



SUSTAINABILITY REPORT

1.1 Board Statement

On behalf of the Board of Directors (the “**Board**”) of Fu Yu Corporation Limited (“**Fu Yu**” or the “**Company**”, together with its subsidiaries, the “**Group**”), I am pleased to present the Sustainability Report for the financial year ended 31 December 2024 (“**FY2024**”).

As a leading provider of vertically integrated services in the design and manufacturing of precision plastic components, the Board is firmly committed to sustainable business practices, which are in line with the Group’s mission to redefine the standards of precision engineering for our customers, through innovation and excellence. In alignment with its strategic direction, the Group ceased all business activities in Fu Yu Supply Chain Solutions Pte Ltd (“**FYSCS**”), its supply chain services arm, in the last quarter of FY2024, to reallocate resources to its core manufacturing business.

The Board oversees the management and monitoring of the economic, environmental, social and governance (“**EESG**”) factors of the Company, and takes them into consideration in the determination of the Company’s strategic direction and policies. The Board has oversight of the EESG material factors which are reviewed annually and ensures that the factors are relevant and current for the business. The Board is also involved in the management and monitoring of these EESG factors through the Group’s Sustainability Steering Committee (“**SSC**”).

Acknowledging the growing significance of the impacts of climate change on business operations, the Board also has oversight over disclosures in line with Task Force on Climate-Related Financial Disclosures (“**TCFD**”) recommendations. A qualitative exercise was conducted in FY2023 to identify and assess climate-related physical and transition risks, as well as corresponding opportunities, along with assessing their financial impact and our strategic responses. The Group plans to finetune these findings with the use of scenario analysis in future reports.

The Group recognises the importance of setting targets on material topics to enable us to identify areas of improvement and provide a clear direction for the Group to work towards improving our sustainability efforts. A key effort we are making during FY2024 and in subsequent years is focused on achieving a robust compilation of Scope 3 GHG data.

The Group is committed to reducing our carbon emissions as part of our broader sustainability strategy. To achieve this, we are actively exploring and implementing cleaner energy solutions including transitioning to renewable energy sources such as solar power.

We aim to strengthen our sustainability disclosures over the years, to increase transparency, enhance our stakeholders’ trust and support their sustainability efforts.

On behalf of the Board

Mr Christopher Huang
Independent Non-Executive Chairman
5 June 2025



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2.1 Our Business

Fu Yu is a strategic hub for advanced precision engineering and technological expertise that has a significant history dating back to 1978. Since its inception, the Group has grown to become one of the largest manufacturers of high-precision plastic parts and moulds in Asia. Today, the Group has established a strong presence in the region with manufacturing facilities located in Singapore, Malaysia and China. The Group was listed on the Main Board of the Singapore Exchange Securities Trading Limited (“SGX-ST”) on 14 June 1995.

The Group offers a One-Stop Solution to customers through its vertically integrated services to build value, enhance customer experience and build mutually beneficial long-term partnerships.



Product Design:

Fu Yu provides New Production Introduction (NPI) and Material Selection services. Our skilled engineers collaborate with customers to propose design enhancements that optimise manufacturability and performance. In addition, we also partner with customers on transition to eco-friendly alternatives, such as low-carbon or bio-natural resins.



Tooling Design & Fabrication:

Fu Yu provides Innovative Expertise and Export Tooling services. Our team of experienced engineers leverages decades of tool-making expertise to create customised tools that improve efficiency, quality, and manufacturability. We also empower our customers by providing access to their customised moulds, with an option to purchase.



Production:

- **Plastic Injection Moulding:** Our expertise enables us to expertly mould molten plastic into intricately crafted products across a variety of applications and materials.
- **Metal Injection Moulding:** Our unique capability, suitable for producing high-precision metal components in large volumes, allows us to shape metal into intricately crafted products, delivering top-notch quality, cost-efficiency, and precision-crafted products to our customers.



Box Build Assembly:

Fu Yu provides comprehensive Secondary Processes and Product Assembly services, tailored to support your complete box-build requirements. Our extensive range of secondary processes is designed to seamlessly integrate with your project, ensuring a complete and efficient assembly solution.



Supply Chain Solutions:

Fu Yu Supply Chain Solutions Pte Ltd¹, a wholly-owned subsidiary of the Company, is engaged in the business of providing supply chain management services for commodity raw materials. The primary activities involve sourcing, shipping, and supplying commodities not only within the Fu Yu Group but also to customers across the region.

¹ The Group has ceased all business activities in Fu Yu Supply Chain Solutions Pte Ltd (“FYSCS”) in the last quarter of FY2024. The Sustainability Report for FY2024 includes data for FYSCS.



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3.1 About the Report

Scope of the Report

The scope of this report is inclusive of the sustainability aspects related to Fu Yu, emphasising non-financial performance and the associated management approach disclosures. The reporting period covers the timeframe from 1 January 2024 to 31 December 2024, with any exceptions specified. We have included the historical data for FY2022 and FY2023 for comparison where available. The report provides a thorough response to stakeholders' concerns regarding sustainability issues stemming from the Group's business operations (Refer to "Our Business", Annual Report Page 17), which collectively constitute 100% of the Group's revenue. It includes our headquarters in Singapore, the manufacturing entities in Singapore, Malaysia, and China and the supply chain management services entity in Singapore.

The Group's business operations include the following:

1. Fu Yu Corporation Limited ("**FYC**")
2. Fu Yu Supply Chain Solutions Pte Ltd ("**FYSCS**")¹
3. Classic Advantage Sdn Bhd ("**CA**")
4. Fu Hao Manufacturing (M) Sdn Bhd ("**FHM**")
5. Fu Yu Moulding & Tooling (Dongguan) Co., Ltd ("**FYDG**")
6. Fu Yu Moulding & Tooling (Suzhou) Co., Ltd ("**FYSZ**")
7. Fu Yu Moulding & Tooling (Zhuhai) Co., Ltd ("**FYZH**")

For a comprehensive list of entities included in this report, please refer to **Appendix A**.

Reporting Standards

The report is prepared in compliance with the SGX-ST Section B: Rules of the Mainboard Listing Rule 711A and 711B ("**Mainboard Rules**") which draws on the guidance set out by the SGX-ST Practice Note 7.6 Sustainability Reporting Guide (the "**SR Guide**").

This report has been prepared with reference to the Global Reporting Initiative ("**GRI**") Standards which is recognised as a comprehensive and globally accepted framework for sustainability reporting. Please refer to **Appendix B** for the GRI content index.

Furthermore, this report is prepared in accordance with the recommendations of the TCFD. We have adopted a phased approach in alignment with the recommendations in SGX-ST Practice Note 7.6 Sustainability Reporting Guide, focusing on specific areas of climate-related financial disclosures in our reporting. This approach enables us to address key aspects of climate risk and opportunities within the context of our operations and business activities. Please refer to **Appendix C** for the TCFD content index.

¹ The Group has ceased all business activities in Fu Yu Supply Chain Solutions Pte Ltd ("**FYSCS**") in the last quarter of FY2024. The Sustainability Report for FY2024 includes data for FYSCS.



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Independent Verification

The data and information provided within the report have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy.

Sustainability Contact

The electronic version of this report can be accessed on the Company's website (<https://www.fuyucorp.com/>) under the section "Sustainability".

We welcome your views and feedback on our sustainability practices and reporting, please contact sustainability@fuyucorp.com.

SUSTAINABILITY REPORT

4.1 Highlights of Achievements

Our Performance



Environment

- 113,623.0 GJ of electricity consumed, indicating a 2.5% decrease compared to FY2023.
- 89.1 MegaLiter of water consumed, indicating a 9.1% decrease compared to FY2023.
- 25.7% reduction in hazardous waste produced.



Social

- Zero forced labour or child labour.
- Zero workplace fatalities.
- Nearly 1:1 ratio of male and female employees.



Governance

- Zero confirmed incidents of corruption.
- Zero incidents of non-compliance with environmental laws and regulations resulting in significant fines or sanctions.
- Zero incidents of non-compliance with data protection laws.

Our Business Memberships







Region	Entities	Membership
Singapore	FYC	<ul style="list-style-type: none"> • Singapore Institute of Directors • Singapore Chinese Chamber of Commerce & Industry • Singapore National Employers Federation • Singapore Business Federation • Singapore Precision Engineering and Technology Association • SIMTech Innovation Factory
Malaysia	FHM	<ul style="list-style-type: none"> • Federation of Malaysian Manufacturers • Malaysian Plastics Manufacturers Association
Malaysia	CA	<ul style="list-style-type: none"> • Federation of Malaysian Manufacturers
China	FYSZ	<ul style="list-style-type: none"> • Chamber of Commerce, SuZhou



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United Nations Development Goals (“UNSDGs”)

Fu Yu’s support for UNSDG underscores its commitment to addressing global challenges. By aligning with these goals, we actively contribute to sustainable development efforts.

UNSDGs	How we support
<p>3 GOOD HEALTH AND WELL-BEING</p> 	<p>We contribute to UNSDG Goal 3 – Good Health and Well-being by prioritising the welfare of individuals within our premises through rigorous health and safety practices. Our commitment extends to emphasising the overall well-being of our employees and fostering a workplace culture that supports physical and mental health.</p>
<p>5 GENDER EQUALITY</p> 	<p>We support UNSDG Goal 5 – Gender Equality by eliminating discrimination in our recruitment process and offering equitable promotion opportunities to all genders.</p>
<p>8 DECENT WORK AND ECONOMIC GROWTH</p> 	<p>We contribute to the achievement of UNSDG Goal 8 – Decent Work and Economic Growth by generating economic value, resulting in the creation of high-quality job opportunities that offer competitive remuneration. This, in turn, supports the overall economic well-being of our society at the national level.</p>
<p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p> 	<p>We contribute to the achievement of UNSDG Goal 9 – Industry, Innovation and Infrastructure by consistently investing in innovative manufacturing methods. Our Industry 4.0 Smart Factory is equipped with cutting-edge automation which innovatively improves our production efficiency. Additionally, the integration of 3D printing and additive manufacturing technologies ensures the precise utilisation of materials, minimising waste and concurrently enhancing efficiency.</p>
<p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p> 	<p>We contribute to the achievement of UNSDG Goal 12 – Responsible Consumption and Production by collaborating with both customers and suppliers, we facilitate the transition of our products to bio-based materials, aiming to minimise environmental impact. Additionally, we proactively explore automation opportunities in our processes to enhance productivity and efficiency.</p>
<p>13 CLIMATE ACTION</p> 	<p>We contribute to UNSDG Goal 13 – Climate Action by actively mitigating climate change through initiatives such as reducing fuel and electricity consumption, investing in the installation of solar panels to harvest renewable energy, and committing to contributing to sustainable and eco-friendly business model.</p>



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5.1 Sustainability Strategy

Sustainability Governance Structure

Incorporating sustainability into our corporate strategy and core values is essential for attaining long-term growth. The values we generate for our stakeholders—our people, the environment, and society at large—significantly impact our financial performance. To align with our sustainability goals and values more effectively, we have established an organisational structure dedicated to advancing these initiatives.

Sustainability Steering Committee (“SSC”)

Led by the senior management team, the SSC is responsible for developing sustainability objectives and strategies, as well as managing the overall sustainability performance, on behalf of the Board.

Board

The Board provides strategic direction and incorporates sustainability as part of the Group’s strategic formulation, including the approval and management of material EESG factors.

Sustainability Task Force (“STF”)

The STF is pivotal in driving sustainability initiatives throughout the organisation. It includes employees from various departments, ensuring a wide-ranging perspective and expertise in driving sustainability programs.





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Stakeholder Engagement

Fu Yu diligently considers the key concerns of its stakeholders when defining the reporting context. The table below provides a concise summary of these stakeholders' primary interests and outlines our strategies for engagement with them.

Stakeholders	Engagement Methods	Frequency	Key Topics of Interest	Responses
Investors	<ul style="list-style-type: none"> Timely updates of financial results and announcements, business developments, press releases, and other relevant disclosures via SGXNet and the Company's website Regular results briefing Annual General Meeting ("AGM") Extraordinary General Meeting ("EGM") 	<ul style="list-style-type: none"> Throughout the year At least twice a year Annually When required 	<ul style="list-style-type: none"> Sustain profitability and enhance shareholder returns Transparent reporting Sound corporate governance practices Active portfolio management 	<ul style="list-style-type: none"> Sustained growth in profit Periodic and transparent communication of financial and non-financial information Prompt response to feedback and queries
Customers	<ul style="list-style-type: none"> Customer satisfaction surveys/feedback Regular meetings and discussions with respective Project Managers Business review / Quality score review Regular visits to customers by management Regular after-sales follow-up 	<ul style="list-style-type: none"> Annually Throughout the year Annually Throughout the year Throughout the year 	<ul style="list-style-type: none"> Delivery of affordable, quality products and services Compliance with environmental laws and regulations Responsiveness to customers' requests and feedback Compliance with EESG material factors along the supply chain Protection of confidential information (includes the Personal Data Protection Act) 	<ul style="list-style-type: none"> Yearly assessment by the third-party certification body to achieve certification for the quality standards (i.e. ISO14001, ISO9001, IATF16949, ISO13485) Project Managers respond to their customers promptly and meet their needs and quality standards Committed to providing the best quality promptly Conduct quality audits on customers' products

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Stakeholders	Engagement Methods	Frequency	Key Topics of Interest	Responses
Employees	<ul style="list-style-type: none"> • Induction programme for new employees • Training and development programmes • Career development performance appraisals • Recreational and wellness activities such as dinner and dance, Corporate Social Responsibility (“CSR”) activities • Regular e-mailers and meetings • Site visits by senior and middle management to observe the work environment • Employee satisfaction surveys 	<ul style="list-style-type: none"> • Throughout the year • Throughout the year • Half-yearly • Throughout the year • Throughout the year • Throughout the year • Annually 	<ul style="list-style-type: none"> • Equitable remuneration • Fair and competitive employment practices and policies • Safe and healthy work environment • Employee development and well-being include career development and training opportunities • Update on the Group’s latest strategic developments • Employee empowerment • To maintain a work-life balance • Labour and human rights 	<ul style="list-style-type: none"> • Employees’ concerns will be discussed by the management and improvement plans will be implemented • Assimilate new hires into the Group’s culture • Foster corporate conscience, corporate citizenship or responsible business • Biennially review of training needs analysis and competency framework across all job levels/ category • Foster teamwork and social interaction among employees
Communities	<ul style="list-style-type: none"> • Corporate volunteering includes CSR activities such as blood donation and cash donation to charitable organisations • Open feedback channels 	<ul style="list-style-type: none"> • Annually • Throughout the year 	<ul style="list-style-type: none"> • Contributions to communities of operations • Responsible and ethical business practices • Engagement with local communities 	<ul style="list-style-type: none"> • Continue to render support to charitable organisations • Outreach community activities to serve the local community needs
Government and regulators	<ul style="list-style-type: none"> • Meetings and dialogue sessions • Membership in industry associations 	<ul style="list-style-type: none"> • Throughout the year • Throughout the year 	<ul style="list-style-type: none"> • Compliance with, and keeping abreast of ever-changing laws and regulations • Tax contribution • Government business support schemes 	<ul style="list-style-type: none"> • Keep all relevant employees abreast with changes to statutory requirements • Comply with all applicable laws and regulations • Focus on building good relationships with the government and industry associations



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Stakeholders	Engagement Methods	Frequency	Key Topics of Interest	Responses
Suppliers	<ul style="list-style-type: none"> Regular dialogue sessions with key suppliers and service providers Establish channels of communication Quality score review Quality on-company audits Supplier performance feedback 	<ul style="list-style-type: none"> Throughout the year Throughout the year Annually Annually Throughout the year 	<ul style="list-style-type: none"> Equitable treatment of suppliers Regular and punctual payment upon engagement of services Collaborative partnership for mutual growth Streamline procurement workflows and clearly defining expectations Good working relationship 	<ul style="list-style-type: none"> Comply with contractual terms and ensure punctual payment for goods and services rendered

Materiality Assessment Approach

In 2016, the Group initiated its inaugural formal materiality assessment to examine, prioritise, and validate the EESG issues that significantly impact business operations and are of interest to key stakeholders. This assessment process is an ongoing endeavour, with an annual review conducted to ensure the continued relevance and importance of identified factors. In FY2024, we did a peer review to assess topics that help enhance our sustainability disclosures. We will be taking the peer review into consideration for future disclosures.

The Group's materiality assessment approach for EESG factors is outlined below:





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Our Material EESG Factors

Upon completing the latest review, it was determined that the EESG factors reported in FY2023 retained their relevance in FY2024. Our material factors are outlined below with the relevant GRI Specific Disclosure topics are mentioned below:

SUSTAINABILITY FOCUS AREAS	MATERIAL TOPICS	GRI TOPIC SPECIFIC DISCLOSURE
Economic Performance	Economic Performance	201-1
Our Environment	Energy	302-1, 302-3
	Emissions	305-1, 305-2, 305-4
	Water and Effluents	303-1, 303-3
	Waste	306-1, 306-2, 306-3, 306-4, 306-5
Our People	Employment and Talent Retention	2-7, 401-1
	Training & Education	404-1, 404-3
	Occupational Health and Safety	403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9, 403-10
	Diversity and Equal Opportunity	405-1
Practising Good Governance	Compliance with Laws and Regulations	2-27
	Anti-Corruption	205-1, 205-2, 205-3
	Customer Privacy	418-1

6.1 Economic Performance

GRI 201-1

The Group recognises that our economic contributions play a crucial role in supporting the broader community where we operate. This support is demonstrated through the payment of taxes to governments, investments in the community, sourcing goods locally from suppliers and generating both direct and indirect employment through our operations. We are dedicated to achieving strong financial performance to ensure the delivery of sustainable value and to contribute positively to the overall economy.

During FY2024, even though the Group faced challenges in the business environment, the Group managed to shift from a net loss of S\$10.1 million in FY2023 to a net loss of S\$3.9 million in FY2024. The increase in topline performance was driven by higher order volumes from existing customers, along with new projects secured in the medical and consumer segments. As a result, our gross profit rose by 27.8%, reaching S\$17.0 million in FY2024. This, combined with a reduction in selling and administrative expenses, contributed to a lower net loss for FY2024.

The table below details the direct economic value generated by the Group² through our operations, and the distribution of this value to our stakeholders including suppliers and contractors, employees, shareholders, government authorities and local communities. For FY2024, the Group generated a direct economic value of S\$195.2 million. The total economic value distributed during FY2024 amounted to S\$186.6 million. Purchases of goods and services contributed to S\$144.22 million, approximately 77.3% of the total distribution; employee salaries and benefits contributed to S\$40.6 million, approximately 21.8% of the total distribution.

Economic Value Generated and Distributed (S\$ million)

	FY2022	FY2023	FY2024
Direct economic value generated	242.6	194.1	195.2
- Revenue	240.1	190.4	191.3
- Other income	2.5	3.7	3.9
Economic value distributed	233.0	197.4	187.2
- Purchases of goods and services	179.3	154.3	144.8
- Employee salaries and benefits	38.3	37.6	40.6
- Payments to providers of capital	12.8	5.5	0.3
- Payments to government	2.6	0.0	1.5
- Community investments/ donations ³	-	-	-
Economic value retained	9.6	-3.3	8.0
Net Profit/ (Loss)	14.6	-10.1	-4.5

² Please note that above data includes discontinued operation, FYSCS.

³ The Group does make donations to community groups, which is not reflected in the table above as the amount falls below the unit specified.

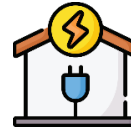
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7.1 Protecting Our Environment

FY2024 Key Performance



Reduced GHG emissions to 22,046.9 tCO₂e, a 1.1% decrease compared to FY2023



Reduced electricity consumption to 113,623.0 GJ, a 2.5% decrease compared to FY2023



Reduced water consumption to 89.1 MegaLiter, a 9.1% decrease compared to FY2023



Decreased hazardous waste production by 25.7%

Task Force for Climate Related Financial Disclosures (TCFD): Climate Change Resilience:

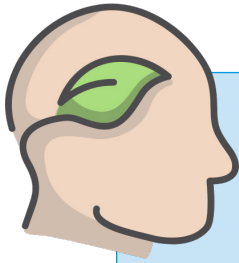
The TCFD report serves as a tangible manifestation of our commitment to combating climate change. We firmly believe that the disclosures provided in this report are crucial for our stakeholders to comprehend our approach to handling climate-related risks and identifying opportunities in our operations. In FY2023, we conducted a comprehensive re-assessment of climate-related risks and opportunities in collaboration with the management teams of our various business units. This assessment involves a thorough evaluation that considers both the likelihood and potential impact of climate risks and opportunities on our business. These risks and opportunities are categorised into three distinct time horizons, which include Short-term (≤ 5 years), Medium-term (5 to 15 years) and Long-term (> 15 years).

The following table contains forward-looking statements based on current assumptions and projections about climate-related risks and opportunities, which are subject to uncertainties and may differ from actual outcomes. Stakeholders should note that the projections and assumptions in identifying climate-related risks and opportunities and their potential financial impact are subject to change based on evolving climate-related factors and external uncertainties.



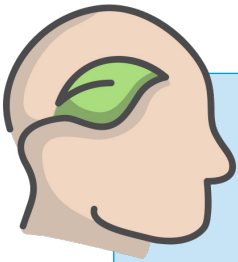
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The TCFD table below summarises our climate risks and opportunities along with the timeframe, financial impact and our strategy to address these.



Heightened regulatory oversight and reporting obligations		
Category	Significancy	Timeline
Policy and Legal	Medium	Short-term
Description of Risks and Opportunities	Potential Financial Impact	Our Strategy
<p>Transitional Risk</p> <p>We are currently navigating the dynamic business landscape, characterised by increased regulatory oversight, particularly regarding sustainability reporting.</p>	<p>Enhanced sustainability reporting requirements may lead to higher compliance costs. In addition, the cost of acquiring raw materials that have lower greenhouse gas emissions or eco-friendly, like certain plastics may also increase.</p>	<p>We closely monitor changes in regulatory requirements through collaboration with our dedicated SSC, STF and external consultants. This proactive approach ensures that we stay aligned with evolving regulations and maintain a strong commitment to sustainability.</p> <p>Furthermore, in FY2023 we initiated a trial run of greenhouse gas emissions inventory accounting. By embarking on this accounting endeavour, we aim to gain valuable insights that will form our future sustainability strategies and contribute to our ongoing efforts in environmental stewardship.</p>

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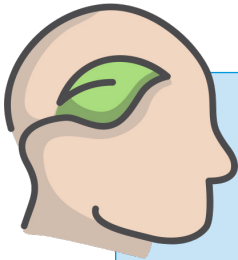
Transitional Risk

Increasing energy prices

Category	Significance	Timeline
Policy and Legal	Medium	Short-term
Description of Risks and Opportunities	Potential Financial Impact	Our Strategy
Electricity rates in Singapore, Malaysia and China have seen a notable increase, primarily influenced by the incorporation of carbon taxes into the energy prices. This shift has been compounded by China's ongoing transition away from coal as part of its commitment to cleaner energy sources. The combined impact of these factors has led to a surge in energy prices, posing challenges for consumers and businesses alike.	Operational expenses may increase due to a surge in electricity prices.	We have completed the installation of solar panels at our Singapore facilities in FY2024. Additionally, we are actively planning to expand our solar panels projects to other locations, aiming to mitigate the impact of rising energy costs on our operations. Our solar panels in Fu Hao was operational in the fourth quarter of FY2024, and those in CA became operational in the second quarter of FY2025.

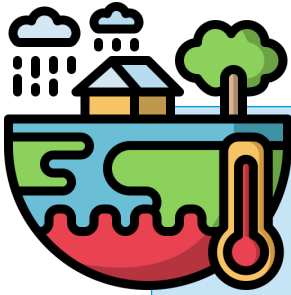
Disruption caused by sustainable technologies

Category	Significance	Timeline
Technology	Low	Medium-term
Description of Risks and Opportunities	Potential Financial Impact	Our Strategy
Sustainable innovations, such as bio-based materials, biodegradable plastics, and advanced recycling techniques, have the potential to significantly reshape traditional market dynamics. As these sustainable solutions gain traction, businesses and industries accustomed to conventional practices may face challenges in adapting to these emerging technologies.	Investing in the development of new technologies impact cash flows, and there may be a need for write-offs or early retirement of existing assets or technologies that become obsolete. However, adopting new technologies can lead to reduced operational cost through reduced energy dependency.	The Group is progressively replacing hydraulic machinery with electric alternatives to enhance operational efficiency and reduce oil consumption. In addition, the incorporation of 3D printing and additive manufacturing technologies ensures precise material usage, and helps to minimise waste and improve cost efficiency.



Transitional Risk	<u>Shift in customer preferences towards eco-friendly products</u>		
	Category	Significancy	Timeline
	Market and Reputation	Low	Long-term
	Description of Risks and Opportunities	Potential Financial Impact	Our Strategy
	Growing market trends and shifting consumer preferences towards sustainable and eco-friendly products may lead to a decrease in demand for traditional plastics, potentially favouring alternative materials.	Revenue fluctuations resulting from shifts in consumer preferences towards more environmentally friendly products.	The Group is currently engaging in discussions with both its suppliers and customers regarding the utilisation of biodegradable bio-resin as a material for manufacturing disposables, consumables, and packaging caps.
	<u>Negative perceptions among stakeholders</u>		
	Category	Significancy	Timeline
	Reputation	Low	Short-term
	Description of Risks and Opportunities	Potential Financial Impact	Our Strategy
	Failure to proactively address climate risks could lead to negative perceptions among stakeholders, impacting the Group's reputation.	The potential for decreased revenue due to loss of customers from reputational damage highlights the financial risks of negative public perception. In addition, cost of manpower may increase due to poor employee attraction and retention. Furthermore, reduction in capital availability from investors may occur, as a consequence of these negative perceptions.	We prioritise open communication with our stakeholders, keeping them well-informed about the Group's commitment to sustainability. This includes regular updates on our sustainability initiatives, aiming to build trust and transparency.

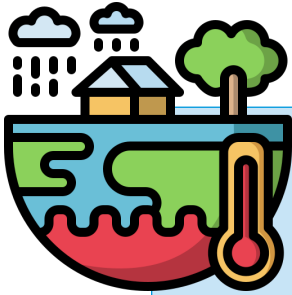
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Extreme weather event - floods, heatwave and typhoons

Physical Risk

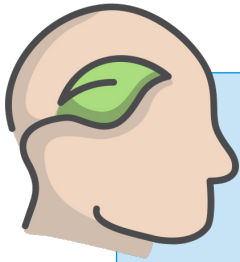
Category	Significance	Timeline
Acute or Chronic	Medium	Medium-term
Description of Risks and Opportunities	Potential Financial Impact	Our Strategy
<p>Singapore, Malaysia and China face exposure to climate change, characterised by more extreme precipitation, rising sea levels, and significant temperature increases, leading to increased risk of flooding and heatwaves.</p> <p>Extreme weather events can disrupt the supply chain by causing damage to infrastructure, leading to delays in both production and delivery, and shortening of business hours. Such events also result in damage to the Group's assets, including factory buildings and production equipment, resulting in decreased valuation and higher insurance costs. Furthermore, these conditions can result in casualties, including injuries or fatalities among the workforce.</p>	<p>Supply chain disruptions caused by extreme weather events present a broad range of operational challenges. These include reduced production output and consequent revenue loss – direct results disruptions to the production process. The financial implications are compounded by the costs associated with the repair and replacement of damaged assets. In addition, there will likely be an increase in medical and insurance expenses, as the organisation grapples with the aftermath of such events, addressing potential injuries or health issues among employees.</p> <p>The cumulative impact of these challenges underscores the critical need for comprehensive risk management strategies to enhance resilience and mitigate potential adverse effects on both operational efficiency and financial health.</p>	<p>While our facilities are not within the flood zones, we have nonetheless established a comprehensive emergency response plan.</p> <p>This plan is vital for ensuring our organisation's preparedness and resilience, facilitating swift and effective responses in crisis situations to safeguard both assets and personnel.</p> <p>In addition, to fortify our supply chain resilience and reduce the risks associated with regional disruptions, we are actively diversifying our suppliers globally.</p>



Water stress due to diminishing of water resources

Physical Risk	Category	Significancy	Timeline
	Chronic	Low	Medium-term
	Description of Risks and Opportunities	Potential Financial Impact	Our Strategy
	<p>Singapore's limited domestic water sources pose a significant risk of water stress, necessitating innovative and comprehensive strategies for sustainability. Singapore has turned to advanced technologies such as NEWater and desalination, alongside extensive water conservation efforts, to address this challenge. Despite these measures, the continuous emphasis on water conservation highlights the importance of responsible usage to mitigate potential water stress.</p>	<p>Water scarcity can disrupt water-dependent operations, lead to service suspensions from water rationing, compromise service quality due to water interruptions, and increase water prices due to resource scarcity.</p> <p>These factors can result in potential revenue loss from service disruptions and diminished service quality, alongside increased operational costs due to higher water prices.</p>	<p>To counteract these risks, we are actively enhancing water efficiency across our operations. This includes the installation of water-saving taps and the implementation of real-time water consumption monitoring systems equipped with sensors to quickly detect and address leaks.</p> <p>Additionally, we have adopted rainwater harvesting practices for washing of our facilities, reducing dependence on conventional water sources. This approach not only conserves water but also aligns with environmentally friendly practices by utilising a natural and renewable resource.</p>

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Transitional Opportunity

Increasing government support for sustainability-related projects

Category	Significance	Timeline
Policy and Legal	Medium	Short-term
Description of Opportunity	Potential Financial Impact	Our Strategy
To address potential financial hurdles from the implementation of green technologies, companies now have access to an expanding array of government subsidies, grants, and sustainable financing options from banks. These incentives are designed to encourage the adoption of green technologies, and enable businesses to incorporate environmentally sustainable practices more easily.	Sustainability-related projects can benefit significantly from government subsidies and grants, which can greatly reduce the initial costs of investment. This financial support makes it more viable for businesses to undertake projects aimed at improving their environmental footprint.	We are actively exploring opportunities to leverage these incentives for potential and suitable projects that not only align with the objectives and criteria of these incentives, but also contribute meaningfully to our sustainability goals. In addition, we are also exploring green financing with banks, specifically green deposits, directing our funds towards projects and initiatives that have a positive impact on the environment.

Innovation in sustainable technologies

Category	Significance	Timeline
Technology	Medium	Medium-term
Description of Opportunity	Potential Financial Impact	Our Strategy
The introduction of new technologies aimed at reducing energy consumption and carbon footprint of plastic moulding processes present an opportunity to lower greenhouse gas emissions and advocate for more eco-friendly production methods in the plastic moulding industry.	Adopting these technologies could lead to a decrease in operational expenses by reducing energy dependency.	The Group is actively transitioning from hydraulic to electric machinery to enhance operational efficiency and reduce oil consumption. In addition, we are incorporating 3D printing and additive manufacturing technologies, which allow for precise material use, waste minimisation, and enhanced cost efficiency.



Transitional Opportunity

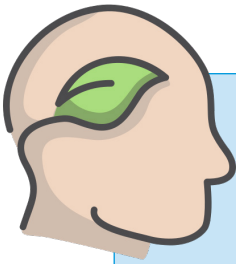
Use of eco-friendly materials

Category	Significancy	Timeline
Product and Services	Medium	Long-term
Description of Risks	Potential Financial Impact	Our Strategy
The shift towards eco-friendly plastics allows our customers to offer end products that are more environmentally conscious, appealing to a growing segment of consumers interested in sustainability.	Introducing eco-friendly plastic components to the market can lead to an increase in revenue as consumer demand for sustainable products grows.	The Group are in discussions with both suppliers and customers about using biodegradable bio-resin for manufacturing disposables, consumables, and packaging caps, aligning our product offerings with environmental sustainability goals.

Renewable energy integration

Category	Significancy	Timeline
Energy source	Medium	Medium-term
Description of Risks and Opportunities	Potential Financial Impact	Our Strategy
The shift towards renewable energy sources, such as solar or wind power, is a strategic response to rising energy costs and reducing carbon footprints.	Initial transition to renewable energy may increase operational costs due to the installation and integration of new energy systems.	We are committed to integrating renewable energy into our operations. The installation of solar panels at our Singapore facilities has been completed in FY2024. We are actively planning to extend our solar panels projects to other locations, aiming to mitigate the impact of rising energy costs on our operations. Our solar panels in Fu Hao was operational in the fourth quarter of FY2024, and those in CA became operational in the second quarter of FY2025.

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Transitional Opportunity

Sustainable practices communication

Category	Significancy	Timeline
Reputation	Medium	Short-term
Description of Risks	Potential Financial Impact	Our Strategy
Companies that demonstrate strong climate-related practices not only mitigate environmental impacts but also enjoy improved access to capital, and opportunities for green financing.	Effective communication of sustainable practices leads to increase investor confidence and attract new funding sources.	We prioritise transparent and open communication with both investors and employees, keeping them well-informed about the Group's sustainability practices to foster trust and transparency. This involves providing regular updates on our ongoing sustainable initiatives.

Managing Climate-related Risk

Fu Yu acknowledges the critical need for a robust strategy and risk management framework to support our sustainability initiatives. With increasing scrutiny from regulatory bodies, investors, and stakeholders on sustainability and climate-related factors, integrating these considerations into our decision-making process has become a priority.

To effectively assess climate risks and opportunities, we have implemented a comprehensive enterprise risk management framework. This framework ensures that climate-related risks are identified, assessed, and managed appropriately. Risks are evaluated through an analysis of the likelihood and impact of each risk.

The impact of these risks is categorised into 3 tiers – **Major, Moderate and Low**. This categorisation helps us prioritise risks and initiatives based on the significance of their impact on our business, allowing us to allocate adequate resources efficiently. Likelihood is assessed as **Unlikely, Medium and Likely**. Based on this assessment, risks are managed through various strategies, including enhancing existing internal controls, or implementing new controls to mitigate and transfer risks. We also develop monitoring mechanisms to review the effectiveness of our strategies.

Recognising the interconnected nature of climate-related risks with other business risks, we integrate climate considerations into our broader risk management strategy. Our risk management framework is applied consistently to both general business risks and climate-related risks, involving the identification, assessment, and ongoing monitoring of these risks and opportunities in line with our enterprise risk management framework.

Energy Consumption

GRI 302-1, 302-3

The Group purchases electricity from the grid, and also generates solar energy. In FY2024, we consumed⁴ 113,623 GJ of purchased electricity, a 2.5% decrease from 116,481.6 GJ in FY2023. However, our overall energy consumption (excluding petrol and diesel) saw a slight increase of 1.0%, with the inclusion of solar energy consumption of 4,001.8 GJ, which reflects a change in the electricity generation mix. In FY2024, the Group has invested in energy-efficient electric machines to replace older hydraulic machines and upgrade existing lighting with more efficient LED lighting.

⁴ Conversion factors are based on Emission Factors for Cross Sector Tools V2.0 March 2024 – IPCC 2006.



SUSTAINABILITY REPORT

Our proactive measures to reduce energy consumption and enhance efficiency include the installation of energy-efficient LED light fixtures throughout managed properties. Other energy-saving initiatives include:

- Optimise production planning to reduce machinery idling time.
- Use of frequency conversion air compressors to reduce power utilisation.
- Transition to renewable energy with solar panel installation in our production facilities.
- Replace older machinery that consumes more energy with newer energy-efficient machinery.
- Replace older air conditioners with energy-saving units and control temperatures to be more energy-efficient.
- Regular maintenance of plant and machinery to improve productivity, prolong useful life span and reduce energy usage.

Besides monitoring electricity consumption, the Group also monitors diesel and petrol consumption, aiming to manage and reduce our GHG emissions.

Diesel is primarily used for forklift operations, truck deliveries and staff canteen activities, while petrol is primarily used for company cars and vehicles. Petrol consumption has increased marginally from 575.6 GJ in FY2023 to 588.7GJ. Diesel consumption has increased from 1,641.5 GJ in FY2023 to 1,728.5 GJ in FY2024 showing a 5.3% increase. Our diesel and petrol consumption rise are due to an increase in production activities.

At Fu Yu, our commitment focuses on reducing our energy consumption throughout daily operations. This initiative aligns with our dedication to environmental responsibility while concurrently unlocking significant cost savings for our business.

Energy Consumption (GJ)	FY2022 ⁵	FY2023 ⁶	FY2024
Petrol	528.7	575.6	588.7
Diesel	1,818.3	1,641.5	1,728.5
Electricity	121,374.0	116,481.6	113,623.0
Solar	Not applicable	Not applicable	4,001.8

Energy Sold (GJ)	FY2022	FY2023	FY2024
Solar	Not applicable	Not applicable	216.1

RECs Sold (GJ)	FY2022	FY2023	FY2024
Solar	Not applicable	Not applicable	3,996.0

Year	Total Energy Consumed (GJ)	Revenue (S\$'mil)	Energy Intensity (GJ/S\$'mil Revenue)
FY2024	119,942.0	114.9	1,044.0

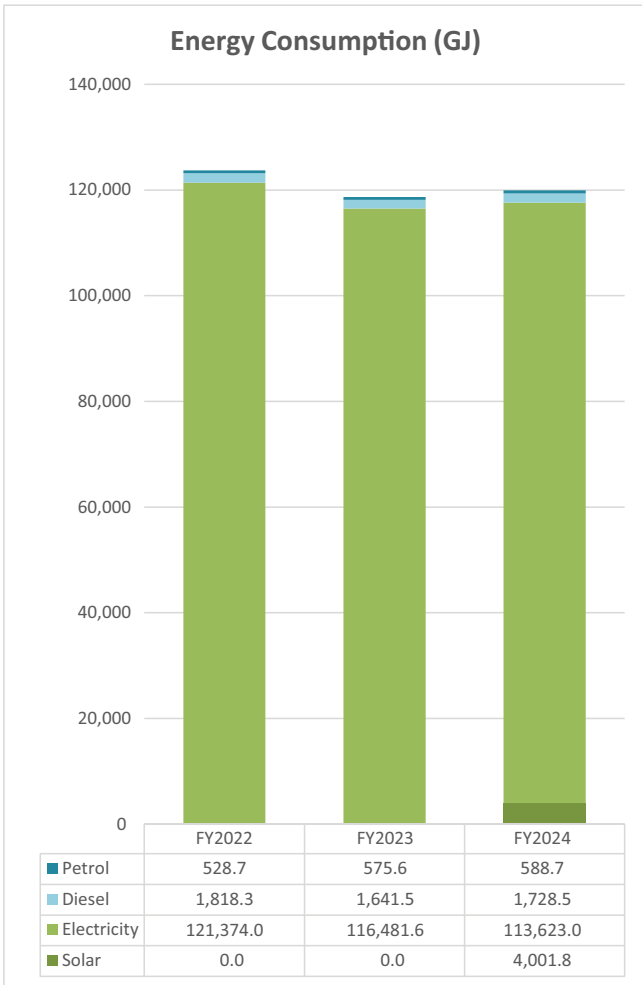
Our energy intensity based on revenue of manufacturing segments was 1,044.0 GJ/S\$ mil. Going forward we will use this basis for comparison purposes.

⁵ In FY2022, electricity as reported in MWh and Diesel in Liter. This has been restated in GJ.

⁶ In FY2023, electricity as reported in MWh and Diesel in Liter. This has been restated in GJ.



SUSTAINABILITY REPORT



Greenhouse Gas Emissions (“GHG”)

GRI 305-1, 305-2, 305-4

In our steadfast commitment to environmental responsibility and combating climate change, we have conducted an in-depth review of our GHG emissions for FY2024.

Our efforts have been focused on a detailed evaluation of both direct and indirect emissions, i.e. direct Scope 1 emissions, arising from our forklift operations and truck deliveries, and indirect Scope 2 emissions, arising from electricity used in our buildings and manufacturing facilities.

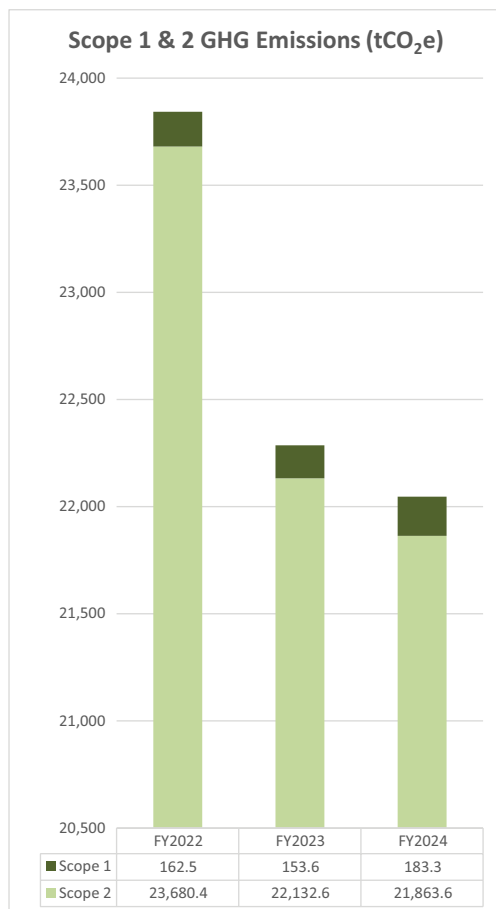


SUSTAINABILITY REPORT

The following is our GHG emissions⁷ profile:

GHG Emissions	Unit	FY2022	FY2023	FY2024
Total GHG Emissions	tCO ₂ e	23,842.9	22,286.2	22,046.9
GHG Scope-wise Emissions				
Scope 1	tCO ₂ e	162.5	153.6	183.3
Scope 2	tCO ₂	23,680.4	22,132.6	21,863.6
Percentage (%)				
Scope 1	Proportion	0.7%	0.7%	0.8%
Scope 2	Proportion	99.3%	99.3%	99.2%
Intensity				
GHG Emissions Intensity ⁸	tCO ₂ e/ S\$ million of revenue	170.2	214.4	191.9
GHG Scope-wise Intensity				
Scope 1	tCO ₂ e/ S\$ million of revenue	1.2	1.5	1.6
Scope 2	tCO ₂ e/ S\$ million of revenue	169.0	212.9	190.3

The GHG emissions of the Group in absolute terms have reduced by 1.1% as compared to last year. GHG emissions intensity has decreased from 214.4 tCO₂e/ S\$ million of revenue in FY2023 to 191.9 tCO₂e/ S\$ million of revenue in FY2024.



⁷ The calculations are aligned with the principles of the GHG Protocol. Emission factors (FY2024) for the above table are based on Emission Factors for Cross Sector Tools V2.0 March 2024. Grid Emission Factors are sourced from Singapore Energy Market Authority (EMA) and IGES Institute for Global Environmental Strategies (2024). List of Grid Emission Factors, version 11.4. Grid Emission Factors consider the fact that RECs have been sold for solar energy generated.

⁸ Denominator for GHG Emissions Intensity is S\$million of revenue for manufacturing sectors only.



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In addition to our long-term goal, we have also set medium and short-term targets to reinforce our commitment to reduce carbon emissions. Our medium-term target is to reduce the Scope 2 overall emissions by 30% by FY2030, using FY2023 as the baseline.

In FY2023, we set a short-term target is to reduce Scope 2 carbon emissions by 3.0% in FY2024, using FY2023 as the baseline. We achieved an actual reduction of Scope 2 carbon emissions of 1.4%

We are also committed to extending our GHG emissions computation beyond the existing Scope 1 and Scope 2 emissions, and to include Scope 3 emissions in the future. By comprehensively understanding our GHG emissions performance, we strategically position ourselves to determine the most effective approach to achieving our medium-term target and meaningfully set a long-term target.

Water Consumption

GRI 303-1, 303-3

In our continuous dedication to sustainability, Fu Yu places high priority on responsible water consumption across our facilities. Recognising water as a precious and limited resource, we are committed to implementing measures that promote water conservation and responsible use.

The Group sources all its water from municipal water supplies, operating in Singapore, Malaysia, and China. Water is primarily used in our operations for cooling towers, cooling for injection moulding and tooling machines during manufacturing, and various cleaning purposes.

We have identified that our FYSZ facility is situated in a water scarce region. As a responsible business, we understand the need to conserve water and reduce water wastage. Sustainable and efficient water usage practices are integral to our manufacturing operations, underscoring our commitment to environment conservation.

Some of our key practices in our different entities as named include:

- Installation of water-saving taps and implementation of real-time water consumption monitoring systems equipped with sensors to quickly detect and address leaks (FYC)
- Adopt rainwater harvesting practices for washing of our facilities, reducing dependence on conventional water sources (FYC, CA)
- Record and monitor meter readings and cross-check with water consumption bills monthly (CA, FYC, FHM, FYDG, FYZH and FYSZ)
- Regular maintenance of water fittings and drainage systems to minimise the risk of leakage (CA, FYC, FYDG, FYZH, FYSZ)
- Educating employees on the importance of water conservation to influence positive behavioural changes (FYDG, FYZH, FYSZ)
- Encourage employees to report any observed water leaks to the Human Resources Department (FHM, FYDG, FYZH, FYSZ)

At our FYSZ facility, after undergoing advanced treatment at sewage facilities, wastewater is recycled for use. We have upgraded infrastructure and optimised the treatment processes to improve the efficiency of the water recycling system, enabling the reintroduction of recycled water into various applications. The water recycling system has been in use for years, with Suzhou continuously maintaining and increasing the amount of recyclable wastewater.

At our FYDG facility, we are strengthening regular inspections of water pipes to prevent the aging and leakage, ensuring early detection and proactive maintenance. In addition, the timely replacement of older water pipes with modern, more durable materials further reduces the risk of leaks and enhances the overall reliability of the water supply infrastructure.



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Elsewhere, we implemented rainwater harvesting for general cleaning tasks. By capturing and storing rainwater through this eco-friendly method, we reduced our dependency on conventional water sources for cleaning, further minimising the environmental impact associated with water consumption.

Fu Yu is committed to doing our part in safeguarding the planet's water resources and ensuring sustainable water management practices.

In FY2024, our total water consumption amounted to 89.1 Megaliter⁹, a 9.1% decrease from 98.0 Megaliter in FY2023. The decrease is attributable to fewer staff living in the dormitory (FYDG) in FY 2024. We are closely monitoring water usage. Water catchment (IBC Tank) is being implemented to optimize consumption (FYC, CA).



Water catchment for rainwater harvesting

Over the years, our Group's water usage has been on the decline, in line with our commitment to minimise water consumption. Moving forward, the Group targets to maintain/reduce our water consumption at the current level, continuing our commitment to efficient and responsible water use.

Water Withdrawn ¹⁰ (Third-party Water)	FY2022	FY2023	FY2024
Freshwater (MegaLiter)	114.1	98.0	89.1

⁹ In FY2022 and FY2023, Water Withdrawal was reported in m³. This has been restated in megaliter in line with GRI reporting. This is a restatement of the unit of measurement, and does not impact any conclusions.

¹⁰ Based on WRI Water Aqueduct Tool, the area where water is withdrawn is not in a water stress area.

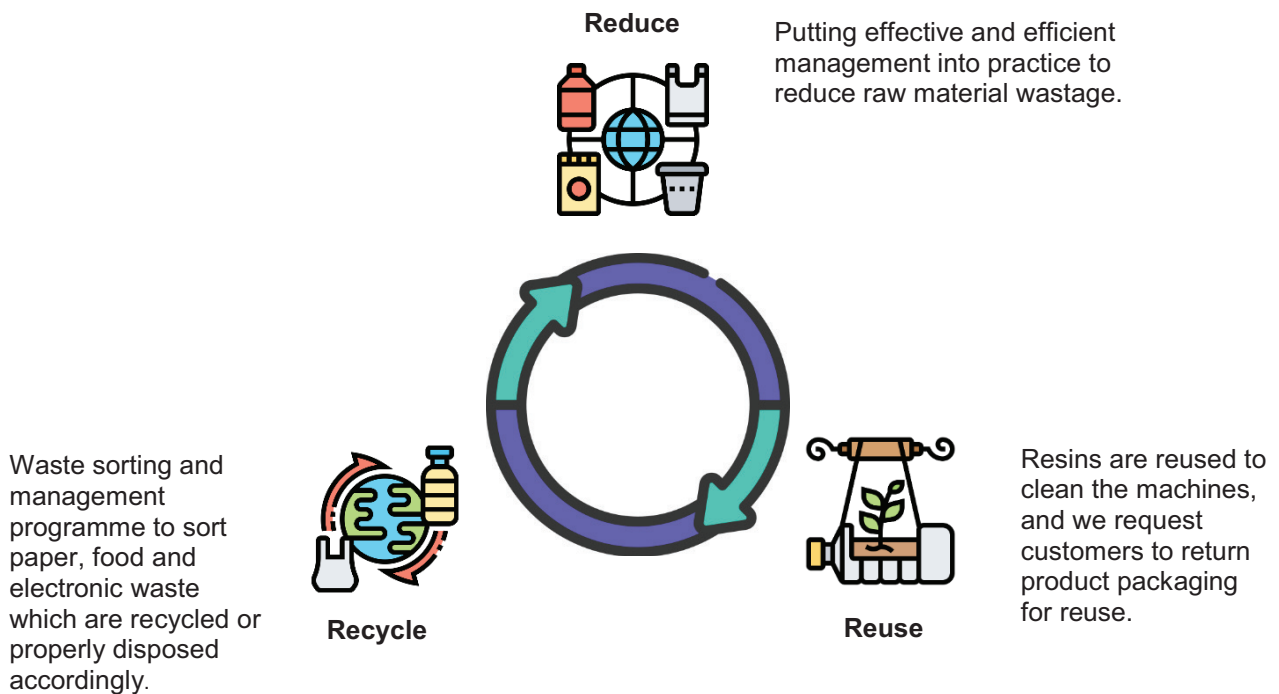
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Waste

GRI 306-1, 306-2, 306-3, 306-4, 306-5

At the heart of the Group’s operational philosophy is our commitment to waste management, encapsulated in our “3Rs” approach – **“REDUCE, REUSE AND RECYCLE”**.

We believe that proper waste management and effective resource utilisation underpins our responsibility towards the environment and contributes to reduce our overall operating costs. Our comprehensive waste management strategy emphasises “reduction of waste” at the source, followed by “waste reuse on-site” and “material recycling”. Through this structured approach, we aim to minimise our environmental footprint and promote sustainability within our operations.



Reduce

Our commitment to sustainable practices includes the responsible procurement of materials, a key aspect of which involves cultivating collaborative relationships with our vendors. In this pursuit, we actively engage with our suppliers to replace harmful substances with environmentally friendly alternatives, aiming to reduce the ecological impact of our operations and products.

Furthermore, in response to growing environmental awareness and customer preferences, we proactively seek out materials that bear accredited green labels. This proactive sourcing strategy emphasises our dedication to environmentally conscious practices, ensuring that the products we manufacture not only meet high-quality standards but also align with environmentally friendly and sustainable principles.

Reuse

We promote the reuse of resins in our manufacturing processes. Resins, often used in various production stages, are systematically recycled to clean machines, contributing to the reduction of waste and minimising the environmental impact associated with their disposal. This initiative not only aligns with our dedication to resource efficiency but also reflects our commitment to a circular economy, where materials are reused and repurposed to extend their lifecycle.



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Furthermore, in order to minimise packaging waste, we encourage our customers to participate in our packaging return program. This program encourages customers to send back product packaging for reuse. By doing so, we aim to reduce the overall environmental footprint associated with packaging materials.

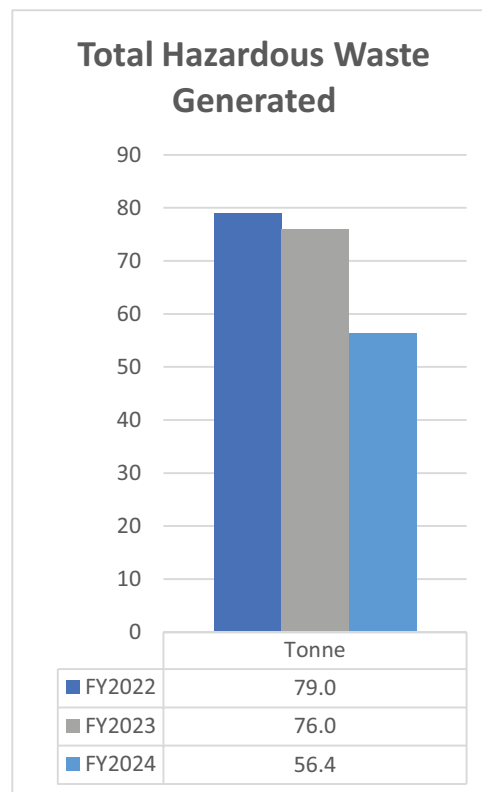
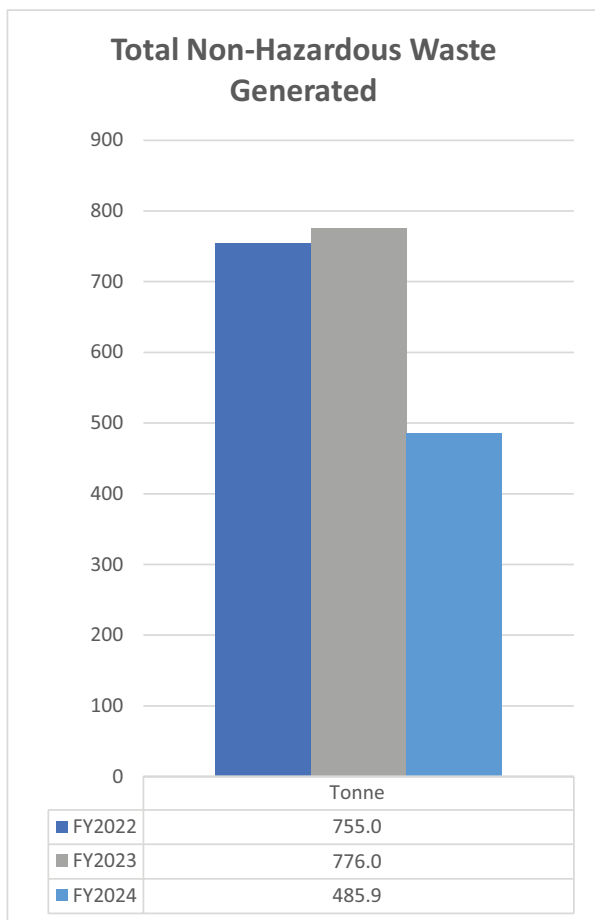
Recycle

We implemented a comprehensive waste sorting and management program that addresses various waste streams, including paper, food, and electronic waste. Through this program, we aim to promote responsible waste handling and minimise our environmental impact.

For paper waste, we prioritise recycling initiatives to ensure that paper materials are diverted from landfills and repurposed. Our commitment to sustainable practices extends to the proper disposal of food waste, where we implement eco-friendly solutions such as composting or other environmentally responsible methods.

For electronic waste, we adhere to specialised disposal practices that align with regulatory guidelines to prevent environmental harm and promote the responsible handling of electronic components.

By incorporating these measures into our waste sorting and management program, we demonstrate our commitment to sustainable and eco-conscious practices throughout our operations.



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Waste Diverted from Disposal (FY2024)		Tonne
Hazardous Waste	Commercial and industrial waste	34.2
	WEEE ¹¹ - mixed	0.6
	Total	34.8
Non Hazardous Waste	Commercial and industrial waste	10.1
	Plastics: PET (incl. forming)	45.2
	Paper and board: board	61.0
	Paper and board: paper	18.9
	Metal: mixed cans	0.7
	Metal: scrap metal	30.7
	Plastics: PS (incl. forming)	190.7
	Total	357.3
Grand Total		392.1

Waste Directed to Disposal (FY2024)		Tonne
Hazardous Waste	Commercial and industrial waste	18.8
	Metal: scrap metal	2.8
	Glass	0.1
	Total	21.6
Non Hazardous Waste	Commercial and industrial waste	128.6
	Total	128.6
Grand Total		150.2

In FY2024, we generated 56.4 tonnes of hazardous waste, compared to 76.0 tonnes in FY2023. This represents a 25.7% reduction, due to not having any large tonnage of machine oil changes, which depends on the waste cycle varying from year to year.

The decline in non-hazardous waste can be attributed to improvement in production efficiency which reduced wastage. Non-hazardous waste was high for FYC in FY2023 due to a move to a new building during the year. The waste resumed normal levels in FY2024, which is reflected in the reduction from the previous year. FYC also took initiatives to reduce wastage.

In FYSZ, we reused paper board before recycling. In FYDG, the disposal of old assets in FY2023 contributed to a high level of waste, which declined in FY2024 as there was minimal disposal of old assets. However, this was offset by FHM, whose non-hazardous waste increased mainly due to scrap material generated from new mold testing for a new awarded project, as well as from testing recycled material for the sustainability project initiated by the customer.

Total waste diverted from disposal amounted to 392.1 tonnes in FY2024 while total waste directed to disposal amounted to 150.2 tonnes.

Moving forward, we intend to maintain the current level of our hazardous and non-hazardous waste for the forthcoming year while developing quantitative targets in future.

¹¹ Waste from Electrical and Electronic Equipment.

Disposal of hazardous wastes

The Group places a strong emphasis on proper waste disposal, particularly relating to hazardous waste. To ensure environmentally responsible practices, all hazardous waste is meticulously disposed through licensed collection vendors, significantly minimising its environmental impact. In line with our 3Rs approach, we actively strive to divert waste from disposal wherever feasible.

When recycling is not an option, we employ a systematic approach for handling non-recyclable waste. Such waste is accumulated and stored on-site, adhering to predetermined schedules for disposal as specified by the respective local collection vendors. This comprehensive waste management strategy reflects our commitment to minimising our environmental footprint and upholding responsible waste disposal practices throughout our operations.

Paper Usage Reduction

Embracing sustainability and digital innovation, our operations have undergone remarkable transformations since FY2020. In Singapore, we have replaced paper carton boxes with 7,000 reusable containers, resulting in annual savings of over 300 tonnes of paper. This initiative sets the stage for our commitment to environmental stewardship. Additionally, FHM has embraced paperless documentation through a Manufacturing Execution System (“MES”) since FY2021, enhancing efficiency and reducing our ecological footprint. In line with our digital evolution, CA and FYC have implemented an e-leave system and embraced e-banking in FY2022, marking significant strides towards a more sustainable and digitally-driven future.

In FY2024, we continued our efforts to reduce paper usage by adopting packaging specifications designed to minimise the types of packaging in use and reduce paper waste. Notably, the usage of packaging papers at FYSZ decreased by 21.7% in FY2024 compared with FY2023. In FY2024, FHM’s paper usage reduced by 12.2%, and carton box usage reduced by 26.7% as compared to the previous year.

These ongoing efforts underscore our dedication to sustainable practices and continual improvement in resource efficiency.

Beyond packaging, we also actively reduce our paper usage in our administration processes. These include:

- Usage of e-signature whenever possible.
- Usage of double sides whenever possible.
- Placing signage as a reminder to reduce paper usage.
- Usage of e-banking to reduce the need for cheques and the printing of telegraphic slip.
- Usage of digital solutions to eliminate the use of paper-based documents (e.g. e-leave system).

We are committed to actively exploring opportunities to reduce paper usage in both packaging and administrative processes. This includes adopting integrated packaging specifications, sourcing eco-friendly packaging materials and embracing digital solutions to minimise reliance on paper. Our commitment to these initiatives aligns with our goal of promoting sustainability and reducing our environmental impact.

Environmental-friendly Supply Chain

In our ongoing dedication to minimising our environmental impact, we ensure that our suppliers comply with environmental laws and regulations while providing goods and services to our organisation.

Within our supply chain management framework, we conduct annual vendor evaluation assessments to consistently measure and monitor the performance of our existing and vendors. This proactive approach aids in cost reduction, and risk mitigation, and fosters continuous improvement initiatives directed towards enhancing environmental sustainability. Through these evaluations, we aim to strengthen our partnerships, ensure efficient operations, and align our supply chain with the principles of environmental responsibility.



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We prioritise environmental compliance by signing both the Restriction of Hazardous Substance (“**RoHS**”) and Registration, Evaluation, Authorisation and Restriction of Chemical (“**REACH**”) agreements with all our suppliers, regardless of whether they are longstanding partners or newly onboarded ones. This commitment ensures that all parties involved adhere to the restrictions on hazardous substances and meet the regulatory standards set forth by these agreements.

Our Initiatives

Innovative Production

Outfitted with cutting-edge automation and sensors, the Group’s Industry 4.0 Smart Factory not only aids customers in monitoring their carbon footprint across the supply chain but also actively monitors and optimises our electricity usage. This dual functionality underscores our dedication to advancing sustainability for our clients while concurrently mitigating our environmental impact through effective energy management.

Demonstrating our unwavering commitment, the Group is systematically replacing hydraulic machinery with electrically powered alternatives, aiming to improve operational efficiency and reduce oil consumption.

Additionally, the integration of 3D printing and additive manufacturing technologies ensures the precise utilisation of materials, minimising waste and concurrently enhancing cost efficiency.

The Group has recently transitioned to an integrated cloud-based platform, paving the way for completely paperless mould-making. This transition not only eradicates paper consumption, but also streamlines the mould-making process, improved accuracy, efficiency, real-time collaboration, and an overall elevation in the quality and speed of production.

Sustainable Raw Materials

Collaborating actively with partners, the Group is committed to helping our customers transition to eco-friendly resins. It is also in active discussions with a supplier of biodegradable bio-resin sourced from sugar cane fibre. This bio-resin can be used to produce disposables, consumables, and packaging caps. Through close collaboration with customers, their preferences are thoughtfully incorporated, playing a crucial role in shaping product development and seamlessly integrating bio-resins into their offerings. As the demand for environmentally conscious solutions continues to surge, Fu Yu’s effective utilisation of bio-resins strategically places it in a market that increasingly values eco-friendly characteristics.

Renewable Energy

Fu Yu has forged a strategic alliance with a solar energy system developer to implement photovoltaic solar panels across the rooftops of our facilities. The generated energy will be utilised to power our in-house operations. FYC has completed the installation of solar panels on four of its buildings in FY2024. The Group is proactively expanding its solar panel initiatives in Malaysia. The solar panels in Fu Hao was operational in the fourth quarter of FY2024, and those in CA are likely to be operational by the second quarter of FY2025.



FHM - Solar panels



CA - Solar panels



8.1 Developing Our Workforce

FY2024 Key Performance

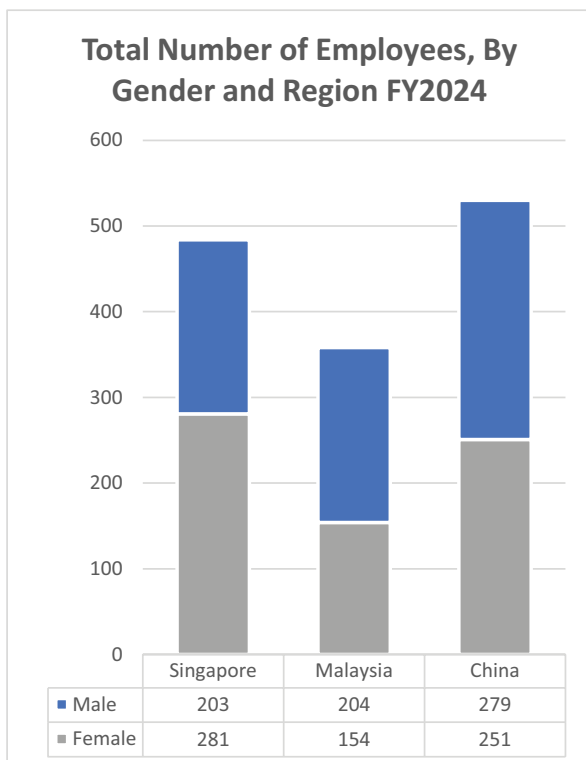


Employment

GRI 2-7, 401-1

Our workforce is primarily composed of permanent, full-time employees, who are the cornerstone of our organisational structure. These employees are pivotal to our operations, providing the stability and continuity necessary for our success. To complement our core team and meet the dynamic needs of our operational environment, we also engage temporary employees when necessary. As at the end of FY2024, our workforce comprises 1,241 permanent employees and 131 temporary employees. We did not employ any part-time employees nor any non-guaranteed hours employees.

The following graphs illustrate our employment profile categorised by regions, contract types and levels.



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FY2024		Singapore	Malaysia	China	Total
Full time Employees	Male	203	204	279	686
	Female	281	154	251	686
Total		484	358	530	1,372
Permanent Employees	Male	203	204	210	617
	Female	281	154	189	624
Temporary/Contract Employees	Male	–	–	69	69
	Female	–	–	62	62
Total		484	358	530	1,372

Total Number of Employees, By Gender and Region	FY2022				FY2023				FY2024			
	Singapore	Malaysia	China	Total	Singapore	Malaysia	China	Total	Singapore	Malaysia	China	Total
Male	Not reported			781	Not reported			775	203	204	279	686
Female	Not reported			754	Not reported			713	281	154	251	686
Total	Not reported			1,535	429	365	694	1,488	484	358	530	1,372

Throughout FY2024, we successfully integrated 366 new employees, making strategic additions to strengthen our team. The new hire rate for FY2024 is reported at 26.7%. This new hire rate encompasses temporary employees, whose recruitment is subject to our operational needs.

The following graphs illustrate our new hires by regions and contract types¹².

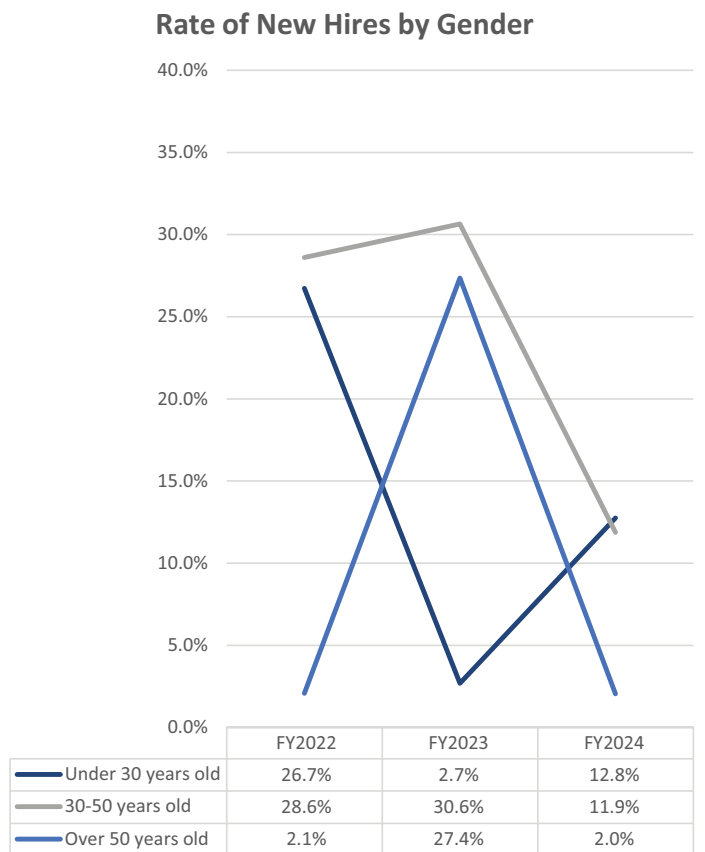
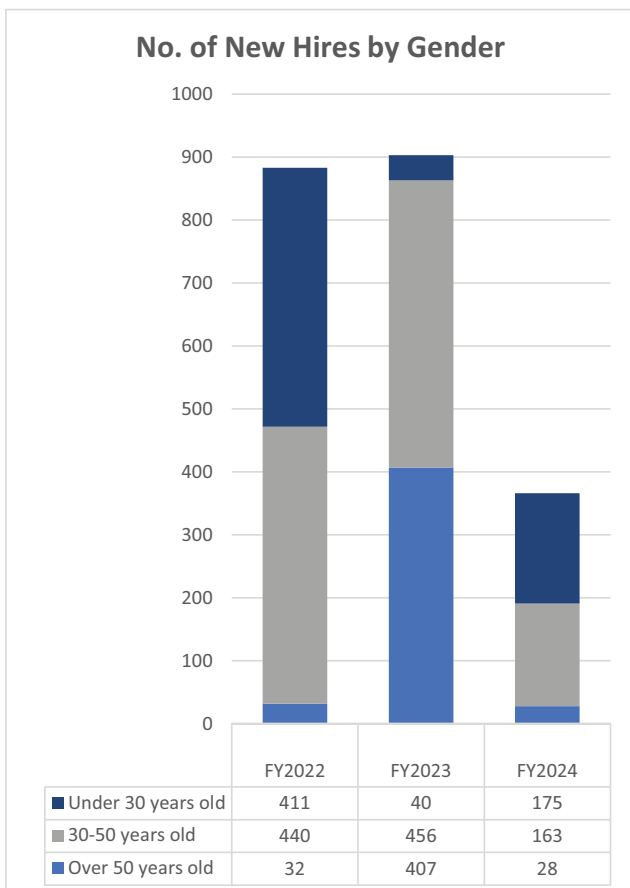
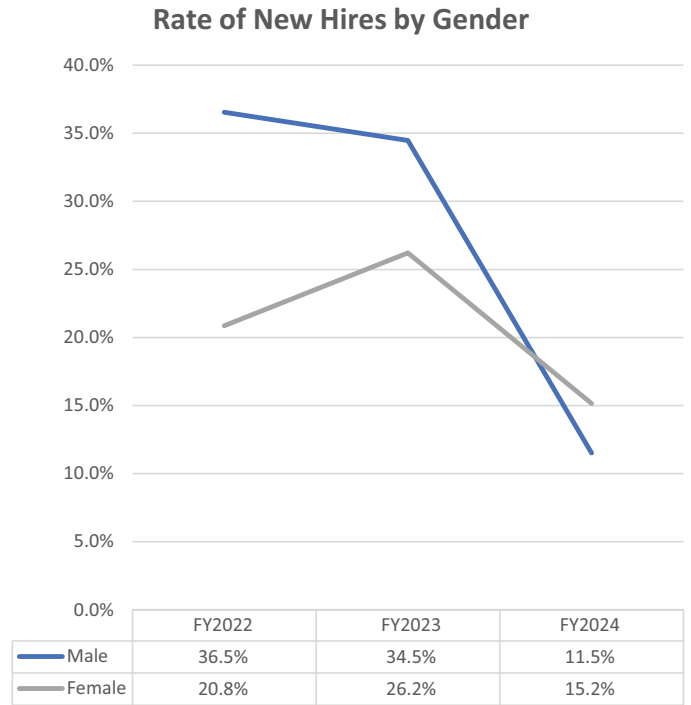
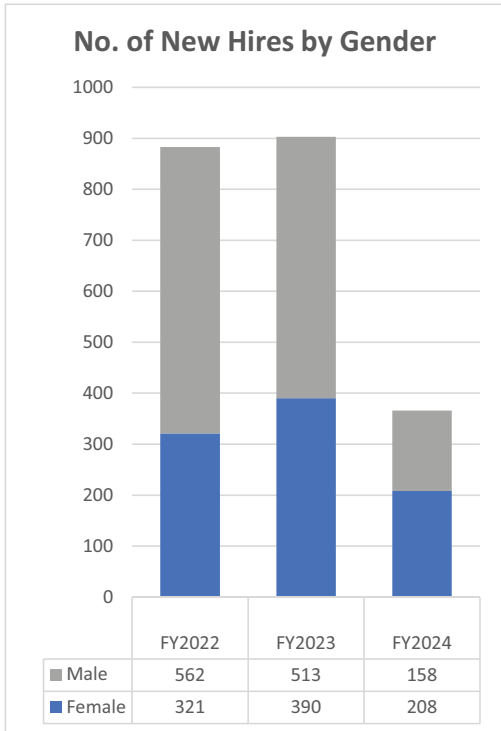
No. of New Hire & Hiring Rate	FY2022								FY2023								FY2024							
	Singapore		Malaysia		China		Total		Singapore		Malaysia		China		Total		Singapore		Malaysia		China		Total	
	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate
Male	Not reported	Not reported	Not reported	562	36.5%	Not reported	Not reported	Not reported	513	34.5%	64	13.2%	56	15.6%	38	7.2%	158	11.5%						
Female	Not reported	Not reported	Not reported	321	20.9%	Not reported	Not reported	Not reported	390	26.2%	151	31.2%	47	13.1%	10	1.9%	208	15.2%						
Total	Not reported	Not reported	Not reported	883	57.4%	215	14.4%	172	11.6%	516	34.7%	903	60.7%	215	44.4%	103	28.8%	48	9.1%	366	26.7%			
Under 30 years old	Not reported	Not reported	Not reported	411	26.7%	Not reported	Not reported	Not reported	40	2.7%	86	17.8%	74	20.7%	15	2.8%	175	12.8%						
30-50 years old	Not reported	Not reported	Not reported	440	28.6%	Not reported	Not reported	Not reported	456	30.6%	106	21.9%	25	7.0%	32	6.0%	163	11.9%						
Over 50 years old	Not reported	Not reported	Not reported	32	2.1%	Not reported	Not reported	Not reported	407	27.4%	23	4.8%	4	1.1%	1	0.2%	28	2.0%						
Total	Not reported	Not reported	Not reported	883	57.4%	215	14.4%	172	11.6%	516	34.7%	903	60.7%	215	44.4%	103	28.8%	48	9.1%	366	26.7%			

¹² The hiring rate for FY2022 & FY2023 have been restated to reflect the GRI aligned formula which is Number of new hires/Total number of employees. The previous formula was Number of new hires/Number of employees in the category. However the restatement does not reflect that outsourced workers had been included in the calculation of employment numbers in previous reporting periods. In FY2024, the employment numbers only include Fu Yu's employees who according to GRI 2-7 are permanent, temporary, full-time, part-time and non-guaranteed hours (casual) employees, and does not include outsourced workers. Year-on-year comparison will be done from FY2025 onwards.



SUSTAINABILITY REPORT

From FY2024 onwards, the above table will be reflecting more granularity in the breakup of gender and age categories across regions.

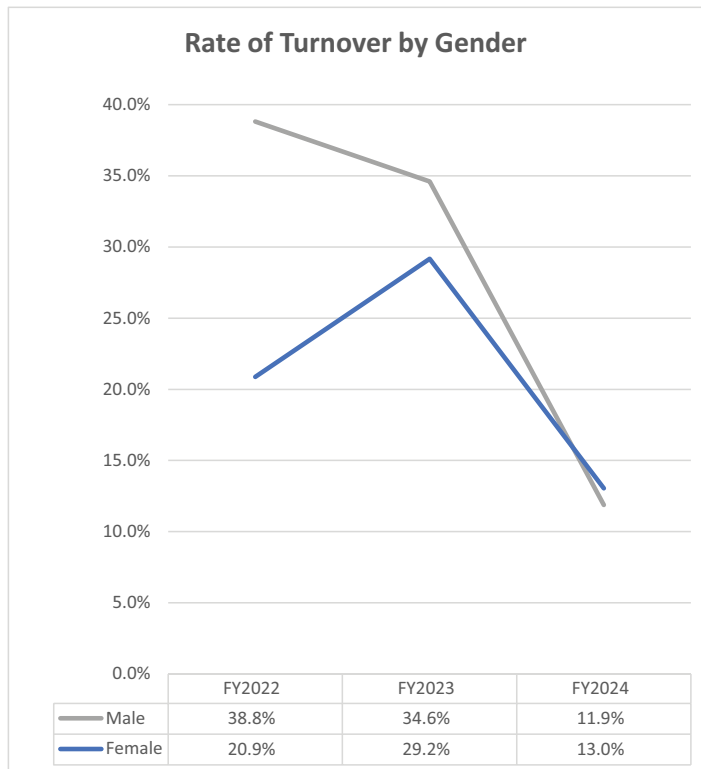
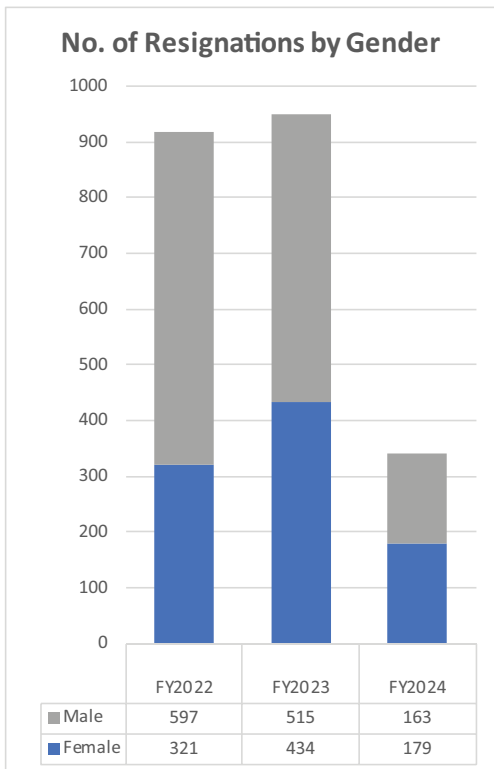


SUSTAINABILITY REPORT

However, we saw 342 employees leave us during the year. The turnover rate for FY2024 was 24.9% with 342 employees leaving us during the year. Similarly to the new hiring rate, this turnover rate encompasses temporary employees, whose recruitment is subject to our operational needs. Going forward, our goal is to maintain a turnover rate (exclusive of temporary workers) below 30%.

The following graphs illustrate our turnover by regions and contract types¹³.

No. of Resignations and Turnover Rate	FY2022								FY2023								FY2024							
	Singapore		Malaysia		China		Total		Singapore		Malaysia		China		Total		Singapore		Malaysia		China		Total	
	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate	No.	Rate		
Male	Not reported	Not reported	Not reported	597	38.8%	Not reported	Not reported	Not reported	515	34.6%	51	10.5%	63	17.6%	49	9.2%	163	11.9%						
Female	Not reported	Not reported	Not reported	321	20.9%	Not reported	Not reported	Not reported	434	29.2%	111	22.9%	43	12.0%	25	4.7%	179	13.0%						
Total	Not reported	Not reported	Not reported	918	59.7%	166	11.2%	175	11.8%	608	40.9%	949	63.8%	162	33.5%	106	29.6%	74	14.0%	342	24.9%			
Under 30 years old	Not reported	Not reported	Not reported	354	23.0%	Not reported	Not reported	Not reported	62	4.2%	62	12.8%	63	17.6%	12	2.3%	137	10.0%						
30-50 years old	Not reported	Not reported	Not reported	509	33.1%	Not reported	Not reported	Not reported	514	34.5%	77	15.9%	33	9.2%	46	8.7%	156	11.4%						
Over 50 years old	Not reported	Not reported	Not reported	55	3.6%	Not reported	Not reported	Not reported	373	25.1%	23	4.8%	10	2.8%	16	3.0%	49	3.6%						
Total	Not reported	Not reported	Not reported	918	59.7%	166	11.2%	175	11.8%	608	40.9%	949	60.7%	162	33.5%	106	29.6%	74	14.0%	342	24.9%			

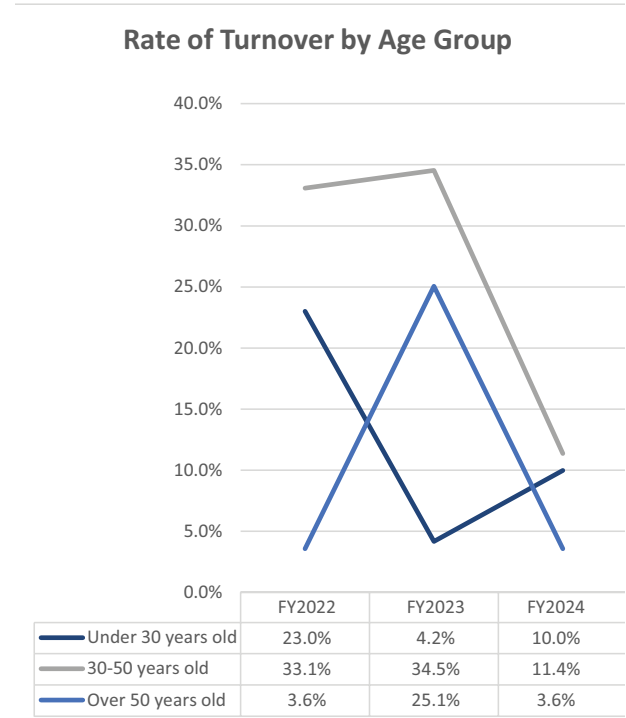
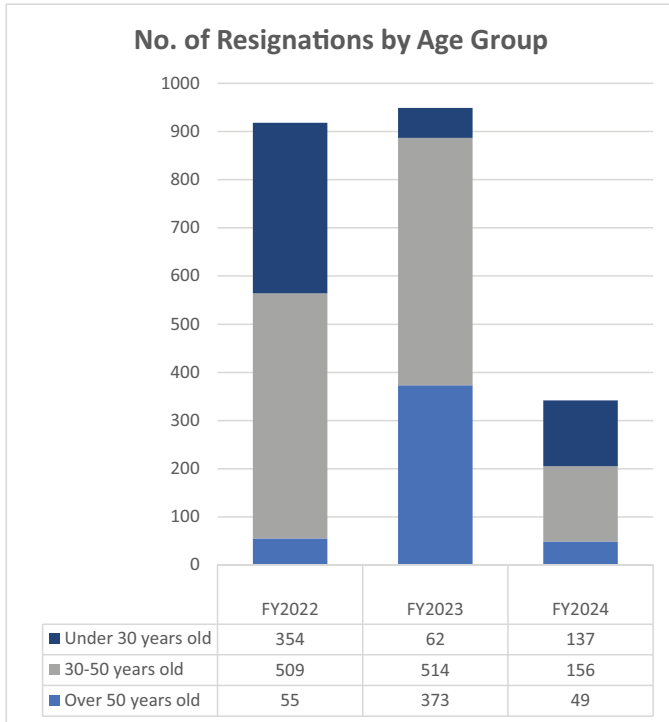


¹³ The turnover rate for FY2022 & FY2023 have been restated to reflect the GRI aligned formula which is Number of resignations/ Total number of employees. The previous formula was Number of resignations/Number of employees in the category. However the restatement does not reflect that outsourced workers had been included in the calculation of employment numbers in previous reporting periods. In FY2024, the employment numbers only include Fu Yu's employees who according to GRI 2-7 are permanent, temporary, full-time, part-time and non-guaranteed hours (casual) employees, and does not include outsourced workers. Year-on-year comparison will be done from FY2025 onwards.



SUSTAINABILITY REPORT

Throughout FY2024, we integrated 208 new female employees, as a result, our female new hire rate is 15.2%. We had 179 female employees who left us during the year, as a result, our female turnover rate is 13.0%.



Fu Yu understands that our employees are integral to the Group's long-term success. We view it as our duty to facilitate their excellence by ensuring a secure and positive work environment aligned with our core values.

In FY2024, the Group demonstrated a steadfast commitment to the well-being of its employees through a series of initiatives. The provision of free lunches or food vouchers during festive seasons recognises the importance of fostering a sense of celebration and togetherness among the employees. Additionally, the annual employee satisfaction survey serves as a testament to the Group's dedication to understanding and addressing the concerns and preferences of its workforce, ensuring a conducive and supportive work environment.

The Group organised events such as Safety Champion programs, employee gatherings involving activities, and the annual Dinner and Dance. Specific activities that engaged employees at the entity level during FY2024 were hiking (FHM), team bonding at Desaru (CA) and company outing (FYSZ).

These initiatives not only promote team building and camaraderie but also contribute to the overall mental well-being of employees by offering opportunities for relaxation and enjoyment. Special events like the Durian Feast and Christmas celebrations, complete with gift exchanges and festive buffets, add a touch of joy and festivity to the workplace, reinforcing the Group's commitment to creating a positive and inclusive company culture that prioritises the holistic well-being of its valued employees.



Activities Room in CA

CA has established an Employee Health Initiative with the introduction of a Fun Room, designated for recreational activities after working hours. The room features games like pool/snooker, ping-pong, and dart. The primary goal is to enhance employee health and well-being while fostering a health-conscious culture and a sense of community within CA. The initiative is in progress to be set up, showcasing CA's commitment to promoting a healthy and enjoyable workplace for its employees.

SUSTAINABILITY REPORT



Activities Room in CA



Team Bonding Trip to Desaru



Hiking Adventure in Penang



Employee Company outing in Suzhou



Diversity and Equal Opportunity

GRI 405-1

The Group advocates fair and equal opportunities for all our employees regardless of age, race, gender, religion, marital and family status or disability. Our goal is to attract and retain employees' interest in a long-term career with us. We commit to providing equal employment opportunities, prohibit harassment and discrimination in the workplace and align with applicable laws and regulations. Our selection and recruitment criteria focus solely on the skills, experience, and ability of candidates to perform job tasks. We believe that creating a diverse work environment and valuing achievements, capabilities, and equal opportunities, enhance overall productivity in the workplace.

Our organisation is dedicated to promoting gender equality and supporting women's progress within the workplace. We believe that cultivating a diverse and inclusive workforce, where every employee has equal opportunities for success and contribution, is imperative for our business as a socially responsible entity.

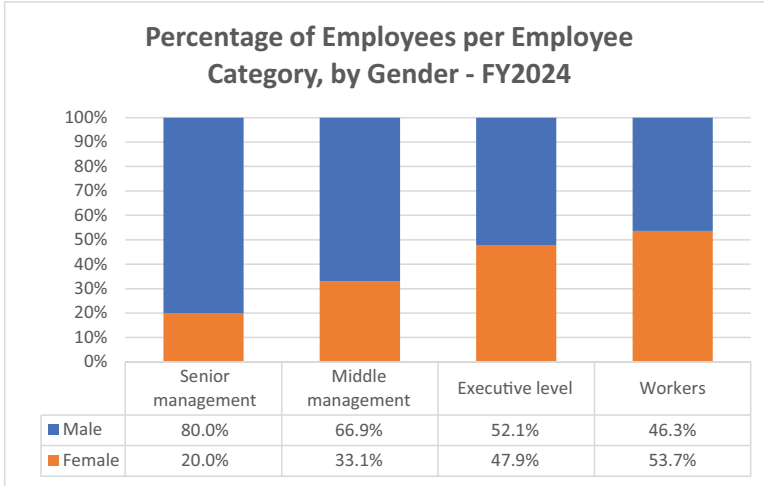
In FY2024, the gender distribution within our workforce remained a ratio of close to 1:1 male to female employees. Furthermore, it is noteworthy that the majority of our workforce is aged between 30 to 50 years, which is in line with industry norms.

Composition of Board of Directors, by Gender	FY2024
Male	100%
Female	0%

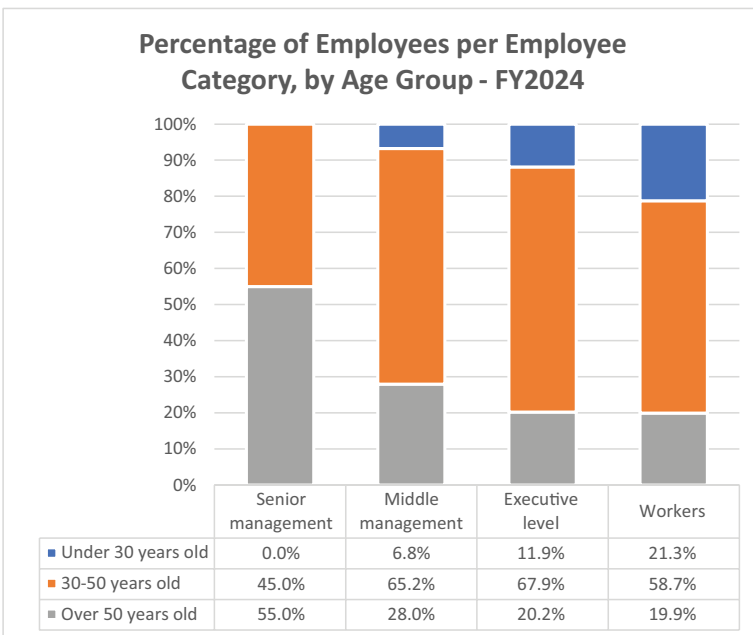
Composition of Board of Directors, by Age Group	FY2024
Under 30 yrs old	0%
30 - 50 yrs old	100%
Over 50 yrs old	0%

SUSTAINABILITY REPORT

The graphs below illustrate our employment profile categorised by gender and age groups¹⁴.



Percentage of Employees per Employee Category, by Gender – FY2024	Male	Female
Senior management	80.0%	20.0%
Middle management	66.9%	33.1%
Executive level	52.1%	47.9%
Workers	46.3%	53.7%
Total	50.0%	50.0%



¹⁴ Percentage of employees by Employee Category is being reported in FY2024. As there is no comparison data for previous periods by employee category, the year-on-year comparison will be made going forward.



Percentage of Employees per Employee Category, by Age Group - FY2024	Under 30 years old	30-50 years old	Over 50 years old
Senior management	0.0%	45.0%	55.0%
Middle management	6.8%	65.2%	28.0%
Executive level	11.9%	67.9%	20.2%
Workers	21.3%	58.8%	19.9%
Total	17.4%	61.4%	21.2%

Training and Education

GRI 404-1, 404-3

In the current landscape of intense market competition and economic challenges, the strategic recruitment, retention, and development of human capital is of utmost importance. Recognising the critical role of employee training and development in this context, we place great emphasis on enabling our workforce to reach their full potential. The Group firmly believes that enabling employees to enhance their knowledge and skills not only contributes to their individual growth but also strengthens the collective competency of the organisation. By committing to continuous learning and skill enhancement, we aim to strategically position our workforce to meet the dynamic demands of the competitive and challenging economic environment.

In FY2024, our average training hours per employee were decreased from 16 hours to 13.2 hours. This reduction in average training hours is due to a training budget control and shift in company priorities. The decline was more in on-the-job training, than in formal training programs.

For FY2024, FYC and FHM have established specific targets for total training hours, aiming for 1,800 hours and 5,370 hours respectively. Our FY2025 target for average training hours is 15 hours per employee.

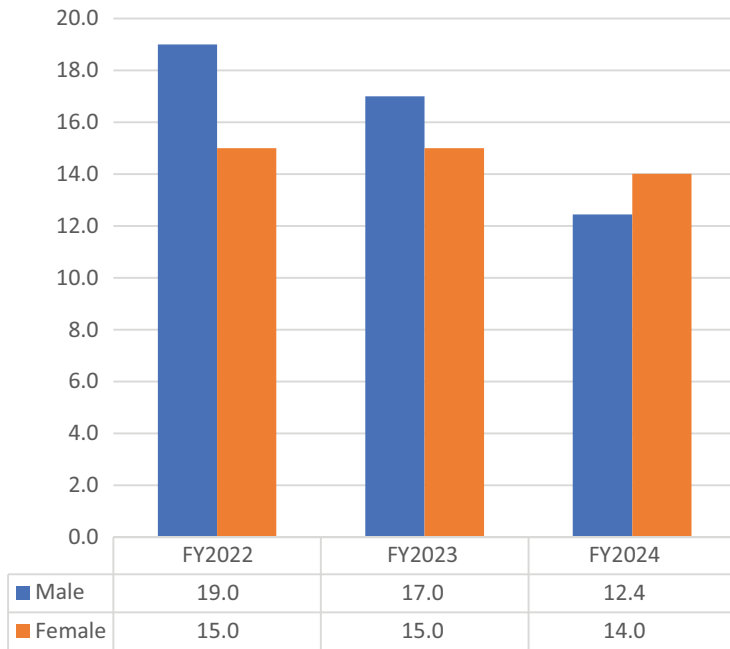
This initiative reflects our ongoing commitment to fostering a culture of continuous professional development and enhancing our team's capabilities to sustain our competitive edge.

The graphs below illustrate our average training hours per employee categorised by level and gender.

Gender	FY2022	FY2023	FY2024
Male	19.0	17.0	12.4
Female	15.0	15.0	14.0
Total	17.0	16.0	13.2

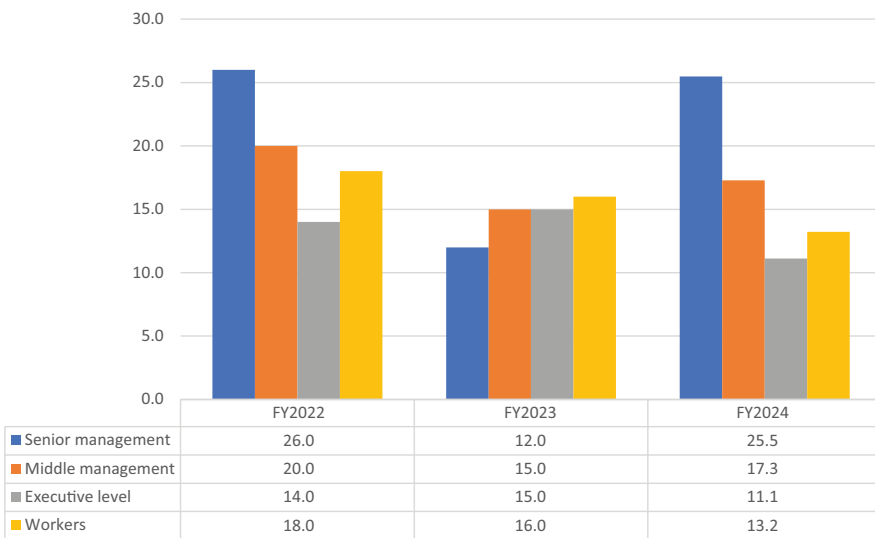
SUSTAINABILITY REPORT

Average Training Hours by Gender



Employee Category	FY2022	FY2023	FY2024
Senior management	26.0	12.0	25.5
Middle management	20.0	15.0	17.3
Executive level	14.0	15.0	11.1
Workers	18.0	16.0	13.2
Total	17.0	16.0	13.2

Average Training Hours by Employee Category





SUSTAINABILITY REPORT

The Group implements training and personal development programs customized to individual strengths and needs of our employees. Concurrently, we conduct an annual employee performance assessment to gauge the effectiveness of these programmes. This strategic approach aims to align organisational objectives with individual skill enhancement, creating a symbiotic relationship where the professional growth of our workforce seamlessly aligns with the Group's overarching goals. Through focused and personalised training initiatives, we aim to maximise employee potential, cultivating a highly skilled and adaptable workforce capable of navigating the dynamic complexities of the modern professional landscape.

The following is the percentage of staff¹⁵ in FY2024 who have received performance & career development review, which shows all employees receive performance appraisals annually. The reason for less than 100% performance appraisal scores for workers and employees at the executive levels is due to employee turnover, as employees left before the performance appraisal cycle.

Senior management	Male	100%
	Female	100%
	Total	100%
Middle management	Male	100%
	Female	100%
	Total	100%
Executive level	Male	86%
	Female	97%
	Total	91%
Workers	Male	98%
	Female	91%
	Total	94%

Occupational Health and Safety

GRI 403-1, 403-2, 403-3, 403-4, 403-5, 403-6, 403-7, 403-9, 403-10

Fu Yu understands the critical importance of the health and safety of our workforce and is committed, as a responsible employer, to provide a secure and healthy work environment. We have cultivated an organisational culture that prioritise the health and safety of our employees, understanding that this focus is crucial in ensuring operational efficiency and effective value delivery. Recognising the pivotal role of mental wellness, we acknowledge that safeguarding the mental well-being of our employees is instrumental in boosting productivity, thereby enhancing our overall performance and facilitating talent retention. Moving forward, we aim to concentrate on the mental well-being of our employees and embark on a workplace outreach wellness program to ensure the recognition and implementation of their rights to both physical and mental health.

The establishment of a Workplace Safety and Health Committee (“**WSHC**”) reflects our systematic approach to health and safety. This committee is tasked with regularly reviewing and monitoring our health and safety practices to ensure compliance with the relevant laws and regulations across the countries where we operate. The WSHC actively develops programs and activities to raise awareness about occupational health and safety (“**OHS**”) including compulsory safety briefings as part of our Induction Training for all new hires. During daily operations, it is compulsory for employees to verify the proper implementation of safety measures before commencing work. As part of our assurance process, routine practice sessions are conducted to reinforce OHS requirements, in-house safety regulations, and job-specific safety protocols.

Our sites have regular team discussions to highlight environmental issues and compliance at the workplace. Some sites have a formal Environmental Performance Monitoring Committee (“**EPMC**”) for this purpose. In line with our commitment to employees’ safety awareness and resilience training, fire drills are conducted to familiarise employees with proper evacuation routes and practices. This ensures that every employee evacuates safely and in an orderly manner in response to fire alarms. Employees also receive training on the correct and safe use of fire extinguishers, constituting an integral component of our comprehensive health and safety initiatives.

¹⁵ This is the first year that the data on percentage of staff who received performance & career development review is being disclosed, so a three-year comparison is not available.

SUSTAINABILITY REPORT



Firedrill activities - FYDG

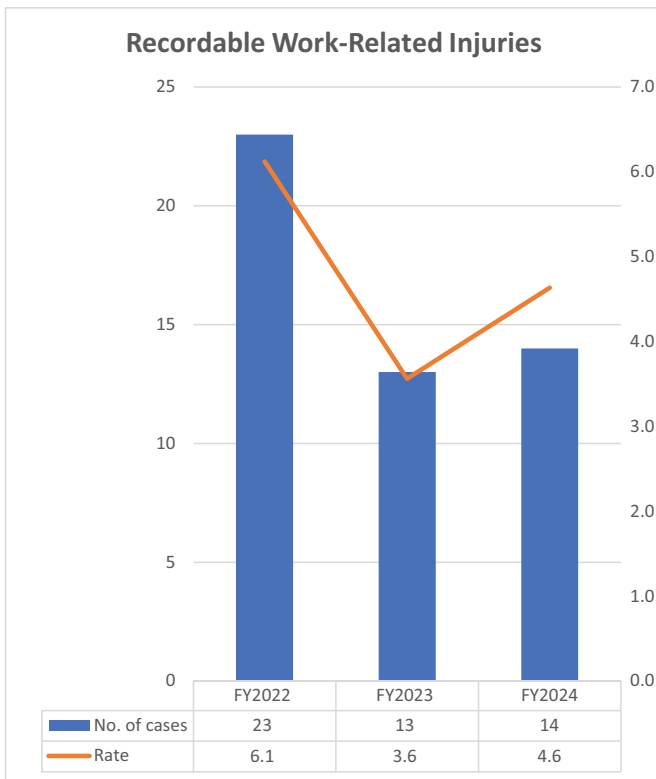


Occupational Health Training - CA

In CA we held a series of important training sessions to enhance our organisation’s preparedness and compliance capabilities, including Emergency Response Team (“**ERT**”) training, Waste Handling training, and ISO14001:2015 (EMS) Awareness Training (in-house). In FHM, we have conducted Noise safety training. In FYC, we have weekly safety orientation training, annual refresher training and external mandatory training for respective staff.

In Chinese entities, safety hazard inspections are conducted quarterly to identify and address potential risks. In addition, monthly activities focusing on risk recognition and improvement in hazard inspections are implemented to ensure that equipment and facilities comply with various safety standards. We also undergo its annual occupational health and safety inspections, underscoring the commitment to maintaining a safe and healthy work environment. These systematic evaluations play a crucial role in the proactive management of workplace safety, ensuring alignment with industry standards and regulatory requirements.

	FY2022		FY2023		FY2024	
	No. of cases	Rate	No. of cases	Rate	No. of cases	Rate
Fatalities as a result of work-related injury	–	0.0	–	0.0	–	0.0
High-consequence work-related injuries (excluding fatalities)	–	0.0	–	0.0	–	0.0
Recordable work-related injuries	23	6.1	13	3.5	14	4.6
No of lost days	208		349		76	
Total Man hours	3,756,110.0		3,648,324.0		3,020,488.5	



Recordable work-related injuries rate saw an increase from 3.6 in FY2023 to 4.6 in FY2024. The incidents mainly involved injuries such as cuts, contact with moving fan, being hit by pipe hose, slip and fall, hand glove stuck in machine, and hot water burn. We have reiterated safety guidelines to our employees, with a particular focus on safe machine operation practices.

To further enhance safety, there has been an increased focus on employee safety briefings, reinforcing awareness and emphasising the importance of adhering to established safety guidelines and protocols.

In FY2024, the Group continued to adopt the Singapore Ministry of Manpower's ("**MOM**") definition of major injuries, as outlined on the MOM website. This uniform definition is applied consistently across all subsidiaries for disclosure purposes, in line with the GRI standards. We have briefed employees to take care of their safety, and have reported the accident to the Department of Occupational Safety & Health (DOSH) Malaysia.

Looking ahead, the Group is committed to achieving a zero-workplace incident rate. Concurrently, we are intensifying our efforts to minimise instances of employee ill health due to work-related causes. A thorough assessment has identified specific work-related hazards associated with elevated risks of injury or ill health. Consequently, various preventive measures have been implemented to mitigate these risks. In CA, we review hazard identification, risk assessment and risk control for legal compliance. Our commitment to safety and health is evident through our regular dissemination of information via the monthly Environment, Health & Safety ("**EHS**") Bulletin, distributed to CA employees through email. To further enhance awareness, we are planning EHS Toolbox Talks, designed to address a variety of topics tailored to specific areas, focusing on the relevant risks and hazards. Additionally, we are in the process of developing EHS induction training material for new CA employees, and refresher training for existing employees, underscoring our steadfast commitment to maintaining a safe and healthy work environment.

All our group entities have conducted a fire and evacuation drill in FY2024. This initiative is part of our ongoing effort to ensure preparedness and safety.

Additionally, posters on safety operating procedures, risk notification cards, warning signs, and other informational materials are placed at our facilities to ensure that employees are aware of the surrounding hazards and appropriate response measures. Employees in various positions undergo occupational disease health check-ups annually or biennially. Furthermore, protective safety equipment such as masks, gloves, earplugs, and other necessary items are regularly distributed to ensure the safety and well-being of employees.

In Chinese entities, the injection moulding workshop has upgraded its VOC air purification system to enhance the air quality within the facility.

SUSTAINABILITY REPORT

Forced Or Compulsory Labour

The Group is committed to proactively preventing and eradicating all forms of forced or compulsory labour within the realm of our operations. Our comprehensive policy unequivocally prohibits the utilisation of forced, bonded, or indentured labour, encompassing debt bondage, involuntary prison labour, slavery, and human trafficking. Factory audits are systematically conducted for each of our facilities in Singapore, Malaysia, and China, following the guidelines of Responsible Business Alliance. This framework comprises standards addressing social, environmental, and ethical issues in the electronics industry supply chain, referencing international norms and standards such as the Universal Declaration of Human Rights; International Labour Standards (“ILO”) global guidelines set by organisations like the International Labour Organisation to ensure fair and decent working conditions, covering aspects such as freedom of association, collective bargaining, and the elimination of forced labour and child labour; The Organisation for Economic Cooperation and Development (“OECD”) Guidelines for Multinational Enterprises; ISO and Social Accountability (“SA”) standards, among others.

Moreover, employment contracts are carefully crafted in local languages that are easily understood by our workers, facilitating their understanding of job responsibilities and departure procedures. In FY2024, no incidents of non-compliance with forced or compulsory labour regulations were reported in our manufacturing facilities. Our ongoing objective is to achieve zero incidents of non-compliance with labour laws about forced or compulsory labour.

In addition, we aspire to attain a rating of "satisfactory" or above in our factory audits, where applicable, to meet Responsible Business Alliance standards. This commitment underscores our dedication to the ethical treatment of workers and continuous improvement in labour practices in line with best practices in the industry.

Child Labour

Our commitment to eradicating child labour is diligently implemented through our employment protocols. Our recruitment policy staunchly prohibits the hiring of individuals falling below the minimum age requirements outlined in the Employment Act. We ensure strict adherence to all national labour laws in the jurisdictions where we operate, in alignment with our CSR and Recruitment Policy, which unequivocally prohibits the engagement of child labour in all our activities. Moreover, we actively encourage our customers to conduct audits of our manufacturing facilities using the Responsible Business Alliance Guidelines whenever they deem it necessary.

In FY2024, no incidents of child labour were reported in our manufacturing facilities. This reaffirms our proactive stance in upholding rigorous ethical standards and ensuring the overall well-being of our workforce.

9.1 Practicing Good Governance

Fu Yu is dedicated to upholding rigorous standards of corporate governance and ethical business conduct. Our commitment is centred on preserving market integrity and protecting the interests of stakeholders for the sustained success of the Group. We aim to cultivate an organisational culture that champions the highest levels of integrity and ethical business practices. This involves compliance with applicable laws and regulations, as well as a profound respect for human rights and environmental conservation.

To strengthen our ethical culture and reinforce professional conduct, we conduct training sessions to disseminate the Group’s Corporate Business Ethics and Code of Conduct Policy among our employees. This policy offers comprehensive guidelines on the business conduct expected from employees, encompassing the obligation to disclose any direct or indirect interest in or affiliation with, other businesses and organisations where potential conflicts of interest may arise.

FY2024 Key Performance



- 0 confirmed incidents of corruption
- 0 incidents of non-compliance with environmental laws and regulations resulting in significant fines or sanctions
- 0 incidents of non-compliance with data protection law



Compliance with Laws and Regulations

GRI 2-27

We are dedicated in our commitment to adhere to local government laws and regulations, striving to ensure that our operations consistently align with legal requirements. To fortify our commitment, we have implemented a robust monitoring mechanism that oversees our compliance across a spectrum of areas, encompassing Company Act adherence, listing requirements, operational licensing requirements, health and safety standards, and human resources regulations. To this end, we ensure that all the Group's factories are ISO 14001 certified.

In FY 2024, There were zero instances for which significant fines were incurred, as well as zero instances for which non-monetary sanctions were incurred. Fines for instances of non-compliance with laws and regulations that occurred in previous reporting period of FY2023 amounted to RMB 20,000.

In FY2024, there were zero fines for incidents of non-compliance with laws and regulations resulting in significant fines or sanctions. Moving forward, the Group targets to maintain zero incidents of non-compliance with environmental laws and regulations resulting in significant fines or sanctions.

Anti-corruption

GRI 205-1, 205-2, 205-3

Fu Yu's management takes the lead in fostering a strong corporate governance culture and putting in place policies that promote ethical behaviour. Our anti-corruption practices are governed by various policies including our Fraud Risk Management Framework and Policy, Whistle Blowing Policy. These policies established our principle of "zero tolerance" towards all forms of unethical and corrupt practices.

Fraud Risk Management Framework and Policy guides all employees on anti-fraud measures to minimise the risks of fraud. Our respective plant general managers conduct a fraud risk assessment yearly and report any key fraud risks and anti-fraud mitigation measures to the Audit Committee and the Board.

In addition, we encourage our stakeholders to report any concerns or potential improprieties in good faith. To facilitate this process, our Whistleblowing Policy offers a transparent channel for employees to voice concerns regarding potential fraud, improprieties in financial reporting, and other related matters. This policy ensures that employees can raise such concerns in good faith, providing reassurance that they will be protected from reprisals or victimisation. We underscore the critical importance of maintaining confidentiality throughout this process, assuring stakeholders that their reports will be handled with the utmost discretion. Additionally, we conduct annual refresher training sessions on anti-corruption and whistleblowing policies for all employees at the Group's operating sites.

The following table shows the operations¹⁶ assessed for risks related to corruption:

Performance in FY2024	
Total number of operations assessed for risks related to corruption	6
Percentage of operations assessed for risks related to corruption	100%

The following table shows the communication and training about anti-corruption policies and procedures

Performance in FY2024	
Total number of governance body members that the organization's anti-corruption policies and procedures have been communicated to	4
Percentage of governance body members that the organization's anti-corruption policies and procedures have been communicated to	100%
Total number of governance body members that have received training on anti-corruption	4
Percentage of governance body members that have received training on anti-corruption	100%

¹⁶ This is the first year that the anti-corruption related data is being disclosed, so a three-year comparison is not available.

SUSTAINABILITY REPORT

Performance in FY2024	Senior management	Middle management	Executive level	Workers
Total number of employees that the organization's anti-corruption policies and procedures have been communicated to	20	118	336	898
Percentage of employees that the organization's anti-corruption policies and procedures have been communicated to	100%	100%	100%	100%
Total number of employees that have received training on anti-corruption	20	118	336	898
Percentage of employees that have received training on anti-corruption	100%	100%	100%	100%

As a result, there were no confirmed incidents of corruption during the year. Moving forward, the Group targets to maintain zero confirmed incidents of corruption continuously.

Consumer Privacy

GRI 418-1

We operate our business in adherence to data protection laws and standards, including the Personal Data Protection Act (“**PDPA**”).

Our Group's Personal Data Protection Policy (“**PDPP**”) outlines the regulations governing data protection and the legal requirements applicable to the collection, handling, processing, storage, transportation, and disposal of personal data. All employees are urged to acquaint themselves with the PDPP and are expected to manage or handle any personal data in strict accordance with its provisions. The Group values customer privacy, which is crucial for trust and relationships. We communicate our privacy and data security measures. Strict confidentiality is maintained through legal contracts and Non-Disclosure Agreements, safeguarding customer data and intellectual property.

Furthermore, the Group's Information Technology (“**IT**”) department implemented a cybersecurity framework throughout its business subsidiaries. This risk assessment-based approach translates into a holistic Cyber Defence Strategy and work plan involving investment into upgrade of hardware, detection of intrusion prevention and response etc across the Group. Additionally, the Group has initiated a cybersecurity awareness training program for both existing and new staff. To enhance preparedness, we conduct annual phishing email simulation tests for all employees.

There were zero identified leaks, thefts or losses of customer confidential information in FY2024. Moving forward, the Group targets to maintain zero incidents in the forthcoming year.

Corporate Social Responsibility

Fu Yu is deeply committed to making a positive contribution to our local communities, recognising that such engagement extends beyond mere financial assistance. Our approach to corporate social responsibility (“**CSR**”) involves active participation in volunteer efforts, offering our employees with valuable opportunities to directly engage with and support the local communities we serve.

In FY2024, Fu Yu has participated in the “Gift from the Heart” (“**GFTH**”) initiative, an annual event organised by the Food, Drinks and Allied Workers Union (“**FDWU**”) and the Chemical Industries Employees Union (“**CIEU**”). This welfare scheme aims to assist eligible lower-wage workers and their families, helping them cope with the rising cost of living through the donation and distribution of essential items, such as food and household necessities.

Furthermore, FHM has contributed to the community by donating to the Tzu Chi Merits Society Malaysia and the Children Protection Home. These donations would be used for infrastructure upgrades in schools and parks.

FYSZ employees demonstrated their commitment to community well-being by participating in a blood donation event. The event fostered a spirit of collective responsibility by contributing to the local healthcare system.



SUSTAINABILITY REPORT

CA participated in a Clean Up Day in FY2024. Reducing general waste outside the CA premise helped to avoid waste build-up and to prevent flooding from clogged drainage systems. This initiative improved relationships with the local Municipal Council (Majlis Bandaraya Iskandar Puteri, “**MBIP**”) and boosted the morale and productivity of CA employees. It also reduced health risks associated with pest activity resulting from waste build-up

CA also took part in a Community-based Disaster Risk Management (“**CBDRM**”) programme called ‘Community CPR & Disaster Grab Bag Y2024’. This programme aimed to enhance community preparedness in response to disasters, especially floods, through emergency planning and imparting essential survival skills such as CPR. This helped to increase community resilience, while fostering stronger community bonding.



Give back to society - FYC



Blood donation - FYSZ



Clean Up Event - CA



Donation - FHM

SUSTAINABILITY REPORT

Appendix A: List of entities included in this report (√: Yes, N: No)

Regions	Business Segment	Name	Data disclosed in Material Factors			
Entities included in the Sustainability Reporting			Economic Performance	Protecting the Environment	Developing our Workforce	Practising Good Governance
Singapore	Holding Company and manufacturing	Fu Yu Corporation Limited	√	√	√	√
Singapore	Supply Chain Solutions	Fu Yu Supply Chain Solutions Pte Ltd	√	N	√	√
Malaysia	Manufacturing	Classic Advantage Sdn Bhd	√	√	√	√
Malaysia	Manufacturing	Fu Hao Manufacturing (M) Sdn Bhd	√	√	√	√
China	Manufacturing	Fu Yu Moulding & Tooling (Dongguan) Co., Ltd	√	√	√	√
China	Manufacturing	Fu Yu Moulding & Tooling (Suzhou) Co., Ltd	√	√	√	√
China	Manufacturing	Fu Yu Moulding & Tooling (Zhuhai) Co., Ltd	√	√	√	√
Entities not Included in Sustainability Reporting but included in Financial Reporting						
Singapore	Investment Holding Company	Fu Yu Investment Pte Ltd	N	N	N	N
Malaysia	Investment Holding Company	LCTH Corporation Sdn Bhd	N	N	N	N
Singapore	Investment Holding Company	Fu Yu Ventures Pte Ltd	N	N	N	N
Singapore	Medical Manufacturing	Fu Yu Biomedical Pte Ltd	N	N	N	N



Appendix B: GRI Content Index

GRI Standards Content Index

The GRI Content Index references the Fu Yu's Sustainability Report 2024 ("SR"), and the Annual Report 2024 ("AR").

Disclosure number	Disclosure title	Reference and remarks	
GRI 1: Reporting with reference to GRI Standards			
Requirement 1	Apply the reporting principles	SR Reporting Standards, Page 18	
Requirement 2	Report the disclosures in GRI 2: General Disclosures 2023	Appendix B, Pages 65-68	
Requirement 3	Determine material topics	SR Our Material EESG Factors, Page 26	
Requirement 4	Report the disclosures in GRI 3: Material Topics 2023	Appendix B, Pages 65-68	
Requirement 5	Report disclosures from the GRI Topic Standards for each material topic	Appendix B, Pages 65-68	
Requirement 6	Provide reasons for the omission of disclosures and requirements that the organisation cannot comply with	Appendix B, Pages 65-68	
Requirement 7	Publish a GRI content index	Appendix B, Pages 65-68	
Requirement 8	Provide a statement of use	Appendix B, Page 65	
Requirement 9	Notify GRI	We will notify GRI after publication of SR	
GRI 2: General disclosures			
The organisation and its reporting practices	2-1	Organisation details	SR Our Business, Pages 16-18
	2-2	Entities included in the organisation's sustainability reporting	SR Appendix A, Page 18
	2-3	Reporting period, frequency and contact point	SR Scope of the Report, Page 18 SR Sustainability Contact, Page 19
	2-4	Restatements of information	SR Restatements, Pages 37, 41, 48, 50
	2-5	External assurance	No external assurance
Activities and workers	2-7	Employee	SR Employment, Pages 47-51

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Disclosure number	Disclosure title	Reference and remarks	
Governance	2-9	Governance structure and composition	SR Board Statement, Page 16 Sustainability Governance Structure, Page 22
	2-10	Nomination and selection of the highest governance body	AR Board Matters, Page 72
	2-11	Chair of the highest governance body	AR Board Matters, Page 72
	2-12	Role of the highest governance body in overseeing the management of impacts	SR Board Statement, Page 16 Sustainability Governance Structure, Page 22
	2-13	Delegation of responsibility for managing impacts	Sustainability Governance Structure, Page 22
	2-14	Role of the highest governance body in sustainability reporting	SR Sustainability Governance Structure, Page 22
	2-15	Conflicts of interest	AR Interested Person Transactions, Page 163
	2-16	Communication of critical concerns	SR Stakeholder Engagement, Pages 23-25
	2-17	The collective knowledge of the highest governance body	SR Board Statement, Page 16
	2-18	Evaluation of the performance of the highest governance body	AR Board Matters, Page 72
	2-19	Remuneration policies	AR Remuneration Matters, Page 82 to 86
	2-20	The process to determine the remuneration	AR Remuneration Matters, Page 82 to 86
	2-21	Annual total compensation ratio	AR Key management personnel compensation, Page 86
	Strategy, policies and practices	2-22	Statement on sustainable development strategy
2-23		Policy commitments	SR Practicing Good Governance, Page 60
2-24		Embedding policy commitments	SR Practicing Good Governance, Page 60
2-25		Processes to remediate negative impacts	SR Anti-corruption, Pages 61-62
2-26		Mechanisms for seeking advice and raising concerns	SR Anti-corruption, Pages 61-62
2-27		Compliance with laws and regulations	SR Anti-corruption, Pages 61-62 SR Environmental Compliance, Page 61 SR Consumer Privacy, Page 62
2-28		Membership associations	SR Our Business Memberships, Page 20
Stakeholder engagement	2-29	Approach to stakeholder engagement	SR Stakeholder Engagement, Pages 23-25
GRI 3: Disclosures on material topics			



Disclosure number		Disclosure title	Reference and remarks
Material topics	3-1	The process of determining material topics	SR Materiality Assessment Approach, Page 25
	3-2	List of material topics	SR Material EESG Factors, Page 26
	3-3	Management of material topics	SR Materiality Assessment Approach, Pages 25-26
GRI 200: Economic disclosures			
Anti-corruption	205-1	Operations assessed for risks related to corruption	SR Anti-corruption, Pages 61-62
	205-2	Communication and training about anti-corruption policies and procedures	SR Anti-corruption, Pages 61-62
	205-3	Confirmed incidents of corruption and actions taken	SR Anti-corruption, Pages 61-62
GRI 300: Environment disclosures			
Energy	302-1	Energy consumption within the organisation	SR Energy Consumption, Pages 36-38
	302-3	Energy intensity	SR Energy Consumption, Page 37
Water and Effluents	303-1	Interactions with water as a shared resource	SR Water Consumption, Pages 40-41
	303-3	Water withdrawal	SR Water Consumption, Pages 40-41
Emissions	305-1	Direct (Scope 1) GHG emissions	SR Greenhouse Gas Emissions ("GHG"), Pages 38-40
	305-2	Energy indirect (Scope 2) GHG emissions	SR Greenhouse Gas Emissions ("GHG"), Pages 38-40
	305-4	GHG emissions intensity	SR Greenhouse Gas Emissions ("GHG"), Pages 38-40
Waste	306-1	Waste generation and significant waste-related impacts	SR Waste, Pages 42-45
	306-2	Management of significant waste-related impacts	SR Waste, Pages 42-45
	306-3	Waste generated	SR Waste, Pages 42-45
	306-4	Waste diverted from disposal	SR Waste, Pages 42-45
	306-5	Waste directed to disposal	SR Waste, Pages 42-45
GRI 400: Social disclosures			
Employment	401-1	New employee hires and employee turnover	SR Employment, Pages 47-52

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Disclosure number	Disclosure title	Reference and remarks	
Occupational health and safety	403-1	Occupational health and safety management system	SR Occupational Health and Safety, Pages 57-59
	403-2	Hazard identification, risk assessment, and incident investigation	SR Occupational Health and Safety, Pages 57-59
	403-3	Occupational health services	SR Occupational Health and Safety, Pages 57-59
	403-4	Worker participation, consultation, and communication on occupational health and safety	SR Occupational Health and Safety, Pages 57-59
	403-5	Worker training on occupational health and safety	SR Occupational Health and Safety, Pages 57-59
	403-6	Promotion of worker health	SR Occupational Health and Safety, Pages 57-59
	403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	SR Occupational Health and Safety, Pages 57-59
	403-9	Work-related injuries	SR Occupational Health and Safety, Pages 57-59
	403-10	Work-related ill health	SR Occupational Health and Safety, Pages 57-59
	Training and education	404-1	Average hours of training per year per employee
404-2		Programs for upgrading employee skills and transition assistance programs	SR Training and Education, Pages 55-57
404-3		Percentage of employees receiving regular performance and career development reviews	SR Training and Education, Pages 55-57
Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	SR Employment, Pages 53-55
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR Data Protection Law Compliance, Page 62



Appendix C: TCFD Recommendations Content Index

The TCFD Recommendation Content Index indicates our current implementation status for climate reporting.

TCFD Thematic Areas	Recommended Disclosures	Reference and Remarks
Governance		
Disclose the organisation's governance around climate-related risks and opportunities	Describe the board's oversight of climate-related risks and opportunities	Board Statement, Page 16
	Describe management's role in assessing and managing climate-related risks and opportunities	Our SSC actively fosters a culture of sustainability within Fu Yu while effectively managing and overseeing the overall sustainability performance on behalf of the Board. Meanwhile, the STF execute various sustainability initiatives across the Group's operations.
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	TCFD table, Pages 29-36
	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning	TCFD table, Pages 29-36
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	The Group currently does not employ scenario analysis in identifying climate risks and opportunities. However, there are plans to integrate scenario analysis into our assessment of climate risks and opportunities in the future.
Risk Management		
Disclose how the organisation identifies, assesses, and manages climate-related risks	Describe the organisation's processes for identifying and assessing climate-related risks	Risk Management, Pages 29-33
	Describe the organisation's processes for managing climate-related risks	Risk Management, Pages 29-33
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	Risk Management, Pages 29-33



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TCFD Thematic Areas	Recommended Disclosures	Reference and Remarks
Metrics and Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	We have identified different metrics to understand our exposure to physical and transition climate-related risks and opportunities. Transition risk metrics include energy consumption and greenhouse gas emissions, while physical risk metrics focus on our water consumption and electricity consumption from the grid. Pages 29-36
	Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions, and the related risks	The Group has disclosed Scope 1 and Scope 2 GHG emissions (Page 39). The Group plans to include Scope 3 GHG emissions in the total GHG emissions in the future.
	Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Pages 29-36