

SUSTAINABILITY REPORT 2024

SUPREME COMPONENTS INTERNATIONAL POWERING SUSTAINABLE ELECTRONICS





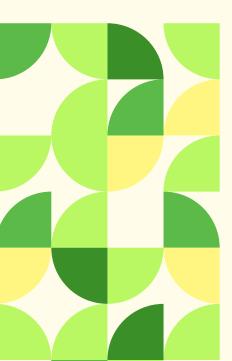


Social Initiatives

- Employee Well-being
- Community Engagement
- Anti-Bribery and Corruption

Governance Initiatives

- Supplier Selection
- International Trade Compliance
- Cybersecurity
- Productivity Improvements



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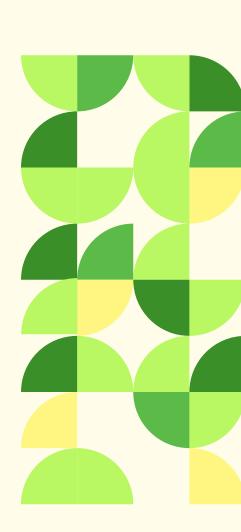
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CEO MESSAGE

As we reflect on the past year, I am proud to share that Supreme Components International has remained steadfast in our commitment to sustainability, even as we navigated the challenges brought about by the pandemic. We have diligently implemented environmental, social, and governance (ESG) initiatives across our operations, ensuring that sustainability remains a cornerstone of our strategic vision.

Our dedication to these principles has led to tangible progress in conducting our business more sustainably. From reducing our carbon footprint to enhancing community engagement and upholding the highest standards of corporate governance, we have made significant strides in aligning our operations with our ESG goals.

We believe that integrating sustainability into our core business practices is not only beneficial for the environment and society but also essential for the long-term success of our company. By prioritizing ESG initiatives, we are better equipped to create lasting value for our customers, partners, and shareholders.

Thank you for your continued support as we strive to make a positive impact on our world. Together, we can build a more sustainable future.

VICK AGGARWALA

PRESIDENT & CEO



ABOUT COMPANY

Supreme Components International Private Limited (SCI) was established in November 2001 and has since grown to 16 offices across 12 countries. Our company is committed to supporting the 2030 Agenda for Sustainable Development and the 17 Sustainable Development Goals (SDGs).

Developing and implementing ESG initiatives is essential for bringing longterm value to our organization, customers, and suppliers. We aim to meet the needs of the present without compromising future generations' ability to meet their own needs, and we strive to self-regulate our practices and policies to bring positive societal change.

We support the efforts and commitments made by the Government of Singapore, which has set a net-zero target by 2050, as well as the goals of the countries in which we operate.

We imagine a world where we help the vast majority of OEMs, CEMs, and resellers get near-instant access to electronic components. The gift that we are committed to giving is our unified and energetic world-class talent coupled with our advanced digital assets to achieve our vision. We are one of the Top 50 Global Electronics Distributors in 2024.

SCI was also hand-picked to be one of the selected few Singaporean companies to be accorded with the Singapore Quality Class certification which recognizes adherence to internationally benchmarked Business Excellence framework.



ESG INITIATIVES AND PROGRESS

ENVIRONMENTAL INITIATIVES



1. MATERIALS

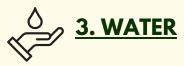
- Supplier Compliance: Although we do not control raw material production, we ensure suppliers comply with RoHS (Restriction of Hazardous Substances) and REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals) requirements. These regulations restrict the use of specific hazardous materials and ensure safer products.
- Conflict-Free Minerals: We obtain reports from manufacturers confirming compliance with industry standards, including the use of conflict-free minerals such as tantalum, tin, tungsten, and gold. These reports are provided to our customers upon request, ensuring transparency and accountability in our supply chain.



2. ELECTRICITY

- Energy-Efficient Systems: Our offices are equipped with energy-efficient air conditioners and LED lighting. These systems not only reduce our energy consumption but also lower our carbon footprint.
- Employee Awareness: We actively remind employees to switch off lights and air conditioners when not in use. Regular reminders and office policies help inculcate energy-saving habits.
- Maintenance: Air conditioners are cleaned at the beginning of the summer to ensure they operate efficiently, reducing energy consumption and extending their lifespan.





• Leak Prevention: Any leaking pipes or taps are repaired or replaced immediately to prevent water wastage. Regular maintenance checks are conducted to identify and address potential issues promptly.

🗿)<u>4. WASTE MANAGEMENT</u>

- Minimization of Waste: We encourage the flattening of container boxes and other materials to minimize waste size and optimize space usage.
- Recycling: Blue bins for recycling paper, metal, plastic, and glass are placed near printers to facilitate easy access and proper segregation.
- General Waste: This waste bins for food, liquid, and Styrofoam waste are placed near wash basins to manage organic waste effectively.



5. PACKAGING

• Reuse and Recycling: We reuse packaging materials received from manufacturers and suppliers whenever possible, reducing waste and promoting recycling within our supply chain.

6. RE-USE STATIONARY



 Reuse of stationary: Reuse stationary, paper and envelopers. We will leave all used papers in one tray and it can be used to reprint or use of manual usage. Stationary and envelops will also be re-used.

7. GREEN STOCKS

 Excess Inventory Utilization: We support the utilization of excess inventory from various manufacturers by conducting necessary tests and providing warranties to ensure product usability. This helps reduce waste and maximizes the use of available resources.

SOCIAL INITIATIVES



<u>. EMPLOYEE WELL-BEING</u>

- Equal Opportunity Employment: We do not discriminate based on gender, race, or age during recruitment and promotion. Our policies ensure fair and equal treatment for all employees.
- Fair Compensation: Employees are compensated based on their skills and industry standards. In the Singapore office, all employees receive fixed outpatient treatment reimbursements and insurance coverage.
- Continuous Learning: Employees are encouraged to take additional courses relevant to their work, promoting continuous learning and professional development.
- Recognition of Long Service: We recognize and celebrate employees who have served over 5, 10, 15 years, acknowledging their dedication and contribution to the company.

9 9. COMMUNITY ENGAGEMENT

 Local Employment: We employ local citizens or residents in our offices worldwide, leveraging their in-depth knowledge of the area and minimizing travel requirements, thereby reducing our carbon footprint and supporting local economies.

- Integrity and Transparency: All employees must conduct business with integrity and transparency, complying with anti-bribery, anti-corruption, anti-money laundering, and anti-terrorism financing laws.
- Whistleblowing Mechanism: A whistleblowing contact is available for reporting fraud, corruption, theft, abuse of authority, or noncompliance. Reports are directed to the President and CEO for appropriate action.

GOVERNANCE INITIATIVES



1. SUPPLIER SELECTION

- High Standards: We select manufacturers with high environmental and sustainability compliance, ensuring that products are energy-efficient, high-quality, and reliable. We prioritize suppliers with strong environmental and social responsibility practices.
- Marketing Support: We invest significant resources in marketing selected products to our global customers, taking on the responsibility of promoting products that meet our sustainability and reliability standards.

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2. INTERNATIONAL TRADE COMPLIANCE

- Compliance Officer: A trained corporate compliance officer oversees adherence to international trade regulations, ensuring all trade practices comply with legal requirements.
- COO Certificates: Certificate of Origin (COO) certificates are processed quickly to ensure prompt shipments to customers.
- End-User Statements: End-user statements are requested when necessary for regulatory compliance, ensuring proper use of the parts sold by SCI.

13. CYBERSECURITY

- Employee Training: Key cybersecurity practices are included in employee induction training, covering password protection, mobile phone security, email warning messages, and cloud storage backups.
- Verification of Supplier Details: We verify any changes in supplier bank details directly by phone to prevent fraud.
- Microsoft Services: We subscribe to Microsoft's suite of services, ensuring robust cybersecurity measures are in place.

14. PRODUCTIVITY IMPROVEMENTS

• IT Infrastructure: Significant investments in IT infrastructure improve productivity through API-based information sharing and AI-based analysis. These technologies optimize interactions with suppliers and manufacturers, enhancing efficiency and decision-making.

ESG TARGETS



15. HIGH-EFFICIENCY COMPONENTS

- Task Force: A task force has been formed to identify three manufacturers with superior efficiency and performance. This includes key personnel such as the President and CEO, the Director, Head of Sustainability and ESG, and product managers.
- Target: Identify two new manufacturers with high-efficiency components, every year.



16. CONSOLIDATED SHIPPING

- Efficiency Improvement: We aim to consolidate shipments from manufacturers to reduce frequency and improve efficiency. Currently implemented for Wima, we plan to extend this system to another manufacturer.
- Target: Implement consolidated shipping for one additional manufacturer, every 6 months



17. REFERENCE DESIGNS

- Efficiency Improvement: We aim to consolidate shipments from manufacturers to reduce frequency and improve efficiency. Currently implemented for Wima and we plan to extend this system to other manufacturers.
- Target: Implement consolidated shipping for one additional manufacturer every 6 months.



18. ELECTRIC VEHICLE SUPPORT

- Promoting Efficiency: We promote energy-efficient, high-reliability components in electric vehicle designs, supporting the growth of sustainable transportation.
- Target: Identify and promote two key components for electric vehicles.



19. NEWSLETTERS

- Awareness and Education: We will send five newsletters addressing energy and material reduction in electronics design, raising awareness and providing valuable insights to our customers.
- Target: Distribute five newsletters on sustainability topics.



20. RESOURCE MONITORING

- Baseline Establishment: We will monitor electricity, paper, and water consumption in the Singapore office to establish a baseline for future reference and improvement.
- Target: Start monitoring consumption of electricity, paper, and water.



21. DATA PROTECTION

- High Standards: We uphold high standards of data protection and cybersecurity measures to safeguard company and customer information.
- Target: Achieve zero incidents of data breaches or cybersecurity threats.

22. EMPLOYEE DISCRIMINATION

- Zero Tolerance: We aim for zero legal losses due to employee discrimination or employment law violations, fostering an inclusive and fair workplace.
- Target: Achieve zero legal losses from discrimination cases and sexual harassment.



23. CYBERSECURITY WEEK

- Employee Engagement: Organize a cybersecurity week covering data backups and other key topics to reinforce the importance of cybersecurity among employees.
- Target: Conduct a cybersecurity week with comprehensive training sessions.

CONTACT INFORMATION



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Eco-friendly office space





We support the LED lighting industry

We support the EV industry





We support the solar energy design industry

CONCLUSION

Supreme Components International will strategically and innovatively use ESG as a revenue enabler to improve the value proposition for our investors, customers, and suppliers. We are committed to fostering a sustainable future through our continued dedication to environmental, social, and governance initiatives. Thank you for your support as we strive to make a positive impact on the world.







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