

FRENCKEN – OUR COMMITMENT TO CARBON NEUTRALITY 2040

Frencken's ESG Performance roadmap for FY2024 has outlined our aspiration to achieve and sustain carbon neutral operations as we continue to serve our global customers.

In line with this direction, we stepped up the deployment of digital tools to enhance monitoring of our carbon emissions across core business segments - Mechatronics (Mech) and Integrated Manufacturing Services (IMS). FY2024 marked the first publication of our carbon inventory in the Sustainability Report. We are steadfast in maintaining our emissions intensity below 1 basis point since FY2022 when we embarked on our ESG journey.

The table below shows the Scope 1 and 2 emissions at our operating sites between FY2021 and FY2024.

MECHATRONICS

Year/ Entity	2021		2022		2023		2024	
	Scope 1	Scope 2	Scope 1	Scope 2	Scope 1	Scope 2	Scope 1	Scope 2
FEBV	559	3393	558	0	507	0	496	0
FAM	14	272	15	257	16	122	40	115
ETLA SG	0	1679	0	2488	69	2398	75	2774
AVM SG	19	1116	25	1087	21	655	49	651
FMMSB	124	6055	1200	6829	1640	5639	3574	7283
ETLA WX	11202	2956	7665	2857	6464	2204	16981	2703

IMS

Year/ Entity	2021		2022		2023		2024	
	Scope 1	Scope 2	Scope 1	Scope 2	Scope 1	Scope 2	Scope 1	Scope 2
JTH	64	1005	55	1131	57	1172	58	1268
JUI	22	1646	33	1410	16	1418	20	1785
JTJ	71	3034	63	2640	56	2487	82	2065
JZH	38	4736	16	4238	17	4172	17	3726
FCZ	0	620	0	739	0	814	0	864
JJD	0	0	0	102	0	96	0	152
JMAT	34	2444	26	1528	9	1121	0	1100

Note:

Scope 1: Combustion fuel and heating gasses. Scope 2: purchased electricity.

Our base year is established as FY2021, as we embarked on our ESG Journey in FY2022.

Absolute emissions Scope 2 reduction was recorded in FEBV (88%) and FAM (46%) compared to base year attributed by renewable VPPA.

JTJ recorded 53% reduction by intensity (per unit of revenue) and 31% in absolute emissions for Scope 1 and 2 from base year.

FCZ and JJD's scale of operations is 100% Scope 2 intensive.

JJD operations began in FY2022

ETLA SG tracked Scope 1 from FY2023.

Exclusion of sites from this data table:

- NTZ-emissions attributed to operations out of Europe
- JTM & JST – on-going global transformation.
- PTSB - subsidiary operations.

We are cognisant of the challenges that may impede the rate of our Scope 2 decarbonisation. These could stem from limitations of solar electricity to support our peak demand, and the national power grids which are not ready with green energy supply. Scope 1 decarbonisation shall be possible when there is increasing access to green gas across more geographical territories.

Frencken has set internal targets and timelines for Scope 1 and Scope 2 emissions and will continue to monitor our performance periodically against these metrics. We aim to achieve a 10% reduction in our Scope 1 and 2 emissions by 2040. Upon establishing the full spectrum for Scope 3 emissions, we will be ready to set targets in FY2025. Our decarbonisation approach is set in accordance with the SBTi principles.