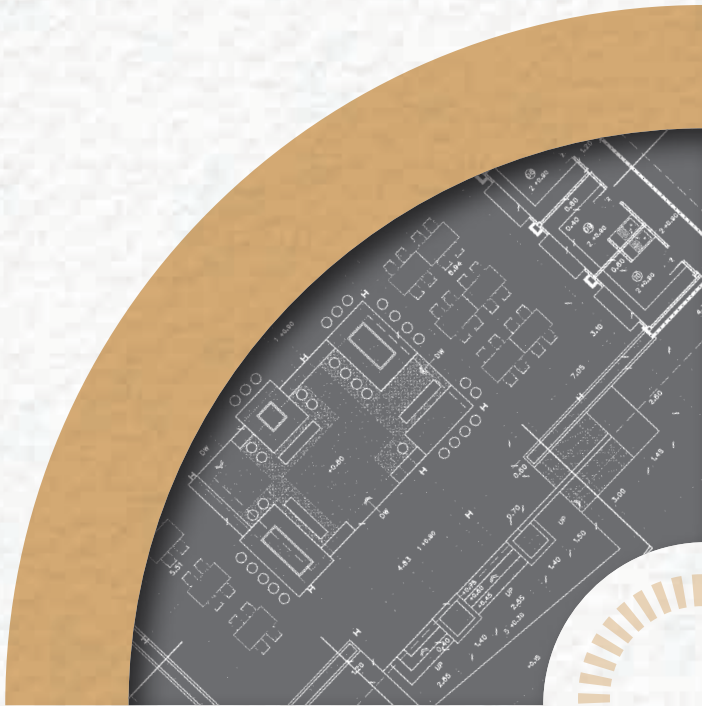




**EVER GLORY
UNITED HOLDINGS
LIMITED**



厚积薄发 STEADY ACCUMULATION

SUSTAINABILITY REPORT

2023



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Ever Glory United Holdings Limited (the "Company") was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 18 May 2023. The initial public offering of the Company was sponsored by Novus Corporate Finance Pte. Ltd. (the "Sponsor").

This sustainability report has been prepared by the Company and reviewed by the Sponsor, in compliance with Rule 226(2)(b) of the SGX-ST Listing Manual Section B: Rules of Catalist.

This sustainability report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this annual report, including the correctness of any of the statements or opinions made, or reports contained in this sustainability report.

The contact person for the Sponsor is Mr. Pong Chen Yih, Chief Operating Officer, at 7 Temasek Boulevard, #04-02 Suntec Tower 1, Singapore 038987, telephone (65) 6950 2188.

MESSAGE FROM CEO

Dear Stakeholders,

Ever Glory United Holdings Limited (“Ever Glory”, and together with its subsidiaries, the “Group”) is pleased to present the inaugural Sustainability Report (the “Report”) of the Group which contains information about the sustainability performance and practices of our business during the financial year ended 31 December (“FY”) 2023.

This Report details our initial steps in environmental stewardship, social responsibility and ethical governance. We firmly believe that engaging in Environmental, Social, and Governance (“ESG”) practices are essential to meet the evolving needs of our stakeholders’ ever-changing expectations.

We have implemented initiatives to monitor our energy consumption and waste generated, while fostering a diverse and inclusive workplace. Recognising the growing concern that is climate change, we have presented our annual climate-related disclosure report based on the Task Force for Climate-related Financial Disclosures (“TCFD”) recommendations. Additionally, we prioritise the well-being of our employees by ensuring a safe and healthy work environment through comprehensive occupational health and safety programs.

We believe that sustainability is more than a short-term effort, but rather a long-term guiding principle. As such, we are committed to continuous innovation and collaboration with our stakeholders – customers, business partners, employees, and shareholders – to build a more sustainable future.

Thank you for your continued support on this important journey.

XU RUBING

Executive Director and Chief Executive Officer



ORGANISATIONAL PROFILE

Ever Glory was listed on the Catalist board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 18 May 2023. Ever Glory is a Singapore-based Mechanical and Electrical (“M&E”) engineering service provider.

We provide a wide array of M&E engineering services, catering to projects in both the public and private sectors. These projects encompass the development or redevelopment of various properties, including Housing and Development Board (“HDB”) residential flats, private residential properties, private schools, mixed-use properties, commercial buildings and industrial buildings.

Ever Glory specialises in air-conditioning and mechanical ventilation systems to electrical engineering systems, fire prevention and protection systems, plumbing, sanitary and gas systems, and integrated building services.

As of 31 December 2023, the Group had two wholly-owned subsidiaries:

1. Sunbeam M&E Pte Ltd, a sub-contractor working with the main contractors who deliver projects to our clients and developers; and
2. Ever Capital Pte Ltd, our property development arm incorporated in October 2023.



REPORTING PRACTICE

REPORTING PRINCIPLES AND STATEMENT OF USE

This Sustainability Report (“Report”), best read together with our Annual Report 2023, provides a comprehensive overview of our Environmental, Social and Governance (“ESG”) imperatives. This Report is prepared with reference to the Global Reporting Initiative (“GRI”) 2021 Standards, covering our Group’s performance from 1 January 2023 to 31 December 2023. The GRI Standards were selected as it is a globally recognised standard and represents the best practices for reporting on economic, environmental and social impacts.

The Group applied the following GRI reporting principles within this Report to ensure the quality and proper presentation of information: *Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness and Verifiability*. For more information on our GRI disclosures, please refer to the GRI Content Index.

This Report is compliant with Rules 711A and 711B of the SGX-ST’s Listing Manual Section B: Rules of Catalist (“Catalist Rules”). Reference has also been drawn from Practice Note 7F Sustainability Reporting Guide of the Catalist Rules.

To provide our stakeholders with an overview of the potential impacts of climate change on our business, this Report discloses the Group’s potential climate-related risks and opportunities, in line with the Taskforce for Climate-related Financial Disclosures (“TCFD”) recommendations. The Sustainable Development Goals (“UN SDGs”) have also been integrated into the Report to highlight the Group’s contributions to sustainable development.

The Board of Directors has reviewed and approved the reported information and material topics disclosed.

REPORTING SCOPE

This Report covers the performance of the Group’s operations and subsidiaries as of 31 December 2023. Ever Capital Pte Ltd was not included in the reporting boundary as there were no operations in FY2023.

ASSURANCE

The Group has established internal controls to ensure the accuracy and reliability of the narratives and data disclosed within this Report. The Group has also engaged an ESG consultant to facilitate the selection of relevant material topics as well as compliance with GRI Standards, TCFD Recommendations and the Catalist Rules. To further enhance the credibility of this Report, the Group will be subjecting its sustainability reporting process to be reviewed by Internal Auditors, based on the audit plan approved by the Audit Committee, as required by Catalist Rule 711B(3). The Board has assessed that independent external assurance is not required at this juncture.

FORWARD-LOOKING STATEMENT

Certain statements in the Report are “forward-looking statements” that reflect Ever Glory’s current views of future events, considers our present and future sustainability strategies, and the environment which Ever Glory will operate in. These views necessarily involve risks, uncertainties and assumptions which may cause the actual performance or achievements of Ever Glory or its industry, to be materially different from the future performance or achievements expressed or implied by such forward-looking statements and financial information.

Ever Glory expressly disclaims the obligation to publicly release any updates or revisions to any forward-looking statement to reflect any change in Ever Glory’s expectations when conditions or circumstances on which any such statement or information has changed.

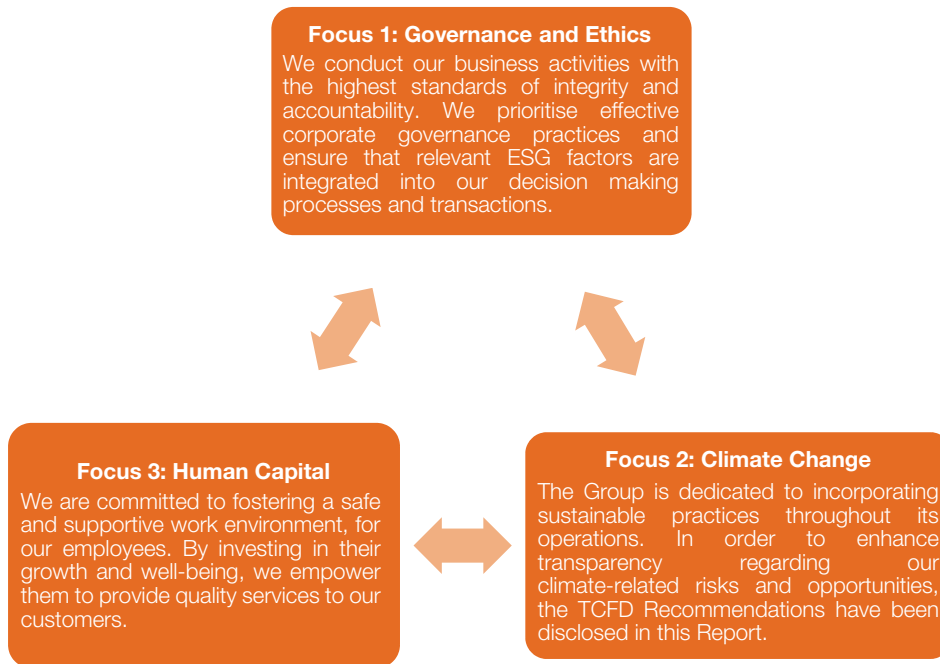
FEEDBACK

Ever Glory is committed to providing clear and accurate disclosures in this Report to our stakeholders. We welcome any comments or feedback on our sustainability reporting process and practices at enquiry@egu-holdings.com.



SUSTAINABILITY STRATEGY OVERVIEW

Ever Glory acknowledges the importance of addressing ESG considerations to establish a resilient and sustainable business model. We are committed to embedding diverse ESG principles into our operational framework, prioritising areas that are most relevant to our business. In response to the increasing demands of our stakeholders, we have defined the following three focus areas that will guide our sustainability strategy.



ESG PERFORMANCE HIGHLIGHTS

- Zero workplace fatalities and high-consequence injuries.
- Zero incidence of non-compliance with relevant laws and regulations pertaining to economic, environmental or social concerns.
- Inaugural disclosures of climate-related risks and opportunities.

AWARDS AND ACCREDITATIONS






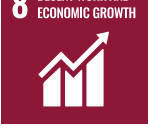
As a testament to our high standards in quality of services and workplace safety practices, we have received the following recognitions:

Name of Award/Accreditation	Year Obtained
Quality Management System Accreditation (ISO 9001:2015)	2022
Operational Health and Safety Management System Accreditation (ISO 45001:2018)	2022
bizSAFE Star	2023

CONTRIBUTION TO THE UN SDGS

The Group actively supports the UN SDGs in our daily operations, strategic planning and stakeholder engagement. Achieving the UN SDGs is an ongoing global effort and is integral to the Group’s long-term commitment to sustainable practices.

The table below outlines the Group’s contributions toward the attainment of pertinent UN SDGs.

UN SDGs	The Group’s Contribution	Relevant Focus Areas
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	Comply fully with all socioeconomic and environmental laws and regulations	<ul style="list-style-type: none"> • Focus 1: Governance and Ethics
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	Reduce waste generation through recycling and reuse, and monitor water, energy and diesel consumption	<ul style="list-style-type: none"> • Focus 2: Climate Change
 <p>13 CLIMATE ACTION</p>	Reduce emissions according to organisational capacity. Strengthen resilience and adaptive capacity to climate-related risks and opportunities	<ul style="list-style-type: none"> • Focus 2: Climate Change
 <p>3 GOOD HEALTH AND WELL-BEING</p>	Prioritise employee’s health and safety in our daily operational work	<ul style="list-style-type: none"> • Focus 3: Human Capital
 <p>5 GENDER EQUALITY</p>	Actively promote gender equality and diversity in the workplace	<ul style="list-style-type: none"> • Focus 3: Human Capital
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	Provide work opportunities and a conducive working environment to the local community	<ul style="list-style-type: none"> • Focus 3: Human Capital

STAKEHOLDER ENGAGEMENT

Engaging our stakeholders is integral to our sustainability strategy, as we actively seek their input on their concerns within our operations and sustainability efforts. We have defined our stakeholders as groups who significantly influence or are greatly impacted by our operations, including customers, employees, suppliers, government and regulators, and investors. We actively engage with our stakeholders through various channels, allowing us to address their concerns, improve our performance and align our sustainability approach with their evolving needs.

The following table summarises our primary stakeholders, their areas of concerns and how the Group engages and responds to their concerns.

Stakeholders	Areas of Concern	Our response	Engagement Platforms	Section Reference
Shareholders and Investors	<ul style="list-style-type: none"> Economic performance Compliance with relevant laws and regulations Corporate Governance and Ethics Environmental impacts of operations 	<ul style="list-style-type: none"> Provide reliable and relevant information to shareholders and investors Manage our waste, energy and emissions performance Disclose climate-related risks and opportunities 	<ul style="list-style-type: none"> Annual Report and Sustainability Report Annual shareholder meeting 	<ul style="list-style-type: none"> Focus 1: Governance and Ethics Focus 2: Climate Change Focus 3: Human Capital
Government and Regulators	<ul style="list-style-type: none"> Compliance with relevant laws and regulations Environmental impacts of operations 	<ul style="list-style-type: none"> Ensure full compliance with all applicable environmental and socioeconomic regulations, including all necessary safety requirements 	<ul style="list-style-type: none"> Annual Report and Sustainability Report SGX half-yearly financial results announcement 	<ul style="list-style-type: none"> Focus 1: Governance and Ethics Focus 2: Climate Change Focus 3: Human Capital
Employees	<ul style="list-style-type: none"> Equal opportunities and non-discrimination Safe and conducive working environment Training and development 	<ul style="list-style-type: none"> Establish a fair and diverse working environment Provision of internal and external training opportunities Implement workplace safety measures and provide regular safety briefings 	<ul style="list-style-type: none"> Provide meaningful feedback through performance appraisals Provide regular training and updates on workplace safety measures 	<ul style="list-style-type: none"> Focus 3: Human Capital

Stakeholders	Areas of Concern	Our response	Engagement Platforms	Section Reference
Customers	<ul style="list-style-type: none"> Service quality and safety 	<ul style="list-style-type: none"> Continue to deliver quality services Achieve relevant certifications for quality and safety of our services 	<ul style="list-style-type: none"> Annual Report and Sustainability Report Customer feedback channel: enquiry@egu-holdings.com 	<ul style="list-style-type: none"> Focus 3: Human Capital
Suppliers and Business Partners	<ul style="list-style-type: none"> Economic performance Product quality and safety Business ethics and sustainable practices 	<ul style="list-style-type: none"> Ensure full compliance with all applicable environmental and socioeconomic regulations Engage suppliers on product safety and certification 	<ul style="list-style-type: none"> Regular communications and meeting with suppliers 	<ul style="list-style-type: none"> Focus 1: Governance and Ethics



MATERIALITY ASSESSMENT

In FY2023, our senior management team has worked with an external ESG consultant to conduct a materiality assessment workshop. During this workshop, we identified relevant ESG topics based on recent global events. Material topics were selected in line with the GRI Standards 2021 and prioritised based on the significance of their impacts in relation to the key concerns of our internal and external stakeholders. The material topics selected has been benchmarked against comparable peer companies, areas of concern in the M&E engineering services industry, as well as current sustainability themes.

The following steps were carried out to identify and present the relevant material topics in this Report:

1. Identification

- The Sustainability Working Committee identifies material sustainability issues and topics relevant to stakeholders, drawing from both universal criteria and the GRI Standards.

2. Comparative Study

- Comparison against competitors and peers to determine how the industry identifies and prioritises material factors.

3. Prioritisation

- Material sustainability issues and topics are grouped under the shortlisted focus areas. Each focus area is ranked based on its significance in terms of ESG impact and stakeholders' concerns.

4. Validation

- The focus areas and its underlying sustainability topics are circulated to the sustainability team and Board to ensure the completeness and relevance of topics selected before report preparation.

Following the results of our materiality assessment, we have selected and streamlined our attention on 10 key material topics. The following table presents an overview of the chosen material topics and its relevant focus area.

Focus Area	Ever Glory's ESG Material Topics	GRI Topic Standards
Focus 1: Governance and Ethics	Anti-Corruption	GRI 205: Anti-corruption 2016
Focus 2: Climate Change	Climate-related Risks and Opportunities	GRI 201: Economic Performance 2016
	Energy and Emissions	GRI 302: Energy 2016 GRI 305: Emissions 2016
	Waste	GRI 306: Waste 2020
Focus 3: Human Capital	Occupational Health and Safety	GRI 403: Occupational Health and Safety 2018
	Employment Practices	GRI 401: Employment 2016
	Non-Discrimination	GRI 406: Non-discrimination 2016
	Diversity	GRI 405: Diversity and Equal Opportunity 2016
	Training and Education	GRI 404: Training and Education 2016

FOCUS 1: GOVERNANCE AND ETHICS

Strong corporate governance policies and processes form the core of our sustainability strategy. We ensure transparency and ethical operations by adhering to the highest standards and complying with all relevant laws and regulations wherever we operate.

SUSTAINABILITY GOVERNANCE STRUCTURE

The Board has integrated sustainability considerations into the Group’s business strategy formulation and is responsible for overseeing the management of ESG impacts.

To ensure that all members of the Board understand sustainability, the Singapore Exchange has mandated sustainability training for all board directors of equity issuers listed on SGX. As at 31 December 2023, all of the Group’s directors have attended the mandatory sustainability training, conducted by approved service providers.

The Board has appointed a Sustainability Working Committee (“SWC”), comprising senior executives and chaired by the General Manager. The SWC leads on implementation, management and monitoring of the Group’s sustainability efforts. The SWC has conducted its inaugural materiality assessment to identify key ESG material topics relevant to the Group’s sustainability strategy and operations. The Board reviews and approves the material ESG factors, along with proposed targets set over different time horizons.

Following guidance from the Board and approval of targets, the SWC implements and executes sustainability management efforts and provides regular performance updates. Dedicated work teams collaborate with the SWC to drive these initiatives. Employee sustainability performance is not tied to compensation.

With the guidance from the Board and the approved targets, the Management is responsible for the implementation and execution of pertinent ESG initiatives. The Management provides regular updates, which includes ESG performance, to the Board.

Our designated work teams collaborate closely with the Management to drive our sustainability initiatives. The sustainability performance of our employees is not tied to any remuneration.



BOARD STATEMENT

In FY2023, the Board has reviewed and approved the ESG material topics identified by the Management, ensuring that these ESG factors are regularly monitored and managed by the Management. The Management provides updates on Ever Glory's ESG targets and performance at least annually. The Board sets the Group's strategic direction, integrating sustainability considerations into our operations, wherever possible.

RISK MANAGEMENT

The Group has implemented a comprehensive risk management framework and takes a precautionary approach towards strategic decision making and our daily operations.

Further details regarding our corporate governance practices and risk management framework can be found in the Corporate Governance Report section in our Annual Report 2023.

CORPORATE COMPLIANCE

The laws and regulations applicable to the Group include the Code of Corporate Governance 2018, Catalist Rules and the Securities and Futures Act 2001, amongst others.

Our employees, secretarial firm and auditors conduct regular reviews of new regulations and updates to existing regulations. Updates are disseminated to relevant staff and processes have been established to consistently monitor the associated activities and performance. Additionally, Directors are kept informed on relevant legal, accounting and regulatory developments via email, briefings or presentations. The Company Secretary also disseminates the relevant articles, reports and press releases issued by the SGX-ST and the Accounting and Corporate Regulatory Authority to the Directors.

During FY2023, there were zero instances of non-compliance with relevant laws and regulations pertaining to economic, environmental or social issues that resulted in any warnings, penalties or fines.

POLICY COMMITMENTS AND GRIEVANCE PROCEDURES

In line with our commitment to strong corporate governance practices, the Group has implemented various policies throughout our operations. This includes our Whistle-Blowing Policy and Quality Occupational Health & Safety ("QOHS") Policy. These policies reference the Singapore Ministry of Manpower's ("MOM") guidelines on Workplace Safety and Health ("WSH"). Due diligence and the precautionary principle are implemented in the course of developing and executing our policy commitments. Policies are approved by our Directors and communicated to all employees annually.

All stakeholders, including our employees, are able to report any concerns regarding any wrongdoings, financial malpractice, illegal acts or business practices that go against Ever Glory's code of conduct in a safe and confidential manner. We have established an anonymous whistle-blowing channel for stakeholders to raise concerns, without fear of retaliation or reprisal. Further details regarding our whistle-blowing policy are outlined in the Corporate Governance Report in our Annual Report 2023.

In FY2023, we received zero whistle-blowing reports.

ANTI-CORRUPTION

The Group maintains a strict zero tolerance stance towards fraud, bribery, corruption and any violation of laws and regulations. The Group has assessed all of our operations for any risks related to corruption, including money laundering, fraud and bribery. Significant risks of anti-corruption are identified through our whistle-blowing channel.

Our anti-corruption policy is strictly implemented throughout the course of our business. All employees and board members adhere to the Group’s effective controls, processes and procedures in their dealings with customers, business partners and colleagues. We expect our business partners and suppliers to comply with the applicable anti-corruption laws and regulations. The Group’s anti-corruption policy has been made communicated to all Board members and all full-time employees. There were no reported cases of corruption in FY2023.

GOVERNANCE AND ETHICS TARGETS

Targets	Short-term (FY2024 – FY2028)	Medium-term (FY2029 – FY2033)	Long-term (Perpetual/Beyond FY2033)
Zero cases of corruption	√	√	√
Zero incidents of non-compliance with corporate laws and regulations	√	√	√
Zero instances of data breaches	√	√	√
Zero incidents of environmental non-compliance	√	√	√



FOCUS 2: CLIMATE CHANGE

The Group acknowledges its responsibility in minimising its environmental footprint, for both its internal and external stakeholders. Recognising the impacts of climate change on our business, we have implemented management strategies across our operations to minimise waste, optimise energy use and reduce greenhouse gas emissions.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

As part of our commitment to increase transparency of climate-related reporting, Ever Glory will be progressively enhancing its climate-related disclosures and adopt the TCFD recommendations with reference to SGX’s phased approach.






In accordance with the recommendations of TCFD, we have assessed the impact of climate-related risks and opportunities, and proposed mitigating responses to cushion against the impact of climate change on our operations. In FY2023,






- An assessment was performed at Group level by the SWC so as to develop a good understanding of Ever Glory’s key climate-related risks; and
- All identified climate-related risks have been reviewed by the respective entity’s risk owners including sustainability impact owners. The likelihood assessment of each risk occurring were aligned between respective impact and risk owners.

The four core elements of the TCFD Recommendations provide an appropriate structure to identify, disclose and manage climate-related risks and opportunities. The following table summarises our considerations of each element in our disclosures.

● Implemented
 ● Commenced, In-progress
 ● Not commenced

TCFD Recommended Disclosures	FY2023 Status	Summary and Next Steps
Governance		
(a) Describe the Board’s oversight of climate-related risks and opportunities	●	<p>At Ever Glory, governance of climate-related issues falls within the broader sustainability governance structure. The Board meets bi-annually to discuss relevant updates on climate-related risks and opportunities.</p> <p>All targets are approved by the Board, which is also responsible for reviewing targets on an annual basis and monitoring performance. The SWC provides updates on the performance of these targets on an annual basis.</p>

TCFD Recommended Disclosures	FY2023 Status	Summary and Next Steps
(b) Describe management’s role in assessing and managing climate-related risks and opportunities		<p>The SWC is responsible for the overall management of climate risks and opportunities, as well as the implementation of climate policies, initiatives and targets by business units. Climate risks are identified through workshops facilitated by the ESG consultant and are reviewed annually through internal and external data analysis.</p> <p>Additionally, the SWC reviews the management of climate risks and climate initiatives, policies and targets annually by business units. All material climate issues are discussed and reviewed with the respective material impact owner. The SWC provides the Board with an update on the performance against targets annually.</p>
Strategy		
(a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term		Please refer to the “ <i>Climate-related risks and opportunities</i> ” section below for more information.
(b) Describe the impact of climate-related risks and opportunities on the organisation’s business, strategy and financial planning		
(c) Describe the resilience of the organisation’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario		In line with SGX’s phased implementation approach for TCFD adoption, the Group will incorporate scenario analysis in our subsequent sustainability reports.
Risk Management		
(a) Describe the organisation’s processes for identifying and assessing climate-related risks		<p>The Group has commenced discussions on climate change risks and opportunities involving senior management across business units in FY2023. This is facilitated by an independent ESG consultant to determine the key sustainability issues that are crucial to our stakeholders.</p> <p>The Group has identified the relevant climate-related risks and opportunities as outlined in the Climate Risks and Opportunities section below. Each identified risk is assessed based on: 1) the likelihood of occurrence; and 2) the severity of potential impacts arising from the risk.</p>

TCFD Recommended Disclosures	FY2023 Status	Summary and Next Steps
(b) Describe the organisation's processes for managing climate-related risks		The climate risk assessment process detailed above provides input for the Group to determine our risk management strategy. In addition to the likelihood and impact of the risk, we have also taken into consideration other relevant factors such as cost and time period involved.
(c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management		In FY2023, an assessment is performed at Group level, by the SWC, so as to develop a good understanding of Ever Glory's key climate-related risks. All the identified climate-related risks have been reviewed by the respective entity's risk owners including sustainability impact owners. The likelihood assessment of each risk occurring was aligned between respective impact and risk owners.
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		<p>The Group tracks and reports a number of climate-related metrics. This includes energy consumption, Scope 1 and Scope 2 GHG emissions tracked by both total amount (absolute emissions) and efficiency (emissions intensity), and waste generation.</p> <p>The Group is evaluating other metrics that may potentially warrant inclusion as targets to manage climate-related risks.</p>
(b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks		<p>Scope 1 GHG emissions: 15.4 tCO₂e Scope 2 GHG emissions (location-based): 14.9 tCO₂e</p> <p>In line with SGX's phased implementation approach for TCFD adoption, the Group shall evaluate the need to quantify and monitor Scope 3 emissions in subsequent sustainability reports.</p>
(c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets		The Group has determined targets concerning the reduction of our energy consumption and GHG emissions. The Group is also evaluating other metrics that may potentially warrant inclusion as targets to manage climate-related risks.

CLIMATE-RELATED RISKS

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

- **Transition risks:** include changes to 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. The Group acknowledges that the list of climate-related risks identified is not exhaustive and will continually enhance our understanding of these risks as well as their management strategies.

Transition Risks	Descriptions	Mitigation Responses
Policy and Legal	Increased carbon taxes resulting in higher operational costs	<p>The Group has ensured that equipment used for all projects adhere to the latest Singapore Green Mark Standard (GM RB/ NRB 2015).</p> <p>We shall continue to monitor our energy performance data and identify new areas to improve the energy efficiency of our operations.</p>
	The Singapore Government has introduced carbon taxes that are set to increase progressively until 2080. These rising carbon taxes will result in higher energy costs and operational expenses across our operations.	
	Time period¹: Short, Medium, Long	
	Likelihood²: Certain	
	Financial impact: Increased operational expenses	
Technology/Market	Requirement by certain projects to utilise generators that use biodiesel fuels, leading to increased operational expenses	<p>The Group has adopted the utilisation of biodiesel to meet client requirements.</p> <p>The Group will continue to use biodiesel to meet client requirements and manage our costs to fulfil biodiesel needs of clients.</p>
	<ul style="list-style-type: none"> • For some projects, our clients have required Ever Glory to use generators that utilise emissions-savings fuels, such as biodiesel fuel, resulting in higher operational costs. 	
	Time period: Short, Medium, Long	
	Likelihood: Certain	
	Financial impact: Increased operational expenses	

¹ Definition of time period used in this Report:

- Short: Less than 5 years (2023 – 2027)
- Medium: Between 5 and 10 years (2028 – 2032)
- Long: More than 10 years (Beyond 2033)

² Three categories of likelihood have been used in this Report (in decreasing order of likelihood): Certain, Likely and Possible.

Physical Risks	Descriptions	Risk Mitigation
Acute	<p>Extreme rainfall and increased flooding events will necessitate greater operational and maintenance cost</p> <ul style="list-style-type: none"> • Extreme rainfall and increased flooding events can cause damage to equipment, as well as supply chain disruption, prolonging project period. • This will result in increased operational and maintenance expenses. • The Group's insurance premiums may also increase. 	<ul style="list-style-type: none"> • The Group has developed business contingency plans in the event of any sudden weather changes. • The Group is constantly sourcing for more sources of origins for its materials. • We continuously review our insurance plans to ensure adequate insurance coverage. • All workers are covered by foreign worker medical insurance and work-men compensation insurance. Additionally, workers are consistently reminded to monitor their health when working. We have initiated water campaigns that are conducted every few hours to remind workers to drink water and hydrate themselves.
	<p>Time period: Short, Medium, Long</p>	
	<p>Likelihood: Likely</p>	
	<p>Financial impact: Increased operational expenses</p>	
Chronic	<p>Increasing mean temperatures will require increased energy consumption, affect the vulnerability of the labour force and have an impact on the building materials and durability</p> <ul style="list-style-type: none"> • Higher temperatures may affect the durability of materials. • Rising temperatures may also affect employees' health and well-being. This could include increased thermal discomfort and risks of heat-related illnesses. • To ensure durability of materials and health of employees, the Group will need to increase energy consumption to meet its cooling needs. 	
	<p>Time period: Long</p>	
	<p>Likelihood: Likely</p>	
	<p>Financial impact: Increased operational expenses</p>	

CLIMATE-RELATED OPPORTUNITIES

The global shift towards a low-carbon economy presents new opportunities in the Green Economy. Ever Glory is strategically positioned to capitalise on these advancements, as outlined below.

Opportunities	Description	Management's Response
Products and Services	<p>Increased revenue by meeting changing consumer preferences</p> <ul style="list-style-type: none"> • Due to the "Singapore Green Plan 2030" implemented by the Singapore Government which requires buildings to be more energy efficient, there is increased demand for A&A of existing buildings to meet these 'green' requirements. • Under the SG Green plan, the Singapore Government has plans to have 80% of all buildings to have the BCA green mark by 2030. • Cash incentives such as the Green Mark Incentive Scheme will allow greater accessibility for building owners to lower upfront costs of retrofitting, thus further increasing the demand. 	<ul style="list-style-type: none"> • The Group shall continue to monitor trends in the market on technology development and designs, and provide energy-efficient systems.
	Time period: Short, Medium, Long	
	Likelihood: Likely	
	Financial impact: Increased revenue due to increased demand for buildings with green features	
Market	<p>Greater demand for air-conditioning and mechanical ventilation systems</p> <ul style="list-style-type: none"> • Due to the rising temperatures in Singapore, there may be a greater demand for air-conditioning services. 	<ul style="list-style-type: none"> • The Group shall continue to improve and grow its air-conditioning and mechanical ventilation business.
	Time period: Short, Medium, Long	
	Likelihood: Likely	
	Financial impact: Increased revenue due to increased demand for services	

ENERGY AND EMISSIONS

To minimise our carbon footprint and address the impacts of our operations on climate change, we actively monitor and disclose our energy consumption and emissions performance. In FY2023, we have consumed a total of 336.9 GJ of energy, from diesel and electrical energy, which produced a total of 30.3 tCO₂e. Our usage of diesel is primarily for on-site generators while our electricity consumption is for our corporate office.

The breakdown of our energy consumption and emissions amount is illustrated below.

Energy Consumption	FY2023
Direct Energy – Diesel (GJ)	208.1
Electricity Consumption (GJ)	128.8
Total (GJ)	336.9
Total Energy Intensity (GJ/m²)	0.68

GHG Emissions	FY2023
Scope 1 GHG Emissions (tCO ₂ e)	15.4
Scope 2 ³ GHG Emissions (tCO ₂ e)	14.9
Total GHG Emissions (tCO₂e)	30.3
Total GHG Emissions Intensity (tCO₂e/m²)	0.03

As this is our first year tracking and disclosing our energy and emissions data, we will continue to monitor our energy usage and gain a comprehensive understanding of our environmental footprint before identifying specific areas for improvement.

WASTE

Committed to a circular economy, Ever Glory strives to divert our project waste generated (non-hazardous) from disposal in FY2023. We conscientiously segregate our general waste from our recyclable waste. Construction materials, such as cement pipes, and decommissioned equipment such as Makita machines, faulty motors and cables, are responsibly processed through recycling. Our project manager will contact the waste collector for on-site pick-up who will then measure the waste volume and provide a payment voucher for our reference.

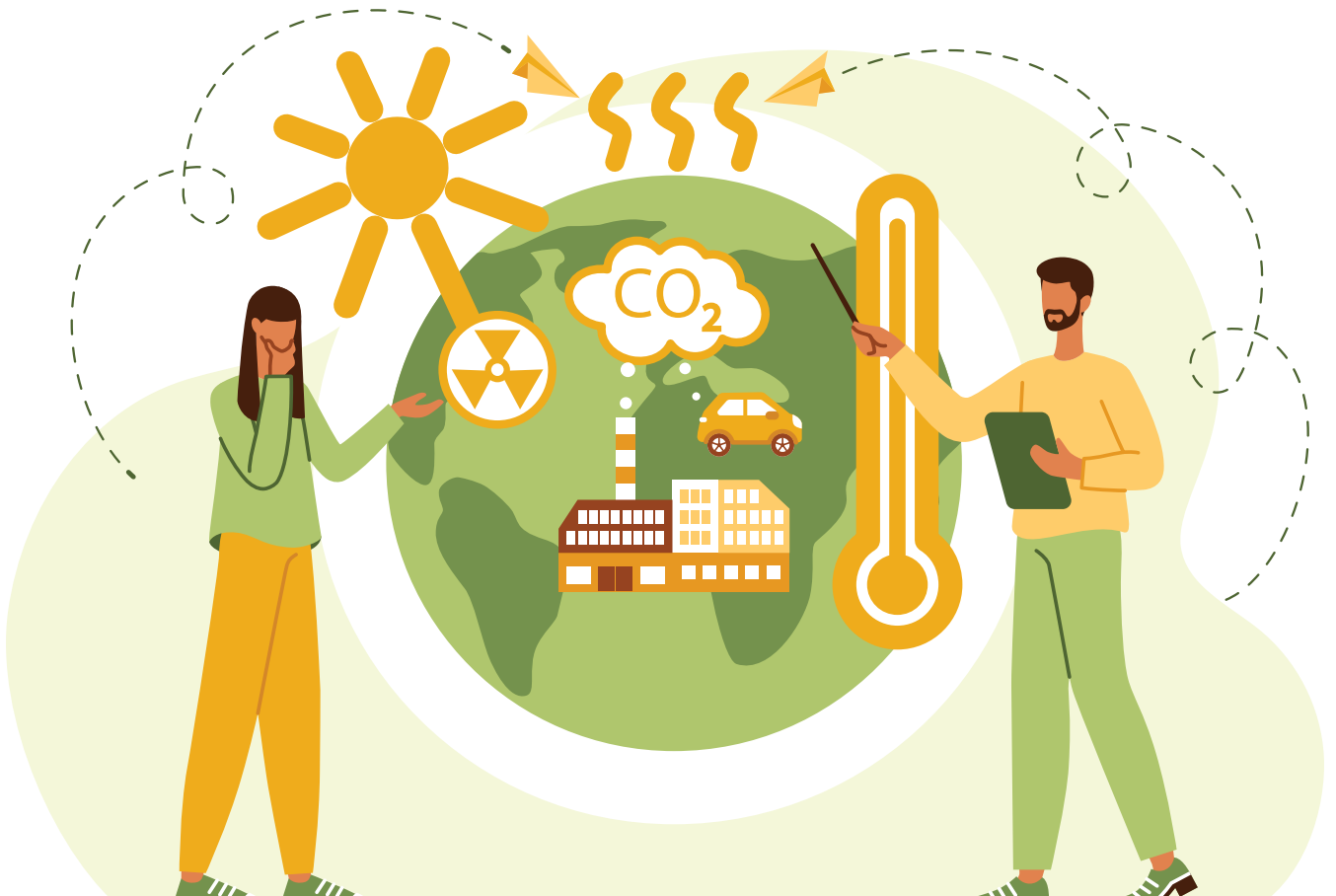
In FY2023, we have recycled an estimated 10.4 tonnes of waste. We have not begun to track our volume of general waste.

In our office, we are committed to reducing paper consumption. We encourage a paperless work environment, promoting the reuse of waste paper and advocating for double-sided printing whenever necessary. Additionally, we meticulously track our monthly paper usage to continuously strive for improvement.

³ Singapore's latest Operating Margin Grid Emissions Factors ("GEF") of 0.4168 kg CO₂/kWh was applied for the calculation of the Scope 2 GHG emissions. The GEF was available on EMA website: <https://www.ema.gov.sg/resources/singapore-energy-statistics/chapter2>.

CLIMATE CHANGE TARGETS

Targets	Short-term (FY2024 – FY2028)	Medium-term (FY2029 – FY2033)	Long-term (Perpetual/Beyond FY2033)
Measure Scope 3 GHG emissions, from FY2026	√	√	√
Minimise coolant storage leakages and ensure it meets industry benchmarks	√	√	√



FOCUS 3: HUMAN CAPITAL

Our people are the core of our business' success. We prioritise their well-being and professional development by fostering a work environment that ensures workplace health and safety. By investing in them through attractive benefits and growth opportunities, we empower them to excel and contribute to the Group's success.

OCCUPATIONAL HEALTH AND SAFETY

The Group has implemented a comprehensive occupational health and safety ("OHS") management system to ensure a safe and healthy work environment for all employees. We have adopted the ISO45001 system based on the Workplace Safety and Health Organisation ("WSHO") guidelines. An annual internal audit is conducted for our ISO45001 system. All employees and workers are covered by our OHS system and have been thoroughly informed of its guidelines.

All our employees are encouraged to identify and communicate any health and safety issues to their supervisors, managers, or health and safety representatives. This can be done via various means such as direct conversation, completing a hazard/incident report form, or through discussions at tool-box meetings. In addition, all workers have the right to refuse work they believe is unsafe under certain conditions. Under the Singapore MOM, workers are protected from retaliation for reporting workplace hazards. These protections ensure that workers can engage in certain activities, such as reporting a workplace injury, illness, or hazard, without fear of adverse consequences.

Health and safety risks are identified in accordance with ISO45001 guidelines through our safety officer or safety coordinator, who is present at every job site. We have conducted thorough risk assessments to identify potential hazards and evaluate the potential risks in our operations, services, and supply chains, including routine and non-routine operations. Our risk assessments considers the severity of the risks, probability of occurrence, potential regulatory and legal exposure, and effect on other activities and processes. This involves analysing work processes, materials used, equipment, workplace conditions, and interactions with contractors or suppliers.

We have established a comprehensive safety management system that includes policies, procedures, roles, training, monitoring, and continuous improvement processes to systematically manage workplace risks across the organization and our business relationships. Any work-related incidents are investigated through a systematic process that involves several key steps to identify hazards, analyse the root causes, and determine the necessary corrective actions to prevent future occurrences.

Our workers are covered by foreign worker medical insurance and work-men compensation insurance. We have also implemented a Work Injury Compensation for all employees and workers and a company-linked health clinic that provides medical care and rehabilitation services. All employee health-related are kept highly confidential and only made available to our Human Resources ("HR") department, when required.

To further educate our workers on health and safety procedures, we conduct internal trainings as well as provide external trainings, including Construction Safety Orientation Course ("CSOC"). Moreover, water drinking campaigns are carried out on a daily basis at every project site. This was implemented in FY2023, to keep our employees healthy and hydrated, minimising the possibilities of heat stroke at the workplace.

In FY2023, there were zero workplace fatalities and one work-related injury. This injury occurred to a worker's finger, who received immediate medical treatment.

The table below summarises the Group’s health and safety performance for FY2023.

Health and Safety Metric ⁴	Amount
Total man hours worked	217,360
Number of fatalities as a result of work-related injury	0
Number of high-consequence work-related injuries ⁵ (excluding fatalities)	0
Number of recordable work-related injuries	1
Rate ⁶ of recordable work-related injuries	0.92
Number of work-related ill health	0

CUSTOMER HEALTH AND SAFETY

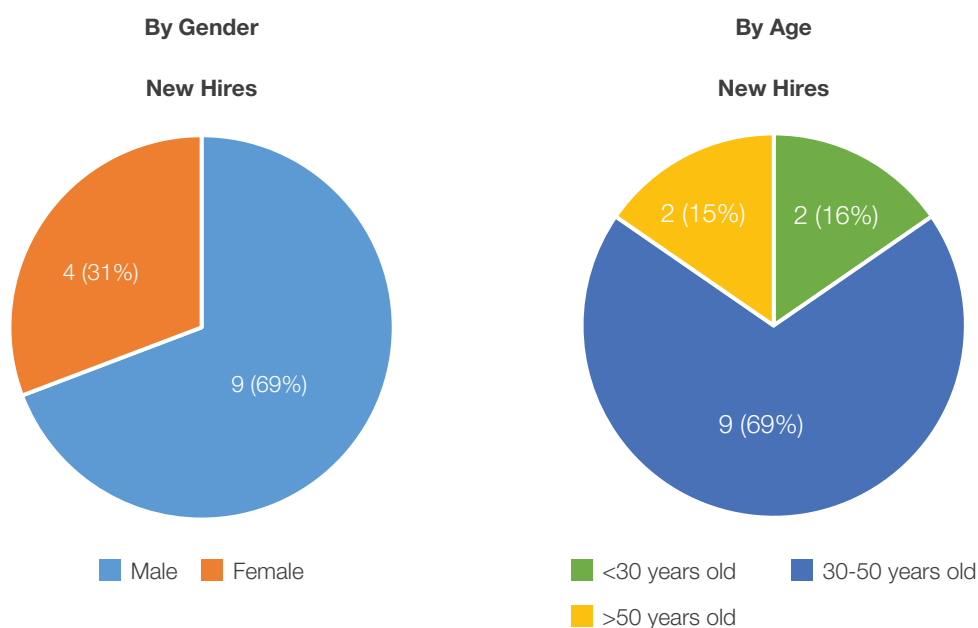
All of our products and services are in compliance with ISO9001 to ensure that we produce high-quality products that consistently meet our customer expectations. To achieve this, we conduct consistent rigorous quality checks throughout the entire project lifecycle, from design and installation to commissioning and maintenance.

There were no incidence of non-compliance concerning the health and safety impacts of our products and services in FY2023.

EMPLOYMENT PRACTICES AND NON-DISCRIMINATION

The Group enforces a strict policy against all forms of discrimination. This includes discrimination based on race, nationality, religion, gender, age, sexual orientation, disability, ancestry, social origin, political opinion, or any other bias. Moreover, the Group does not tolerate any racial, sexual, or workplace harassment. Any reported incidents of discrimination are thoroughly investigated and appropriate corrective measures are promptly implemented. There were no reported incidents of workplace discrimination in FY2023.

In FY2023, a total of 27 new hires and 12 leavers, resulting in a new hire rate of 31.0% and an employee turnover rate of 26.2%.

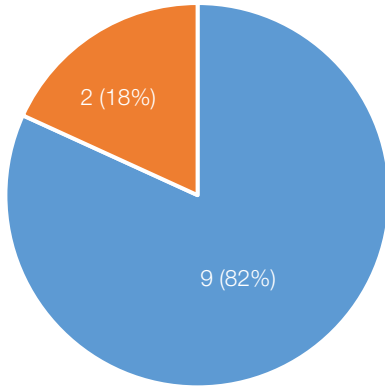


⁴ Consolidated data for all employees and workers.

⁵ High-consequence work-related injuries refers to injuries in which the worker cannot, does not, or is not expected to recover fully to pre-injury health status within six months.

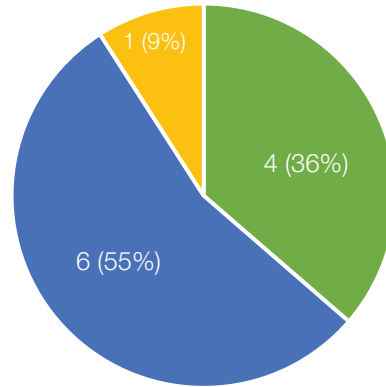
⁶ Rate is calculated based on 200,000 hours worked.

Employee Turnover



Male Female

Employee Turnover



<30 years old 30-50 years old
>50 years old

WORKFORCE DIVERSITY

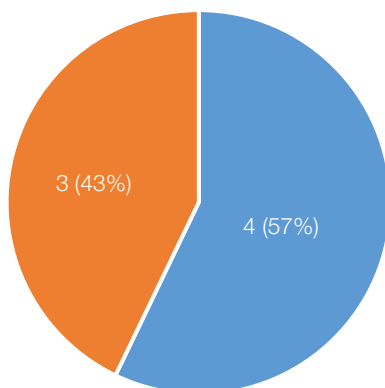
The Group recognises the value of a diverse and inclusive workforce. We appreciate the various perspectives and contributions that age and gender diversity offers to our decision-making processes. We are actively working to achieve greater gender diversity at the Board level and maintain a diverse mix of talent across our management teams and employees.

Our Board comprises five male Directors, three of which are Independent Directors, above 50 years old. For more information on our Board, please refer to the profiles of Directors on pages 9 to 11 of our Annual Report 2023.

In FY2023, our workforce comprised 42 full-time and permanent employees (29 males and 13 females), as well as 53 workers who are not employees (53 males only), who are employed on a project basis. The following charts provide a breakdown of our employees by age and gender, in each employee category⁷.

By Gender

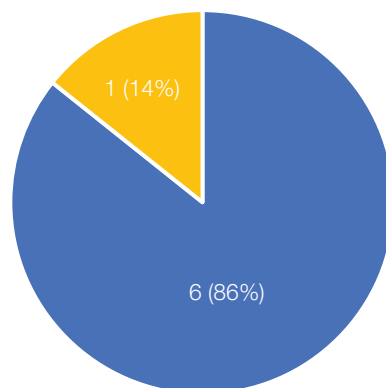
Senior Management



Male Female

By Age

Senior Management

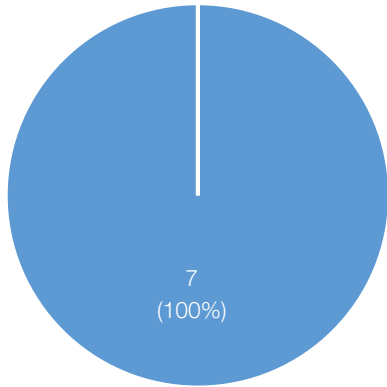


<30 years old 30-50 years old
>50 years old

⁷ Ever Glory has defined its employee categories as the following:

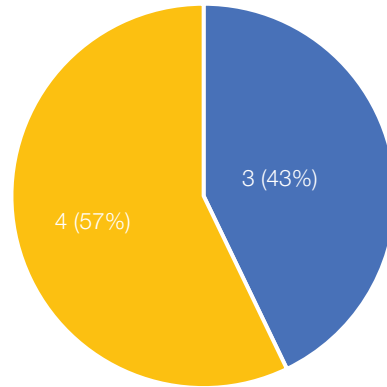
- **Senior Management** refers to executive officers and heads of departments.
- **Middle Management** refers to Managers and Assistant Managers.
- **Non-Managerial Employees** refer to employees at the executive level and below.

Middle Management



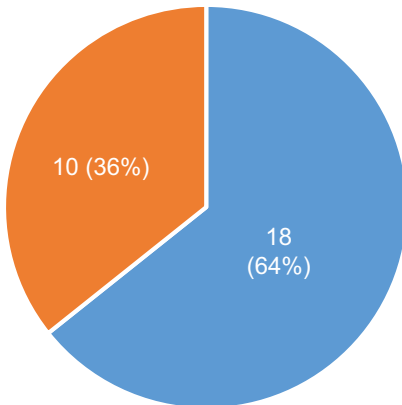
Male Female

Middle Management



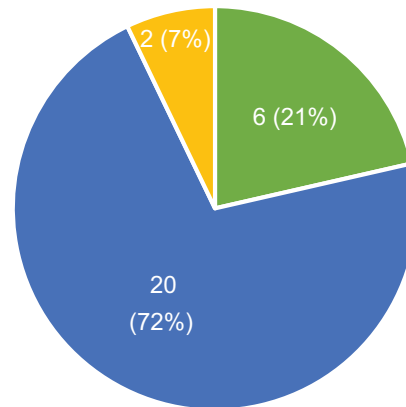
<30 years old 30-50 years old
>50 years old

Non-Manual Employees



Male Female

Non-Manual Employees



<30 years old 30-50 years old
>50 years old

EMPLOYEE DEVELOPMENT AND BENEFITS

The Group emphasizes continuous learning and supports employee growth through both internal and external training opportunities. Due to the nature of our industry, we have prioritised health and safety training for our workers to ensure they are well-equipped to perform their tasks safely and effectively. During FY2023, our workers attended 336 hours of training, resulting in each worker attending an average of 6.3 hours of training. The types of training provided include:

- Core Trade Training
- Safety Coordinator Training
- Forklift/Scissor Lift Training

Additionally, employees have attended 107 hours of safety training and 24 hours of professional development courses.

As part of our talent retention strategy, all full-time and permanent employees are entitled to parental leave. In FY2023, none of our employees took parental leave.

HUMAN CAPITAL TARGETS

Targets	Short-term (FY2024 – FY2028)	Medium-term (FY2029 – FY2033)	Long-term (Perpetual/Beyond FY2033)
To achieve zero complaints relating to discrimination	√	√	√
To achieve zero complaints relating to unfair employment practices	√	√	√
To achieve a Workplace Injury Rate of less than 672 injuries per 100,000 workers, in accordance with the industry average for 2023 ⁸	√	√	√
Zero workplace fatalities	√	√	√
To maintain ISO 45001 Occupational Health and Safety Management Systems	√	√	√
To conduct at least one on-site training on safety practices, per project, to ensure full compliance with laws and regulations	√	√	√



⁸ Based on the latest information released on MOM's website via "Ministry of Manpower (2023) Workplace Safety and Health Report 2023". <https://www.mom.gov.sg/-/media/mom/documents/safety-health/reports-stats/wsh-national-statistics/wsh-national-stats-2023.pdf>

SGX-ST SIX PRIMARY COMPONENTS INDEX

S/N	Primary Component	Addressed in this Report
1	Material ESG Factors	Materiality Assessment
2	Climate-related disclosures consistent with the TCFD recommendations	Focus 2: Climate Change
3	Policies, Practices and Performance	<ul style="list-style-type: none"> Sustainability Strategy Overview Focus 1 – 3
4	Board Statement and associated governance structure for sustainability practices	<ul style="list-style-type: none"> Focus 1: Governance and Ethics – Sustainability Governance Structure Focus 1: Governance and Ethics – Board Statement
5	Targets	Focus 1 – 3
6	Framework	Reporting Principles and Statement of Use



GRI CONTENT INDEX

STATEMENT OF USE

Ever Glory United Holdings Ltd has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards.

GRI 1 USED

GRI 1: Foundation 2021

GRI Standards	Disclosure	Reference and/or Reason for Omission
GRI 2: GENERAL DISCLOSURES 2021	2-1 Organisational details	Organisational Profile
	2-2 Entities included in the organisation's sustainability reporting	Reporting Practice – Reporting Scope
	2-3 Reporting period, frequency and contact point	Reporting Practice – Reporting Principles and Statement of Use
	2-4 Restatements of information	There are no restatements from previous reporting periods.
	2-5 External assurance	Reporting Practice – Assurance
	2-6 Activities, value chain and other business relationships	Organisational Profile
	2-7 Employees	Focus 3: Human Capital – Workforce Diversity
	2-8 Workers who are not employees	Focus 3: Human Capital – Workforce Diversity
	2-9 Governance structure and composition	Please refer to our Corporate Governance Report 2023.
	2-10 Nomination and selection of the highest governance body	Please refer to our Corporate Governance Report 2023.
	2-11 Chair of the highest governance body	Please refer to our Corporate Governance Report 2023.
	2-12 Role of the highest governance body in overseeing the management of impacts	Focus 1: Governance & Ethics – Sustainability Governance Structure
	2-13 Delegation of responsibility for managing impacts	Focus 1: Governance & Ethics – Sustainability Governance Structure
	2-14 Role of the highest governance body in sustainability reporting	Focus 1: Governance & Ethics – Sustainability Governance Structure
	2-15 Conflicts of interest	Please refer to our Corporate Governance Report 2023.
	2-16 Communication of critical concerns	Focus 1: Governance & Ethics – Policy Commitments and Grievance Procedures
	2-17 Collective knowledge of the highest governance body	Please refer to our Corporate Governance Report 2023.

GRI Standards	Disclosure	Reference and/or Reason for Omission
	2-18 Evaluation of the performance of the highest governance body	Please refer to our Corporate Governance Report 2023.
	2-19 Remuneration policies	Please refer to our Corporate Governance Report 2023.
	2-20 Process to determine remuneration	Please refer to our Corporate Governance Report 2023.
	2-21 Annual total compensation ratio	Confidential – Commercial confidentiality reasons Please also refer to our Corporate Governance Report 2023.
	2-22 Statement on sustainable development strategy	Focus 1: Governance & Ethics – Board Statement
	2-23 Policy commitments	Focus 1: Governance & Ethics – Policy Commitments and Grievance Procedures
	2-24 Embedding policy commitments	<ul style="list-style-type: none"> • Focus 1: Governance and Ethics • Focus 2: Climate Change • Focus 3: Human Capital
	2-25 Processes to remediate negative impacts	Focus 1: Governance & Ethics – Policy Commitments and Grievance Procedures Please refer to our Corporate Governance Report 2023.
	2-26 Mechanisms for seeking advice and raising concerns	Focus 1: Governance & Ethics – Policy Commitments and Grievance Procedures Please refer to our Corporate Governance Report 2023.
	2-27 Compliance with laws and regulations	Focus 1: Governance & Ethics – Anti-Corruption
	2-28 Membership associations	Not applicable. Ever Glory does not have any membership associations.
	2-29 Approach to stakeholder engagement	Stakeholder Engagement
	2-30 Collective bargaining agreements	Not applicable. Ever Glory does not have any collective bargaining agreements.
DISCLOSURE OF MATERIAL TOPICS		
GRI 3: MATERIAL TOPICS 2021	3-1 Process to determine material topics	Materiality Assessment
	3-2 List of material topics	Materiality Assessment
FOCUS 1: GOVERNANCE & ETHICS		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Focus 1: Governance & Ethics

GRI Standards	Disclosure	Reference and/or Reason for Omission
GRI 205: ANTI-CORRUPTION 2016	205-1 Operations assessed for risks related to corruption	Focus 1: Governance & Ethics – Anti-Corruption
	205-2 Communication and training about anti-corruption policies and procedures	Focus 1: Governance & Ethics – Anti-Corruption
	205-3 Confirmed incidents of corruption and actions taken	Focus 1: Governance & Ethics – Anti-Corruption
FOCUS 2: CLIMATE CHANGE		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Focus 2: Climate Change
GRI 201: ECONOMIC PERFORMANCE	201-2 Financial implications and other risks and opportunities due to climate change	Focus 2: Climate Change – Climate-related Risks and Opportunities
GRI 302: ENERGY 2016	302-1 Energy consumption within the organisation	Focus 2: Climate Change – Energy and Emissions
	302-3 Energy intensity	Focus 2: Climate Change – Energy and Emissions
GRI 305: EMISSIONS 2016	305-1 Direct (Scope 1) GHG emissions	Focus 2: Climate Change – Energy and Emissions
	305-2 Energy indirect (Scope 2) GHG emissions	Focus 2: Climate Change – Energy and Emissions
	305-4 GHG emissions intensity	Focus 2: Climate Change – Energy and Emissions
GRI 306: WASTE 2020	306-1 Waste generation and significant waste-related impacts	Focus 2: Climate Change – Waste
	306-2 Management of significant waste-related impacts	Focus 2: Climate Change – Waste
	306-4 Waste diverted from disposal	Focus 2: Climate Change – Waste
FOCUS 3: HUMAN CAPITAL		
GRI 3: MATERIAL TOPICS 2021	3-3 Management of material topics	Focus 3: Human Capital
GRI 401: EMPLOYMENT 2016	401-1 New employee hires and employee turnover	Focus 3: Human Capital – Employment Practices and Non-discrimination
	401-3 Parental leave	Focus 3: Human Capital – Employee Development and Benefits

GRI Standards	Disclosure	Reference and/or Reason for Omission
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018	403-1 Occupational health and safety management system	Focus 3: Human Capital – Occupational Health & Safety
	403-2 Hazard identification, risk assessment, and incident investigation	Focus 3: Human Capital – Occupational Health & Safety
	403-3 Occupational health services	Focus 3: Human Capital – Occupational Health & Safety
	403-4 Worker participation, consultation, and communication on occupational health and safety	Focus 3: Human Capital – Occupational Health & Safety
	403-5 Worker training on occupational health and safety	Focus 3: Human Capital – Occupational Health & Safety
	403-6 Promotion of worker health	Focus 3: Human Capital – Occupational Health & Safety
	403-8 Workers covered by an occupational health and safety management system	Focus 3: Human Capital – Occupational Health & Safety
	403-9 Work-related injuries	Focus 3: Human Capital – Occupational Health & Safety
	403-10 Work-related ill health	Focus 3: Human Capital – Occupational Health & Safety
GRI 404: TRAINING AND EDUCATION 2016	404-1 Average hours of training per year per employee	Focus 3: Human Capital – Employee Development and Benefits
	404-2 Programs for upgrading employee skills and transition assistance programs	Focus 3: Human Capital – Employee Development and Benefits
	404-3 Percentage of employees receiving regular performance and career development reviews	Focus 3: Human Capital – Employee Development and Benefits
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016	405-1 Diversity of governance bodies and employees	Focus 3: Human Capital – Workforce Diversity
GRI 406: NON- DISCRIMINATION 2016	406-1 Incidents of discrimination and corrective actions taken	Focus 3: Human Capital – Employment Practices and Non-discrimination
GRI 416: CUSTOMER HEALTH AND SAFETY 2016	416-1 Assessment of the health and safety impacts of product and service categories	Focus 3: Human Capital – Customer Health & Safety
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Focus 3: Human Capital – Customer Health & Safety

TCFD INDEX

Please refer to Focus 2: Climate Change for our climate-related disclosures in line with TCFD recommendations.



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