

Aztech



ENRICHING LIFESTYLE
FOR A BETTER TOMORROW

Sustainability Report 2020

Aztech Global Ltd.

Contents

About This Report FEEDBACK ACCESS	01
Board Statement	02
Organisational Profile	03
What We Offer	04
Aztech's Sustainability Approach	05



ECONOMIC
08



ENVIRONMENTAL
12



SOCIAL
16



GOVERNANCE
25

GRI Standards Content Index	27
-----------------------------	----

About This Report

This report has been prepared with reference to the Global Reporting Initiative (“GRI”) Standards – Core option, and on a “comply or explain” basis in accordance with Rule 711A, Rule 711B and Practice Note 7.6 of the Singapore Exchange Securities Trading Limited Listing Manual. Aztech has chosen the GRI framework as it is an internationally recognised reporting framework that covers a comprehensive range of sustainability disclosures. It provides Aztech a flexible and future-proof reporting structure as the forward-looking and rigorous approach advocated by GRI ensures its processes and topics are always up-to-date and relevant. Therefore, the Board is of view that the GRI framework meets all needs for sustainability reporting.

This report highlights the key economic, environmental, social and governance (“EESG”) related initiatives carried out through the 12-month period ended 31 December 2020. The Group’s sustainability report summarises the expectation from various stakeholders, general business environment that the Group is operating in and what the Group has done to ensure sustainability over the years. The data, statistics and targets in this report are in relation to the Group’s entire operations in Singapore, Malaysia and China.

We have relied on our internal source of information and verification mechanisms to ensure the accuracy of this report and no external assurance was obtained. We will consider seeking an independent assurance review in future. We will strive to maintain and/or improve the standards of the various EESG factors reported where appropriate and practicable, in accordance with the business activities of the Group in the future.



FEEDBACK

We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to consistently improve our policies, systems and results. Please send your comments and suggestions to IR@aztech.com.

ACCESS

No hard copies of this Sustainability Report have been printed as part of our efforts to promote environmental conservation. You may visit SGX website or our company website www.aztechglobal.com for our Sustainability Report.

Board Statement

Listed on the Mainboard of the Singapore Exchange Securities Trading Limited on 12 March 2021, Aztech Global Ltd. ("Aztech", the "Company", and together with its subsidiaries, the "Group") is pleased to present our inaugural Sustainability Report for the financial year ended 31 December 2020 ("FY2020").

This report marks a significant milestone for Aztech as it demonstrates our commitment to build a sustainable future for all our stakeholders. We aim to fulfil our mission of **Delighting People With Smarter Solutions** through cutting-edge innovation and excellent customer experience, delivering financial returns to our shareholders in an economically, environmentally and socially responsible manner.

2020 had been an extraordinary year for Aztech as we grappled with and learnt to respond to unprecedented challenges emanating from the COVID-19 pandemic. The Group, like the rest of the world, has had to adapt to the new normal. The Group was not immune to the health, social and economic impact brought about by the outbreak. Task force at our offices and facilities were set up to manage the situation and measures were implemented to prevent the spread of the COVID-19. We are glad that the Aztech Global team had responded swiftly and resiliently to the challenges set before us, mitigating the impact of the pandemic by conserving resources, while focusing to achieve impeccable execution of customer orders during the year. The Group has stood up to the test to deliver a strong set of results for FY2020.

Sustainability is a part of the Group's wider strategy to create long-term value for all its stakeholders. As such, the key material economic, environmental, social and governance ("EESG") factors for the Group have been identified and cautiously reviewed by the management annually. The data and information provided in this report have not been verified by an independent third party. The management has relied on internal data monitoring and verification to ensure accuracy of data and information.

The Board has taken up the responsibility of overseeing the Group's EESG initiatives and assessing the material EESG factors that are significant to the Group. This report plays an essential role in enhancing transparency, accountability and progress towards our sustainable growth. We invite our stakeholders to journey with us to achieve greater sustainability in our operations.

29 November 2021

Organisational Profile

Our Vision & Mission

**Delighting
People With
Smarter
Solutions**



Values that encapsulate the culture that we desire to build in Aztech:

Integrity

Doing the right thing even when it is not easy

Commitment

Commitment transforms a promise into a reality

Excellence

The pursuit of excellence is a whole-hearted endeavour

Aztech Global Ltd. ("Aztech") is a key technology enabler for the connected world of tomorrow, with a focus on providing one-stop design and manufacturing services.

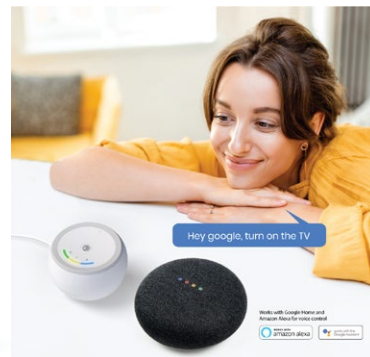
Supported by our core strengths in R&D, design, engineering and manufacturing, Aztech's key products are Internet of Things (IoT) Devices, Data-communication products and niche LED lighting products.

Leveraging on our expertise, we also provide one-stop design and manufacturing services to blue chip customers, technology start-ups and other companies with innovative products. We have solid track record of over 30 years in the electronics industry and over 25 years in communication and networking technology.

What We Offer

IoT Devices and Data-communication products

We provide Original Equipment Manufacturing ("OEM"), Original Design Manufacturing ("ODM"), Joint Development Manufacturing ("JDM") or Contract Manufacturing Services ("CMS") services to brand owners sold under the label of the respective customers. In addition, we distribute a wide range of IoT devices and Data-communication products sold under our proprietary "Aztech" and "Kyla" brands through channel partners and e-commerce platforms.



LED Lighting Products

We manufacture niche LED lighting products used in residential, commercial and industrial applications, and specialises in the design and development of Smart Lighting Systems.



Aztech's Sustainability Approach

Our sustainability vision is anchored on Aztech's core values that encapsulate the culture that we desire to build in Aztech – Integrity, Commitment and Excellence. We strive to do the right thing even when it is not easy and we are committed to transform a promise into a reality while embracing excellence as a cornerstone of everything we do.

At Aztech, we are committed to conduct our business in a responsible and sustainable manner. Our sustainability framework comprises key sustainability goals that impact our organisation and are significant to our stakeholders. For our first year of reporting, we have placed equal emphasis on all goals to establish a baseline performance review for ourselves.







To achieve and maintain our sustainability goals, the Group articulates our values through the following approaches:



Stakeholders Engagement

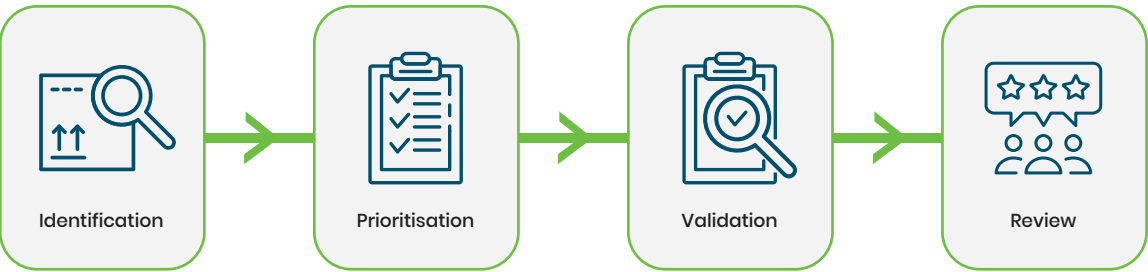
Aztech considers stakeholders as entities or individuals that may have a significant impact on our business activities. We believe that communication is the utmost priority towards organisation success and will remain committed to ensure that stakeholders' expectations and concerns are considered in our business decisions. These key stakeholders include, but not limited to, customers, suppliers, employees, investors, and local government. We adopt both formal and informal channels of communication to understand the needs of our key

stakeholders and incorporate their feedback into the evolution of corporate strategies to achieve mutually beneficial relationships. The table below summarises the key stakeholder groups that we have identified, our methods of engagement and concerns raised by these key stakeholders.

Stakeholder	Engagement Platform	Frequency of Engagement	Key Concerns Raised
 Employees	Emails Meetings Performance appraisal Welfare & social events Training	Daily Monthly Annually Ad hoc Ad hoc	<ul style="list-style-type: none"> • Workplace safety • Workers welfare • Talent retention • Career progression
 Customers	Emails, phone calls Meetings Company website (http://www.aztechglobal.com)	Daily Ad hoc Ad hoc	<ul style="list-style-type: none"> • On time project completion • Service quality • Workplace safety • Competitive prices
 Suppliers and Service Providers	Emails, phone calls Meetings Site visits Trade events	Daily Ad hoc Ad hoc Ad hoc	<ul style="list-style-type: none"> • Prompt payment • Service quality • On time delivery
 Local Communities	Participation in volunteer community service	Annually Ad hoc	<ul style="list-style-type: none"> • Socially responsible corporate citizen and building community support
 Investors / Shareholders	Announcements via SGXNet, company website General meetings Annual report	Ad hoc / Half-Yearly Annually Annually	<ul style="list-style-type: none"> • Compliance to rules and regulations • Financial results • Business updates
 Government and Regulators	Seminars conducted by regulators Relevant government association memberships Emails	Ad hoc Ad hoc Ad hoc	<ul style="list-style-type: none"> • Compliance to rules and regulations

Materiality Assessment

Our sustainability process begins with the identification of relevant factors. Relevant factors are then prioritised to identify material factors which are validated internally. The end result of this process is a list of material factors disclosed in the Sustainability Report. Process of which are as shown below:



We have conducted a materiality assessment with the help of an external consultant to identify and determine the material EESG factors. EESG factors were identified and prioritised through internal workshops, peer reviews and social impact assessments at site level. Thereafter, we intend to conduct a materiality review every year, incorporating inputs from stakeholders' engagements.

To determine if an EESG factor is material, we assessed its potential impact on the economy, environment, society and the influence on the various internal and external stakeholders of Aztech. Applying the guidance from GRI, we have identified and maintained the following material EESG factors:

ECONOMIC	ENVIRONMENTAL	SOCIAL	GOVERNANCE
Economic Performance Management Team Hired from Local Communities Anti-Corruption	Energy Water Environmental Compliance	Employment Diversity and Equal Opportunity Occupational Health and Safety Training and Education Local Communities Socioeconomic Compliance	Corporate Governance Risk Management Business Ethics and Compliance

Economic



Aztech firmly believes that focusing on financial sustainability is critical. This is built on the Company's basic principle that long-term profitability and shareholder value is ensured by taking into account the interests of stakeholders, such as shareholders, employees, customers, suppliers and society as a whole.

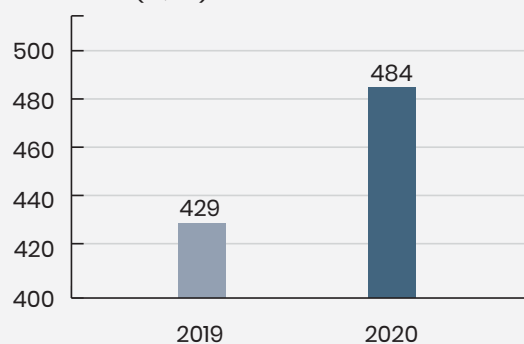
The Group had reported an 18.1% increase in net profit after tax to \$55.7 million, while its revenue grew 12.9% to \$484.3 million for FY2020. This was achieved despite disruption to its operating environment caused by COVID-19 pandemic during the first quarter of 2020. Though the pandemic had posed challenges, the team has been focusing on our strong collaborative relationship with our customers and leveraging on opportunities that our robust product portfolio and core technological capabilities can offer to the growing IoT, Data-communication and LED lighting industries.

Agility and resourcefulness of the team, together with our flexible manufacturing capability, led to an improvement in revenue mix, productivity and efficiency that lifted earnings before interest, taxation, depreciation and amortisation expenses (EBITDA) by 18.7% to \$76.3 million, and EBITDA margin added 80 basis points to 15.8% for FY2020. Profit before tax grew 21.4% to \$66.5 million, while net profit after taxation increased by 18.1% to \$55.7 million. Profit was partly negated by higher tax expenses arising from higher pre-tax profits for FY2020 and the full utilisation of group tax relief in the previous financial year. Net profit margin, however, added 50 bps to 11.5%, and earnings per share improved to 9.00 cents.

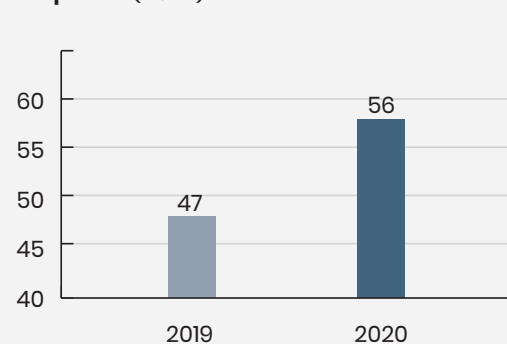
Aztech does not have a fixed dividend policy. The declaration and payment of future dividends may be recommended by the Directors at their discretion, after considering a number of factors deemed relevant by the Directors, including but not limited to the level of the Company's cash and reserves, the Group's actual and projected financial performance, the projected levels of capital expenditure, working capital requirements and investment plans, financial, regulatory or general economic conditions.

Financial Highlights

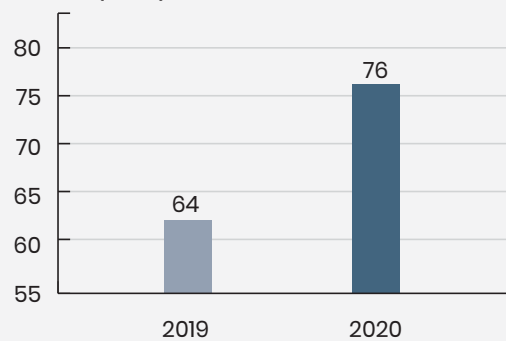
Revenue (\$m)



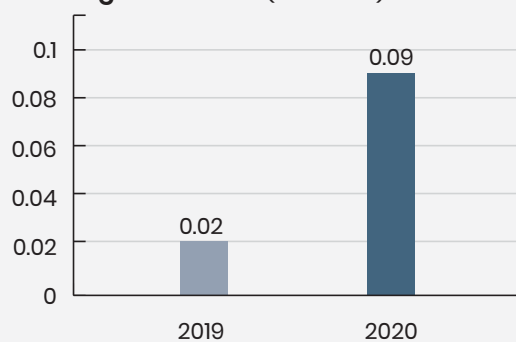
Net profit (\$m)



EBITDA (\$m)



Earnings Per Share (in dollar)



For detailed financial results, please refer to the following sections in our Annual Report 2020:

- Financial at a Glance, pages 4 to 5;
- Operations review, pages 14 to 16; and
- Financial statements, pages 60 to 120.

Economic (cont)

Management Team Hired from Local Communities

At Aztech, all employees have access to the same opportunities. We do not allow unfair discrimination based on gender, race, religion, sexual preference or age. Where the required skills are not available, the focus is on expatriate assignments, with the commitment to develop a local skills base. Expatriates are in general assigned for specific periods under certain conditions and return to their home countries on completion of the assignment. In our Group, management team is defined as heads of department in the location of operations.

In FY2020, 89% of the management team in all locations are hired from the respective local communities. We comply with legislation when recruiting locally and procedures for hiring include advertising, developing people from within the company, involvement in the community and educational institutions to source potential employees and learners.

	Hong Kong	Shenzhen	Dongguan	Singapore	Malaysia	FY2020 Total
Total no. of management personnel	8	1	7	8	4	28
No. of management personnel at significant locations of operation that are hired from the local community	7	1	5	8	4	25
Percentage of management personnel at significant locations of operation that are hired from the local community	88%	100%	71%	100%	100%	89%



Our Target (FY2021)

- Maintain the Group's hiring of management personnel from the local communities at a minimum average of 80%.

Anti-corruption



Aztech does not tolerate any form of corruption. This has been made clear to all of our employees, suppliers and business partners. Amongst policies adopted include Conflict of Interest Policy as well as Fraud and Whistleblowing Policy. Reports of suspected fraud, corruption, dishonest practices or other similar matters can be lodged with the Chairman of the Audit Committee at whistleblower@aztech.com or sent by mail to 31 Ubi Road 1, #01-05, Singapore 408694. There were no incidents of corruption reported in FY2020. We aim to achieve zero incidents of corruption in the future as well. We will continue to monitor and prevent its occurrence as targeted.



Our Target (FY2021)

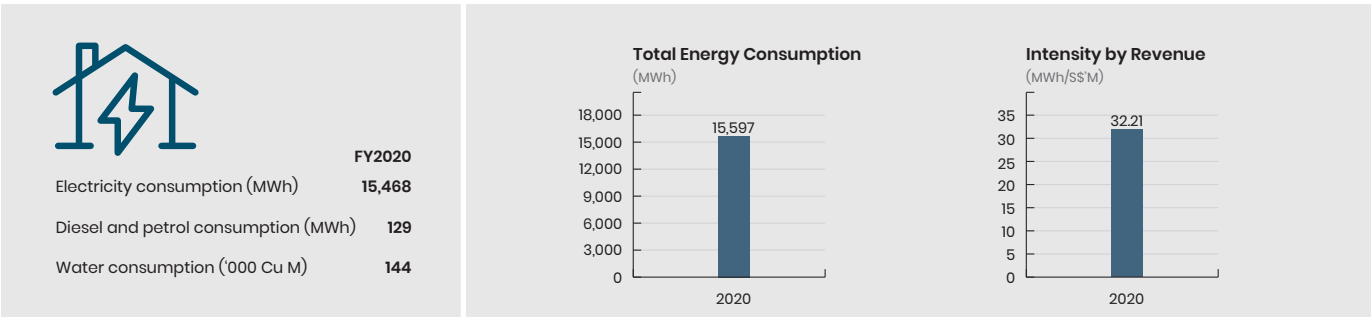
- Ensure all the employees sign Anti-corruption declaration.

Environmental

Energy And Water

Aztech is fully aware of its responsibility for nurturing the environment and lessening negative environmental consequences at our worksites and the environment where we operate. We monitor our electricity, fuel and water consumption at our workplaces to ensure that we use our resources economically, meaningfully and responsibly. Our energy and water consumption is mainly for our office, manufacturing operations and motor vehicles. The efficient use of resources is essential for sustained economic growth, and we continue to deploy a systematic approach towards integrating practices for resource use efficiency into our operations. We are also increasingly committed to integrate environmental values into our value chain.

Below are our total energy and water consumption indicators in FY2020. The scope of this data includes our three main sites, namely Singapore, Malaysia and China.



Aztech remains dedicated in addressing the effects of climate change through the reduction of energy and water consumption, and environmental pollution in our operational activities. With the aim to improve energy efficiency in our operations, we have implemented several initiatives for our operation sites below:

Hong Kong & Shen Zhen	Dongguan & Malaysia
<ul style="list-style-type: none">• Switch off unused light and electrical devices• Make use of natural light• Encourage staff involvement in energy efficiency practices	<ul style="list-style-type: none">• Implemented central hot water system by using the heat generated by air-conditioner for electricity saving• Implemented time switch and light for switching off the lights automatically when it is not in used• Installed and replaced all T8 lighting to LED T8 lighting

Energy And water

To improve our energy consumption efficiency, we seek to implement the various energy efficiency initiatives such as converting air conditioners at our dormitories in Dongguan with energy efficient inverter systems. In addition, our operation teams in China and Malaysia are studying the deployment of Solar System to reduce carbon emissions towards renewable energy sources.

Water consumption plays a critical role in Aztech's business operations. Our primary water source is the municipal water supply, purified river water and rainwater. We monitor our water use at every site very carefully to avoid and mitigate harmful effects of excessive water consumption as well as water discharge. We comply with local government regulations for water discharge in all our locations of operations below:

Dongguan

- Implemented rainwater and sewage diversion system for centralising, collecting and treating the sewage before discharging the water
- Complied with local regulation for water discharge under which conductivity of water must be less than 200 $\mu\text{S}/\text{cm}$ and pH scale of between 6 and 9

Malaysia

- Built sewage treatment plant in a centralise system
- Carried out inspection to the sewage treatment plant periodically to ensure the efficiency and full functionality of the plant
- Performed routine monitoring to ensure smoothness of drainage system to avoid stagnant water and breeding of mosquitoes



Discharge urban sewage into the drainage network Certificate



Sewage Pollution Prevention Certificate

Energy
And water

On water and effluents discharge, most of our sites have set minimum standards for tracking and monitoring of the quantity and quality of discharge. These standards range from internal standards or onsite requirements to local regulations. We are pleased to inform that there were no reported incidents of significant non-compliance with discharge limits and regulations in FY2020.

Our continuous commitment to monitor our water consumption through several ways below:

Dongguan

- Replaced water-saving faucet to conserve water
- Installed delayed flushing valves for toilet bowl

Malaysia

- Educate employees about water usage efficiency
- Encourage awareness in saving water through activities
- Perform routine inspections on our plumbing system, water pipes and valves to prevent water leakages
- Report to relevant authorities if there are leakages or damages to the water pipes and plumbing system



Our Target (FY2021)

- Full compliance with local government regulations for water discharge in all our locations of operations.
- Improve energy and water consumption efficiency to conserve resources.

Environmental Compliance



ISO14001 Certificate

We focus on creating value through our offering of products and services that minimise impact on the environment themselves and reduce the environmental impact by putting in place proper processes for waste reduction and waste management.

In FY2020, Aztech has successfully maintained its ISO 14001 certification for Environmental Management Systems for Dongguan, China operation site. We are currently at the documentation stage of the ISO 14001 certification process for our operation site in Johor, Malaysia. Both operation sites house our manufacturing facilities where environmental compliance is core to our continuous operations. Hence, we are committed to managing and mitigating impact arising from our activities with the best practices through ISO 14001 certification. It provides a systematic framework for the integration of environmental management practices by supporting environmental protection, preventing pollution, minimising waste, reducing energy and material use.

We are pleased to share that there were no reported incidents of environmental non-compliance during FY2020.



Our Target (FY2021)

- Maintain ISO 14001 certification for our Dongguan facilities.
- Achieve progressive completion of documentation process leading to the achievement of ISO 14001 certification for our Johor plant in 2022.
- Maintain zero incident of non-compliance with laws and regulations.

Social

Employment

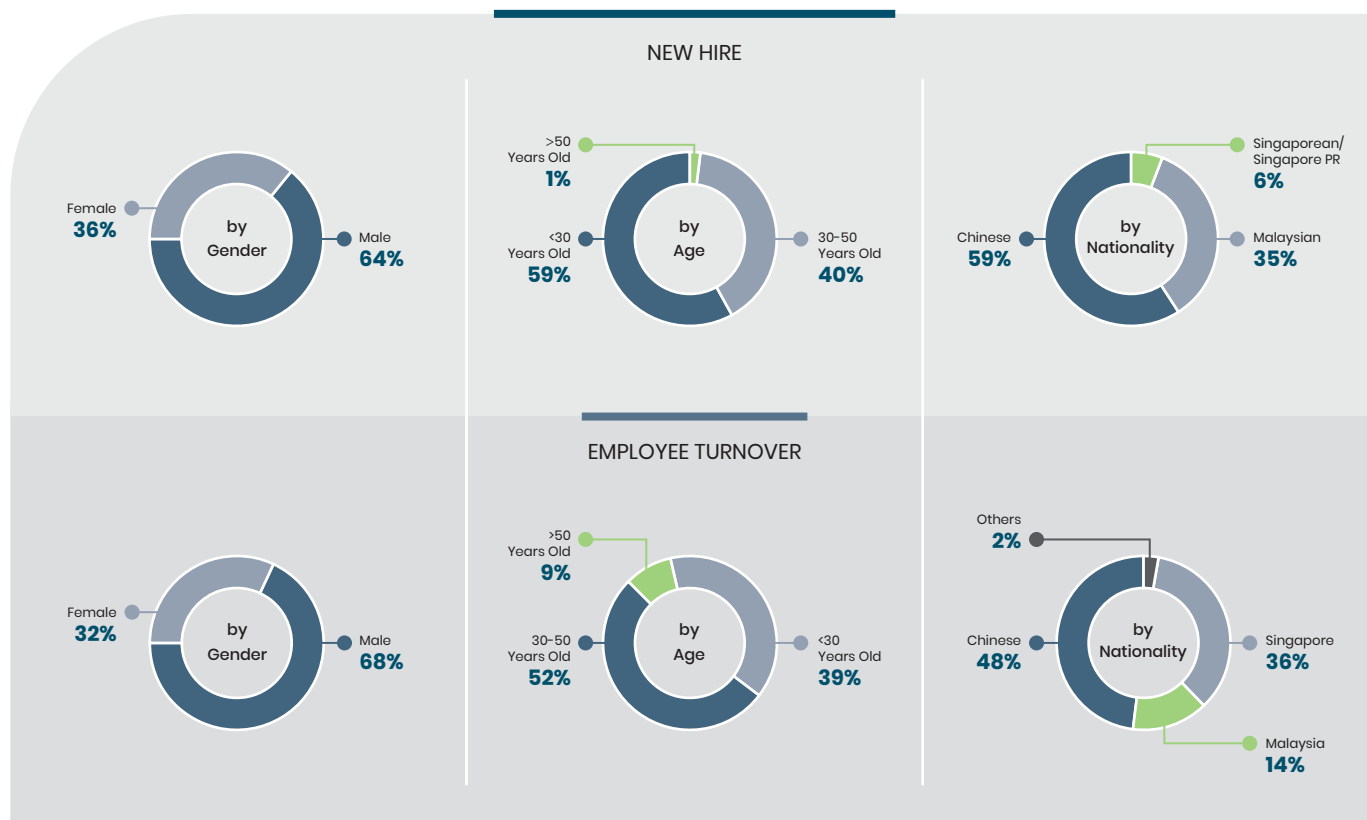
Every employee plays an essential role in our Group. We achieve success by promoting a collaborative work environment in which everyone is committed to achieve our corporate goals based on open and honest communication, while showing care and support for each other.

Our employees are the drivers of our business, and we believe in creating a respectful, rewarding and safe working environment for our people. We support and respect the protection of internationally proclaimed human rights.

We respect human rights, support the elimination of all forms of forced and compulsory labour, especially child labour, and do not tolerate any discrimination in respect of employment and occupation.

We provide competitive remuneration based on merit to all our employees. Our employees are not covered by collective bargaining agreements.

The Group has a total of 1,135 employees⁽¹⁾ in FY2020 with 52% being new recruitments and employee turnover at 9%. New hires and employee turnover profile breakdowns as below:



⁽¹⁾ Employees exclude part-time and temporary workers from employment agency.

Occupational Health And Safety

We are also committed to safeguarding our employees' health and safety against any potential workplace hazards. The focus on health and safety is important to the Group. It is a fundamental right for our workers to be able to work in a safe environment. As our employees' wellness is attained, our productivity increases, and our best is provided to our customers. By implementing job safety guidelines, we are committed to provide a hazard-free workplace to ensure the wellbeing of both our employees and the environment.

We have established a strict set of workplace security and administration policies applicable to all employees of the Group. This policy ensures that no untoward incidents in the premises due to insufficient awareness of security and admin measures implemented. It covers a standard procedure to identify and report hazards relating to occupational health and safety (OHS) and ensure that appropriate actions are taken to manage the risks involved, such as office security, emergency procedures, etc. The employees are adequately trained on the policy and procedures as well as taking safety measures.



Trainings are provided to our employees to educate them on potential health and safety risks they may face at the workplace so as to equip them with the knowledge to eliminate such risks. First aid and fire safety training are also provided to the relevant employees as part of their training development programme. Employees of higher risk exposure groups are issued protective equipment and regular physical examination scheduled to protect them against health or safety risks at work.



Routine maintenance on the fire extinguishers has been performed to ensure it works all the time. Besides, routine inspections are performed at the emergency exit access such as the fire doors to ensure they are unblocked to allow for quick and safe exit in case of an emergency.

Aztech has set up Health and Safety Committee to oversee the management of OHS. This Committee ensures that health and safety policies and management systems are properly implemented at each site. They are also involved in developing annual plans, setting performance indicators, and monitoring them to ensure the safety of the working environment. The committee also provides a forum for employees and management to work together to mitigate health and safety problems. An effective committee is important in helping to prevent injury and illness at workplace. The committee also encourage awareness of health and safety issues among workers, supervisors, and managers; and develop strategies to make the work environment safe and healthy.



In order to determine work-related hazards, Aztech has adopted Job Safety Analysis (JSA) process to evaluate the level of hazard for each of the job process. JSA is a systematic procedure that breaks each job/task into key training sequences, identifies safety elements of each job/task step and coaches the employee on how to avoid potential safety hazards.

Social (cont)

Occupational Health And Safety

There are several channels that Aztech's employees can utilise to report work-related hazards and hazardous situations. Employees can report directly to their direct supervisors verbally, or to top management through the company's suggestion box, email, facsimile, letter, noticeboard etc. Regular operational meetings are also carried out to communicate and disseminate OHS management system information.

We believe that the provision of attractive benefits and care for our employees will motivate them to deliver quality service and work performance. A motivated workforce will further convey a positive and impactful message to our key stakeholders and promote a culture of trust and excellence within the Group. We provide essential benefits coverage such as medical and insurance coverage for our employees. Moreover, we organise several programs to improve our employee's wellness such as fitness, provision of healthy snacks and food, wellness challenge etc. We protect our employees' personal health-related information, and these are secured and kept in safety and only authorised person can access them.



- 0 cases of major work injury for all our operation sites.
- 7 cases of minor work injuries at our Dongguan operation site

In FY2020, there were 7 minor work injury accidents at our Dongguan operation site. The rate of injury in FY2020 was 0.18 per 100 workers in the year. We investigated all 7 work-related incidents by following company management procedures. Following each accident, the management evaluated the situation and sought to implement corrective actions to mitigate recurrence of such accidents. Health and Safety Officer will verify the implementation and effectiveness of such corrective action.

We will continue to stress on workplace safety at all times through safety and environment campaigns, hazard and awareness training, and monthly inspections.

As a testament to our commitment in maintaining high safety standards, we have been awarded the following certifications:



IATF 16949 Certificate



ISO 9001 Certificate



ISO 9001 Certificate



bizSAFE Certificate



ISO45001 Certificate



Our Target (FY2021)

- Not more than 5 minor workplace accidents.
- Zero major work-related accidents.

Training And Education



15hr

Average 15 training hours per employee provided in FY2020

Aztech has provided its employees with regular trainings to ensure that they upgrade their skillsets, continue to keep pace with the growth and developments of the Group, and develop professionally. Trainings are conducted to educate our employees about the Group's operation process at all our operation sites.

A training framework, LTD (Learn, Train and Develop) is initiated to promote learning and assist employees in taking on new and emerging roles. In this framework, LTD is targeted at 3 main areas of employees' development offering a holistic development for all employees. We conduct annual reviews and regular assessments of our employees' training and developmental needs to determine critical skills gaps at both department and individual level. Based on the assessed needs, lifelong learning and training journey with a career map are crafted.

In FY2020, we conducted trainings on topics such as Technical Skills Development Training, Confidentiality Training, Communication Skills Training, Induction Training, Safety and Health Training and department/function-specific training.

In Singapore office, we provide various trainings conducted by external experts to our employees such as SkillsFuture for Digital Workplace, WSQ Creative Leadership and Self Development Skills, Service Challenges L1 (SF): Respond to Service Challenges, Certificate in Design Experience and Interface, Apply Workplace Safety and Health In Construction Sites.

For our Malaysia site, we continually make investments to provide the tools, resources and opportunities for impactful training and development for all employees. This includes conducting on-going tailored internal training programs and sponsoring employees to attend best-in-class external development programs that align to their career aspirations. During this pandemic, virtual trainings with other offices to gain technical knowledge of product transfer were also organised.

The average training hours per employee for FY2020 is 15 hours, with total training hours amounting to 16,362 hours. We will continue to deploy our resources and offer training courses to continuously enhance safety and ensure competency of all our employees.



Our Target (FY2021)

- Train employees with required skills.
- Maintain at least an average of 12 training hours per employee.

Social (cont)

Customer Audits



Aztech's customers conducted inspections and audits to the Group's manufacturing facilities to verify production quality and health and safety processes as well as other operating standards. Our customers will provide feedback on areas to improve on after each of the audit and inspection. These help us conform to their standards and at the same time, enhance our production qualities and capabilities. In FY2020, our top 4 customers had carried out audits to our production facilities, and we are pleased to confirm that we have passed all the audits and have received the necessary audit reports. The following table shows the details of the audits and inspections carried by our top 4 customers in FY2020:

S/N	Customer	Month of Audit	Frequency	Brief Description of Check/Audit
1	US Customer	March 2020	On demand	Factory Quality Audit
2	US Customer	July 2020	On demand	Supplier Common Audit
3	German Customer	October 2020	Every three years	CSR Audit
4	US Customer	December 2020	On demand	Good Manufacturing Practices Audit

Privacy Policy

Aligned with the Personal Data Protection Act 2021 (No. 26 of 2012), the Group respects the right to privacy of our customers and has put in place a privacy policy to protect personal data of customers and address how such information is to be treated appropriately.

In the course of our operations, we are required to collect and retain personal information of our customers. Personal information of our customers will be used in the provision of our service, and may also be used to improve our service and to notify individuals of opportunities which they may be interested in. No personal information is provided to third parties except where necessary to our business partners who assist us in the provision of our services to customers.



Our Target (FY2021)

- Maintain conformance to our top customers' audits and inspections either on demand or periodically to produce quality products.



Diversity And Equal Opportunity








Aztech's staff recruitment and annual appraisal are conducted based on performance, work attitude, cooperation with other staff and workers and efficiency and effectiveness of work. We do not discriminate employees according to their race, age, gender, religion, ethnicity, facial attractiveness, physical impairments, sexual preference, political viewpoints or nationality. We strive to achieve a fair proportion of diversity in terms of gender, age and nationality in our workforce. We aim to provide equal opportunities to all employees based on their individual skillset and competencies.

There were no cases of discrimination reported in FY2020 and we will continue to be fair with our employees as well as uphold no discrimination practices in our company throughout the years.

The Group regards our employees as our greatest asset. It is because of them that we are able to achieve success and growth. It is important for us to maintain continuous employee development, provide competitive employee benefits and ensure fair and safe working conditions, so that we retain our staff and are positioned as an attractive organisation for new talent. Remuneration policies and packages are reviewed regularly to ensure that the compensation and benefits are in line with the market and that the employees are rewarded for their contributions, thus aligning the interests of the employees to those of the Group's. Variable bonuses are granted to eligible employees based on the individual employee's contribution to the Group, profitability of the Group, current economic/business situation, government's wage guidelines, and internal and external salary equality.

Our headcounts for FY2020 were distributed as follows:

	Gender		Age			Nationality					Length of service			
			<30 Year Old	30 – 50 Year Old	>50 Year Old	SG	MY	CN	PH	IND	<5 Years	5–10 Years	10 – 15 Years	>15 Years
China	41%	59%	31%	68%	1%			100%			68%	22%	5%	5%
Singapore	41%	59%	24%	57%	19%	81%	2%	4%	7%	6%	59%	20%	8%	13%
Malaysia	42%	58%	63%	35%	2%		100%				100%			

 Female
  Male
  SG Singapore
  MY Malaysia
  CN China
  PH Philippines
  IND India

Social (cont)

Diversity And Equal Opportunity



Every employee plays an essential role in our group. We organise different types of activities and events for our employees regularly such as team building activities, annual dinner, appreciation awards for long service employees, etc. We also celebrate major festivals with our employees, and facilitated inter-departmental bonding.



Local Communities

The Group embraces the philosophy of giving back to the community by encouraging proactive involvement in the Group's various Corporate Social Responsibility ("CSR") initiatives and environmental conservation programs. Contributing time and resources, Aztech is committed to aid the development and improvement of the society in which we live and work.



Sponsored necessities for elderly



Blood donation activities



Hand crafted photo frames by the beneficiaries of MINDS as part of Singapore's Christmas Gifting CSR program



Mask Extension Activity in Malaysia



Donation of RMB 10,000 to Dongguan Jiujiangsui Villagers



Straits Times Virtual Run 2020 in Singapore for fundraising and donations



Our Target (FY2021)

- Support the community through organising and/or partnership with charitable organisations to engage and improve our community's welfare.

Social (cont)

Socioeconomic Compliance



We place a strong emphasis on conducting our business with fairness, honesty, integrity, and in compliance with all applicable laws and regulations of our countries of operation. These include regulations on export control, operational permits, finance and accounting, labour laws, customer protection, personal data protection, workers' health and safety and environmental frameworks. The Group is committed to conduct the business with integrity and to safeguard the interest of all our stakeholders, both internal and external.

There was no significant fines and non-monetary sanctions for non-compliance with the applicable laws and regulations reported in FY2020.



Our Target (FY2021)

- Achieve zero non-compliance with applicable laws and regulations.

Governance

Corporate And Sustainability Governance



At Aztech, we believe that strong governance is the key to a sustainable business. Throughout FY2020, we comply with the Code of Corporate Governance and to meet the requirements expected by stakeholders. Please refer to the "Report of Corporate Governance" section of our Annual Report 2020 for more information on the governance structure of the Group, including committees of the Board of Directors and their roles and responsibilities. It is a continual challenge to successfully manage the environmental and social issues. We have incorporated this into our business model and implemented sustainable and responsible practices throughout the Group. Our products and services meet relevant safety and environmental requirements demanded by our customers and the regulatory bodies.

Aztech pays strict attention to enforce good labour practices in all our operations. The Group provides various training opportunities for continued employee development and this is reflected in the quality and delivery of our products and services. We value our relationships with our clients and the wider community in which we operate and these relationships have helped us through the challenging times in the past. Aztech strongly believes that in the long run, these efforts will have a positive impact on our economic performance.



Our Target (FY2021)

- Uphold corporate governance standards.
- Adhere to the Group's Code of Conduct, financial discipline and accountability to create long-term value.
- Comply with SGX requirements to provide timely and accurate disclosure on the Company, including financial position, performance, etc.

Governance *(cont)*

Risk Management

Risk Management ("RM") is an integral part of good corporate governance as well as resource management. Aztech has a thorough and comprehensive RM framework to identify and manage its risks and exposures in an integrated, systematic and consistent manner. For detailed disclosure on RM, please refer to the "Report on Corporate Governance" section at pages 17 to 48 of its Annual Report 2020.



Our Target (FY2021)

- Review risk management and internal control systems annually to ensure timely identification, communication and management of all relevant risks.

Business Ethics And Compliance

Upholding good business ethics is important to the success and continuity of our business. All of our staff are reminded of the importance of upholding the highest standards when it comes to business ethics. The Group regularly updates relevant staff with development in international and local standards and regulations. The Group has established internal policies such as Contract Management Policy, Insider Trading Policy and Interested Person Transaction Policy to formalise the Group's expectations and make it clear which behaviors are acceptable and which are not. Such policies aim to keep unethical and undesirable behaviours away and to ensure all staff maintain a culture of integrity.

There were no incidents of non-compliance to the laws and regulations in FY2020.



Our Target (FY2021)

- Provide training and briefing to increase awareness and knowledge on Anti-Corruption at least once a year.

GRI Standards Content Index

GRI Standard	Disclosure		Reference / Description
GRI 101: Foundation 2016			
GENERAL DISCLOSURE			
GRI 102: General Disclosures	102-1	Name of organization	Aztech Global Limited
	102-2	Activities, brands, products and services	Sustainability Report (SR) Pages 3 & 4
	102-3	Location of headquarters	Singapore
	102-4	Location of operations	Annual Report (AR) page 87
	102-5	Ownership and legal form	AR page 87
	102-6	Markets served	AR page 100
	102-7	Scale of the organization	AR page 1
	102-8	Information on employees and other workers	SR pages 16, 21-22
	102-9	Supply chain	AR pages 14-16
	102-10	Significant changes to the organisation and its supply chain	None
	102-11	Precautionary Principle or approach	Aztech supports the intent of the Precautionary Principle, but has not expressed a specific commitment
	102-12	External initiatives	SR page 23
	102-13	Membership of associations	None
	102-14	Statement from senior decision maker	SR Board Statement
	102-16	Values, principles, standards and norms of behaviour	SR pages 25-26
	102-18	Governance structure	SR page 25-26, AR pages 17 to 48
	102-40	List of stakeholder groups	SR page 6
	102-41	Collective bargaining agreements	None
	102-42	Identifying and selecting stakeholders	SR page 6
	102-43	Approach to stakeholder engagement	SR page 6
	102-44	Key topics and concerns raised	SR Page 6
	102-45	Entities included in the consolidated financial statements	AR page 87
	102-46	Defining report content and topic boundaries	SR page 1
	102-47	List of material topics	SR page 7
	102-48	Restatement of information	None
	102-49	Changes in reporting	None
	102-50	Reporting period	1 January to 31 December 2020
	102-51	Date of most recent previous report	None
	102-52	Reporting cycle	Annually
	102-53	Contact point for questions about the report	SR page 1
	102-54	Claims if reporting in accordance with the GRI Standards	SR page 1
	102-55	GRI content index	SR pages 27-28
	102-56	External Assurance	We may seek external assurance in the future.

GRI Standards Content Index *(cont)*

GRI Standard	Disclosure		Reference / Description
MATERIAL TOPICS			
GRI 201: Economic performance	201-1	Direct economic value generated and distributed	SR pages 8-9
GRI 202: Market Presence	202-2	Proportion of Senior Managements hired from Local Communities	SR page 10
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	SR page 11
GRI 302: Energy	302-1	Energy consumption within the organization	SR pages 12-14
GRI 303: Water and Effluents	303-1	Interaction with water as a shared resource	SR pages 12-14
GRI 307: Environmental compliance	307-1	Non-compliance with environmental laws and regulations	SR page 15
GRI 403: Occupational Health and Safety	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	SR pages 17-18
GRI 404: Training and Education	404-1	Average hours of training per year per employee	SR page 19
GRI 405: Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	SR pages 16, 21-22
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	SR page 23
GRI 418: Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR page 20
GRI 419: Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	SR page 24

HEAD OFFICE

Aztech Global Ltd.

31 Ubi Road 1 #01-05
Singapore 408694
Tel: (65) 6594 2288
Fax: (65) 6749 1198

R&D CENTRES

HQ R&D Centre

31 Ubi Road 1 #01-05
Singapore 408694
Tel: (65) 6594 2288
Fax: (65) 6749 1198

Hong Kong R&D Centre

Room 2-6 3/F Core Building 1
No. 1, Science Park East Ave
Hong Kong Science Park, Shatin
New Territories, Hong Kong
Tel: (852) 2757 1177
Fax: (852) 2481 5919

Dongguan R&D Centre

Jiu Jiang Shui Village, Chang Ping Town
Dongguan City, Guang Dong Province,
China
Tel: (86) (769) 8184 9699
Fax: (86) (769) 8393 1138

Shenzhen R&D Centre

Room 1805 -06, Building B of Bojin
International, No.7 Tairan Road
Futian District Shenzhen, China
Tel: (86)(769) 8184 9699

MANUFACTURING FACILITIES

Aztech Communication Device (DG) Ltd

Jiu Jiang Shui Village, Chang Ping Town
Dongguan City, Guang Dong Province,
China
Tel: (86) (769) 8184 9699
Fax: (86) (769) 8393 1138

AZ E-Lite JJS Ltd

No.91, Chang Ping Zhongxin Road
Chang Ping Town, Dongguan City
Guang Dong Province, China
Tel: (86) (769) 8184 9699
Fax: (86) (769) 8393 1138

IOT Manufacturing Sdn Bhd

Lot 8 & 10, Jalan Laman Setia 7/4
Taman Laman Setia 81550
Gelang Patah Johor, Malaysia
Tel: (60) 7551 0000
Fax: (60) 7551 0001

SALES OFFICE

Aztech Technologies Pte. Ltd.

31 Ubi Road 1 #01-05
Singapore 408694
Tel: (65) 6594 2288
Fax: (65) 6749 1198

Aztech Systems (Hong Kong) Limited

Room 2-6 3/F Core Building 1
No. 1, Science Park East Ave
Hong Kong Science Park, Shatin
New Territories, Hong Kong
Tel: (852) 2757 1177
Fax: (852) 2481 5919

