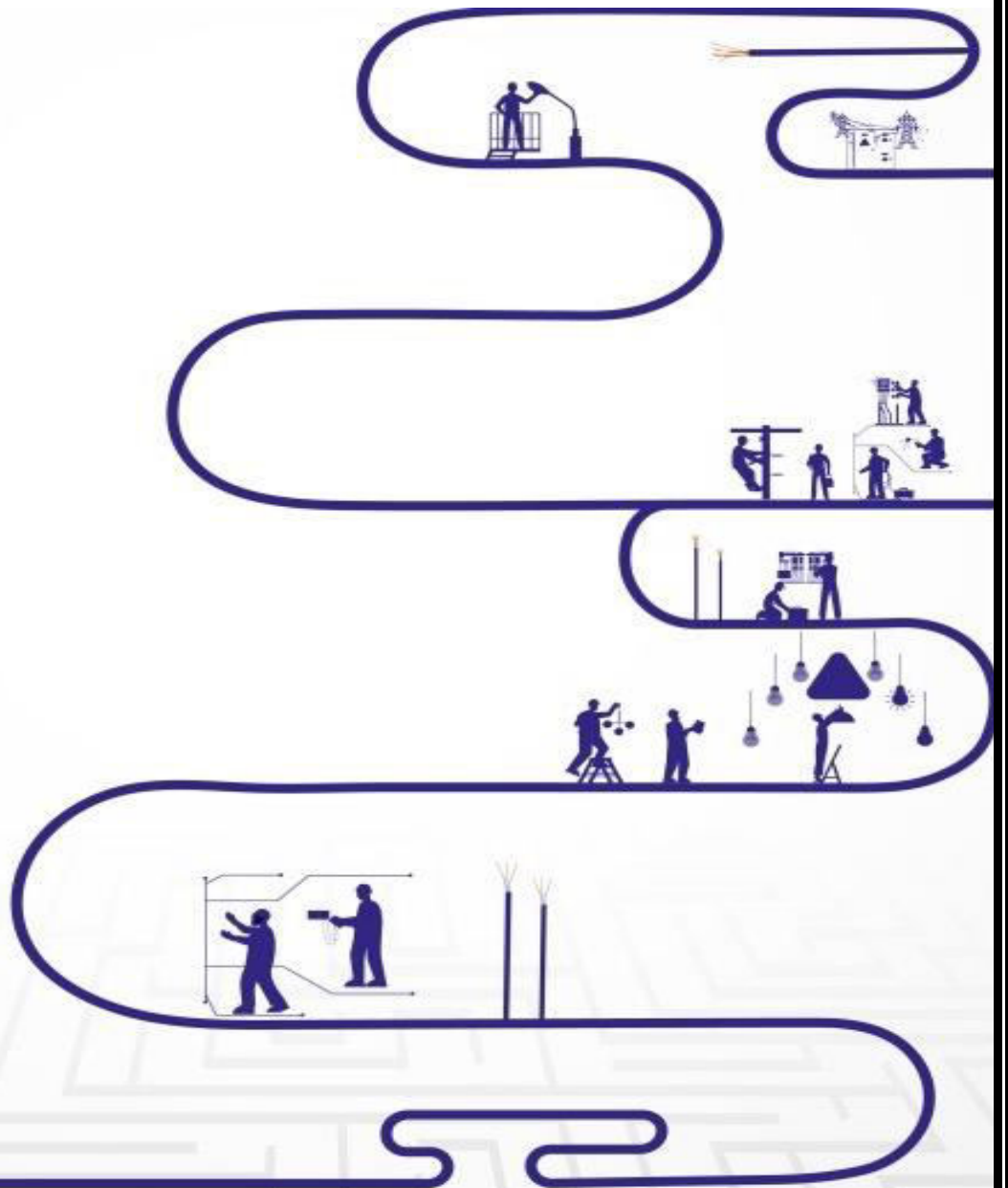




# Sustainability Report 2024



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## INTRODUCTION

### ABOUT THIS REPORT

The Sustainability Report of Choo Chiang Holdings Ltd. (“Choo Chiang” or the “Company” and together with its subsidiaries, the “Group”) for the financial year ended 31 December 2024 (“FY2024”) (the “Report”) is prepared with reference to Global Reporting Initiative (“GRI”) Standards 2021 that contains the key materiality topics identified through materiality assessment and will be produced annually as part of our commitment towards sustainable business practices.

This Report provides information regarding the Group’s performance in various key areas which include Economic and Environmental progress, Social growth and Governance (“ESG”), covering the Group’s operations in Singapore. This Report also covers the vast range of Economic and Environmental, Social and Governance activities between 1 January 2024 and 31 December 2024 which have contributed to the success of the Group. The various goals and the strategies and initiatives undertaken by the Group to achieve the said goals have been addressed to in this Report. There is no restatement of information made from the previous reporting period.

For this sustainability report, the Board have deliberated and decided not to seek external independent assurance for this reporting period and will consider doing so in the future as our sustainability reporting efforts matures.

### ABOUT US

Choo Chiang is one of the leading retailers and distributors of electrical products and accessories in Singapore with a retail presence of more than 30 years. We offer an extensive range of electrical products and accessories for residential and industrial use at our 10 strategically located retail branches in Singapore. We have grown to know what our customers need, and we fulfill that need with products and solutions seamlessly. Our retail

outlets are supported by a team of service-oriented sales employees and a fleet of delivery vehicles. We empower builders and contractors with a better way of working through our products, technical know-how and sincere service. Our mission and vision are to empower a better way of working for builders, contractors, interior designers and homeowners through our products, services and technologies. In addition to this Distribution Business, the Group holds 11 investment properties<sup>1</sup> which are rented out for rental income. The Group was listed on Catalist of the Singapore Exchange Securities Trading Limited (the “SGX-ST”) on 29 July 2015 (stock code 42E) and is headquartered in Singapore. More details on the Group can be found in our Annual Report for FY2024.

### CONTACT US

Choo Chiang continuously seeks for annual improvement over our sustainability practices and report. We want to share our sustainability journey and desire to hear from our stakeholders. The Company welcomes stakeholders to submit any feedback or suggestions to [info@choochiang.com](mailto:info@choochiang.com).



<sup>1</sup> The investment properties have yet to include the acquisition of 5 units of commercial property at “Food Ascent” (as announced by the Company on 27 February 2024) which is expected to be completed by end of 2027.

## BOARD STATEMENT

Choo Chiang is pleased to publish its Sustainability Report for the financial year ended 31 December 2024 (“FY2024”). This report has been prepared with reference to the latest version of the GRI Standards - the GRI Universal Standards 2021, demonstrating our commitment towards operational sustainability and corporate responsibility. We have chosen to adopt the GRI Sustainability Reporting Standards as it is the most widely accepted global framework for voluntary corporate reporting of environmental and social performance. In articulating our approach, we have applied the GRI principles of accuracy, balance, clarity, comparability, reliability and timeliness. Corresponding GRI disclosures can be found in the GRI Standards Content Index Section of this Report.

For the FY2024, the Group has reviewed and disclosed climate-related reporting in this sustainability report, guided by the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”) on a phased approach.

In view of the recent enhancements to the sustainability reporting regime announced by the Singapore Exchange (“SGX”) in September 2024, the Group will continue to work towards greater maturity of its climate-related disclosures (“CRD”) by adopting the new International Financial Reporting Standards (“IFRS”) Sustainability Disclosure Standards issued by the International Sustainability Standards Board in its subsequent sustainability reports.

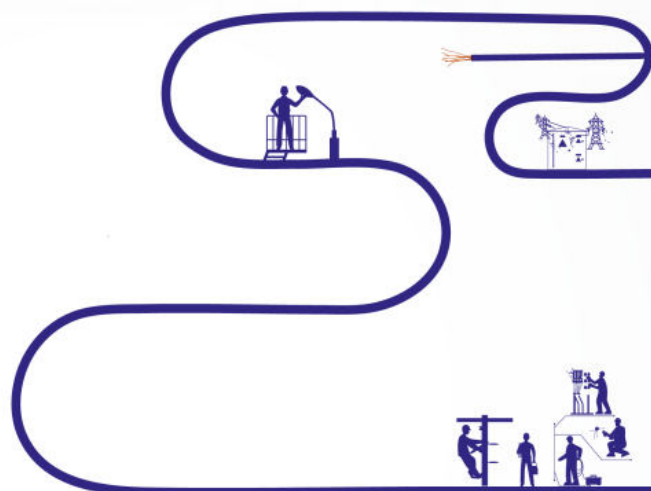
The Management of Choo Chiang has established a Sustainability Council and a Sustainability Working Group, which works under the guidance of the Board to ensure that sustainability measures are implemented across the business. The Sustainability Council will measure and review progress towards

our sustainability goals and engage accountable stakeholders to ensure targets are met.

This Report provides us with a valuable opportunity to engage our stakeholders and respond to issues that matter most to them and to our business as we work to further focus and prioritise our sustainability and corporate social responsibility initiatives. We have relied on internal data monitoring and verification to ensure accuracy. The review of the Sustainability Reporting processes forms part of the Group’s internal audit cycle and is included in the risk-based internal audit plan, as approved by the Audit Committee. The internal review shall be conducted in accordance with the Guide to Internal Review of Sustainability Report by Institute of Internal Auditors Singapore.

## ECONOMIC

By incorporating sustainability measures and corporate social responsibility values in our business strategies, this has allowed us to enhance our stakeholders’ value and higher positive returns. Amid the challenging environment, we have multiplied our growth and we are committed on an ongoing basis to improve the Group’s sustainability. Looking forward, we believe this would lead the Group towards positive growth.



## ENVIRONMENT

Reducing the impacts that we have on the environment has been an important part of how we run our business for many years. We have proven that this approach brings lasting, mutual benefits to our business and in the world that we live in. During the year, we have worked with waste contractors on our long-term no-waste ambition. Besides reducing the impact on the natural environment through efficient waste management, and recycling disposable items such as copper and paper, we have also raised employee awareness on critical issues in climate-related and sustainable development through relevant initiatives.

## SOCIAL

In order to ensure the long-term success of the business, the Management recognises the importance of attracting, retaining and developing a high-quality workforce. Hence, we have invested in employee trainings to promote professional and personal development for employees as well as rewarding those who uphold our values within the organisation.

## GOVERNANCE

Having a high standard of corporate governance is at the heart of our business in achieving the Group's sustainability goals. Building a system with no compromise in quality and applying best practices business-wide is essential to our successful long-

term performance. We strive to maintain integrity, transparency, accountability and discipline in all our practices and have put in place a robust governance framework to ensure we meet our objectives.

Looking ahead, we hope to further improve our sustainability tracking through a target-based approach with clear and measurable metrics. In this Report, you will be provided with a balanced view of our position and performance with regards to some key issues and added-value measurements.

We hope you find the Report interesting and informative as we continue our sustainability journey.

Yours sincerely,

**Thomas Lim**

Executive Chairman and CEO

*On behalf of Choo Chiang's Board of Directors*



## SUSTAINABILITY MANAGEMENT STRUCTURE



Figure 1: Sustainability Management Structure for Choo Chiang

## RESPONSIBILITIES OF SUSTAINABILITY MANAGEMENT STRUCTURE

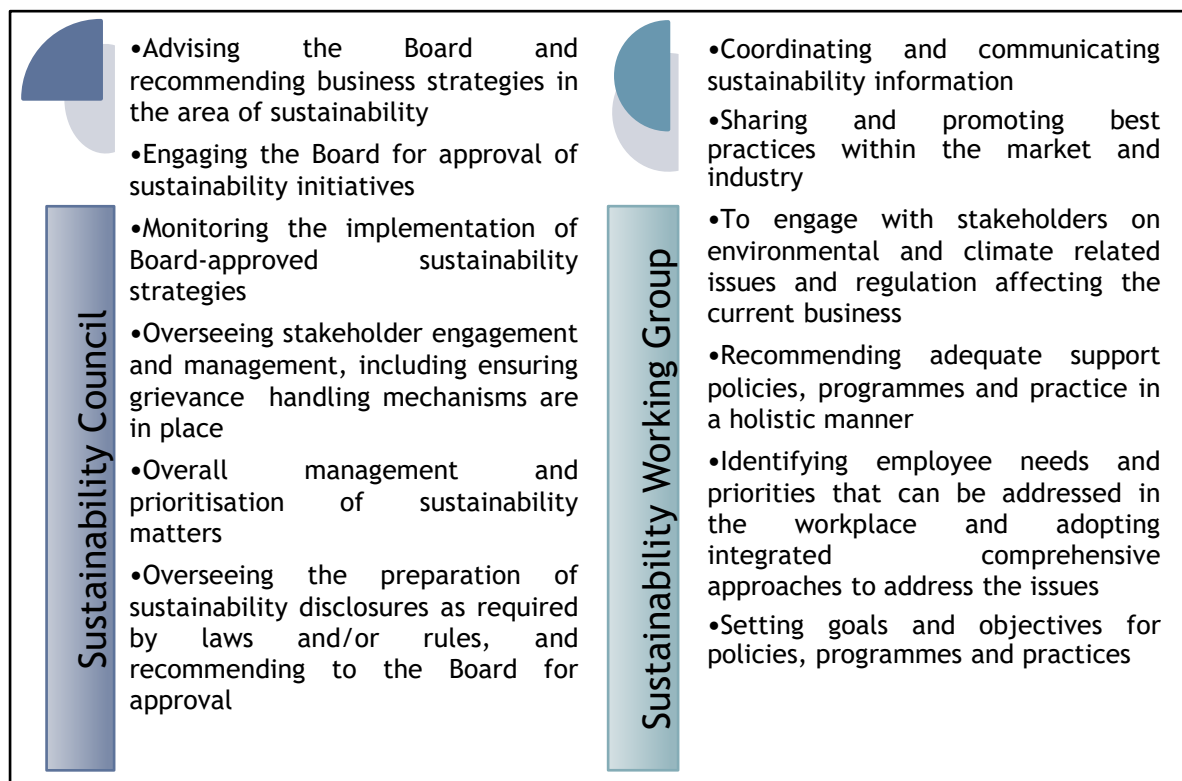


Figure 2: Responsibilities of Sustainability Management Structure for Choo Chiang



## SUSTAINABILITY REPORTING

### OUR SUSTAINABILITY APPROACH

Choo Chiang's sustainability approach is focused on creating value for all its stakeholders. The approach follows our sustainability policy which is to:

- Observe and comply with all relevant legislation, regulations, and codes of practice;
- Consider sustainability issues in key areas of impact and integrate these considerations in business decisions;
- Ensure all of Choo Chiang's employees and Management are aware of its sustainability initiatives and are committed to implementing, supporting, and measuring these activities; and
- Review, report and continuously strive to improve sustainability performance.

Sustainability is managed across the business through relevant policies, programs and operating procedures that are in place. These are shared with all employees of Choo Chiang, supported with training and well-defined roles and responsibilities. This guides the Management of Choo Chiang on its decision-making processes and ensures that we continually deliver on our business principles across all of our operations.

We employ a risk-based management approach. This involves reviewing our policies periodically, adjusting how we work in the event of any breach, and reporting compliance levels.

We believe that to meet our sustainability goals and live by our values we need to integrate best practices into our day-to-day operations.

Our aim is to contribute to local economies where we have a presence as well as to create a workplace that brings out the best in our employees. Most importantly, we want to build a sustainable business based on trust.

The Management is committed to integrate positive sustainability practices into our working environment and business processes. This is essential in order to deliver value to our business partners, foster trust with our communities and ensure transparency and sustainable growth for our investors.

### SCOPE OF REPORT

The scope of this Report covers all businesses of Choo Chiang and its subsidiaries.

In defining the Report's content and the aspect boundaries, Choo Chiang considered the principles of materiality, stakeholder inclusiveness, sustainability context, and completeness. In determining the materiality factors, Choo Chiang has engaged key stakeholders through various channels, including but not limited to formalised surveys. The sustainability concerns from the various stakeholders were then consolidated and prioritised into a materiality matrix. Please refer to the stakeholders' engagement table on page 6 and materiality aspects on page 8 for more information.

### EXTERNAL CHARTERS AND PRINCIPLES

Choo Chiang's policies and business activities are aligned to the global standards and are supported by a variety of external charters and principles. We have also developed and adopted a range of corporate policies and internal controls that support the Board and Management.

#### ❖ Global Standards

- ✓ Applicable provisions of the Securities and Futures Act (2001)
- ✓ Listing Manual Section B: Rules of Catalyst issued by SGX-ST
- ✓ Code of Corporate Governance
- ✓ Other policies and procedures adopted by Choo Chiang include the Whistle Blowing Policy and the Personal Data Protection Policy. These can be found in Choo Chiang's website under the Corporate Governance section at <https://www.choochiang.com/corporate-governance/>

#### ❖ Corporate Policies and Controls

- ✓ Personal Data Protection
- ✓ Conflicts of Interest
- ✓ Business Continuity
- ✓ Insider Dealing
- ✓ Enterprise Risk Management

## STAKEHOLDERS' ENGAGEMENT

Choo Chiang's stakeholders are highly diverse, reflecting the breadth of our footprint within the Singapore market.

Choo Chiang has identified the main stakeholder groups using the GRI standards and have put in place processes for effective communication with the key stakeholders.

Based on influence, representation, responsibility, dependency and proximity, the Company has narrowed down six (6) main stakeholder groups. Understanding their key sustainability concerns is essential in building a sustainable business.







CHOO CHIANG'S STAKEHOLDER GROUPS					
<b>Investors and Shareholders</b> 	<b>Government/ Regulator/ Authority</b> 	<b>Employees</b> 	<b>Media/Public Relation</b> 	<b>Supplier/ Customer</b> 	<b>Local Communities</b> 
METHODS OF ENGAGEMENT					
<ul style="list-style-type: none"> <li>▪ Annual General Meeting</li> <li>▪ Annual Report</li> <li>▪ Company website</li> <li>▪ SGXNet announcements</li> </ul>	<ul style="list-style-type: none"> <li>▪ Surveys</li> <li>▪ Electronic Communications</li> <li>▪ Annual Return</li> </ul>	<ul style="list-style-type: none"> <li>▪ Performance Plan Evaluation</li> <li>▪ Training</li> <li>▪ Email announcements</li> <li>▪ Whistle blowing mechanism</li> <li>▪ Regular dialogue</li> <li>▪ Annual events</li> </ul>	<ul style="list-style-type: none"> <li>▪ Public Conferences and Events</li> <li>▪ Press Releases</li> <li>▪ Publications</li> </ul>	<ul style="list-style-type: none"> <li>▪ Electronic Communication</li> <li>▪ Surveys</li> <li>▪ Customer Feedback Management</li> <li>▪ Company website</li> </ul>	<ul style="list-style-type: none"> <li>▪ Electronic Communications</li> <li>▪ Sustainability Report</li> </ul>
FREQUENCY OF ENGAGEMENT					
<ul style="list-style-type: none"> <li>▪ Annually</li> <li>▪ Ad-Hoc</li> </ul>	<ul style="list-style-type: none"> <li>▪ Annually</li> <li>▪ Quarterly</li> <li>▪ Ad-Hoc</li> </ul>	<ul style="list-style-type: none"> <li>▪ Annually</li> <li>▪ As and when necessary</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ad-Hoc</li> </ul>	<ul style="list-style-type: none"> <li>▪ Annually</li> <li>▪ Ad-Hoc</li> </ul>	<ul style="list-style-type: none"> <li>▪ Ad-Hoc</li> </ul>

Figure 3: Stakeholder Groups for Choo Chiang



## STAKEHOLDERS' SUSTAINABILITY CONCERNS AND VALUE CREATION

KEY STAKEHOLDERS	VALUE CREATION	KEY CONCERNS
<b>Investors and Shareholders</b>	Choo Chiang is dedicated to ensuring long-lasting relationships with its shareholders and also aims on maximising the returns. The Company strongly believes in publishing its annual and sustainability reports in order to communicate in a more transparent manner with its shareholders.	<ul style="list-style-type: none"> <li>➤ Economic performance</li> <li>➤ Risk management</li> <li>➤ Anti-corruption</li> </ul>
<b>Government/Regulator/ Authority</b>	Choo Chiang strongly believes in abiding by the law and ensuring that all the practices meet regulatory requirements. The Company has high standards set in place to ensure it follows the highest standard of corporate governance.	<ul style="list-style-type: none"> <li>➤ Economic performance</li> <li>➤ Supplier environmental assessment</li> <li>➤ Compliance with rules and regulations</li> <li>➤ Environmental compliance</li> <li>➤ Anti-corruption</li> </ul>
<b>Employees</b>	Choo Chiang is highly committed in ensuring that the workplace is safe and is a source of constant growth and development for all its employees since the employees are the pillars of the organisation. The Company also ensures that the employees are equipped with relevant skills to contribute positively to the business operations. Hence, there are various training programmes in place for career development.	<ul style="list-style-type: none"> <li>➤ Training and education</li> <li>➤ Occupational health and safety</li> <li>➤ Effective communications</li> <li>➤ Employees' feedback</li> </ul>
<b>Media/Public Relation</b>	Choo Chiang ensures that all its business practices are conducted with the highest standards of corporate governance and is always on par with the industry practices.	<ul style="list-style-type: none"> <li>➤ Economic performance</li> <li>➤ Supplier environmental assessment</li> </ul>
<b>Supplier/Customer</b>	Choo Chiang always aim to maintain strong relationship with the suppliers and customers through regular communication and feedback exercises. This is to achieve utmost satisfaction between suppliers and customers towards the Company.	<ul style="list-style-type: none"> <li>➤ Product price and warranty</li> <li>➤ Supplier environmental assessment</li> <li>➤ Customer satisfaction</li> </ul>
<b>Local Communities</b>	Choo Chiang is highly committed to maintain a safe and sustainable environment which benefit the local communities.	<ul style="list-style-type: none"> <li>➤ Preservation of local communities</li> </ul>

Figure 4: Stakeholders' Key Concerns and Value Creation

## MATERIALITY ASSESSMENT

Choo Chiang conducted its materiality assessment to identify the ESG topics for the Group and its stakeholders in FY2024. In line with the GRI 3: Material Topics (2021), we have identified and assessed the significance of the actual and potential impacts of material topics, using the criteria in the standard.

In the process of identifying the material topics, the Management applied their knowledge of their respective business areas, the challenges faced and the corresponding implications on Choo Chiang's business and operations. Insights gained from key stakeholders during the stakeholder engagements are also incorporated into the assessment. This allowed Choo Chiang to completely assess the effect of these topics on the economy, environment and society, as well as its influence on stakeholders.

*The following key material aspects are identified for FY2024:*

Material Factors	Area of impact	Management Approach
<b>Economic</b>		
Economic Performance	Group and shareholders	To drive value creation in a sustainable and viable approach.
<b>Social</b>		
Occupational Health and Safety	All employees	Provide a safe and accident-free environment.
Employment	All employees	To retain and promote a diverse workforce.
Training and Education	All employees	Provide all employees with opportunities for skills upgrade and knowledge development.
<b>Governance</b>		
Anti-corruption	Internal controls and dealings with a range of stakeholders	Zero-tolerance policy towards corruption and bribery.
<b>Environment</b>		
Environmental Compliance	Regulator	Comply strictly with local environmental laws and regulations.
Supplier Environmental Assignment	Suppliers	To identify similar values of suppliers.
Energy Consumption Management	Employees and stakeholders	To reduce energy consumption.
Water Conservation	Employees and stakeholders	Promote water-saving practices.

## MATERIAL FACTORS – ECONOMIC

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### ECONOMIC PERFORMANCE

Choo Chiang aims to expand its customer base by offering high-quality electrical products and accessories and also continue to be the leading retailer and distributor of electrical products and accessories in Singapore. Choo Chiang emphasizes on exceeding its year-on-year internal targets and customer expectations which would allow the company to grow further and attract more customers and partners.

For more information regarding the Group's financial results for the latest financial year, please refer to the following sections in Choo Chiang's 2024 Annual Report:

- Financial Highlights, page 8
- Operating and Financial Review, pages 9 to 12
- Financial Statements, pages 51 to 101

## MATERIAL FACTORS – SOCIAL

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### OCCUPATIONAL HEALTH AND SAFETY

Being one of the leading distributors of electrical products and equipment, our operation exposes the local community to road traffic safety risks across our supply chain from purchasing of inputs to delivering of outputs. At Choo Chiang, we aim to keep the accidents at bay and ensure our drivers return home safely at the end of each day. Hence, it is extremely important to mitigate these risks for the betterment of the employees as well as the community.

Choo Chiang has established a health and safety committee that helps monitor and advise on occupational health and safety related matters. The health and safety committee takes charge of work-related investigations and identifies hazards in employee's day-to-day environment.

Choo Chiang has a longstanding policy in place which delineates its dedication to road safety. With this policy, the safety vision is reinforced to the employees to take extra care when commuting from one place to another while distributing the goods. At Choo Chiang, we support working conditions which allows the employees to focus on their work in a healthy condition, including recovery from illness and incidents. We also log in accidents involving employees in order to support them better during their recovery phase.

This year, there were five (5) traffic accident cases with non-serious injuries that involved the Group's drivers (FY2023: two (2) traffic accident case). The health and safety committee has spoken with the drivers to understand the circumstances surrounding the incidents. There was no other workplace injury case reported in FY2024. The health and safety committee has given a brief on safe work procedures and precautionary measures to all employees. In addition, the Company have enhanced its safety features on heavy equipment from time to time.

The diagram on page 10 shows a full breakdown of Choo Chiang's occupational health and safety statistics for FY2024 and FY2023.

Choo Chiang strives to continue the emphasis on managing workplace health and safety and to better manage health and safety concerns of its employees. Choo Chiang will continue to update the necessary warning notice and statement around the office, warehouse and branches for safety purpose. In addition, Choo Chiang will continue to provide health and safety session internally in order to update or share the knowledge and information of health and safety to its employees.

The Group targets to continuously monitor and strive to improve the performance and safety standards of the workplace environment.

For FY2025, the Group aims to maintain the workplace injury rate at below 2% and accident severity rate at below 0.05%. Our target over the medium to long term is to continuously enhance workplace safety measures, promote a culture of safety awareness, and implement comprehensive training programs to further reduce workplace injury rates and accident severity, ensuring the well-being and protection of all employees.

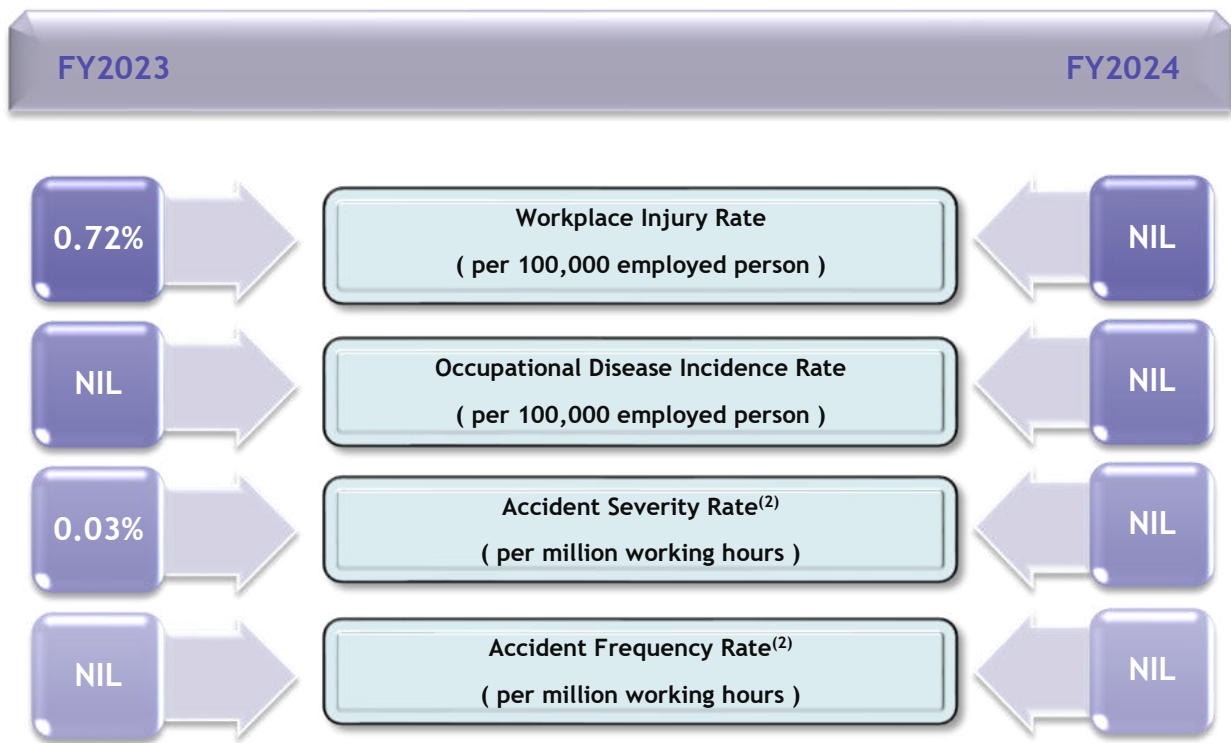


Figure 6: Occupational Health and Safety Rates for FY2023 and FY2024

TARGET FOR FY2024	PERFORMANCE FOR FY2024
The Group aims to maintain the workplace injury rate at below 2% and accident severity rate at below 0.05%.	Achieved.

<sup>2</sup> Accident Severity Rate and Frequency Rate calculations are adopted from the Workplace Safety and Health Institute’s Guidance on Workplace Safety and Health Reporting in Singapore. In FY2024, the Accident Frequency Rate was 0.0017 (FY2023: 0.0010) percent per million working hours, which is close to zero percent.

## TRAINING AND EDUCATION

In FY2024, Choo Chiang has a total of 138 full time and permanent employees, comprising 96 males and 42 females (FY2023: 98 males and 40 females). With the aim of developing our employees, Choo Chiang strongly believes in providing all levels of employees with training since this would lead to long-term success for the Company. Overall, 1,876 hours of training (FY2023: 2,348 hours) were provided to all employees, out of which, the top-management clocked in a total of 36 hours (FY2023: 32 hours) and the mid-management a total of 56 hours (FY2023: 80 hours). The decrease of 472 total training hours was due to the implementation of new software, which required additional training sessions for employees to familiarize themselves with the system in FY2023. No similar training was conducted in FY2024. Choo Chiang believes that employees should be kept informed and knowledgeable with the latest updates, the Group’s training programs for FY2024 covered various topics such as IFRS S1 & S2: Sustainability Disclosure Standards, IFRS S1 & S2: Current & Anticipated Financial Effects, Preventing Financial Crime - Deploying Basic Anti-Money Laundering Measures and IT and HR related training.

### Training for Management

Choo Chiang understands the importance of training its management and that it would add value to the Company’s operations. The management are

constantly kept up to date with all the accounting and legal frameworks and developments. In FY2024, trainings such as Financial Reporting Essentials 2024, IT training on HR and payroll application and IFRS S1 & S2 were carried out to ensure that the management are aware of climate-related requirements in the IFRS Sustainability Disclosure Standards.

In FY2024, there has not been any new director appointed to the Board.

### Training for All Employees

Annual training sessions are carried out for all employees on various topics. This included on-the-job training, product-related training and any new update on any policy to be rolled out. All new hires go through onboarding training to familiarize them with the Company’s culture and their duties and obligations towards the Company.

Internal training allows the employee to boost their skill sets in order to enhance their productivity and knowledge which further helps them to meet the strategic targets of the Company successfully. When employees are able to achieve their targets successfully, it leads to a boost in employee satisfaction, which further enhances productivity.

In FY2024, all our staff are received a regular performance and career development review during the reporting period.

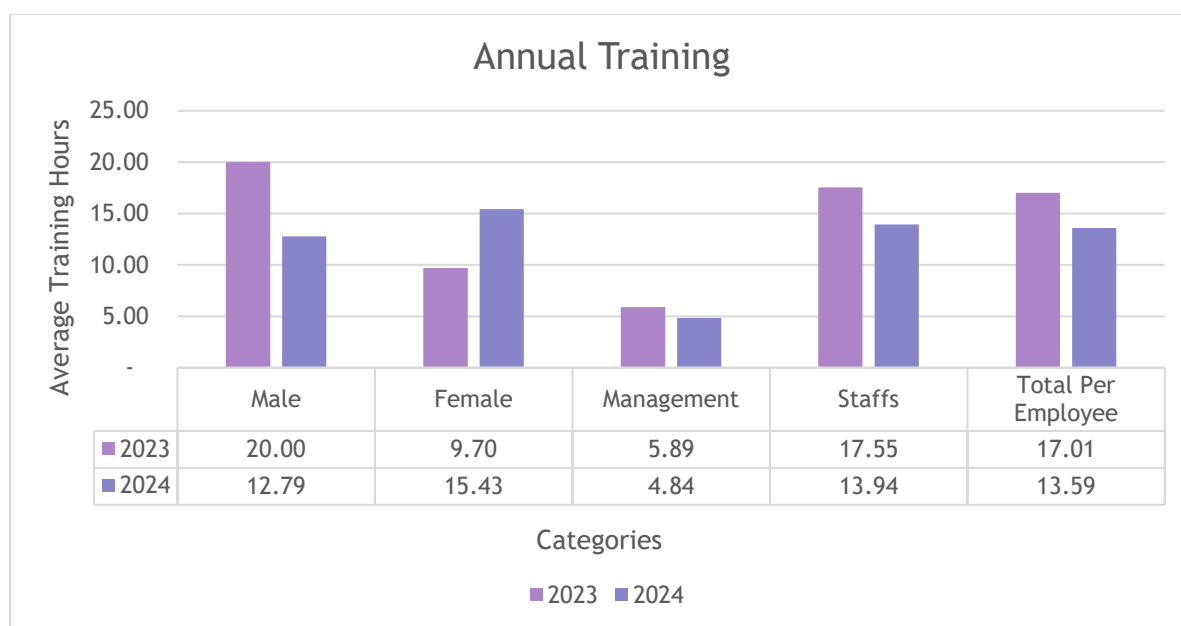


Figure 7: Training Hours Achieved for FY2023 and FY2024

For FY2025, as an effort to improve the skill level of the workforce, the Group aims to maintain an average training hour of 10 hours per employee. Our target over the medium to long term is to consistently increase the average training hours per employee, fostering a culture of continuous learning and professional development to enhance skills, knowledge, and productivity across the workforce.

TARGET FOR FY2024	PERFORMANCE FOR FY2024
The Group aims to achieve an average training hours of 10 hours per employee.	Exceeded target for FY2024 as average training hours per employee is approximately 14 hours.

## MATERIAL FACTORS – GOVERNANCE

### CORPORATE GOVERNANCE AND POLICIES

We believe that it is important for the Group to operate with integrity and we carry our operations with honesty and transparency. Creating transparency is to provide information on structures and processes, areas of responsibility and decision procedures, as well as rights and obligations of various stakeholders. For FY2024, the Company has complied with the Code of Corporate Governance, which was issued by the Monetary Authority of Singapore on 6 August 2018 (the “2018 Code”).

The Group will ensure full compliance of governance by having the business unit heads to regularly communicate the business ethics guidelines, rules and regulations to the employees. Details on Corporate Governance and the Group Structure can be found in the Choo Chiang’s Annual Report FY2024.

### CONFLICT OF INTEREST

Choo Chiang adopts a strong stance against corruption and requires all employees to practise equal treatment, unbiased professionalism and non-discriminatory actions in relation to all business dealings. We have established and communicated the guidelines and procedures to our employees. Choo Chiang strictly does not allow any of its employees to accept gifts, benefits and/or cash from all vendors, service providers etc. The Group does not condone any of our business associates or any parties dealing with our Group to engage in the practice of giving cash, gifts and benefits to any employees of Choo Chiang.

Since the implementation of Declaration of Independence policy in 2016, the policy requires all key employees to declare and submit Annual Declaration of Independence Form on a yearly basis. This policy aims to prevent any unfair appointment of suppliers due to their relationship with any of our employees. In the event of a conflict of interest, the employee shall abstain from involving in supplier evaluation/appointment.

As of FY2024, there were zero incidents of breach of conflict-of-interest policy across businesses managed by Choo Chiang. For FY2025, the Company will continue to maintain no incident of breach of conflict-of-interest policy.

### RISK MANAGEMENT

Risk management is the process of identifying, evaluating, monitoring risk control and financial resources to protect an organisation from potential losses or threats to its continued operation. The Board has oversight for our sustainability strategy and implemented a risk management framework to safeguard shareholders’ interests and the Group’s assets.

The Audit Committee (“AC”) assists the Board to oversee the risk governance, risk management and internal control system and reporting of the Group’s significant risks. The Group maintains an updated risk register which identifies the material risks faced by the Group from time to time. The AC reviews the risk register on a regular basis and makes sure the internal controls are in place to monitor and mitigate the significant risks on time.

In line with SGX’s requirements, the Board has complied and included the climate-related risk management as part of our sustainability risk strategy and framework of the Group.



## MATERIAL FACTORS – ENVIRONMENTAL

### CLIMATE-RELATED RISK AND OPPORTUNITIES

The Group consistently monitors the environmental impacts of its various operations and implements measures and policies to minimise energy and water consumption, as well as ensure proper management of waste.

Since the FY2023 Sustainability Report, the Group has adopted a phased approach to CRD in alignment with the TCFD recommendations. In this FY2024 Sustainability Report, the Group has started tracking and reporting on its Scope 1 and Scope 2 greenhouse gas (“GHG”) emissions.

Climate-related risks have significant impacts on our businesses, supply chain disruptions, operational risks, increasing regulations, and changing of stakeholder expectations and decision-making. The AC supports the Board in carrying out its responsibilities in relation to determining, monitoring and managing material ESG factors, and overseeing the Group’s risk management framework and policies.

The Group considered the physical risks, transition risk and climate-related opportunities in terms of assessing potential impacts and identifying possible mitigation measures, as in the tables below. Short-term refers to within 5 years, medium-term refers to 5-10 years, and long-term refers to beyond 10 years.

Risk Description	Time Period	Potential Impacts	Mitigation Measures
<b>Physical Risks</b>			
Temperatures stability	Short to medium term	Extreme heat and heavy rain may affect outdoor goods delivery activities and outlet staff’s health and wellness, as well as life-span of equipment.	Ensure that our lorries have installed canopies which serve to shelter our goods from the harsh weather. All of our lorries and premises are well-ventilated to protect our staff against extreme heat.
Sustainability of vehicle or equipment	Short to medium term	Weather changes may affect the useful life of the vehicles and equipment, such as wildfire and flood incidents. Insurance coverage costs might increase due to environmental changes.	Regular vehicle service and maintenance are needed to make the vehicles safe to use. The Group also obtains advice from our insurance consultant about the insurance coverage of its vehicles and assets and the estimated costs that may be incurred in extreme weather events.
Air pollution	Short to medium term	Haze resulting from increase incidences of forest fires in neighbouring countries might affect the health and wellness of our staff and customer, particular in outdoor areas that are not air-conditioned.	Deploy additional air purifiers if needed, and provide protective masks to staff and customer.
<b>Transition Risks</b>			
Regulatory and compliance changes	Medium to long term	Governments are increasingly implementing regulations to mitigate climate change. These regulations can impact operations through requirements for energy efficiency, waste reduction and sustainable sourcing practices.	Stay informed about regulatory changes and adapt business practices to ensure risk management and compliance.

Risk Description	Time Period	Potential Impacts	Mitigation Measures
Reputational risk	Short to medium term	Growing stakeholder preference to work with companies incorporating climate-related risks into business decisions and operations. This can include investors, shareholders and business partners.	Build up internal knowledge of climate-related risks over time, integrate them into business decisions and operations, and communicate clearly and transparently to stakeholders.
Opportunities			
Energy efficiency	Short to long term	Improving energy efficiency and reducing emissions may reduce operating costs in terms of lower long-term costs through reduced capital expenditure requirements for repair and maintenance in the face of climate-related risks.	Investing in LED lighting within the business, installing solar rooftops, and investing in electric pallet trucks and forklifts for productivity, these can reduce operating costs and carbon emissions.
Waste reduction	Short to long term	Minimising paper and packaging wastage is good for the environment in reducing pollution and disposal-related emission.	Encourage the reuse resources such as paper and plastic. Transform paper print statements, reports, and receipts into electronic format.

## ENVIRONMENTAL COMPLIANCE

The Group continues to adopt on a phased approach, the TCFD recommendations for reporting our CRD across the four areas of governance, strategies, risk management, and metrics and targets. Given the recent enhancements to the sustainability reporting regime announced by the SGX-ST in September 2024, the Group has begun reviewing the application of the new IFRS Sustainability Disclosure Standards for CRD and will adopt these standards within the timeline prescribed by the SGX.

We use Scope 1 and Scope 2 GHG emissions as the primary metrics to assess climate-related risks and opportunities. As detailed in the preceding section of the report, an increase in these emissions would expose the Group to higher levels of climate-related risks. Scope 1 and Scope 2 emissions result from the use of fossil fuels and purchased electricity. Therefore, our goal is to switch to greener fuels and renewable energy where practical, considering availability, cost-effectiveness, government regulations, market norms and operational needs.

The Group strictly complies with local environmental laws and regulations. We adhere strictly with environmental laws and regulations such as those related to waste disposal, air emissions and pollution.

On an ongoing basis, we adhered strictly to the Singapore Civil Defence Force (“SCDF”) requirements at our outlets and warehouse. We engaged a specialist to reduce the risk of fire and air pollution. There were no reported cases of environmental non-compliance in the Group, maintaining our achievement of zero environmental non-compliance since FY2022. The Group aims to maintain zero environmental non-compliance in FY2025. Our target over the medium to long term is to continually enhance our environmental stewardship practices, implementing proactive measures to minimize our ecological footprint and promote sustainability across all aspects of our operations.

## SUPPLIER ENVIRONMENTAL ASSIGNMENT

The Board believes that it is essential to put in constant effort in order to develop and maintain long-lasting relationships with our suppliers. Choo Chiang strongly believes in partnering with suppliers that have minimal negative repercussions on the environment. As a part of the Company’s internal controls, it is mandatory for all suppliers to go through the Group’s initial screening process. The criteria of the screening process are highly aligned with the common international standard of ISO (International Organisation of Standardisation) or OHSAS (Occupational Health and Safety Assessment Series). The supplier assessment is ideally reviewed and approved by the Management.

Choo Chiang has built up a strong network of reliable, quality and cost-effective suppliers over the years. We worked closely with our suppliers on a continuous basis to minimise supply chain disruptions, so as to ensure our suppliers could reliably to fulfil our order. Timeliness of delivery and product quality are essential in our supplier selection to enable us to continue providing our products and services to our customers.



Figure 5: Supplier's Environmental Assessment Criteria

Choo Chiang had engaged a total of 10 new suppliers in FY2024. All new suppliers were assessed through the said environmental criteria and had gone through the Group’s screening process. The Company is aiming to maintain 100% assessment for new suppliers in FY2025. Our target over the medium to long term is to ensure that all suppliers, both new and existing, meet our environmental criteria during onboarding and on an annual basis.

TARGET FOR FY2024	PERFORMANCE FOR FY2024
Maintain 100% assessment for new suppliers.	Achieved.

## ENERGY CONSUMPTION MANAGEMENT

Energy sources are essential to power the Group's daily operations. Electricity from Singapore's national grid is used for lighting, air-conditioning, and running of equipment and machinery. We continually monitor and optimise our energy consumption to ensure that resources are used economically and responsibly. We also encourage employees to play their part, such as turning off equipment when not in use.

In FY2024, we continued our efforts to reduce energy consumption by replacing fluorescent lamps with energy-efficient LED lights. We serviced existing equipment regularly to improve energy efficiency and maximise the effective lifespan. Older equipment are progressively replaced with new and energy-efficient equipment.

The Group had also partner with established solar vendor, installed solar panels on the rooftop of Choo Chiang's headquarters at 10 Woodlands Loop. From April 2024 to December 2024, a total 128,000 kWh of solar electricity was utilised for the Group's operational consumption. The Group does not own the Renewable Energy Certificates from the solar photovoltaic system and the associated emissions are computed using location-based emission factors.

The Group's electricity usage for FY2023 and FY2024 is as follows:

	FY2023	FY2024
Electricity usage in kilowatt-hour (kWh)		
246,000 kWh from national grid (FY2024: 359,000 kWh) and 128,000 kWh from solar electricity (FY2024: NIL)	359,000	374,000
Electricity intensity, i.e. usage in kWh per dollar of revenue (kWh/S\$)	0.0039	0.0042

TARGET FOR FY2024	PERFORMANCE FOR FY2024
Maintain electricity intensity below 0.005kWh/S\$.	Achieved.

The Group aims to maintain electricity intensity below 0.005 kWh/S\$ in FY2025. Our target over the short to long term is to improve energy efficiency and reduce electricity intensity even further, aligning with our commitment to sustainable resource management and environmental responsibility.

In 2024, the Group consumed 65,000 litres (FY2023: 62,000 litres) of diesel. The Group's petrol consumption is insignificant for both FY2024 and FY2023.

Estimated Scope 1 and Scope 2 emission for both financial periods are as follows:

Type of Emission	Emissions
Scope 1 direct emissions from fuel combustion	Emissions from diesel consumption = 172,900 kgCO <sub>2</sub> e <sup>3</sup> (FY2023: 164,920 kgCO <sub>2</sub> e)
Scope 2 indirect emissions from purchased electricity	Emissions from purchased electricity = 101,352 kgCO <sub>2</sub> e <sup>4</sup> (FY2023: 147,908 kgCO <sub>2</sub> e)
Total of Scope 1 and Scope 2 emissions	274,252 kgCO <sub>2</sub> e (FY2023: 312,828 kgCO <sub>2</sub> e) (Total Scope 1 and Scope 2 emissions reduce 12% from FY2023 to FY2024)
Scope 1 and Scope 2 emission intensity per dollar of revenue	0.0031 kgCO <sub>2</sub> e/S\$ (FY2023: 0.0034 kgCO <sub>2</sub> e/S\$) (Emission intensity per dollar is reduce 11% from FY2023 and FY2024)

<sup>3</sup> Diesel emission factor = 2.66 kgCO<sub>2</sub>e per litre. Emission factors are sourced from the UK Government's website for GHG reporting <https://www.gov.uk/government/publications/greenhouse-gas-reporting-conversion-factors-2024>

<sup>4</sup> Grid emission factor = 0.412 kgCO<sub>2</sub>e per kWh. Emission factors are sourced from the Energy Market Authority ("EMA")'s website <https://www.ema.gov.sg/resources/singapore-energy-statistics/chapter2>

The Group aims to maintain total Scope 1 and Scope 2 emissions below 0.0035 kgCO<sub>2</sub>e/\$ in FY2025. Our target over the medium to long term is to improve energy efficiency and reduce emission further, aligning with our commitment to sustainable resource management and environmental responsibility.

## WATER CONSERVATION

The Group endeavors to reduce water wastage in our business to make our operations more efficient. In FY2024, we continued to implement water-saving practices, such as tracking and reviewing spending on water consumption regularly to control usage and corrective actions are taken when there are unusual consumption patterns and encourage staff to use water responsibly.

The Group's water usage for FY2023 and FY2024 is as follows:

	FY2023	FY2024
Water usage in m <sup>3</sup>	3,253	3,183
Water intensity, i.e. usage in m <sup>3</sup> per dollar of revenue (m <sup>3</sup> /\$)	0.00004	0.00004

TARGET FOR FY2024	PERFORMANCE FOR FY2024
Maintain water intensity below 0.00005m <sup>3</sup> /\$.	Achieved.

The Group aims to maintain water intensity below 0.00005 m<sup>3</sup>/\$ in FY2025. Our target over the medium to long term is to improve water conservation efforts and ensuring responsible and efficient use of this resource.

## OPTIMISING USE OF RESOURCES

Our approach is to continuously identify opportunities to optimise resource use and minimise waste. This not only reduces costs but also benefits the environment by reducing the amount of downstream waste. In FY2024, the Group continued to practice the 3Rs: Reduce, Reuse and Recycle across our operations.

Reduce	<p>The Group has launched an organisation-wide effort to go paperless. We encouraged our staff to view and share documents electronically and print only when necessary. This includes using laptops and tablets to view materials during meetings.</p> <p>Rising to our go-green notion, we strongly encouraged our customers and business partners to work with electronic formats when transacting with us, instead of using paper documents.</p>
Reuse	<p>The Group uses reusable wooden pallets and plastic bags to store and keep stock at our warehouse. These carriers can be used multiple times, significantly reducing the amount of packaging materials required.</p>
Recycle	<p>The Group segregates paper, plastic, copper from other waste for recycling.</p>

## GRI CONTENT INDEX

<b>Statement of Use</b>	Choo Chiang Holdings Ltd has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.
<b>GRI 1 Used</b>	GRI 1: Foundation 2021
<b>Applicable GRI Sector Standard(s)</b>	Not applicable as a GRI sector standard is not available for our industry

GRI Standard	Disclosure	Page Reference & Remarks
<b>GRI 2: General Disclosures 2021</b>		
<b>ORGANIZATIONAL DETAILS AND REPORTING PRACTICES</b>		
GRI 2-1	Organizational details	2024 Sustainability Report (“SR”): Pg 1
GRI 2-2	Entities included in the organization’s sustainability reporting	2024 SR: Pg 1
GRI 2-3	Reporting period, frequency and contact point	2024 SR: Pg 1
GRI 2-4	Restatements of information	2024 SR: Pg 1. Not applicable as there are no restatements of information to the sustainability report.
GRI 2-5	External assurance	The Group has not sought external assurance for FY2024 and may consider it for future periods.
<b>ACTIVITIES AND WORKERS</b>		
GRI 2-6	Activities, value chain and other business relationships	2024 SR: Pg 1
GRI 2-7	Employees	2024 SR: Pg 11
GRI 2-8	Workers who are not employees	Not applicable as the Group does not have any workers who are not employees.
<b>GOVERNANCE</b>		
GRI 2-9	Governance structure and composition	2024 Annual Report: Pg 21-25
GRI 2-10	Nomination and selection of the highest governance body	2024 Annual Report: Pg 26-32
GRI 2-11	Chair of the highest governance body	2024 Annual Report: Pg 26
GRI 2-12	Role of the highest governance body in overseeing the management of impacts	2024 Annual Report: Pg 21-24
GRI 2-13	Delegation of responsibility for managing impacts	2024 Annual Report: Pg 22-23
GRI 2-14	Role of the highest governance body in sustainability reporting	2024 SR: Pg 4



GRI 2-15	Conflicts of interest	2024 SR: Pg 12
GRI 2-16	Communication of critical concerns	2024 SR: Pg 12 2024 Annual Report: Pg 39-40
GRI 2-17	Collective knowledge of the highest governance body	2024 Annual Report: Pg 21-22
GRI 2-18	Evaluation of the performance of the highest governance body	2024 Annual Report: Pg 32
GRI 2-19	Remuneration policies	2024 Annual Report: Pg 32-33
GRI 2-20	Process to determine remuneration	2024 Annual Report: Pg 32-33
GRI 2-21	Annual total compensation ratio	Unable to disclose due to confidentiality
<b>STRATEGIES, POLICIES AND PRACTICES</b>		
GRI 2-22	Statement on sustainable development strategy	2024 SR: Pg 5
GRI 2-23	Policy commitments	2024 SR: Pg 5
GRI 2-24	Embedding policy commitments	2024 SR: Pg 5
GRI 2-25	Processes to remediate negative impacts	2024 SR: Pg 5
GRI 2-26	Mechanisms for seeking advice and raising concerns	2024 SR: Pg 1 and 5
GRI 2-27	Compliance with laws and regulations	2024 SR: Pg 12 and 14
GRI 2-28	Membership associations	Not applicable as the Group is currently not involved in any membership of associations.
<b>STAKEHOLDER ENGAGEMENT</b>		
GRI 2-29	Approach to stakeholder engagement	2024 SR: Pg 6-7
GRI 2-30	Collective bargaining agreements	Not applicable as none of the Group's employees are involved in any union organisations.
<b>MATERIAL TOPICS</b>		
GRI 3-1	Process to determine material topics	2024 SR: Pg 8
GRI 3-2	List of material topics	2024 SR: Pg 8
<b>ECONOMIC PERFORMANCE</b>		
<b>Economic Performance</b>		
<b>GRI 201: Economic Performance</b>	201-1 Direct economic value generated and distributed	2024 SR: Pg 9
	201-2 Financial implications and other risks and opportunities due to climate change	2024 SR: Pg 13 - 17
<b>Anti-corruption</b>		
<b>GRI 205: Anti-corruption 2016</b>	205-2 Communication and training about anti-corruption policies and procedures	2024 SR: Pg 12
	205-3 Confirmed incidents of corruption and actions taken	2024 SR: Pg 12

<b>ENVIRONMENTAL PERFORMANCE</b>		
<b>Energy</b>		
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	2024 SR: Pg 16 - 17
	302-3 Energy intensity	2024 SR: Pg 16 - 17
<b>Water and Effluents</b>		
<b>GRI 303: Water and Effluents 2018</b>	303-5 Water consumption	2024 SR: Pg 17
<b>Supplier Environmental Assignment</b>		
<b>GRI 308: Supplier Environmental Assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	2024 SR: Pg 15
<b>SOCIAL</b>		
<b>Occupational Health and Safety</b>		
<b>GRI 403: Occupational Health and Safety 2018</b>	403-1 Occupational health and safety management system	2024 SR: Pg 9
	403-2 Hazard identification, risk assessment, and incident investigation	2024 SR: Pg 9
	403-3 Occupational health services	2024 SR: Pg 9
	403-5 Worker training on occupational health and safety	2024 SR: Pg 9
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	2024 SR: Pg 9
	403-9 Work-related injuries	2024 SR: Pg 9 - 10
<b>Training and Education</b>		
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	2024 SR: Pg 11
	404-2 Programs for upgrading employee skills and transition assistance programs	2024 SR: Pg 11
	404-3 Percentage of employees receiving regular performance and career development review	2024 SR: Pg 11

## TCFD INDEX

TCFD Thematic Areas	Recommended Disclosures	Page References and Remarks
<b>1. Governance</b> Disclose the organisation's governance around climate-related risks and opportunities.	a) Describe the board's oversight of climate-related risks and opportunities.	The Board oversees the corporate governance policies and risks management includes climate-related risks. (see page 4 & 13)
	b) Describe management's role in assessing and managing climate-related risks and opportunities.	The Management implements, monitors and reports on ESG performance, including climate-related issues. (see page 4, 13 & 14)
<b>2. Strategy</b> 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.	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	Refer to the Climate-related Risks and Opportunities section. (see page 13-14)
	b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	Refer to the Climate-related Risks and Opportunities section. (see page 13-14)
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	Choo Chiang is adopting a progressive strategy towards managing climate-related risks and will conduct scenario analysis in due course.
<b>3. Risk Management</b> Disclose how the organisation identifies, assesses, and manages climate-related risks.	a) Describe the organisation's processes for identifying and assessing climate-related risks.	Refer to the Risk Management section and Climate-related Risks and Opportunities section. (see page 12 - 13)
	b) Describe the organisation's processes for managing climate-related risks.	The Board has overseen the implemented risk management framework, which includes climate-related risks. The Board will maintain an updated risk register and our AC will assist it to review the material risks on a regular basis.
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	Our risk management framework ensures ESG risks are identified, reviewed and monitored regularly. Risk assessments are carried out on all key business processes, which include ESG risks and climate-related risks.
<b>4. Metrics and Targets</b> Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	Refer to the Material Factor - Environmental section. (see page 13-17)
	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.	Refer to the Energy Consumption Management section for the Scope 1 and/ or Scope 2 GHG emissions disclosures. (see page 16-17).  We will review and develop and report our Scope 3 GHG emissions, as and when appropriate.
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	Refer to the Climate-related Risks and Opportunities section. (see page 14-17)

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*This Sustainability Report has been prepared by the Company and its contents have been reviewed by the Company's sponsor, SAC Capital Private Limited ("**Sponsor**"). This Sustainability Report has not been examined or approved by the Singapore Exchange Securities Trading Limited ("**SGX-ST**") and the SGX-ST assumes no responsibility for the contents of this Sustainability Report, including the correctness of any of the statements or opinions made or reports contained in this Sustainability Report.*

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