Tye Soon Limited Sustainability Report FY2024

Contents

About This Report

This Sustainability Report (the "**Report**") covers Environment, Social, and Governance ("**ESG**") strategy, goals, policies, initiatives, and performance that are material to our business and stakeholders, organised as follows:

1. Tye Soon's sustainability strategy provides an overview of our strategy in sync with the latest industry best practices.

2. The three (3) focus areas supporting the Company's sustainability strategy: (i) governance and economic impact, (ii) environmental protection, and (iii) social responsibility.

This Report contains data from 1 January to 31 December 2024 ("**FY2024**"), which aligns with Tye Soon's financial year. Therefore, it should be read in conjunction with the FY2024 Annual Report, available at https://www.tyesoon.com/investor-relations/.

We welcome feedback and suggestions relating to our Report. Please email us at: investor_relations@tyesoon.com.

Reporting Principles and Statement of Use

This Report is prepared with reference to the Global Reporting Initiative ("**GRI**") Standards 2021. The GRI standard is the most widely adopted global sustainability reporting standard. Since our inaugural Report in 2018, we have adopted GRI Standards to understand our impact on ESG topics and meet our sustainability reporting obligations.

Climate-related disclosures have been aligned with the Task Force on Climate-related Financial Disclosures ("**TCFD**")[1] recommendations in the four (4) key areas of Governance, Strategy, Risk Management and Metrics and Targets. This enables us to understand the implications of climate-related risks and opportunities on our business and develop mitigation plans where applicable.

Furthermore, this sustainability report is produced in line with the reporting requirements of Practice Note 7.6 and Rules 711A and 711B of the Singapore Stock Exchange Securities Trading Limited ("**SGX-ST**").

Forward-Looking Statements

This Report presents the Group's future aspirations based on our current industry knowledge and sustainability objectives. While these statements reflect our best estimations, they inherently involve some level of uncertainty. Actual results may differ due to unforeseen circumstances. The Group will provide the necessary updates when relevant.

[1] *TCFD fulfilled its remit and was disbanded in Oct 2023. Following the publication of the inaugural ISSB Standards IFRS S1 and IFRS S2, the IFRS Foundation has taken over the responsibilities for monitoring the progress of companies' climate-related disclosures from TCFD.*

Reporting Scope

In defining the reporting scope, we evaluated the significance of potential ESG impacts and selected our key operations as outlined below. Dormant entities, holding companies, and smaller operations have been excluded from the scope.

Name of Entities	Principal Activity	Country
Tye Soon Limited	Parent Company, including import/export and distribution of automotive parts	Singapore
Sejong Parts Plus Limited Liability Company (“**Sejong**”)	Distribution of automotive parts	South Korea
Imparts Automotive Pty Ltd (“**Imparts**”)	Distribution of automotive parts	Australia
Naga Jaya Automotive Sdn. Bhd. **(“Naga Jaya”)** and major Malaysian subsidiaries	Distribution of automotive parts	Malaysia

Restatements

There are restatements of information from previous reporting periods tabulated and outlined in the **“ESG Performance Summary**” section of this Report.

Assurance

We performed an internal review of the sustainability reporting process as stipulated by SGX-ST Listing Rule 711B (3).

We also considered the recommendations of an external ESG consultant, RSM SG Risk Advisory Pte Ltd, for the selection of material topics, the relevant reporting framework, and SGX-ST Listing Rules. Management considers these to fulfil the Listing Rules requirements and disclosure obligations to sustainability reporting. The Sustainability Steering Committee (“**SSC**”), delegated by the Board to oversee the management of ESG impacts, has reviewed the Report and determined that independent external assurance is not a priority for FY2024.

Sustainability Strategy Overview

Board Statement

The Board of Directors recognises sustainability's critical role in shaping our long-term business strategy and the way we do business. Pursuant to this, we have identified the material ESG factors that impact our business and have integrated these into our overall strategic framework.

The SSC has reviewed the Group’s ESG performance, including climate change management practices, and convenes periodically to assess the Group’s overall ESG-related metrics.

In response to the 2024 revisions to SGX RegCo’s sustainability reporting requirements and the enforcement of IFRS Sustainability Disclosure Standards, we have updated our materiality assessment to ensure our sustainability objectives remain aligned with evolving regulatory standards.

Strategic Focus Area

We have identified three (3) ESG focus areas to guide our sustainability strategy.

1. **Governance and Economic Impact**
   This area emphasises the importance of strong corporate governance and transparent business practices. It also covers our economic contributions, including our impact on job creation and fostering long-term growth through sustainable business models.

2. **Environmental Protection**
   This focus revolves around minimising the environmental footprint of our operations. It includes efforts to reduce emissions, manage waste responsibly, promote energy efficiency, and implement sustainable sourcing where possible.

3. **Social Responsibility**
   This area relates to employee welfare and safety and includes initiatives that promote fair labour practices. It also encompasses efforts to foster meaningful relationships with customers, building trust and delivering positive experiences.

Our focus areas are supported by ESG material topics relevant to our stakeholders, outlined in the “**Materiality Assessment**” section in this Report.

Stakeholder Engagement

Stakeholders play an important role in the Group's business operations and long-term strategy. Through effective communication, we seek to understand the concerns of our stakeholders and consider incorporating them in our decision-making processes. These stakeholders have been identified based on the extent to which they affect or are affected by our business activities.

Stakeholders	Engagement platforms	Issues of concern	Our Responses	Refer to Section(s)
Customers	• Feedback from customers	• Product range and safety • Competitive pricing	• Updating our product range • Complying with relevant safety regulations	• Social Responsibility
Employees	• Ad hoc training and career development opportunities	• Remuneration and benefits • Training and development • Safety and welfare	• Provision of training and career development opportunities • Building a safe workplace	• Social Responsibility
Suppliers	• Supplier evaluation and negotiations	• Supply chain resilience • Competitive assessment process	• Collaborate with suppliers to improve our visibility across the supply chain	• Governance and Economic Impact
Government and regulators	• Stay informed about relevant ESG regulations and guidelines	• Compliance with laws and regulations • Climate management practices	• Ensuring compliance with local laws and regulations • Disclosing climate-related disclosures	• Governance and Economic Impact • Environmental Protection
Investors	• Annual general meeting • Investor relations	• Economic performance • Corporate governance	• Provide informative and quality corporate communication and reports	• Governance and Economic Impact

Materiality Assessment

The materiality assessment was conducted in consideration of our internal and external stakeholder concerns based on information gathered from our stakeholder engagement and the following steps:

Identify
- Identify factors by comparing our business to industry standards and assessing risks, opportunities, and stakeholder needs.

Rate
- Assess and rate the relevance of each potential factor to the entities within the Group.

Prioritise
- Prioritise the most critical factors using a framework that evaluates their significance across the Group.

Validate
- Annually review and validate selected material factors to ensure ongoing relevance.

To ensure that our focus aligns with stakeholder priorities, we have updated our materiality assessment in 2024. Based on the assessment's outcome, Tye Soon has identified the following topics as the most significant: **Economic Performance**, **Corporate Governance,** and **Customer Satisfaction**.

Our material ESG topics were updated from those reported in the previous year to include:

1. **Corporate Governance** – Added in alignment with the Group's commitment to ethical business practices and compliance with regulatory requirements.
2. **Data Security Governance** – Emphasised due to the increasing digitalisation across the industry and the importance of cybersecurity.
3. **Emissions** and **Circular Economy** – Identified as areas with emerging areas of importance and added to align practices with external expectations.

Focus Areas	Material Topics
Governance and Economic Impact	Economic Performance
	Corporate Governance
	Data Security Governance
	Product Range Excellence
Environmental Protection	Energy
	Emissions
	Circular Economy
Social Responsibility	Employment
	Training and Education
	Occupational Health and Safety
	Customer Satisfaction

ESG Performance Summary

Governance

Compliance			
	UOM	**FY2023**	**FY2024**
Number of reported cases of whistle-blowing cases which are: • Reported through the channel • Followed up and responded	Number	Nil	Nil
Number of cases of reported corruption	Number	Nil	Nil
Instances of breaches of customer privacy from data leakages or theft	Instances	Nil	Nil
Instances of non-compliance that resulted in administrative or judicial sanctions, fines, or restrictions on operations	Instances	Nil	Nil

Environmental

Energy Consumption				
	UOM	**FY2023[2]**	**FY2024**	**YOY**
Electricity Consumption[3]	MWh	1,023.8	1,078.5	5.3%
Electricity Intensity	kWh/m²	~26.1	~26.1	-

Greenhouse Gas ("GHG") Emissions[4]				
	UOM	**FY2023[5]**	**FY2024**	**YOY**
Scope 2[6]	tCO_2e	544.2	572.0	5.0%
Emissions Intensity	tCO_2e/m^2	~0.01	~0.01	-

[2] *A calculation discrepancy has resulted in a 2% increase in the reported FY2023 electricity consumption and intensity figure.*

[3] *The reported energy consumption data is still under review to ensure the reporting criteria are streamlined across the reporting boundary.*

[4] *Efforts are underway to expand our GHG inventory to include Scope 1 emissions. This information will be disclosed in the next reporting cycle.*

[5] *A calculation discrepancy has resulted in a 31% increase in the reported FY2023 Scope 2 emissions.*

[6] *Scope 2 emissions are derived from purchased electricity, calculated using country-specific grid emission factors ("**GEFs**"). Due to the ongoing review of energy consumption data, the Scope 2 emissions may change.*

Social

Employees[7]			
	UOM	**FY2023**	**FY2024**
Full-time employees	Number	443	449
Part-time employees	Number	19	29
Total employees	Number	462	478
Diversity Metrics			
Male to Female	Rate	3.91	3.73
Age (Below 30, 30 to 50, Over 50)	Ratio	1: 1.8: 1.6	1: 2.0: 1.6
Training and Education			
Total training hours held[8]	Hours	8,890	9,432
Average training hours per employee	Hours	19.2	19.7

Occupational Health & Safety			
	UOM	**FY2023**	**FY2024**
Total Workplace fatalities	Number	0	0
Total Lost-Time Injuries[9]	Number	9	18
Lost-Time Injury Rate[10]	Rate	10.2	18.8

Customer Satisfaction			
	UOM	**FY2023**	**FY2024**
Incidents of non-compliance with customer regulations or voluntary codes[11]	Number	Nil	Nil

ESG Targets

We are in the process of refining our ESG goals to align with evolving regulatory requirements and business priorities. The updated targets will be disclosed in our next Report.

[7] The new hire and turnover data are still under review to ensure the reporting criteria are streamlined across the reporting boundary.

[8] The definition for training and education follows the GRI Standards. The total number of training hours is still under review to ensure the reporting criteria are streamlined across the reporting boundary.

[9] Total number of lost-time injuries refers to a workplace injury that resulted in a least one (1) day of medical leave. Total lost-time injuries are still under review to ensure the reporting criteria are streamlined across the reporting boundary.

*[10] Lost-Time Injury Rate calculated as Total Number of Lost-Time Injuries/Total Number of Man Hours Worked * 1,000,000. Due to the ongoing review of Lost-Time Injuries data, including the incident reporting process, the Lost-Time Injuries Rate may change.*

[11] Figure is computed from the number of accidents reported due to product quality.

Focus 1: Governance and Economic Impact

Corporate Governance

Sustainability Governance

The Board and senior management incorporate sustainability considerations into the Group's strategic direction, ensuring alignment with long-term business objectives. Supported by the SSC, comprising two (2) Executive Directors and one (1) Executive Officer, we develop and implement sustainability strategies while actively monitoring and managing ESG risks and impacts. The sustainability performance of our employees has not been linked to any remuneration.

All Board directors have completed the SGX-mandated sustainability training except for one (1) director who joined the Board in November 2024. The Company will make arrangements for the newly appointed director to attend the relevant training, reinforcing our dedication to strong governance and sustainable business practices.

Corporate Compliance

Tye Soon adheres to a comprehensive framework of laws and regulations, including the Code of Corporate Governance 2018, the Singapore Financial Reporting Standards (International), SGX-ST Rules, the Accounting and Corporate Regulatory Authority ("**ACRA**"), and the Securities and Futures Act 2001, amongst others.

We conduct regular reviews of new and updated regulations, ensuring that our employees are promptly informed of any relevant changes. In line with our commitment to compliance, we implement due diligence processes to uphold regulatory standards.

The Board is kept informed of relevant legal, accounting, and regulatory developments through written reports, briefings, and presentations. Additionally, the Company Secretary circulates articles, reports, and press releases from the SGX-ST and ACRA that are pertinent to the Board's oversight responsibilities.

Building on this achievement, we aim to sustain this record of adherence to governance principles.

Anti-corruption

The Group upholds the highest standard of business and personal ethics for its directors, managers, and employees in their duties and responsibilities. The Group communicates these values to all employees, including prohibiting the involvement in activities such as the misappropriation of cash sales or collections, unauthorised discounts, falsification of attendance records, pilferage of stocks, abuse of authority for personal gain, and fraudulent activities.

Whistle-blowing Policy

We have implemented robust escalation mechanisms, including a whistleblowing policy that provides employees and stakeholders with a safe and confidential channel to report any incidents of corruption or non-compliance. Reports of violations or suspected violations may be submitted confidentially by the complainant to the Audit and Risk Committee ("**ARC**") Chairperson. All reports will be investigated promptly, and appropriate action will be taken.

For further details, please refer to the Group's whistleblowing policy available on our website at: https://www.tyesoon.com/whistleblowing/.

Economic Performance

The Group believes good economic performance is important for our stakeholders. More information regarding the Group's economic performance can be found in the FY2024 Annual Report in the Five-Year Financial Summary (page 3), Chairman's Statement, Business Review and Note from the Executives (pages 8 to 12) and the Financial Statement section (pages 23 to 84).

Data Security Governance

The Group identifies and assesses potential data-related risks as part of our broader risk management framework, and we implement practical controls to mitigate them. We also ensure that our staff understand their role in protecting the company and customer data.

Product Range Excellence

While our operations do not directly cause any notable negative environmental or social impacts, we recognise that these issues can extend across our value chain. Upstream, raw material extraction and automotive parts manufacturing processes may lead to pollution, greenhouse gas emissions and labour concerns. Downstream, transportation emissions can harm the environment and communities.

We are committed to promoting sustainable practices by engaging with our suppliers on ESG matters and, when necessary, reassessing their performance to ensure alignment with our sustainability standards. This includes checking for certifications such as the International Organisation for Standardisation ("**ISO**"). This evaluation procedure ensures that we maintain sustainability standards across our product range and supply chain.

Focus 2: Protecting Our Environment

Resilience to Climate Change

Climate change presents a long-term global challenge that could significantly affect various aspects of the Group's strategies and operations. In response, the Group continually assesses its climate-related risks and opportunities, enabling us to develop resilience further and adapt to the evolving global landscape.

We have encompassed an examination of how climate change impacts our business operations and stakeholders, from four (4) fundamental elements: Climate-related Governance, Strategy, Risk Management and Metrics and Targets.

TCFD Recommended Disclosures		FY2024 Status	Summary and Next Steps
Governance	Describe the Board's oversight of climate-related risks and opportunities	Met	The Board recognises climate change to be a major challenge confronting the world and that this challenge presents risks and possible opportunities to the Group. The Board aims to make decisions relating to the Group's business strategy and operational matters to be consistent with the Group's efforts to mitigate climate-related risks and the pursuit of climate-related opportunities. The Board maintains oversight of climate-related issues pertaining to the Group and has designated the SSC to assist in carrying out its duties. The Board, including members of the SSC, has identified an initial set of climate-related risks and opportunities with the help of an external consultant. The Board intends to discuss these risks and opportunities with the SSC regularly as part of the agenda in designated Board meetings during the year.
	Describe management's role in assessing and managing climate-related risks and opportunities.	Met	As the Group recognises that climate-related risks and opportunities can evolve, part of the SSC's role is to assess the continuing relevance of the identified risks and opportunities as the Group's businesses develop and evolve. The SSC, with help from other executives and members of staff, will continue to develop and maintain policies/procedures to both mitigate climate-related risks as well as to pursue identified opportunities.
Strategy	Describe the climate-related risks and opportunities the organisation has identified	Met	The Group has engaged an independent ESG consultant to facilitate the assessment of climate-related risks and opportunities. The risk classifications that we are considering together with the ESG consultant: • Time horizons: Short-term (less than 5 years), Medium-term (5-10 years), and Long-term (more than 10 years).

<table>
<tr><th colspan="2">TCFD Recommended Disclosures</th><th>FY2024 Status</th><th>Summary and Next Steps</th></tr>
<tr><td></td><td>over the short, medium and long term</td><td></td><td>

Likelihood levels: Possible, Likely, Certain
Severity of financial impact: Insignificant, Minor, Significant, Major, or Severe.

To assess these risks and opportunities, we draw from the Network for Greening the Financial System (“NGFS”) scenarios, adapting them to our business context. The selected scenarios, along with their underlying assumptions and justifications, are summarised in the table below:
<table>
<tr><th>Scenario</th><th>Assumptions</th><th>Justification</th></tr>
<tr><td>NGFS
Orderly
Net Zero by 2050: Limit temperature rise to 1.5°C</td><td>Earlier adoption of climate policies, with gradual tightening.
Reach net-zero emissions by 2050.
Low physical risk but high transition risk.</td><td>Aligned with the latest international climate agreement and relevant national commitments.</td></tr>
<tr><td>NGFS
Hothouse world (Current Policies) Temperature rise exceeding 3°C.</td><td>Preserve currently implemented policies without additional climate policies.
Variations in climate policies across different jurisdictions.
Emissions are increasing until 2080.
High physical risk but low transition risk.</td><td>Unfavourable outcome and conservative approach.</td></tr>
</table>
To determine which risks and opportunities could potentially have a material financial impact on our business, the SSC, together with the external ESG consultant, through surveys and workshops, has analysed external factors such as regulations and market trends, and employed qualitative analyses. For further details on potential climate-related issues under each time horizon, please refer to the “Climate-related Risks and Opportunities” section in this Report.
</td></tr>
<tr><td></td><td>Describe the impact of climate-related risks and opportunities on the organisation’s business,</td><td>Met</td><td>
In assessing the financial impact of identified risks and opportunities, the Group considers several key factors:

The implications for our operations, products, and services.
Vulnerabilities in the supply chain and value chain.
Costs related to adaptation and mitigation activities.
Investment in research and development.

</td></tr>
</table>

TCFD Recommended Disclosures		FY2024 Status	Summary and Next Steps
	strategy and financial planning		• Potential acquisitions or divestments and access to capital. For further details on potential climate-related issues under each time horizon, please refer to the "**Climate-related Risks and Opportunities**" section in this Report.
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2℃ or lower scenario	Met	The Group has integrated climate-related scenarios into its risk and opportunity assessments as part of its strategic decision-making. For further details on potential climate-related issues under each time horizon, please refer to the "**Climate-related Risks and Opportunities**" section in this Report.
Risk Management	Describe the organisation's processes for identifying and assessing climate-related risks	Met	The Group identifies and assesses both existing and emerging climate-related risks by considering various climate scenarios and conducting in-depth sector-specific research. This analysis encompasses the regulatory landscape, market shifts, climate-driven physical developments, and peer comparisons to evaluate potential impacts on operations.
Risk Management	Describe the organisation's processes for managing climate-related risks	Met	Climate-related risks have been identified based on their potential impact on the Group's business. Risk mitigation responses and strategies are tailored to the specific nature of each risk. The risk register is periodically reviewed and updated to reflect changes in environmental conditions, regulatory landscapes, and market dynamics. This process ensures that climate-related risks are continuously monitored and managed in line with evolving circumstances.
Risk Management	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Met	The Board will be updated on climate-related risks as part of the Enterprise Risk Management ("**ERM**") process. These updates will provide assessments of potential climate-related risks, mitigation responses and strategies, and resilience measures. This process ensures that climate-related risks receive the same attention as other business risks.

TCFD Recommended Disclosures		FY2024 Status	Summary and Next Steps
Metrics and Targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Met	<u>GHG Emissions Metrics</u> The Group has incorporated these metrics: • Absolute GHG emissions in tCO_{2e} • GHG Emissions intensity in tCO_{2e}/m^2
	Disclose Scope 1 [12], Scope 2 [13], and if appropriate, Scope 3 [14] GHG emissions, and the related risks	In-Progress	<u>Scope 1</u> Data relating to emission levels for the period is unavailable. Efforts are underway to compile this data. <u>Scope 2</u> Scope 2 emissions are provided under the "**ESG Performance Summary**" section in this Report. <u>Scope 3</u> In line with SGX's phased implementation approach for Scope 3 emissions disclosure, the Group will continue to evaluate the need for quantifying Scope 3 emissions.
	Describe the targets used by the organisation to manage climate-related risks and opportunities, and performance against targets	In-Progress	The Group is currently developing appropriate metrics and targets. At this stage, our priority is to establish procedures before setting specific targets.

Climate-related Risks and Opportunities

In line with our commitment to align with the TCFD recommendations, our identification and assessment of climate risks consider:

[12] Scope 1 GHG emissions are emissions resulting from the sources owned or controlled by the Group.
[13] Scope 2 GHG emissions resulted from the generation of purchased electricity consumed by the Group
[14] Scope 3 emissions are emissions from sources not owned or controlled by the Group such as the Group's value chain

- **Transition risks**: include changes in policy and legal obligations, technological innovation, changing market demand for products, and changing stakeholder expectations.
- **Physical risks**: risks relating to the physical impacts of climate change (both acute and chronic). Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods, while chronic physical risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves.

The table below presents our analysis of our most significant and relevant climate-related risks. We recognise that the list is not exhaustive, and we will continue to enhance our understanding and responses to these risks.

Transition Risks	Description	Risk Mitigation
Policy and Legal	**Carbon taxes can have an impact on costs** The Group, with help from the external consultant, reviewed the carbon tax policies for the countries in which the Group has major operations and believes there will be some indirect impact on costs, which is passed down by energy producers. • Singapore: The carbon tax has increased from \$5 to \$25 per tonne of emission in 2024 and is set to increase to \$45 per tonne between 2026 and 2027. • Australia: The country does not levy an explicit carbon price. Instead, fuel excise taxes, serving as an implicit form of carbon pricing, covered 14.9% of emissions in 2021. • South Korea: Like Australia, South Korea does not impose an explicit carbon price. Instead, emissions are priced through fuel excise taxes and Korea's national emissions trading system (“**ETS**”). Approximately 99% of Korea's carbon emissions from energy use are priced, with around 16% having effective carbon rates (“**ECR”**) above EUR 60 per tonne of CO2. • Malaysia: Malaysia does not have a carbon tax in place and may consider similar measures to drive climate change objectives. **Period:** Short, Medium, Long	**Evolving solutions to work smart** This involves a continuous review of the way workspaces are arranged and tasks are conducted, such that utility expenses and transportation costs are minimised. For instance, comparing open-plan configurations with more partitioned layouts can help reduce utility expenses. Additionally, consolidating incoming and outgoing goods from suppliers and to customers can decrease the number of separate shipments and deliveries, thus lowering transportation costs. **Use of technology** Over time, this approach can develop into a comprehensive strategy. Initially, it begins with choosing more energy-efficient options for any device or process utilising electricity, such as LED lighting and energy-efficient HVAC systems. Another avenue involves considering hybrid electric or battery electric vehicles and material handling equipment. **Pricing policy** The Group has for a long time followed a policy of passing on price increases from suppliers to the demand channel. The Group will continue to do so as competitive peers, who also source brands from the same factory

Transition Risks	Description	Risk Mitigation
	Likelihood (Singapore, Australia, South Korea): Certain **Likelihood: (Malaysia):** Possible	suppliers, largely operate under similar terms and conditions.
	Financial Impact <u>Increase in utility expenses</u> The price of electricity charged by utility service providers will likely increase over time to reflect the introduction and increase in carbon taxes. As such, prices go up, the Group's utility expenses relating to lighting, air conditioning, cooling, heating, and other usage of electricity will increase. <u>Increase in transportation costs</u> Fuel costs will continue to be affected by supply and demand factors, but will likely face upward pressures to increase over time to reflect the introduction and increase in carbon taxes. Higher fuel costs will likely result in higher transportation-related costs, including those incurred for incoming/outgoing shipping and trucking, local delivery costs (whether operated or outsourced), and the running of the Group's vehicles. <u>Increase in the purchase price of parts</u> Factory suppliers will face the same risks of higher utility expenses and transportation costs. As production and transportation costs increase (see above), the total costs incurred by these suppliers will increase, and hence their prices to our Group will become higher.	
	Impact Area: Singapore, Australia, South Korea, and Malaysia (the Group's major operations)	

<table>
<tr><th>Physical Risks</th><th>Description</th><th>Risk Mitigation</th></tr>
<tr><td rowspan="4">Acute and Chronic</td><td>Extreme weather-related events can disrupt the business

Acute risks are event-driven. These events include extreme weather-related events such as typhoons, cyclones and hurricanes, which can cause destruction by very strong winds and are often followed by floods.

Such events can disrupt the production of automotive parts at suppliers' factory plants, as well as the shipping and transportation of these parts. It can also cause the destruction of warehousing infrastructure, storing the parts and the parts themselves.</td><td rowspan="4">Site location selection and business continuity procedures

The Group's major business units primarily operate in geographical areas where very severe storms are uncommon. South Korea stands out as an exception, experiencing several typhoons annually. Floods, on the other hand, are more prevalent in other areas where the Group's locations are situated. To mitigate flood risks, the Group has carefully selected business sites with relatively better drainage and, where possible, positioned them on higher ground. Relevant procedures have been put in place to mitigate any potential impact of severe storms, including floods, on daily business operations.

Supply Risk Management

The Group has, over time, built up a large portfolio of brands and suppliers. This helps to mitigate the risk of supply delays from any one (1) supplier. The Group has also maintained good stock levels, providing a degree of buffer against the effects of unexpected prolongation in supply lead times.

Safeguarding inventory and assets

The Group's business model, which involves placing stocks in nearly 90 locations across the Asia Pacific region (mainly in South Korea, Australia and Malaysia in terms of the number of physical sites), significantly mitigates the risk of stocks being damaged by severe storms or floods. The Group maintains appropriate insurance coverage to mitigate financial losses arising from inventory and asset damage or loss.</td></tr>
<tr><td>Period: Short, Medium, Long</td></tr>
<tr><td>Likelihood: Possible</td></tr>
<tr><td>Financial Impact

<u>Loss of revenue</u>

Disruption in production at suppliers' factory plants contributes to extended lead times before the Group receives ordered goods. If the quantity of saleable stocks already held by the Group is insufficient to meet customer demand due to supply delays, the Group experiences a revenue loss through the loss of sales over time. Damaged goods caused by severe storms and/or floods are unsalable and can also potentially lead to a revenue loss if there is an insufficient quantity of undamaged stock available.

<u>Increase in transportation costs</u>

Apart from local supplies, sea freight is the primary method for transporting goods from supplier plants to the Group's business locations. In the event of supply disruptions leading to prolonged lead times, airfreight can be utilised to expedite the shipping process. However, it comes with significantly higher costs.</td></tr>
</table>

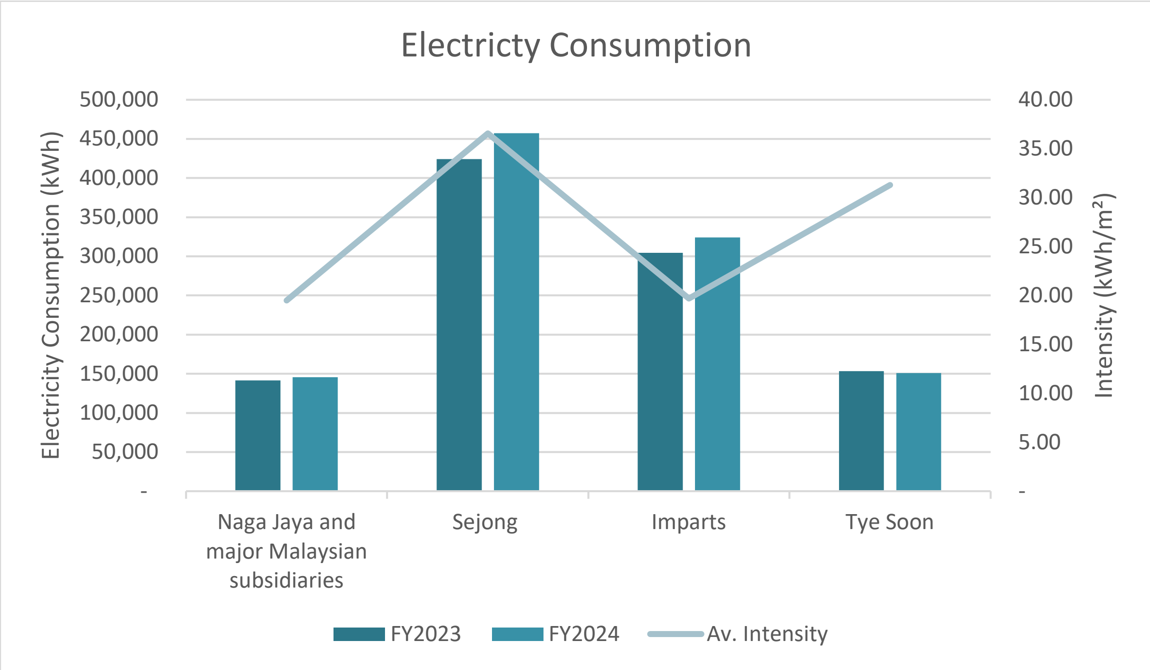
Physical Risks	Description	Risk Mitigation
	Increase in repair costs and asset write-offs Damage to the warehousing infrastructure caused by severe storms and/or floods will require repair. Similarly, damaged stocks and other assets will need either restoration or write-off	
	Impact Area: Across the business	

Opportunity	Description	Management's Response
Products/ Services	**Capitalise on the growing demand for new-energy vehicles** New-energy vehicles ("**NEV**") currently include hybrid electric vehicles ("**HEV**"), battery electric vehicles ("**BEV**") and others (such as those using fuel cell technology). As consumers become more conscious of the environment, demand for NEVs is expected to rise. Governments in many countries around the world have played varying roles, from very little to highly engaged, in setting emission standards and the timelines to achieve those standards. Actual demand from consumers for NEVs, however, has varied depending on regulations and the availability or extent of government-driven subsidies.	**Continue to work with top-tier manufacturers** The Group has for many years worked with top-tier automotive parts manufacturers to distribute their brands in the region and beyond. Many of these top-tier parts manufacturers are also the ones working closely with vehicle manufacturers, both those that are historically established as well as the newer vehicle makers which have become more well-known in recent years (e.g. Tesla). The Group considers the long-standing relationships with the above-mentioned top-tier parts manufacturers to be an advantage and intends to extend the range of parts purchased from them to include parts for NEVs. The mentioned advantage will become more pronounced if some of the Group's current competitive peers are unable to access the same parts for NEVs due to their lack of relationships with top-tier parts manufacturers.
	Period: Short, Medium, Long	
	Likelihood: Certain	
	Financial Impact Revenue The Group intends to extend its procurement program to include automotive parts for NEVs and include these as part of the Group's offerings to customers. However, at present, the Group lacks adequate data on the durability of the majority of these parts, such as how often they need replacement. Hence, it is premature to offer any clear visibility on revenue related to this.	

Opportunity	Description	Management's Response
	Increase in cost Certain principals and suppliers have highlighted the need for more structured training in the handling of certain electrical parts for NEVs. The Group will have to allocate more manhours and incur costs for staff training. **Impact Area(s):** Across the business	**Market positioning** If the above-mentioned competitive peers assess that they will not be in a position to access as broad a range of parts as the Group, they may reinvest less in their businesses over time in anticipation that they would be less competitive in the future. This assessment could also deter new entrants. If these scenarios eventuate, the Group's efforts to enhance its business presence and relative market positioning will be made easier.

Energy

Electricity is the primary source of energy consumption across our offices and warehouses. In FY2024, total electricity consumption increased by 5.3% to 1,078.5 MWh (FY2023: 1,023.8 MWh), while electricity intensity remained stable at ~26.1 kWh/m². The rise in consumption was mainly driven by the Group's expansion across markets, leading to higher distribution volumes and greater operational activity.



Energy Conservation

Energy conservation remains a core operational priority for the Group, and we collaborate closely with property owners to drive continual improvements in energy efficiency across our leased offices and warehouses. To achieve this, we have implemented several key initiatives:

1. Raise environmental awareness

We believe that fostering a sustainability-focused corporate culture leads to both operational cost savings and enhanced brand value. To promote environmental awareness, we engage our employees and building user awareness in energy-saving and waste-management initiatives through targeted communication efforts.

2. Invest in energy-efficient technologies

Recognising that lighting contributes significantly to electricity consumption, we have progressively introduced energy-efficient LED lighting in our offices and warehouses.

3. Conduct regular maintenance

Additionally, we prioritise ongoing maintenance to ensure that equipment operates optimally and to mitigate the risk of failure. Our staff are encouraged to report any malfunctioning equipment, ensuring prompt repairs. We also closely monitor our monthly utility consumption to identify potential opportunities for further improvements in energy efficiency.

Greenhouse Gas Emissions

We aim to expand our transparency around our carbon footprint. As part of our preliminary assessment, we have begun identifying emission sources for Scope 1.

While data collection efforts for Scope 1 emissions are currently underway and will be included in our next reporting cycle, we are actively and continually tracking our Scope 2 emissions. Our Scope 2 emissions result from purchased electricity used to power our office and warehouse operations.

Scope 2 emissions are provided under the "**ESG Performance Summary**" section in this Report.

Circular Economy

In line with our sustainability strategy, we are committed to designing processes that minimise waste generation and prevent pollution across our supply chain. Our waste management approach is focused on optimising stock and logistics, encouraging and adopting sustainable packaging, and implementing responsible disposal practices.

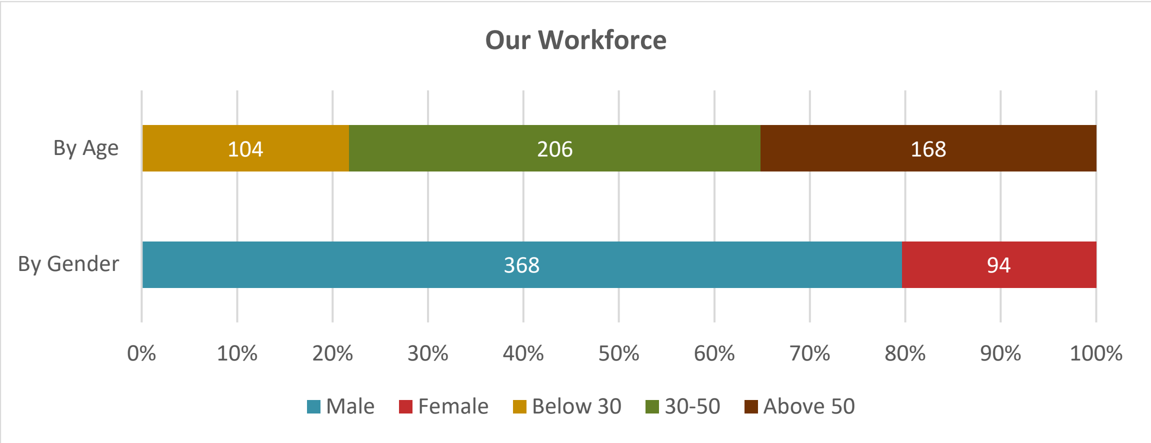
Our waste primarily consists of packaging materials, and overall waste generation remains minimal. Wherever possible, we recycle or reuse these materials appropriately.

Focus 3: Developing Our Human Capital

Employee Diversity

At Tye Soon, our employees are integral to the company's success. Retaining a dedicated workforce fosters a positive work environment, enhances operational stability, and strengthens stakeholder confidence. We recognise that leadership continuity, industry experience and work-related knowledge are key to long-term growth, and we are committed to rewarding employees based on their performance and contributions.

The Group has employed a total of 478 employees, of whom 29 are part-time employees. We value the diversity of our workforce and are committed to fostering an inclusive work environment across our operations. Our workforce, categorised by age and gender across our entities, is represented below.



In our industry, the hiring trend has historically leaned toward a higher proportion of male employees, largely due to the relatively large manpower requirements in the warehousing and logistics functions and the physical nature of many roles within those functions. Jobs in warehousing, logistics, and transportation often involve tasks that are seen as requiring more physical strength. As a result, more males have applied for the jobs to fulfil these roles.

Nevertheless, the Group demonstrates a commitment to age diversity in its hiring practices, with new employees spanning all age groups.

Employee Wellbeing & Benefits

All our full-time and part-time employees are entitled to mandated employment benefits in their respective countries of operation, including appropriate leave and retirement provisions. To support employee engagement and retention, we prioritise open communication and continual dialogue through engagement sessions, allowing employees to voice concerns and provide feedback. These initiatives contribute to a stable and motivated workforce, helping to manage turnover and improve workplace conditions.

Training and Education

In a dynamic business landscape, the Group recognises the importance of continuous learning and development to equip employees with the necessary skills for growth. Employee training and development remain a key priority, as we believe that ongoing career progression enhances business performance and job satisfaction. To support our employees in reaching their full potential, we provide a range of training opportunities tailored to their roles and responsibilities.

Our employees are given on-the-job coaching as well as provided training that covers a wide range of relevant topics and skillsets, including personal data protection, occupational health and safety and cybersecurity.

Occupational Health and Safety

As a responsible employer, the Group is committed to maintaining a safe and healthy working environment across our operations. Minimising the risks of work-related injuries and illnesses is essential not only for employee well-being but also for operational efficiency and the Group's reputation. We adhere to local occupational health and safety laws and regulations in all our entities within our reporting boundary.

Employees are required to comply with established health and safety protocols and take all necessary precautions to ensure workplace safety. The Group maintains strict compliance with national safety regulations and monitors workplace conditions to uphold best practices in occupational health and safety.

In our industry, most workplace injuries are caused by improper lifting techniques or handling heavy loads. In order to avoid or minimise injuries, such as strains and sprains, especially in warehousing or logistics roles, our company prioritises safety training and the implementation of proper protocols, ensuring that all employees are equipped with the knowledge and mindset to handle work safely.

Procedures are in place to record work-related injuries, and follow-up actions, where applicable, are taken to implement corrective measures. In the event of an incident, employees must follow established procedures by informing their manager or supervisor to obtain the appropriate response. The Group remains committed to fostering a safety-first culture.

Customer Satisfaction

The Group recognises customer satisfaction as a key priority in our commitment to delivering quality automotive parts and solutions. We are dedicated to ensuring the safety of our customers by maintaining compliance with regulatory standards and industry best practices. Regular assessments are conducted to enhance product quality, safety, and service excellence.

To strengthen our customer service capabilities, we continually review the roles and skill sets of customer-facing employees, equipping them with the necessary product knowledge, technical expertise, and service competencies to effectively meet customer needs. Our approach focuses on both customer retention and acquisition, fostering long-term relationships while expanding our market reach.

We actively engage with customers through multiple communication channels, including regular direct contact either in person, via calls, emails or social media, follow the feedback mechanisms on our website and participate in customer events. This allows us to better understand customer expectations and respond effectively, ensuring that our products and services continue to meet evolving market demands.

GRI Standards Content Index

Statement of use	Tye Soon Limited has reported ***with reference to*** the GRI Standards 2021 for the period from 1 Jan 2024 to 31 December 2024
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable

GRI Standard/ Other Source	Disclosure	Location
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organisational details	Organisation Profile
	2-2 Entities included in the organisation's sustainability reporting	About This Report
	2-3 Reporting period, frequency and contact point	About This Report
	2-4 Restatements of information	Restatements
	2-5 External Assurance	About This Report
	2-6 Activities, value chain and other business relationships	Annual Report
	2-7 Employees	Focus 3: Social Responsibility
	2-8 Workers who are not employees	Focus 3: Social Responsibility
	2-9 Governance structure and composition	Annual Report - Corporate Governance Report
	2-10 Nomination and selection of the highest governance body	Annual Report - Corporate Governance Report
	2-11 Chair of the highest governance body	Annual Report - Corporate Governance Report
	2-12 Role of the highest governance body in overseeing the management of impacts	Focus 1: Governance and Economic Impact
	2-13 Delegation of responsibility for managing impacts	Focus 1: Governance and Economic Impact

	2-14 Role of the highest governance body in sustainability reporting	Focus 1: Governance and Economic Impact
	2-15 Conflicts of interest	Annual Report - Corporate Governance Report
	2-16 Communication of critical concerns	Focus 1: Governance and Economic Impact
	2-17 Collective knowledge of the highest governance body	Annual Report - Corporate Governance Report
	2-18 Evaluation of the performance of the highest governance body	Annual Report - Corporate Governance Report
	2-19 Remuneration policies	Annual Report - Corporate Governance Report
	2-20 Process to determine remuneration	Annual Report - Corporate Governance Report
	2-21 Annual total compensation ratio	Confidential
	2-22 Statement on sustainable development strategy	Sustainability Strategy Overview – Board Statement
	2-23 Policy commitments	• Focus 1: Governance and Economic Impact • Focus 2: Environmental Protection • Focus 3: Social Responsibility
	2-24 Embedding policy commitments	• Focus 1: Governance and Economic Impact • Focus 2: Environmental Protection • Focus 3: Social Responsibility
	2-25 Processes to remediate negative impacts	Annual Report - Corporate Governance Report
	2-26 Mechanisms for seeking advice and raising concerns	Annual Report - Corporate Governance Report
	2-27 Compliance with laws and regulations	Focus 1: Governance and Economic Impact
	2-28 Membership associations	Singapore Cycle & Motor Traders' Association ("**SCMTA**")
	2-29 Approach to stakeholder engagement	Stakeholder Engagement
	2-30 Collective bargaining agreements	The Group is not involved in any form of collective bargaining agreements.
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment

	3-2 List of material topics	Materiality Assessment
Governance and Economic Impact		
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 1: Governance and Economic Impact
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Annual Report - Five-Year Financial Summary, Chairman's Statement, Business Review and Note from the Executives and the Financial Statement section
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Focus 1: Governance and Economic Impact – Corporate Governance
	205-2 Communication and training on anti-corruption policies and procedures	
	205-3 Confirmed incidents of corruption and actions taken	
GRI 308: Supplier Environmental Assessment	308-2 Negative environmental impacts in the supply chain and actions taken	Focus 1: Governance and Economic Impact – Product Range Excellence
GRI 414: Supplier Social Assessment	414-2 Negative social impacts in the supply chain and actions taken	
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Focus 1: Governance and Economic Impact – Data Security Governance
Environmental Protection		
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 2: Environmental Protection
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Focus 2: Environmental Protection - Resilience to Climate Change
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Focus 2: Environmental Protection – Energy, and Greenhouse Gas Emissions
	302-3 Energy intensity	
	302-4 Reduction of energy consumption	
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	
	305-4 GHG emissions intensity	

GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Focus 2: Environmental Protection - Circular Economy
	306-2 Management of significant waste-related impacts	
Social Responsibility		
GRI 3: Material Topics 2021	3-3 Management of material topics	Focus 3: Social Responsibility
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Focus 3: Social Responsibility- Employment
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	Focus 3: Social Responsibility - Occupational Health and Safety
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Focus 3: Social Responsibility - Training and Education
	404-2 Programs for upgrading employee skills and transition assistance programs	
GRI 416: Customer Health and Safety	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Focus 3: Social Responsibility - Customer Satisfaction