Prosperity Steel United Singapore Pte Ltd
Sustainability Report FY2024

Audit Log for Final draft

Preparer	Reviewer
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Director's Statement

Dear Stakeholders,

Prosperity Steel United Singapore Pte Ltd (the "Company" or "PSU", together with its subsidiaries, the "Group") is pleased to present the inaugural Sustainability report (the "Report") of the Group for the financial year ended 31 December 2024 ("FY2024").

This report conveys the Group's strategic focus on aligning sustainability with both our processes and the services we provide.

In its first year of sustainability reporting, PSU reaffirmed its commitment to responsible and transparent business practices. Guided by its core values and ESG principles, the Group aims to create long-term stakeholder value while making a positive impact on the environment and society.

We made meaningful progress in our environmental initiatives by improving energy efficiency, managing resources responsibly, and exploring opportunities to reduce our carbon footprint. In line with Singapore's 2050 net-zero commitment, PSU aims to align sustainability goals and initiatives to support the nation's transition towards a low-carbon future.

On the social front, we focused on employee well-being, diversity, and community engagement to strengthen our culture of care and inclusion. In terms of governance, we upheld strong ethical standards, reinforced risk management, and promoted accountability across all levels of the organisation.

Our ESG journey is ongoing, and we recognise that achieving sustainable growth requires continuous improvement and collaboration. We remain steadfast in integrating sustainability into every aspect of our operations, ensuring that PSU grows responsibly while contributing to a resilient, inclusive and sustainable future.

Sincerely,
Yue Lei
Director

Organisation Profile

Prosperity Steel United Singapore Pte. Ltd. ("PSU") is an import and export company incorporated and headquartered in Singapore. The company plays a leading role in the Group's business operations, including trading, and convention and exhibition activities. PSU is currently recognised as the largest iron ore trading house.

PSU operates from a single corporate office in Singapore, which serves as its global headquarters. Its activities are primarily office-based and focused on trading, with little direct physical operations.

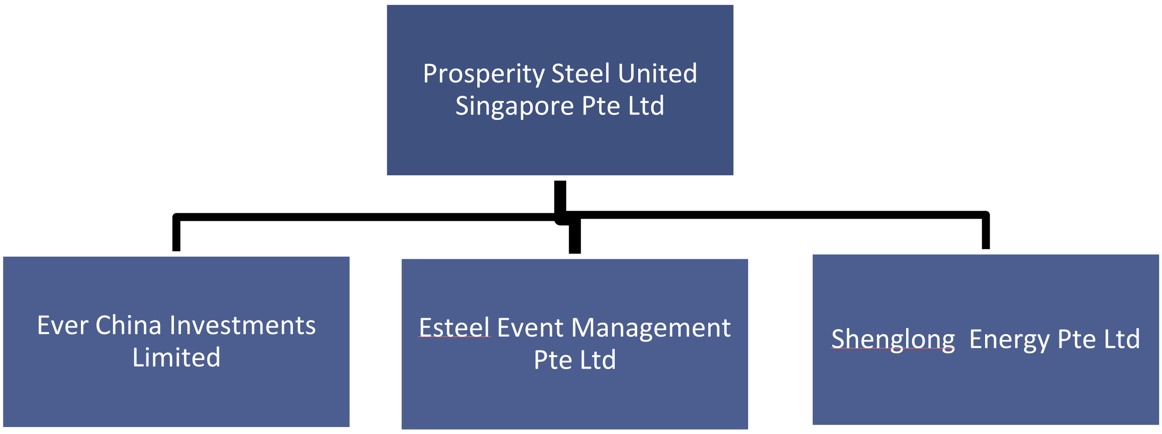
As a trading intermediary, PSU facilitates transactions between suppliers and customers, acting as a connector between buyers and sellers. The company manages trade documentation, coordinates logistics, and ensures smooth and compliant cross-border transactions.

Given the nature of its business model, PSU's operations are not subject to product quality standards or labelling requirements. Nevertheless, the company engages with reputable suppliers and customers who comply with international trade practices and relevant industry standards in their respective sectors.

As of 2024, PSU is certified under ISO 9001:2015, demonstrating its commitment to quality management.

Even though the company does not hold membership in trade or industry associations, we align our practices with international sustainability frameworks where relevant and remain open to joining associations that promote responsible trade and supply chain practices.

The table below provides an overview of the Group's structure as of 31 December 2024.



Value Chain

The Group's value chain spans the sourcing of iron ore from global producers, the management of shipping and logistics, and the distribution of materials to customers across Asia. By focusing on efficient trade execution and strong supplier and customer relationships, we support the smooth flow of raw materials through the regional metals supply chain.

Upstream Activities

The Group's upstream activities focus on the sourcing of iron ore and related raw materials from international producers and suppliers. These activities include establishing and maintaining long-term relationships, negotiating supply contracts, and coordinating procurement and shipping arrangements to ensure timely and compliant deliveries into Asian markets. Our relationships with suppliers are governed by formal contractual agreements, which set out product specifications, delivery terms, and compliance obligations.

As the Group does not directly operate in resource extraction or manufacturing, the actual environmental and social impacts are primarily linked to our suppliers' operations, particularly within the mining sector. The Group seeks to engage suppliers that adhere to internationally recognised standards of sustainability, responsible sourcing, and corporate social responsibility.

Downstream Activities

The Group's customer base is primarily made up of trading companies operating across Asia. These customers are engaged in activities such as the wholesale and distribution of industrial goods, raw materials, metals, metal ores, and energy products, including coal. Many of these customers act as intermediaries serving the steel industry and related sectors, supporting regional supply chains and end-use industries through bulk trading and distribution.

Operational Site and Workforce

The Group operates only in the Singapore Headquarters Office, and operations are executed to align with local conditions and regulatory requirements. As a trading-focused business, the company does not maintain physical warehouses, manufacturing plants, or operational sites in Singapore or abroad.

The workforce is primarily office-based, comprising professionals in trading, logistics, risk management, and corporate support functions. Centralising operations within the Singapore office enables direct oversight, regulatory compliance, and consistency in business practices across all functions.

The Group is committed to developing its employees by fostering professional growth through training, knowledge-sharing, and skills development, ensuring a capable team that supports efficient and responsible business operations and efficient solutions in line with sustainability and operational goals.

About This Report

The Report contains data from 1 January 2024 to 31 December 2024 and covers the Environment, Social, and Governance ("ESG") strategy, goals, policies, initiatives, and performance that are material to our business and stakeholders.

1. The Group's sustainability strategy provides an overview of our strategy in line with the latest industry best practices.
2. The four (4) focus areas supporting the Company's sustainability strategy: (i) Governance and Ethics, (ii) Climate and the Environment, (iii) People and Community Well-being, and (iv) Responsible Supply Chain.

As this is our inaugural Sustainability Report, the Group may consider the feasibility of establishing ESG-related targets relevant to the business in due course.

We welcome feedback and suggestions relating to our Report. Please email us at the following:

- ESG@psu.com.sg

Reporting Principles and Statement of Use

This Report is prepared with reference to the Global Reporting Initiative ("GRI") Standards 2021. The GRI standard is the most widely adopted global sustainability reporting standard.

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

The United Nations Sustainable Development Goals ("UN SDGs") have also been incorporated into the Report, which highlights the Group's contributions to sustainable development.

Reporting Scope

In defining the reporting scope, we evaluated the significance of potential ESG impacts and selected our key operations as outlined below. All our operations have been included in the reporting of this Report, except for Shenglong Energy Pte Ltd and Ever China Investments Limited, which remain dormant.

Name of Entities	Principal Activity	Country
Prosperity Steel United Singapore Pte Ltd ("**PSU**")	Trading of iron ore and related raw materials	Singapore
Esteel Event Management Pte Ltd ("**EEM**")	Exhibition Organisers	Singapore

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

Assurance

External assurance of the Sustainability Report is not mandatory and therefore not required at this stage.

Forward-Looking Statements

This report includes information on the Group's future aspirations, based on current industry knowledge and sustainability objectives. These forward-looking statements represent our best estimates but are subject to uncertainties and risks beyond the Group's control.

Sustainability Strategy Overview

Strategic Focus Area

We have identified four (4) ESG focus areas to guide our sustainability strategy.

1. **Governance and Ethics**
   To underscore the importance of strong corporate governance and ethical business practices in ensuring strong anti-corruption practices and transparent tax compliance

2. **Climate and the Environment**
   To demonstrate our dedication to minimising environmental impact through efficient energy and resource management, reducing emissions, responsible water use, and waste reduction which reflects the company's contribution to climate change mitigation.

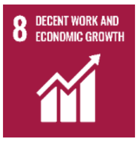
3. **People and Community Well-being**
   To highlight our commitment and responsibility to ensure fair employment practices, provide staff training and development, and foster diversity and equal opportunity within a safe, inclusive, and supportive workplace.

4. **Responsible Supply Chain**
   To reflect our dedication to suppliers and partners to ensure that their operations meet environmental and social standards, such as minimising pollution and emissions, protecting labour rights, and following ethical practices.

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

Contribution to the United Nations Sustainable Development Goals

The Group's business focuses are aligned with the UN SDGs. The attainment of the UN SDGs is a continuing global effort and forms part of the Group's long-term focus on sustainability. The Group's contributions to the relevant goals are highlighted below:

UN SDGs	The Group's contribution	Read more in the following section(s)
	Provide work opportunities, training and benefits to our employees. Create conducive and safe working environments.	Topic 3: People and Community Well-being
	Increase efficiency in energy consumption within operations.	Topic 2: Climate and the Environment
	Promote good corporate governance and comply fully with all applicable socioeconomic and environmental laws and regulations.	Topic 1: Governance and Ethics

Stakeholder Engagement

Stakeholders are fundamental to the Group's operational integrity and long-term strategic direction. Through consistent and transparent engagement, we seek to understand their priorities and thoughtfully incorporate their perspectives into our decision-making processes. Stakeholder identification is guided by the extent to which individuals or groups influence, or are affected by, our business activities.

Stakeholders	Engagement platforms	Issues of concern	Our Responses
Customers and Suppliers	• Regular communication and feedback channels • Contractual and compliance processes	• Service quality and reliability • Ethical and responsible business practices	• Delivering consistent and reliable services • Ensuring compliance with contractual and regulatory requirements
Employees	• Employee feedback sessions • Training and development programmes	• Career growth opportunities • Workplace welfare and equality	• Providing training and career development opportunities • Building a safe, fair and inclusive workplace
Government and regulators	• Ongoing communication and reporting • Monitoring regulatory updates	• Transparency and responsible business conduct	• Ensuring compliance with local laws and regulations • Maintaining transparent disclosures

Materiality Assessment

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

We engaged an external consultant to help identify the material topics most relevant to our business and stakeholders. For FY2024, the consultants facilitated a stakeholder engagement exercise with staff, senior management, Board members, and selected external stakeholders, including bankers. This exercise was aimed at validating how our material topics affect stakeholders and how the Group manages these impacts.

Of the four material topics reviewed, the prioritisation process highlighted three key areas of significance: Governance and Ethics, Climate and the Environment, and People and Community Well-being. These topics were recognised as having the greatest influence on the business and where the Group can deliver the most meaningful impact. Accordingly, the Group has identified its material topics for FY2024 and summarised them in the table below.

Material Topics	Relevant GRI Topics
Topic 1: Governance and Ethics	GRI 205: Anti-Corruption
	GRI 207: Tax
Topic 2: Climate and the Environment	GRI 302: Energy
	GRI 305: Emissions
	GRI 303: Water and Effluents
	GRI 306: Waste
Topic 3: People and Community Well-being	GRI 401: Employment
	GRI 404: Training and Education
	GRI 405: Diversity and Equal Opportunity
Topic 4: Responsible Supply Chain	GRI 308: Supplier Environmental Assessment
	GRI 414: Supplier Social Assessment

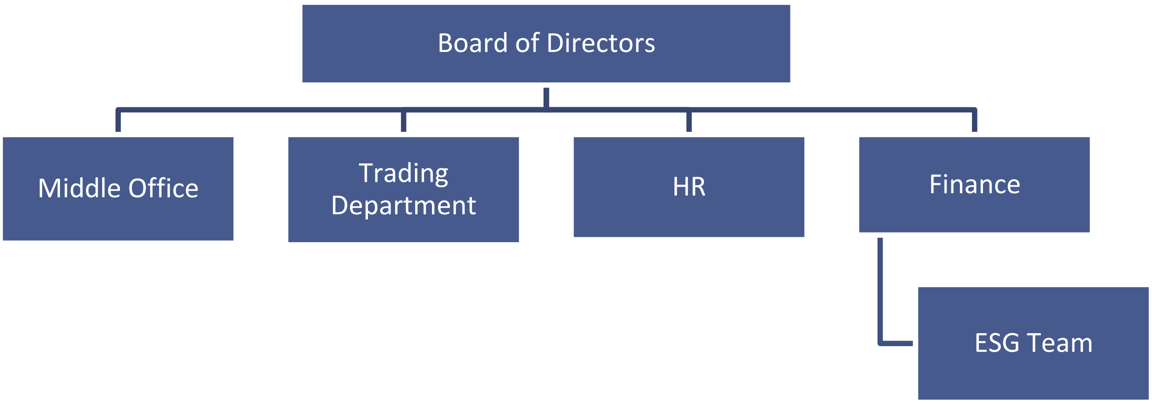
ESG Governance

The Group is committed to conducting its business responsibly, in compliance with applicable laws and regulations, and in alignment with ethical business practices. The Group recognises the importance of establishing clear standards and procedures to guide responsible conduct. Currently, the Group has in place an Anti-Bribery and Anti-Corruption Policy, a Code of Conduct, and a Privacy and Personal Data Protection Policy, which have been reviewed by management and shared with employees. Management provides oversight of ESG matters and ensures that employees are aware of regulatory obligations and expected behaviours through regular communication and guidance.

As part of its ongoing journey, the Group aims to strengthen its governance framework by formalising policies in key areas such as supplier assessments. This reflects our commitment to embedding ESG considerations into decision-making and daily operations, building a foundation for long-term responsible growth.

Sustainability Governance Structure

The Group has put in place a sustainability governance structure to guide its ESG efforts. The Board of Directors provides strategic oversight and sets the overall direction, ensuring sustainability is aligned with the company's business goals and stakeholder expectations. Heads of departments are responsible for translating this direction into practical actions. This includes identifying ESG priorities, setting internal targets, and monitoring progress.



The Board of Directors coordinates with relevant departments to oversee implementation within their respective areas, such as Middle Office, Human Resources, Trading Department, and Finance. Regular updates are shared across levels to support transparency and gradual improvement.

Corporate Compliance

Group adheres to a comprehensive framework of laws and regulations, including the Code of Corporate Governance 2018, the Singapore Financial Reporting Standards (International), the Accounting and Corporate Regulatory Authority ("ACRA"), and the Singapore Companies Act 1969, amongst others.

The Board is kept informed of relevant legal, accounting, and regulatory developments through written reports, briefings, and presentations.

Risk Management

The Group has implemented a comprehensive risk management framework that guides strategic decision-making and day-to-day operations. A precautionary approach is taken towards identifying, assessing, and managing risks across the business.

At present, ESG and climate-related risks are not formally included in the Enterprise Risk Management ("ERM") process. However, the Group recognises the growing importance of these risks and will continue to evaluate ways to integrate them into its risk oversight and management practices over time.

Further details of the Group's overall corporate governance and risk management practices are included in the risk management policy. This policy is applied across operations, but is not currently disclosed publicly.

Topic 1: Governance and Ethics

Anti-corruption

The Group is committed to conducting its business with integrity and upholding ethical standards at all levels. The Group adopts a zero-tolerance approach to bribery and corruption, reflecting its commitment to integrity, transparency, and ethical business practices.

The Anti-Bribery and Anti-Corruption Policy sets clear expectations for employees, business partners, and third-party service providers, prohibiting practices such as improper gifts and hospitality, facilitation payments, embezzlement, or any other form of undue advantage. It also establishes safeguards around conflicts of interest, charitable donations, political contributions, and sponsorships, ensuring these are conducted responsibly and not misused for personal or corporate gain.

Oversight mechanisms, including risk-based audits, due diligence procedures, and robust documentation requirements, are in place to enhance accountability and uphold stakeholder trust.

To support implementation, the policy is communicated across all levels of the organisation. Employees receive training upon onboarding and through periodic refreshers, ensuring they remain informed of evolving legal and regulatory requirements. Training materials are designed to be clear, accessible, and practical, incorporating real-life case studies and guidance on handling ethical dilemmas.

Employees are also required to formally acknowledge their understanding of the policy. Through this structured communication and training approach, the Group strengthens its governance framework and reinforces a culture of responsibility in its daily operations and business relationships.

In FY2024, there were no cases reported for corruption and no significant fines and non-monetary sanctions for non-compliance with environmental, social and economic laws and regulations.

Tax Strategy

Currently, the organisation does not have a formalised tax strategy in place but intends to establish one to ensure tax practices remain aligned with applicable regulations and long-term business sustainability objectives. Tax governance is managed through engagement with professional tax agents, who perform tax calculations and filings in compliance with the requirements of the Inland Revenue Authority of Singapore (“IRAS”). The finance team works closely with these external advisors to ensure proper documentation, timely submissions, and adherence to regulatory expectations.

The Group maintains transparency and compliance in its tax affairs, relying on external tax agents to keep management updated on changes in tax laws and reporting requirements, thereby supporting alignment with stakeholder and regulatory expectations. As operations are limited to Singapore, all tax obligations are declared and paid locally.

Topic 2: Climate and the Environment

Resilience to Climate Change

Climate change poses a long-term global challenge with potential implications for the Group's strategies and operations. In response, the Group has adopted the TCFD framework as a guide to evaluate climate-related risks and opportunities to strengthen resilience and adapt to the evolving global landscape.

Our assessment includes a review of climate change impacts on our operations and stakeholders, structured around the key pillars: Climate-related Governance, Strategy, Risk Management, and Metrics and Targets.

TCFD Recommended Disclosures		FY2024 Status	Summary and Next Steps
Governance	Describe the Board's oversight of climate-related risks and opportunities	Met	The Board recognises climate change as a significant global challenge that presents both risks and potential opportunities for the Group. It exercises overall oversight and provides strategic direction on sustainability, ensuring alignment with the Group's business objectives and stakeholder expectations. In steering the Group's climate agenda, the Board integrates climate considerations into strategic and operational decision-making. This includes guiding the identification of key ESG priorities, and where relevant, setting climate-related targets and monitoring the Group's performance against these targets. Together with an external consultant, the Board has identified an initial set of climate-related risks and opportunities.
Governance	Describe management's role in assessing and managing climate-related risks and opportunities.	Met	The Group recognises that climate-related risks and opportunities are continually evolving. Accordingly, the sustainability task force plays an important role in reviewing these factors on an ongoing basis in line with business developments. The task force also monitors emerging risks and identifies opportunities to support sustainable growth, leading initiatives for improvement and ensuring the Group remains aligned with changing climate expectations and industry best practices.
Strategy	Describe the climate-related risks and opportunities the organisation has identified over the	Met	The Group has engaged an external consultant to facilitate the qualitative assessment of climate-related risks and opportunities.

<table>
<tr><th colspan="2">TCFD Recommended Disclosures</th><th>FY2024 Status</th><th>Summary and Next Steps</th></tr>
<tr><td></td><td>short, medium and long term</td><td></td><td>
The risk assessment criteria that we are considering together with the ESG consultant:

Time horizons: Short-term (less than 5 years), Medium-term (5-10 years), and Long-term (more than 10 years).
Likelihood levels: Possible, Likely, Certain
Severity of financial impact: Insignificant, Minor, Significant, Major, or Severe.

To assess these risks and opportunities, we draw from the Network for Greening the Financial System (“NGFS”) scenarios, adapting them to our business context. The selected scenarios, along with their underlying assumptions and justifications, are summarised in the table below:
<table>
<tr><th>Scenario</th><th>Assumptions</th><th>Justification</th></tr>
<tr><td>NGFS Orderly
Net Zero by 2050: Limit temperature rise to 1.5°C</td><td>Earlier adoption of climate policies, with gradual tightening.
Reach net-zero emissions by 2050.
Low physical risk but high transition risk.</td><td>Aligned with the latest international climate agreement and relevant national commitments.</td></tr>
<tr><td>NGFS Hothouse world (Current Policies) Temperature rise exceeding 3°C.</td><td>Preserve currently implemented policies without additional climate policies.
Variations in climate policies across different jurisdictions.</td><td>Unfavourable outcome and conservative approach.</td></tr>
</table>
</td></tr>
</table>

TCFD Recommended Disclosures		FY2024 Status	Summary and Next Steps
			 • Emissions are increasing until 2080. • High physical risk but low transition risk. To determine which broad risks and opportunities could potentially have a material financial impact on our business, the STF, together with the external consultant, through workshops, has analysed external factors such as regulations and market trends, and employed qualitative analyses. For further details on potential climate-related issues under each time horizon, please refer to the "Climate-related Risks and Opportunities" section in this Report.
	Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning	Met	In assessing the financial impact of identified risks and opportunities, the Group considers several key factors: • The implications for our operations, products, and services; • Vulnerabilities in the supply chain and value chain; • Costs related to adaptation and mitigation activities; • Investment in research and development; and • Reduced revenue due to changing customers' and stakeholders' ESG expectations For further details on potential climate-related issues under each time horizon, please refer to the "Climate-related Risks and Opportunities" section in this Report.
	Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2℃ or lower scenario	In-progress	The Group has integrated climate-related scenarios into its risk and opportunity assessments as part of its strategic decision-making. For further details on potential climate-related issues under each time horizon, please refer to the "Climate-related Risks and Opportunities" section in this Report.

TCFD Recommended Disclosures		FY2024 Status	Summary and Next Steps
Risk Management	Describe the organisation's processes for identifying and assessing climate-related risks	Met	The Group identifies and assesses both existing and emerging climate-related risks by considering various climate scenarios and conducting in-depth sector-specific research. This analysis encompasses the regulatory landscape, market shifts, climate-driven physical developments, and peer comparisons to evaluate potential impacts on operations.
	Describe the organisation's processes for managing climate-related risks	In Progress	Climate-related risks have been identified based on their potential impact on the Group's business. Risk mitigation responses and strategies are tailored to the specific nature of each risk.
	Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	In Progress	The current ERM framework has climate-related risks identified relating to physical transition risk. Management will look into reviewing and enhancing the framework to address these areas in the future.
Metrics and Targets	Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Met	<u>GHG Emissions Metrics</u> The Group has incorporated these metrics: • Absolute GHG emissions in tCO_{2e} • GHG Emissions intensity in tCO_{2e}/m^2
	Disclose Scope 1 [2], Scope 2 [3], and if appropriate, Scope 3[4] GHG emissions, and the related risks	In-Progress	<u>Scope 1 and Scope 2</u> Scope 1 and 2 emissions are provided under the "Energy and Emissions" section in this Report <u>Scope 3</u> The group will consider the inclusion of relevant Scope 3 categories in subsequent reporting years as data availability and processes mature.
	Describe the targets used by the organisation to manage climate-related risks and opportunities, and	Not Met	The Group is currently developing appropriate metrics and targets. At this stage, our priority is to establish procedures before setting specific targets.

[2] Scope 1 GHG emissions are emissions resulting from the sources owned or controlled by the Group.

[3] Scope 2 GHG emissions resulted from the generation of purchased electricity consumed by the Group

[4] Scope 3 emissions are emissions from sources not owned or controlled by the Group such as the Group's value chain.

TCFD Recommended Disclosures		FY2024 Status	Summary and Next Steps
	performance against targets		

Climate-related Risks and Opportunities

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

- **Transition Risks**: These risks stem from changes in policy and regulations, technological advancements, shifts in market demand for products, and evolving stakeholder expectations.
- **Physical Risks:** This category includes both acute and chronic risks arising from the physical impacts of climate change. Acute risks are event-driven, such as intensified extreme weather events like cyclones, hurricanes, or floods. Chronic risks involve longer-term shifts in climate patterns, leading to phenomena like sea-level rise or sustained heat waves.

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

Transition Risks	Description	Risk Mitigation
Market	**Tightened lending criteria from financiers** Financial institutions may tighten lending or raise capital costs for firms involved in carbon-intensive value chains like iron ore. As financiers apply stricter ESG and climate criteria, my client may face reduced access to capital or higher borrowing costs. This can impact working capital availability, limit trade financing, and raise overall financing expenses across the trading operations.	The company is exploring discussions with financiers to better understand ESG and climate-related lending criteria and potential implications for trade financing. Strengthening internal ESG disclosures and transparency can help reassure financiers and maintain flexibility in accessing capital. At present, the corporate office has in place initiatives to control environmental impacts such as energy-efficient lighting systems, water-saving fixtures and paper reduction initiatives.
	Period: Short-, Medium-, Long-term	
	Likelihood: Possible (Short-term), Likely (Medium-term), Likely (Long-term)	
	Financial Impact: Increased operational and compliance costs	
	Impact Area(s): Group's operations and business	

Transition Risks	Description	Risk Mitigation
Market and Reputational	**Increasing preference for low-carbon alternatives** Customers may view iron ore as a carbon-intensive commodity. As customers and end-users shift towards low-carbon alternatives, demand for high-emission iron ore may decline. This could reduce trading volumes, depress prices, and pressure the company to source lower-carbon ore, increasing procurement complexity and potential costs.	The company has not observed significant stakeholder demand for low-carbon alternatives at this stage, but management will monitor market trends for lower-carbon raw materials. The company will engage with customers to understand their sustainability expectations and explore ways to improve transparency in ESG disclosures. Strengthening reporting on the carbon intensity of its portfolio may help foster greater trust. These aim to maintain competitiveness and manage reputational risk as global demand shifts toward low-carbon supply chains.
	Period: Short-, Medium-, Long-term	
	Likelihood: Possible (Short-term), Likely (Medium-term), Likely (Long-term)	
	Financial Impact: Reduced revenue due to reduced demand	
	Impact Area(s): Group's operations and business	

Physical Risks	Description	Risk Mitigation
Chronic	**Rising sea levels may cause damage to properties and result in supply chain and operational disruptions** Rising sea levels may cause land area to be inundated and properties damaged by water, and lead to supply chain and operational disruptions. Rising sea levels may increase flood risk at ports, warehouses, and transportation hubs, leading to higher costs for infrastructure maintenance, flood protection measures (e.g. drainage upgrades, barriers), insurance premiums, and temporary relocation or rerouting of shipments. This can raise overall logistics and warehousing expenses and reduce cost-efficiency in supply chain operations across affected coastal sites.	Exposure to rising sea levels is considered low as the company does not own coastal infrastructure and relies on third-party logistics providers. Management will continue monitoring the exposure of key ports and shipping routes used in its supply chain. This will help to minimise potential disruption to trading operations if flooding events occur.

Physical Risks	Description	Risk Mitigation
	Period: Medium-, Long-term	
	Likelihood: Likely (Medium-term), Possible (Long-term)	
	Financial Impact: • Increased maintenance, insurance and operational costs • Increased capital expenditure	
	Impact Area(s): Group's operations and business	

Opportunity	Description	Management's Response
Products and Services	**Increase revenue by meeting the customer's environmental requirements and potentially diversifying product offerings** Offering premium-grade or processed ores aligned with decarbonised steel production could justify pricing premiums and ensure long-term contracts with green steel producers.	The company will consider diversifying its portfolio to include more sustainable, higher-grade iron products and continuing to use more efficient vessels to improve operational sustainability. It is also assessing options to expand sustainable product offerings to align with customer preferences and capture potential growth opportunities.
	Period: Medium-, Long-term	
	Financial Impact: Increased Revenue	

Energy and Emissions

Energy consumption within our operations encompasses both energy from on-site fuel use and energy from purchased sources such as electricity. We actively monitor and manage our energy use across facilities to improve efficiency and reduce environmental impact.

The Group's energy consumption primarily stems from the use of petrol in company-owned vehicles with hybrid engines. In FY2024, petrol consumption totalled 153 GJ. In addition, electricity purchased[5] to power our office operations amounted to 526 GJ (144,883 kWh) during the reporting period.

The total (fuel and electricity) energy intensity is computed to be 0.775 GJ/m^2. The Group's energy consumption and intensity broken down by source are summarised in the table below.

Energy & Emissions[6,24]	UOM	FY2024
Total Energy Consumption (Fuel + Electricity)	GJ	675
Total Energy Intensity (Fuel + Electricity)[3]	GJ/m^2	0.775
Energy consumed from Fuel Usage	GJ	153
Energy consumed from Electricity Usage	GJ	526

Energy Conservation

While our operations are office-based and are not highly energy-intensive, the Group remains committed to improving efficiency and minimising its environmental footprint. We have adopted practical measures that promote responsible resource use across the workplace.

These include the installation of energy-efficient lighting systems, with lights switched off when not in use, as well as the use of water-saving fixtures to conserve water. To reduce paper consumption, employees are encouraged to maximise digital tools and reuse single-sided printed paper where appropriate.

Through these efforts, the Group integrates energy and resource conservation into its daily operations, reinforcing our commitment to continuous improvement in sustainability performance.

Greenhouse Gas Emissions

In FY2024, the Group accounts for its Scope 1 and Scope 2 greenhouse gas ("GHG") emissions arising from its business operations.

Our Scope 1 emissions primarily relate to direct emissions from fuel used in company-owned vehicles, while Scope 2 emissions relate to indirect emissions resulting from the purchase of electricity used at our office.

[5] *Known as 'Energy Consumption from Electricity Use'.*

[3] *To assess emissions and energy efficiency, we calculate intensity metrics based on the total floor area (m²) of our office*

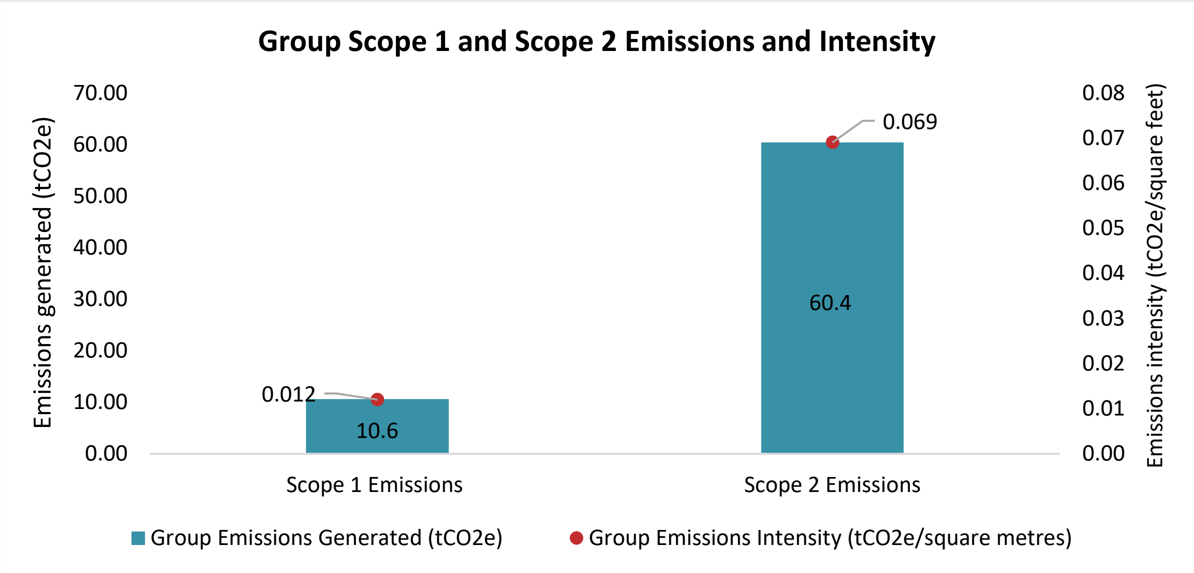
[6] *Energy consumption has been calculated using UK DEFRA 2024 conversion factors on a net calorific value (NCV) basis*

In FY2024, a total of 10.6 tCO_2e of Scope 1[7] (Direct) GHG emissions were released, comprised of from mobile combustion of petrol, with an emissions intensity of 0.012 tCO_2e/m^2.

On the other hand, a total of 60.4 tCO_2e Scope 2 (Indirect) GHG emissions, location-based, were released, with an emissions intensity of 0.069 tCO_2e/m^2.

Market-based emissions are reported as equal to location-based emissions, as the Company does not currently procure electricity through contractual instruments or supplier-specific emission factors. Accordingly, the Scope 2 market-based GHG emissions totalled 60.4 tCO_2e.

The Group's Scope 1 and Scope 2 emissions and emission intensities in FY2024 are reflected below.



Emissions	UOM	FY2024
Direct (Scope 1) GHG emissions[8]	tCO_2e	10.6
Scope 1 Emissions Intensity[3]	tCO_2e/m^2	0.012
Indirect (Scope 2) GHG emissions[9]	tCO_2e	60.4
Scope 2 Emissions Intensity[3]	tCO_2e/m^2	0.069
Total Scope 1 and 2 GHG emissions	tCO_2e	80.0

[7] *Scope 1 emissions from Liquefied Petroleum Gases are calculated using the emission factor published by IEA (2024)*

[8] *Scope 1 emissions are direct greenhouse gas (GHG) emissions that occur from sources owned or controlled by the organization.*

[9] *Scope 2 emissions are derived from purchased electricity, calculated using country-specific grid emission factors ("**GEFs**"). For Singapore, the GEF was obtained from the Energy Market Authority (EMA), at EMA | SES Chapter 2: Energy Transformation. Additionally, contractual instruments and supplier-specific emission factors are not available; in this case, scope 2 market-based values are the same as location-based.*

Waste and Water

Waste

The Group's operations generate only non-hazardous office waste, primarily comprising paper, packaging materials, and general domestic waste from pantry and restroom use. No hazardous waste is produced.

Non-hazardous waste is currently collected by a contracted waste management service and disposed of at the building's designated collection area in compliance with municipal requirements. To reduce waste, the Group implements paper-saving initiatives such as encouraging staff to print only when necessary and reusing single-sided paper for draft purposes.

While the Group does not yet have a formal waste management policy, it recognises the importance of systematic waste reduction and responsible disposal. The development of a formal policy may be considered as part of the Group's future sustainability practices.

In FY2024, the company has estimated an average of 2 to 3 tonnes of waste generated within the office, consisting mainly of packaging waste from employee lunches.

Water

In FY2024, the Group's total water consumption was 64.2 m^3, withdrawn entirely from the municipal supply for domestic purposes. Water use is limited to office activities such as restrooms and pantry facilities, and wastewater is discharged through the municipal sewage system in accordance with local authority regulations.

The Group does not generate industrial effluents, as operations are confined to a corporate office environment. Wastewater treatment is managed by the building management and regulated by statutory requirements.

To promote responsible consumption, water-saving fixtures have been installed in restrooms, and employees are encouraged to use water responsibly. The Group ensures compliance with regulatory requirements governing effluent discharge.

Topic 3: People and Community Well-being

The Group employs only permanent full-time staff, with employment terms governed by Singapore's Employment Act and statutory requirements including mandatory Central Provident Fund (CPF) contributions, the Workplace Safety and Health Act, the Work Injury Compensation Act, and leave entitlements such as parental and sick leave.

Employees are guided by the Group's Code of Conduct and supported by established policies on workplace health and safety, as well as privacy and personal data protection. The Group values its employees as an integral part of its long-term success and is committed to providing a safe, fair, and supportive working environment that fosters trust, responsibility, and mutual respect.

Health and Wellness

Under our commitment to people and community well-being, PSU prioritises the holistic health of our employees. We provide comprehensive medical coverage through company-subsidised insurance schemes, ensuring that employees receive affordable access to healthcare services. In addition, our benefits include dental care and wellness-related support such as chiropractic services and emotional wellness programmes, each offered within reasonable claim limits. These initiatives reflect our continued efforts to foster a supportive and healthy workplace that promotes both physical and mental well-being.

Training and Education

The Group recognises that continuous learning and skills development are vital to sustaining long-term employability and organisational growth. While training and career development are currently managed on an informal basis through on-the-job learning and role-specific guidance, the Group is committed to strengthening its approach as the business expands. As training is conducted informally at present, training hours are not recorded.

Looking ahead, the Group intends to implement structured programmes such as professional training workshops, digital skills upgrading, and transition support initiatives. These will help employees build future-ready capabilities, support career progression, and provide guidance in areas such as retirement planning and re-employment opportunities. By investing in people development, the Group aims to foster a resilient workforce that is equipped to meet evolving business and industry demands.

Furthermore, employees undergo annual performance evaluations that assess individual development and support career progression planning, underscoring the Group's commitment to building a high-performing and future-ready workforce.

In addition, the Group has established a strategic partnership with Nanyang Technology University (NTU) through an agreement to sponsor and support the establishment of an endowed Centre of Excellence (international trading). This initiative aims to develop a strong pipeline of skilled professionals for Singapore's global trading sector by funding teaching resources, student scholarships, study trips, and research programmes. Through this long-term collaboration, the Group contributes to advancing education, fostering industry-academia collaboration, and equipping future talent with the knowledge and competencies needed to sustain Singapore's position as a leading international trading hub.

Training & Education		
	UOM	**Singapore**
Total employees who receive regular performance and career development reviews	Percentage	100

Employment, Diversity and Equal Opportunity

The Group recognises employees as a key resource in sustaining business performance and resilience. Employment practices are based on merit, performance, and contribution, with a commitment to fair treatment and equal opportunities for all.

We value diversity across gender, age, background, and experience, and our hiring practices encourage generational diversity to ensure a balanced mix of perspectives and expertise. The Group has non-discriminatory practices that are applied consistently across all entities and communicated to employees during onboarding, fostering an inclusive and equitable workplace.

We continue to uphold these practices by ensuring that all candidates and employees are treated fairly, with equal employment opportunities regardless of gender, age, race, religion, or background. This approach reflects the Group's ongoing commitment to cultivating a respectful and supportive work environment. The information disclosed has been compiled from internal employee records maintained in the Group's HR software and is reported on a headcount basis as at the end of the reporting period, as summarised in the table below.

Employment, Diversity & Equal Opportunity[10]		
	UOM	**FY2024**
Number of Employees[11]	Number	50
Gender (Male, Female)	Ratio	2:3
Nationality (Singaporean, other nationalities)	Ratio	23:27
Management level (Senior, Middle, Other)	Ratio	8:13:29
New Employee Hires	Number	8
	Rate	15%
Gender (Male, Female)	Ratio	1:1
Nationality (Singaporean, other nationalities)	Ratio	5:3
Age (<30 years old, 30-50 years old, >50 years old)	Ratio	3:4:1
Employee turnover	Number	13
	Rate	25%

[10] *EEM had only one (1) full-time hire who was a Singaporean male holding a role in senior management. All employee data in this table relates to PSU. Also, all employees in PSU were entitled to parental leave.*

[11] *Figure disclosed includes employees and Board of Directors who are part of the management.*

Gender (Male, Female)	Ratio	6:7
Nationality (Singaporean, other nationalities)	Ratio	7:6
Age (<30 years old, 30-50 years old, >50 years old)	Ratio	4:9:0
Board of Directors		
Gender (Male, Female)	Percent	75%, 25%
Age (<30 years old, 30-50 years old, >50 years old)	Percent	0%, 0%, 100%
Senior Management		
Gender (Male, Female)	Percent	88%, 12%
Age (<30 years old, 30-50 years old, >50 years old)	Percent	0%, 71%, 29%
Middle Management		
Gender (Male, Female)	Percent	23%, 77%
Age (<30 years old, 30-50 years old, >50 years old)	Percent	0%, 92%, 8%
Other Employee Grades		
Gender (Male, Female)	Percent	34%, 66%
Age (<30 years old, 30-50 years old, >50 years old)	Percent	21%, 69%, 10%

Topic 4: Responsible Supply Chain

The Group's value chain is anchored in its trading activities, which rely primarily on suppliers from the mining sector. These suppliers are critical to our business, providing the raw materials that form the basis of our operations. Given the nature of the sector, we recognise that mining activities can be associated with significant environmental and social impacts, including land use, biodiversity loss, worker safety, and community relations.

To uphold our commitment to sustainability, PSU recognises the importance of integrating ESG considerations into our supplier management practices. In the past, supplier assessments primarily focused on non-ESG aspects such as quality, cost, delivery performance, and regulatory compliance.

Most of the Group's suppliers comprise mining and trading companies. The larger mining companies typically demonstrate active commitments towards environmental responsibility and the transition to more sustainable practices. Trading companies, on the other hand, generally have limited direct environmental impact due to the nature of their operations.

In addition to core suppliers, the Group engages a small number of subcontractors that support day-to-day operations, including Facility Management and Maintenance, as well as Cleaning and Janitorial Services. While these impacts are largely outside our direct operational control, we prioritise working with reputable suppliers and contractors that are committed to internationally recognised standards for sustainability, responsible sourcing, and corporate social responsibility.

In FY2024, approximately 60% and 70% of the Group's suppliers were screened against environmental and social criteria, respectively, based on available information and internal estimates. The Group acknowledges that this assessment is preliminary and intends to enhance the comprehensiveness and robustness of supplier evaluations in future.

Moving forward, PSU aims to strengthen its supplier assessment framework by progressively incorporating ESG criteria. This enhancement will enable a more holistic evaluation of suppliers, covering areas such as environmental performance, labour and human rights, occupational health and safety, ethical business conduct, and overall sustainability practices. As part of this commitment, the Group is exploring the development of a formal supplier policy to guide consistent practices and maintain high standards across both core suppliers and supporting contractors and service providers.

Supplier Environmental and Social Assessments	UOM	FY2024
Percentage of new suppliers that were screened using environmental criteria	Percent	60%
Number of suppliers assessed for environmental impacts	Number	13
Percentage of new suppliers that were screened using social criteria	Percent	70%
Number of suppliers assessed for social impacts	Number	18

GRI Standards Content Index

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

GRI Standard/ Other Source	Disclosure	Location
General Disclosures		
GRI 2: **General Disclosures 2021**	2-1 Organisational details	Organisation Profile
	2-2 Entities included in the organisation's sustainability reporting	Organisation Profile
	2-3 Reporting period, frequency and contact point	About This Report
	2-4 Restatements of information	No restatements of information, as this is the Group's initial reporting period
	2-5 External Assurance	About This Report
	2-6 Activities, value chain and other business relationships	Organisation Profile
	2-7 Employees	(a, b, d) Topic 3: People and Community Well-being
	2-9 Governance structure and composition	ESG Governance - Sustainability Governance Structure
	2-12 Role of the highest governance body in overseeing the management of impacts	ESG Governance - Sustainability Governance Structure
	2-13 Delegation of responsibility for managing impacts	ESG Governance - Sustainability Governance Structure
	2-14 Role of the highest governance body in sustainability reporting	ESG Governance - Sustainability Governance Structure

	2-21 Annual total compensation ratio	Omission: Confidentiality constraints
	2-22 Statement on sustainable development strategy	Sustainability Strategy Overview, Chairman's Message
	2-23 Policy commitments	• Topic 1: Governance and Ethics • Topic 2: Climate and the Environment • Topic 3: People and Community Well-being • Topic 4: Responsible Supply Chain
	2-24 Embedding policy commitments	• Topic 1: Governance and Ethics • Topic 2: Climate and the Environment • Topic 3: People and Community Well-being • Topic 4: Responsible Supply Chain
	2-27 Compliance with laws and regulations	Topic 1: Governance and Ethics
	2-28 Membership associations	NIL
	2-29 Approach to stakeholder engagement	Stakeholder Engagement
	2-30 Collective bargaining agreements	The Group is not involved in any form of collective bargaining agreements.
Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment
	3-2 List of material topics	
Topic 1: Governance and Ethics		
GRI 3: Material Topics 2021	3-3 Management of material topics	(c) Topic 1: Governance and Ethics
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Topic 1: Governance and Ethics
	205-2 Communication and training on anti-corruption policies and procedures	
	205-3 Confirmed incidents of corruption and actions taken	
GRI 207: Tax	207-1 – Approach to tax	Topic 1: Governance and Ethics
	207-2 – Tax governance, control, and risk management	

	207-3 – Stakeholder engagement and management of concerns related to tax	
	207-4 – Country-by-country reporting	
Topic 2: Climate and the Environment		
GRI 3: Material Topics 2021	3-3 Management of material topics	Topic 2: Climate and the Environment
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Topic 2: Climate and the Environment – Energy, and Greenhouse Gas Emissions
	302-3 Energy intensity	
GRI 303: Water and Effluents 2018	303-2 – Management of water-related impacts	Topic 2: Climate and the Environment – Waste and Water
	303-3 – Water withdrawal	
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	Topic 2: Climate and the Environment – Energy, and Greenhouse Gas Emissions
	305-4 GHG emissions intensity	
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Topic 2: Climate and the Environment – Waste and Water
	306-5 Waste directed to disposal	
Topic 3: People & Community Well-being		
GRI 3: Material Topics 2021	3-3 Management of material topics	Topic 3: People and Community Well-being
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Topic 3: People and Community Well-being
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	
	401-3 Parental leave	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Topic 3: People and Community Well-being - Training and Education
	404-2 Programs for upgrading employee skills and transition assistance programs	

	404-3 Percentage of employees receiving regular performance and career development reviews	
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Topic 3: People and Community Well-being – Employment, Diversity and Equal Opportunity
Topic 4: Responsible Supply Chain		
GRI 3: Material Topics 2021	3-3 Management of material topics	Topic 4: Responsible Supply Chain
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Topic 4: Responsible Supply Chain
	308-2 Negative environmental impacts in the supply chain and actions taken	
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Topic 4: Responsible Supply Chain
	414-2 Negative social impacts in the supply chain and actions taken	