to ecosystems, health, infrastructure and supply chains.

We selected NGFS' orderly and hot house world scenarios for the purpose of our qualitative climate scenario analysis. The impact of the climate-related risks is analysed on group-wide activities in the short term (within 5 years, up to FY2028), medium term (between 6 and 20 years, from FY2029 to FY2043) and long term (beyond 20 years, after FY2043).

Based on the above-mentioned scenarios, the climate-related risks and opportunities identified by the Group during a climate-related risk assessment exercise includes the following:

Risk and Potential Impact	Potential Impact Magnitude				Mitigation Measure	Climate-Related Opportunity
	Current Effect (S$)	Short Term	Medium Term	Long Term		
Key physical risk identified						
Increased severity of extreme weather events With rising temperatures and more frequent heatwaves arising from global warming and climate change, risks of increasing cooling expenditure and reduced labour productivity are expected to increase. We remain vigilant in monitoring the impact of climate change on our operations, mindful of the alarming estimated global cost of US$16 million per hour[23] arising from climate-related damage.	**Scenario: Orderly**				We put in place a climate change transition plan to steer us on our decarbonisation journey. The increased prevalence and severity of extreme weather events drove us in transiting to renewable energy sources and increasing our operational efficiency. Solar panels were installed on the rooftops of our Malaysia and Nantong plants to provide us with clean energy. We also adopted LED lighting to lower energy usage and shifted transformers and high heat generating equipment to better-ventilated areas to reduce heat generation at our manufacturing plants. You may refer to Energy Conservation and GHG Emissions Reduction section for further details.	Opportunities, which we can capitalise on, are available in improving our operational and production efficiency and increasing the utilisation of renewable and clean energy sources.
	NA[24]	🟢	🟢	🟢		
	Scenario: Hot house world					
	NA[24]	🟢	🟡	🔴		

[23] *Source: https://www.weforum.org/agenda/2023/10/climate-loss-and-damage-cost-16-million-per-hour/*

[24] We are unable to estimate the current financial effect due to uncertainties in the inputs and assumptions resulting from the lack of available data, including information about climate outcomes and their effects on the Group. We will continue to monitor credible information to support our disclosures in this area.

Risk and Potential Impact	Potential Impact Magnitude				Mitigation Measure	Climate-Related Opportunity
	Current Effect (S$)	Short Term	Medium Term	Long Term		
Key transition risk identified						
Increased carbon pricing In the countries which the Group operates in, climate-related policies and regulations may impose carbon taxes. As part of governmental efforts to reduce national GHG emissions and achieve national climate goals, carbon taxes are expected to increase over time. Although carbon tax is currently mainly levied on large emitters of GHG emissions, the cost of increased carbon taxes may be passed on by suppliers to the Group by way of price increases.	**Scenario: Orderly**				To strengthen our sustainability governance structure, we put in place a SC for managing and monitoring our material Sustainability Factors, including working with the various business units to ensure these are integrated into our day-to-day operations. In addition, we established terms of reference for component parties involved in the sustainability reporting process, for clarity and accountability purposes. With the above, we will be in a better position to meet the changes in regulations and rising expectations of stakeholders on the environment.	The enhanced emissions reporting obligations and increase in regulatory costs will raise climate awareness among our employees and with more defined job responsibilities and training, the Group will be better positioned to adopt environmentally friendly practices.
	NA[25]	●	●	●		
	Scenario: Hot house world					
	NA[25]	●	●	●		
Enhanced GHG emissions-reporting obligations With rising concerns over the effects of climate change, key stakeholders such as the regulators and shareholders are requiring reporting of climate-related information. Failure to comply with enhanced GHG emissions reporting obligations may lead to adverse impacts on the Group's reputation and financial performance. The Group experienced an increase in costs due to enhanced obligations for GHG emissions reporting. Such costs include investment of manpower resource in more comprehensive data collection, analysis, and reporting processes, greater involvement from management, and additional costs for consultant and employee training.	**Scenario: Orderly**					
	70,000 to 75,000	●	●	●		
	Scenario: Hot house world					
	70,000 to 75,000	●	●	●		

Legend

● Minor ● Moderate ● Major

These climate-related risks and opportunities remain valid for the Group for the purpose of planning and decision making and will be updated periodically or where there is a major change in our business model.

Based on the scenarios above, we will continue to formulate adaptation and mitigation plans and allocate resources towards transitioning to a low or net zero carbon operations, through optimal business strategy and effective financial planning. We strive to minimise climate risks associated with

[25] We are unable to estimate the current financial effect due to uncertainties in the inputs and assumptions resulting from the lack of available data, including information about climate outcomes and their effects on the Group. We will continue to monitor credible information to support our disclosures in this area.

our business and will seize opportunities such as expanding collaboration and partnership with key stakeholders to innovate and develop low carbon goods and services for the market.

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

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

Through our climate scenario analysis, we concluded that unmitigated climate risk of increased severity of extreme weather events under hot house world scenario may result in a major financial impact in the long term. Under the orderly scenario, the climate-related risks identified are not expected to result in significant financial impacts in the short, medium, or long term. To address the risks and capitalise on opportunities associated with climate change, we will continuously build on our strategy to remain resilient as we progress in our sustainability journey.

Risk Management

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

The Group's climate related risks and opportunities are identified and assessed during a climate-related risk assessment exercise. We also manage our climate-related risks by monitoring the trend of climate-related sustainability metrics. Under the assessment, business units and support functions are responsible for identifying and documenting their relevant risk exposures that might hinder their progress towards contributing to the Group's business objectives. We will integrate the climate-related risks into our risk management framework in the future.

Metrics and Targets

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

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

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

To support the climate change agenda, we disclose our Scope 1 and Scope 2 GHG emissions in the sustainability report and set climate-related targets such as those related to energy and GHG emissions.

We recognise the importance of monitoring our indirect Scope 3 GHG emissions and track indirect Scope 3 GHG emissions from purchased goods and services (category 1), business travel (category 6), employee commuting (category 7) in FY2025. We expanded the coverage of our indirect Scope 3 GHG emissions to include selected waste generated in operations (category 5) in FY2025. We aim to review our Scope 3 GHG emissions to better track and disclose our material Scope 3 GHG emissions and expand the reporting coverage of our Scope 3 GHG emissions on categories relevant to the Group wherever applicable and practicable.

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

As a commitment towards mitigating climate change, we set climate-related targets related to energy consumption and GHG emissions. For further details, please refer to Targets and Progress section.

APPENDIX 1 GRI CONTENT INDEX

Statement of use	Spindex Industries Limited has reported in accordance with the GRI Standards for the period from 1 July 2024 to 30 June 2025.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	None

GRI standard	Disclosure	Location/ Page reference
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organisational details	Pages 1, Annual Report 2025 ("**AR2025**"): Pages 1, 39, 63, 90-91
	2-2 Entities included in the organisation's sustainability reporting	Page 3
	2-3 Reporting period, frequency and contact point	Pages 2-3, 7
	2-4 Restatements of information	Page 4, 16, 22, 25
	2-5 External assurance	Page 3
	2-6 Activities, value chain and other business relationships	Pages 3-4, 11-12
	2-7 Employees	Pages 4, 22
	2-8 Workers who are not employees	We have an average of approximately 321 workers who are not employees as at 30 June 2025. They include agency workers who are mainly involved in production, inspection, warehouse operations, security services and office cleaning. The number of workers who are not employees may vary due to fluctuations in sales forecast.
	2-9 Governance structure and composition	Pages 5-6, AR2025: Pages 1, 6-7, 10-12
	2-10 Nomination and selection of the highest governance body	AR2025: Pages 13-15
	2-11 Chair of the highest governance body	Page 5, AR2025: Pages 6, 12-13
	2-12 Role of the highest governance body in overseeing the management of impacts	Pages 5-6
	2-13 Delegation of responsibility for managing impacts	Pages 5-6
	2-14 Role of the highest governance body in sustainability reporting	Pages 5-6, AR2025: Pages 26-27
	2-15 Conflicts of interest	AR2025: Pages 8, 28, 77
	2-16 Communication of critical concerns	Page 23, AR2025: Page 24
	2-17 Collective knowledge of the highest governance body	Page 5, AR2025: Page 10
	2-18 Evaluation of the performance of the highest governance body	AR2025: Page 16
	2-19 Remuneration policies	AR2025: Pages 16-19
	2-20 Process to determine remuneration	AR2025: Pages 16-19
	2-21 Annual total compensation ratio	Information is not provided due to confidentiality constraints.
	2-22 Statement on sustainable development strategy	Page 1, AR2025: Pages 2-3
	2-23 Policy commitments	Pages 12, 18-19, 22-23
	2-24 Embedding policy commitments	Pages 12, 18-19, 22-23
	2-25 Processes to remediate negative impacts	Page 23, AR2025: Page 24
	2-26 Mechanisms for seeking advice and raising concerns	Page 23, AR2025: Page 24
	2-27 Compliance with laws and regulations	Pages 18, 22, 24
	2-28 Membership associations	Page 9
	2-29 Approach to stakeholder engagement	Pages 8-9

GRI standard	Disclosure	Location/ Page reference
General Disclosures		
GRI 2: General Disclosures 2021	2-30 Collective bargaining agreements	As at 30 June 2025, approximately 33% of the Group's full-time employees are covered by collective bargaining agreements. This is attributable to our employees based in Hanoi.
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Pages 6-7, 10-11
	3-2 List of material topics	Page 10-11
Sustainable Business Performance		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 12, 24
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Pages 12, AR2025: Pages 35, 38, 54-55, 77
	201-2 Financial implications and other risks and opportunities due to climate change	Pages 27-29
	201-3 Defined benefit plan obligations and other retirement plans	AR2025: Pages 47, 55
	201-4 Financial assistance received from government	AR2025: Pages 47, 54
Corporate Governance Framework		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 22-23, 26
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 23, AR2025: Pages 19-21
	205-2 Communication and training about anti-corruption policies and procedures	Pages 23-24
	205-3 Confirmed incidents of corruption and actions taken	Page 24
Energy Conservation and GHG Emissions Reduction		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 13-15, 25
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Page 16
	302-2 Energy consumption outside of the organisation	Page 16
	302-3 Energy intensity	Page 16
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Page 16
	305-2 Energy indirect (Scope 2) GHG emissions	Page 16
	305-3 Other indirect (Scope 3) GHG emissions	Page 16
	305-4 GHG emissions intensity	Page 16
	305-5 Reduction of GHG emissions	Pages 15-16
Water Conservation		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 12, 25
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	Page 12
	303-3 Water withdrawal	Page 12-13
	303-5 Water consumption	Page 13
Responsible Waste and Effluent Management		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 17, 25
GRI 303: Water and Effluents 2018	303-2 Management of water discharge-related impacts	Page 17
	303-4 Water discharge	Page 17
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Pages 17-18
	306-2 Management of significant waste-related impacts	Pages 17-18
	306-3 Waste generated	Page 17
	306-4 Waste diverted from disposal	Pages 17-18
	306-5 Waste directed to disposal	Pages 17

GRI standard	Disclosure	Location/ Page reference
Employee Retention and Development		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 19-20, 26
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Page 20
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pages 19-20
	401-3 Parental leave	Pages 20-21
GRI 403: Occupational Health and Safety 2018	403-3 Occupational health services	Page 20
	403-6 Promotion of worker health	Page 20
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Page 21
	404-2 Programs for upgrading employee skills and transition assistance programs	Page 21
	404-3 Percentage of employees receiving regular performance and career development reviews	Page 21
Occupational Health and Safety		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 18-19, 26
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Pages 18-19
	403-2 Hazard identification, risk assessment, and incident investigation	Page 18
	403-3 Occupational health services	Page 18
	403-4 Worker participation, consultation, and communication on occupational health and safety	Pages 18-19
	403-5 Worker training on occupational health and safety	Pages 18-19
	403-6 Promotion of worker health	Page 18
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pages 18-19
	403-8 Workers covered by an occupational health and safety management system	Pages 18-19
	403-9 Work-related injuries	Page 19
	403-10 Work-related ill health	Page 19
Fair Employment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Pages 22, 26
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Page 22
	405-2 Ratio of basic salary and remuneration of women to men	Information is not provided due to confidentiality constraints.
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Page 22

APPENDIX 2 INDUSTRY-BASED GUIDANCE ON IMPLEMENTING CLIMATE-RELATED DISCLOSURE METRICS

The sustainability disclosure metrics are based on the IFRS SDS Industry-Based Guidance for implementing climate-related disclosure ("**Industry-Based Metrics**") (Volume 50 – Industrial Machinery and Goods). The details are as follows:

TABLE 1. SUSTAINABILITY DISCLOSURE TOPICS & ACCOUNTING METRICS

Topic	Code	Metric	FY2025 Response
Energy Management	RT-IG-130a.1	(1) Total energy consumed (2) Percentage grid electricity (3) Percentage renewable	(1) Total energy consumed is 161,659 GJ (2) 95% of our total energy consumed is from grid electricity (3) 4% of our total energy consumed is from renewable sources, which include solar energy
Fuel Economy & Emissions in Use-phase	RT-IG-410a.1	Sales-weighted fleet fuel efficiency for medium- and heavy-duty vehicle	Not applicable as we do not manufacture medium- or heavy-duty vehicles.
	RT-IG-410a.2	Sales-weighted fuel efficiency for non-road equipment	Not applicable as we do not manufacture non-road equipment.
	RT-IG-410a.3	Sales-weighted fuel efficiency for stationary generators	Not applicable, as we do not manufacture stationary generators.
	RT-IG-410a.4	Sales-weighted emissions of (1) Nitrogen oxides (NOx) and (2) Particulate matter (PM) for: (a) Marine diesel engines; (b) Locomotive diesel engines; (c) On-road medium and heavy-duty engines; and (d) Other non-road diesel engines	Not applicable as we do not manufacture marine diesel engines, locomotive diesel engines, on-road medium and heavy-duty engines, and other non-road diesel engines.

TABLE 2. ACTIVITY METRICS

Code	Activity Metric	FY2025 Response
RT-IG-000.A	Number of units produced by product category	We do not publicly disclose these metrics as they are commercially sensitive and confidential.
RT-IG-000.B	Number of employees	We have 1,671 employees as at 30 June 2025.


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