





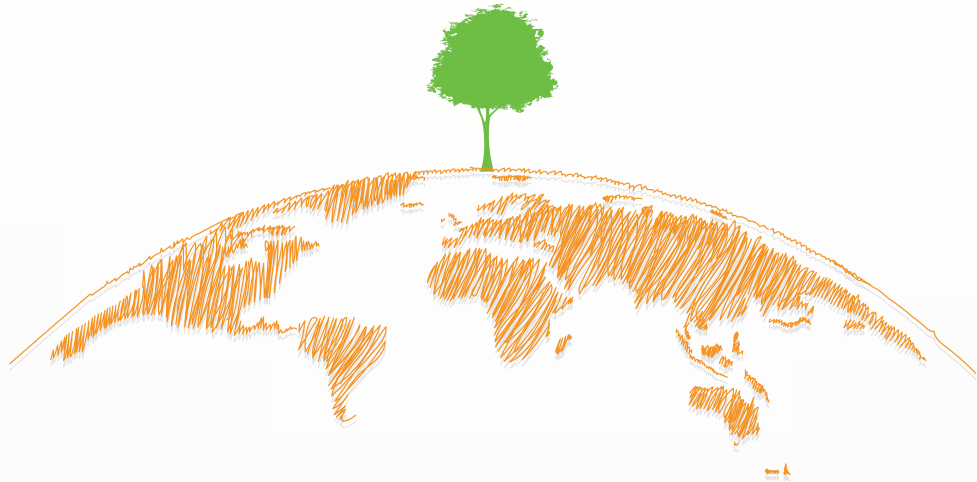


SUSTAINABILITY REPORT 2022

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Board Statement



The Board of Directors (the “Board”) is pleased to present 2022 Sustainability Report (the “Report”) of Aztech Global Ltd and its group of subsidiaries (“Aztech or the Group”). The Report summarised Aztech’s performance on key Economic, Environmental, Social and Governance (“EESG”)

topics for the financial year ended 31 December 2022 (“FY2022”), and initiatives to advance our sustainability goals and business longevity.

Sustainability Governance and Ethics

Committed to the long-term success of Aztech, the Board believes strong governance, ethics and deployment of evolving responsible and sustainable business strategy, processes, practices and policies safeguard the long-term value creation of Aztech and form the bedrock for success.

The Board reckons the unique role and opportunity Aztech plays in the transition to a climate-resilient and inclusive world as a key technology enabler for the connected world of tomorrow. It has, thus, considered sustainability issues to Aztech’s business and strategy, and provided oversight over the ongoing management and monitoring of material EESG impacts to deliver sustainable business outcomes.

While the Board provides overall direction in sustainability development, it is supported by Aztech’s senior management team, Sustainability Committee and Sustainability Reporting Team to identify, prevent and mitigate sustainability and climate-related risks to ensure business resiliency and agility to change.

Sustainability Strategy

Underpinned by the commitment to long-term value creation of Aztech, the Board, together with senior management and the sustainability teams, is committed to the continual embedding of responsible and sustainable principles and practices in Aztech’s business activities and partnerships. This would ensure relevancy of our mission to “Delighting people with smarter solutions” through our continuous innovations and new discovery of applications in Internet of Things (“IoT”) devices, data-communication products and niche LED lighting products to customers and consumers.

Advancing sustainability goals and making positive impacts on material EESG topics remain core to Aztech’s business longevity. Hence, we undertook our stakeholder engagement exercise that provided feedback and inputs to our materiality assessment to robustly reflect changes in the sustainability environment. From the exercise, new topics relating to anti-competitive behaviour, waste and materials as well as human rights, were assessed to be material and included in this Report to address the impact Aztech has on each topic.

Fully committed to considering climate-related impacts in our business financial planning, we plan to implement the necessary tools and systems to fully assess the impacts through scenario analysis in the coming years. This will allow us to better understand and address the financially material climate-related risks that may arise from climate change and enable us to seize related opportunities arising from the transition to a lower carbon economy.

In a bid to focus our resources to making positive impacts on material EESG topics, the Group has identified five key sustainability thrusts that further our sustainability strategy as responsible business. Details on the five key sustainability thrusts can be found on page 6 of this Report.

Sustainability Commitment & Climate-Related Disclosure

As a responsible corporate citizen, Aztech strives to contribute to the national sustainability agenda and support local communities in countries of our operations through resource-efficient processes, product innovations and corporate social responsibility initiatives.

Amidst increasing urgency to prioritise efforts on combating climate change and the mandatory requirement for climate reporting by the Singapore Exchange Securities Trading Limited (“SGX-ST”), Aztech is leveraging the Taskforce on Climate-related Financial Disclosures (“TCFD”) framework to develop the Group’s decarbonisation strategy to achieve our ambitious target of net-zero carbon emissions by 2040. Aztech has begun a phased implementation of climate-related disclosures this year. The TCFD index provides references to our TCFD disclosure on governance, strategy, risk management and climate-related impacts and is found on page 42 of this Report.

Board Statement

We are glad to share that Aztech has delivered majority of its FY2022 targets, and the Group will continue working with its major business partners across the value chain to align and attain medium and longer-term goals in our transition to be a resource-efficient, climate-friendly and inclusive key technology enabler for the connected world of a greener, fairer and more sustainable tomorrow.

Emerging Together From COVID-19 Pandemic

The world has adapted to living with COVID-19 since its outbreak three years ago. Many countries have eased their COVID-19 restrictions following largely effective vaccination programs and more economies are progressively opening up. Global challenges of weakening global demand, supply chain disruptions, inflationary cost pressures and rising interest rates, however, are expected to impact the global business environment.

With operating landscape fraught with myriad of challenges, Aztech's Business Continuity Plan and mitigating measures had enabled our operations and production to continue with minimal disruptions in Dongguan, China, and protected the health and safety of our employees, customers and suppliers, thus, ensuring the continuity of our business operations responsibly.

Our operations in Dongguan, China was ordered to stop work from 15th to 21st March 2022 to enable all our employees to report for PCR testing by the Dongguan authority. With permission from the Dongguan government, production activities resumed on 21st March 2022, a day earlier than the scheduled end date of the original stop work order. During the stop work order observation period, the Group's plant in Malaysia operated fully with sufficient raw materials and inventory to meet its manufacturing needs.

Board's Diversity & Confirmation of Sustainability Training

The Board regularly reviews and assesses its composition, competencies and effectiveness in leading and directing Aztech to enhance long-term value to our shareholders and stakeholders. We confirmed that all our Board of directors have attended the mandated sustainability trainings to be equipped with basic knowledge on sustainability matters to direct Aztech's long-term strategy and corporate governance.

In response to Aztech's Board diversity policy and the three (3)-year timeline to appoint at least one (1) female Director on the Board from January 2022, we welcomed Ms Jeann Low to the Board as an Independent Director and member of the Audit Committee ("AC") on 1 August 2022. Ms Low's relevant financial experience, along with her expertise in high-tech telecommunication industry and deep strategic insight has added depth, diversity and dynamism to the Board's collective efficacy.

The Board remains committed to ensuring its continued effectiveness in directing Aztech's growth through sustainable development, and will continue to embrace diversity in skills and strengths relevant to Aztech's purpose and vision.

Our Gratitude

The Board expresses our gratitude to all at Aztech, as well as stakeholders and partners who have contributed to our sustainability efforts and we seek your continued support.

We look forward to be the evolving key technology enabler unlocking opportunities and impacting lives meaningfully and responsibly with smarter solutions powered by the IoT.

12 April 2023

Sustainability Performance Metrics

Metrics	2020	2021	2022
Economic			
Revenue (\$'000)	484,273	624,364	820,244
Revenue per employee (\$'000)	426.7	530.0	627.6
Net profit after the tax (\$'000)	55,727	74,380	67,187
Environmental			
Total energy consumption (MWh)	15,597	16,909	16,173
Energy intensity ratio (MWh/\$M Revenue)	32.21	27.08	19.72
Total water consumption ('000 m ³)	144	135	145
Water intensity ratio ('000 m ³ /\$M Revenue)	297.6	216.3	176.6
Total waste generated (Tonnes) ¹	-	-	376.0
Social			
Average number of employees ²	1,135	1,178	1,307
Number of new hires over average number of employees in the year (%)	52	37	56
Number of employee turnover over average number of employees in the year (%)	9	11	8
Average number of training hours per employee (Hours)	15	12	13
Number of fatalities	0	0	0
Number of major work / high-consequence injuries	0	0	1
Number of minor work injuries	7	3	5
Rate of injury per 100 workers	0.18	0.078	0.161
Number of community projects & activities	6	7	15
Governance			
Board independence (%)	60	60	67
Women on the board (%)	0	0	17
Women in the management team (%)	22	22	25

¹ Statistics for total waste generated were reported from FY2022 onwards.

² Exclude part-time and temporary workers from employment agency.

About This Report

Aztech is committed to build our next growth chapter on the foundation of a transparent, accountable and progressive sustainable growth journey as a key technology enabler for the connected world of tomorrow.

Reporting Period & Scope

This is our third Report and the reporting period is from 1 January 2022 to 31 December 2022, which is aligned with our financial reporting period (“FY2022”). The Report provides a summary of our sustainability performance, practices, commitments, goals and targets of Aztech’s operations in Singapore, China (including Hong Kong) and Malaysia for FY2022.

Environmental performance data on new material topics relating to waste and materials covers three manufacturing facilities in Dongguan, China and Johor, Malaysia³ as these sites contributed to the bulk of the impact.

The Report excludes our newly acquired industrial property at Pasir Gudang, Johor, Malaysia as the commencement of operations at the facility is expected in the second quarter of 2023.

The entities within the reporting scope (illustrated in Diagram 1) report on their sustainability performance across the rest of our material topics. Sustainability data consolidated across all our operations are given equal weightage.

No restatements were made from the previous report and there were no significant changes to the organisation and its supply chain during the reporting cycle. All data, statistics and figures are denominated in Singapore dollars, unless otherwise stated. The Report uses standard units of measurement. Relevant disclosures can be found in the GRI Standards 2021 Content Index at pages 40 and 41 of this Report.

The Report supplements Aztech’s Annual Report 2022, where key information on financial performance, corporate governance and risk management practices can be found. Both reports provide a balanced and comprehensive view of our overall performance. The annual report is available at <https://www.aztechglobal.com/investor-relations/annual-reports.html>

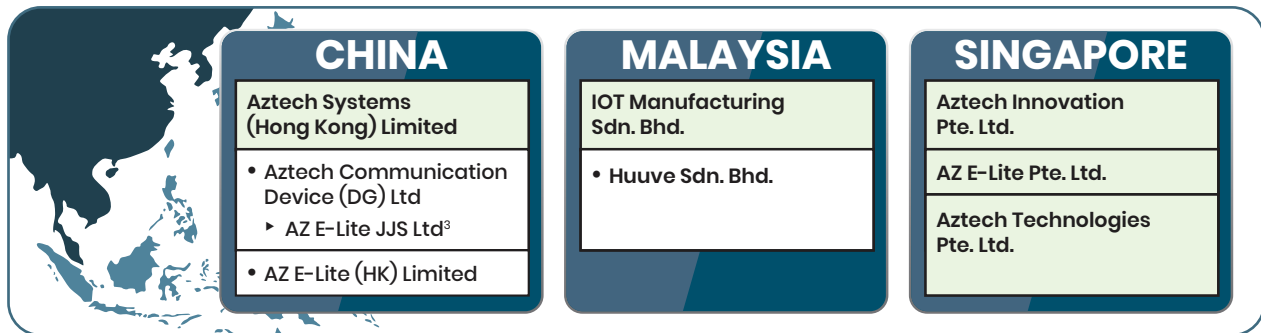


Diagram 1: Locations and Entities covered in the Report

Reporting Framework

The Report has been prepared with reference to the Global Reporting Initiatives (“GRI”) Standards 2021. We continued with the adoption of the GRI standards as it is a globally recognised reporting framework providing comprehensive coverage on topics material to Aztech and our key stakeholders, and promotes a transparent, accountable and consistent reporting of our EESG performance. The Report complies with the SGX-ST Mainboard listing Rule 711(A) and (B) and Practice Note 7.6 of the Sustainability Reporting Guide.

In recognition of the interdependence between our business activities and climate change and compliance with SGX-ST Mainboard listing Rule 711(B)(1aa), Aztech has embarked on climate-related disclosures based on the recommendations of the TCFD. As this is our inaugural climate-related disclosure, we are starting with narrative disclosures on governance, strategy, risk management as well as metrics and targets. We seek to progress with Scope 1 and 2 greenhouse gas (“GHG”) emissions, and incorporate scenario analysis with quantitative outcomes moving forward.

³ Includes the smaller facility that the Group used to operate in Dongguan till December 2022 when the lease expired and was not renewed by the Group. AZ E-lite JJS Ltd was dissolved in December 2022 following non-renewal of the said lease.

Materiality Sustainability Assessment

This year, Aztech undertook a robust materiality assessment to determine material topics to focus our sustainability efforts on and disclosures for this Report. In addition to peers benchmarking exercise in prior years, stakeholder engagement exercise was carried out during the year that provided feedback and inputs to our materiality assessment exercise. The refreshed materiality matrix can be found in the chapter titled “Sustainability Approach” of this Report and the sustainability areas of focus for 2022 as shown in Table 1.

The Group is committed to periodically assess the relevance of material topics to reflect the evolving interests of our stakeholders and business direction in the pursuit of sustainability.

Internal Review

In addition to internal controls and verification mechanisms, Aztech has commissioned an internal review of our sustainability reporting process to ensure integrity and reliability of our data and comply with the SGX-ST Mainboard listing Rule 711(B)(3).

Aztech intends to focus on refining our sustainability reporting process to robustly integrate material concerns of stakeholders to the business models, processes, policies and practices, while planning to progressively seek independent external assurance in future.

 <p>Economic</p> <ul style="list-style-type: none"> Economic Performance Market Presence Anti-Corruption Anti-Competitive Behaviour 	 <p>Environmental</p> <ul style="list-style-type: none"> Materials Energy Water Waste Management 	 <p>Social</p> <ul style="list-style-type: none"> Employment Occupational Health & Safety Supplier Social Assessment Training & Education Diversity & Equal Opportunity Local Communities Customer Privacy 	 <p>Governance</p> <ul style="list-style-type: none"> Corporate Governance Business Ethics & Compliance Environmental Compliance Customer Audit & Compliance Risk Management
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Table 1: Aztech 2022 Sustainability Focus Areas

Forward Looking Statement

Certain statements in this Report are “forward-looking statements” that reflect Aztech’s current views of future events, considering our present and future sustainability strategies, and the environment which the Group will operate in. These views necessarily involve risks, uncertainties and assumptions which may cause the actual performance or achievements of Aztech or industry, to be materially different from the future performance or achievements expressed or implied by such forward-looking statements and financial information.

Aztech expressly disclaims the obligation to publicly release any updates or revisions to any forward-looking statement

to reflect any change in its expectations when conditions or circumstances on which any such statement or information has changed.

Feedback

In our commitment to build a transparent, accountable and progressive sustainable growth journey, we welcome feedback, views and suggestions to help us improve our sustainability efforts and disclosure. Please send them to IR@aztech.com.

Access

A copy of this Report is available at SGX website and at <https://www.aztechglobal.com/sustainability/index.html>

Aztech’s Key Sustainability Thrusts

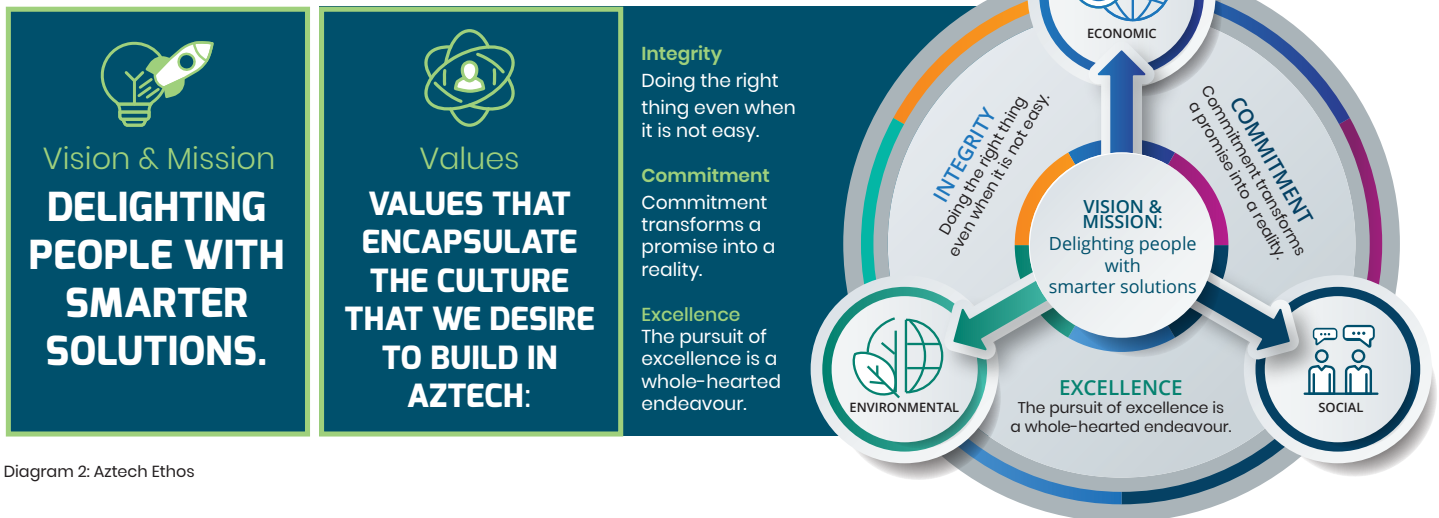


Diagram 2: Aztech Ethos

In a bid to focus our resources to making positive impacts on material EESG topics, the Group has identified five key sustainability thrusts that further our sustainability strategy as responsible business to advance our sustainability agenda. By incorporating these five thrusts into our sustainability strategy, we can create a more robust and sustainable business model. They are as follows:

1. Aztech Ethos

Built on the foundation of the Aztech Core that defines our unique existential purpose and fulfillment as the key technology enabler for the connected world of tomorrow, the Aztech Ethos of impacting lives with smarter solutions is the key enabling DNA that fulfills our corporate purpose, vision and mission sustainably.

At the core is our Vision and Mission of “Delighting people with smarter solutions” that directs our focus on building fundamentals, nurturing strengths, innovation and diversity with the purpose of fortifying our three sustainability pillars of economic, environmental and social wellness through upholding the spirit and substance of corporate governance.

Each member of the Aztech family is guided by our core values of Integrity, Commitment and Excellence that encapsulate the key enabling culture - of doing the right thing even when it is not easy and committing to transform a promise to reality while embracing excellence - to fulfill our sustainability vision by impacting lives with smarter solutions.

2. Smarter Product

As a key technology enabler for the connected world of tomorrow, we seek to support our customers with smarter, simpler and greener product design, engineering and manufacturing processes through R&D, training, innovation, automation and digitalisation to achieve sustainable business collaborations, outcomes and relations.

3. Responsible Sourcing

Aztech seeks to be the responsible partner to our suppliers and customers through responsible sourcing that begins with the passing of our stringent qualification processes which includes social compliance and practices such as conflict-free minerals sourcing, no child and compulsory and forced labour, right to safe workplace to reduce negative human rights impacts within our operations and supply chain. Suppliers and business partners are annually assessed to ensure compliance and best practices to deepen business relations and develop resilient supply chain with responsible sustainable partners.

4. Waste Minimisation

Aztech is minimising our environmental footprint internally across operational processes through improvement in resource efficiency initiatives, adoption of green alternatives and application of the 5Rs – refuse, reduce, reuse, repurpose and recycle – to our waste minimisation thrust to conserve scarce resources towards zero waste in the long-term.

5. Decarbonisation

As part of the global community in combating climate change, Aztech has pledged to achieve net-zero carbon emissions by 2040. We are committed to decarbonise through business changes and innovations, including efficiency improvements, materials reduction, deployment of renewable energy and other economically feasible carbon elimination strategies for scope 1, 2 and 3 GHG emissions, and neutralise any remaining emissions with quantifiable, permanent and socially-beneficial offsets. We are working with external consultant on our decarbonisation roadmap that will progressively incorporate changes in sustainability landscape and implementation of imperatives to achieve our target.

Organisational Profile

Listed on the Mainboard of the SGX-ST on 12 March 2021, Aztech is a key technology enabler for the connected world of tomorrow with a focus on providing one-stop vertically integrated design and manufacturing services to blue chip customers, technology start-ups and other companies with innovative products.

Leveraging its solid track record of over 36 years in the electronics industry, more than 26 years in the communication and networking technology⁴ and core strengths in R&D, design, engineering and manufacturing, Aztech has successfully transformed to become a full-fledged manufacturer with original design and joint design manufacturing capabilities to comprehensively support its customers since 2018 in the IoT.

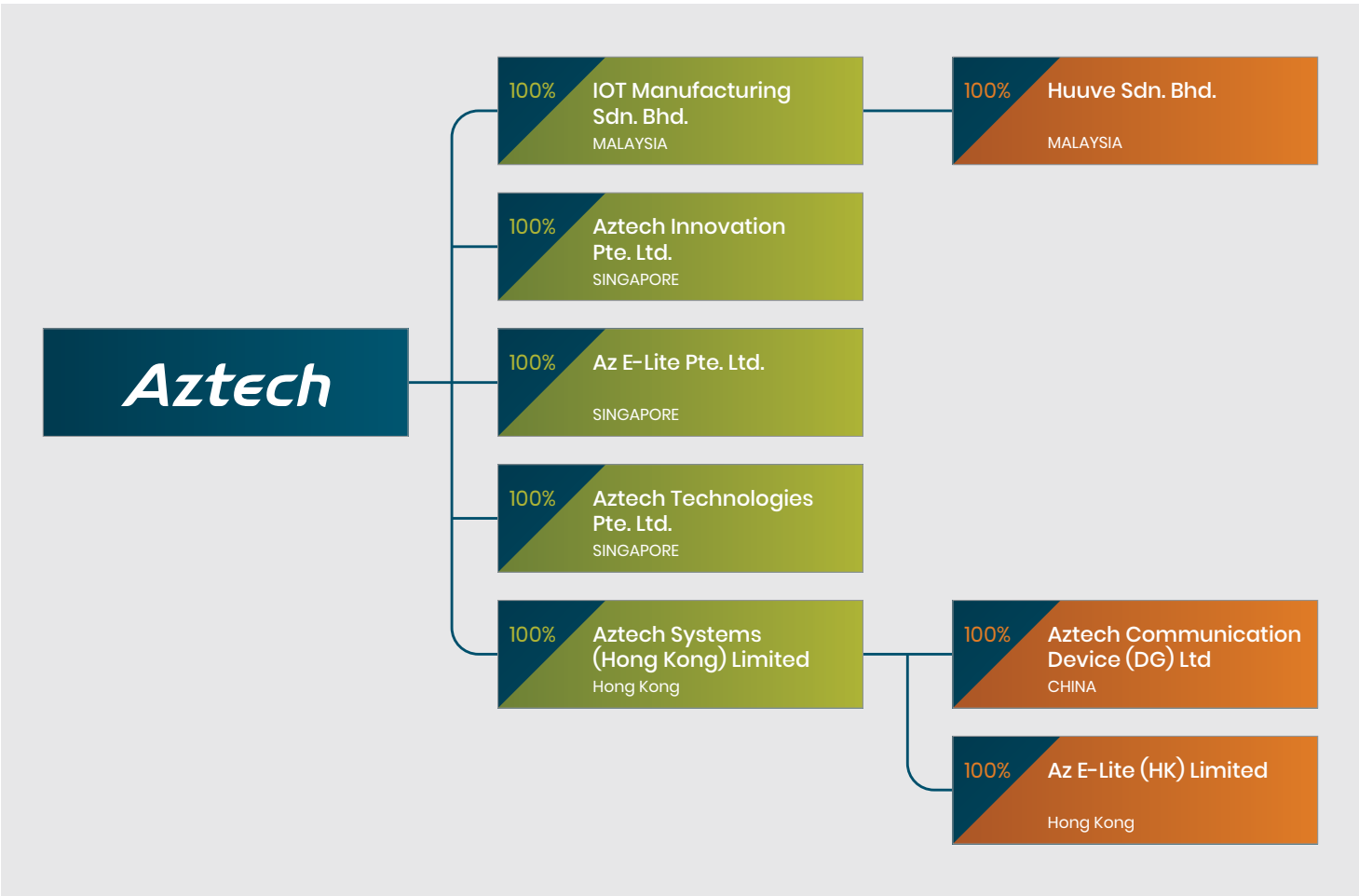


Diagram 3: Aztech Business Structure

⁴ Aggregate number of years of our Company and our parent company. SGX-ST means Singapore Exchange Securities Trading Limited

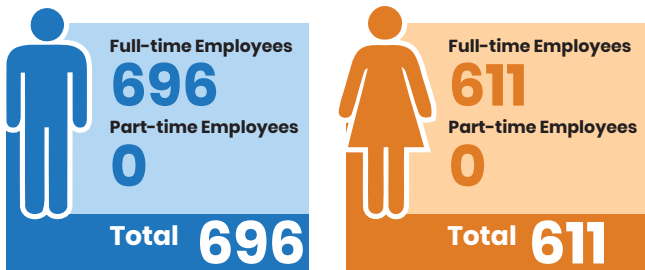
Organisational Profile

Headquartered in Singapore, Aztech counts four R&D centres in Singapore, Hong Kong, Shenzhen and Dongguan and two manufacturing facilities in Dongguan, PRC and Johor, Malaysia in its portfolio⁵. With its design-to-build manufacturing capabilities, Aztech is capable of creating value for its customers seamlessly from design and development, productisation, design verification and reliability testing to manufacturing and supply chain management.

Aztech designs and manufactures IoT devices, data-communication products and niche LED lighting products across varied applications and sectors including consumer lifestyle electronics, home security, healthtech, automotive, telecommunication, commercial and industrial. Based on the geographical locations of its customers, Aztech derives its revenue mainly from North America, China, Europe and Singapore.

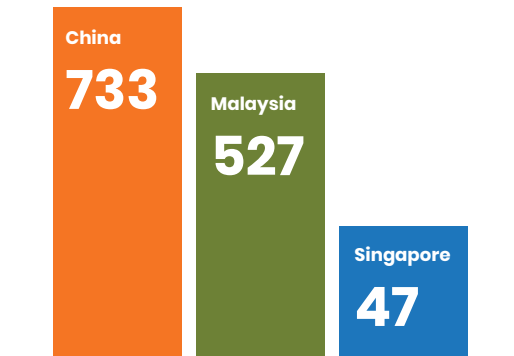
Number of Employees

By Employment Type, By Gender

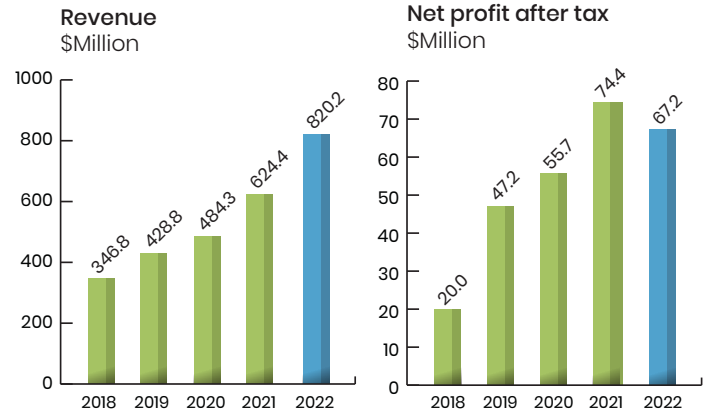


Number of Permanent Employees

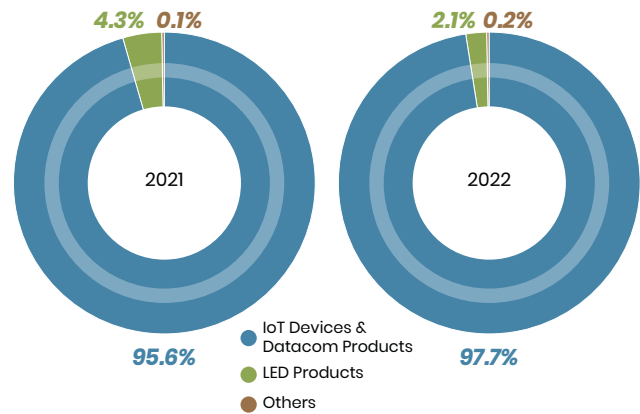
By Country



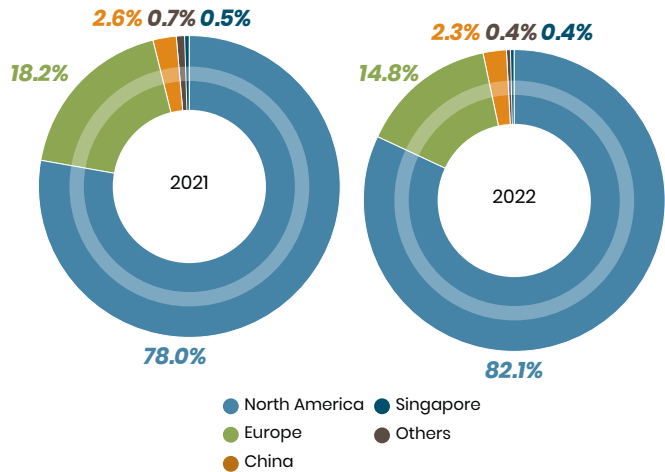
Total 1,307



Revenue by Business Segment



Revenue by Geographical Region



Revenue is calculated based on geographical locations of our customers where the revenue is derived from. Europe comprises mainly France, Germany, Italy, Netherlands, United Kingdom and Poland. North America comprises mainly United States, Canada, Brazil and Mexico. Others comprise mainly Japan and South Korea.

⁵ Portfolio excludes (a) the smaller facility that the Group used to operate in Dongguan as the lease expired in December 2022 and was not renewed by the Group; and (b) the new facility located at Pasir Gudang, where operations is expected to commence in the second quarter of 2023.

Aztech's Products & Services

IoT Devices and Data-communication Products

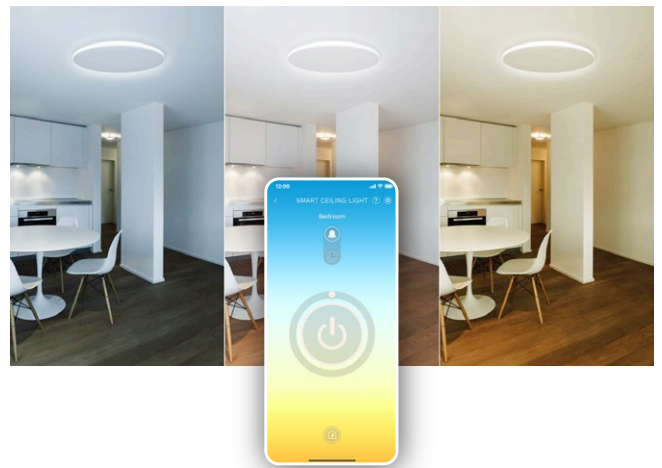
We design and manufacture IoT devices and data-communication products for brand owners through the provision of Original Equipment Manufacturing ("OEM"), Original Design Manufacturing ("ODM"), Joint Development Manufacturing ("JDM") or Contract Manufacturing Services ("CMS"), where products such as smart security cameras, HomePlugs and smart wearables are sold under the label of the respective business-to-business customers.

LED Lighting Products

We manufacture niche LED lighting products used in residential, commercial and industrial applications, and specialise in the design and development of Smart Lighting Systems to projects and end-consumers.

Other Electrical Products

We distribute a wide range of IoT devices and Data-communication products under our proprietary "Aztech" and "Kyla" brands on project basis as well as through channel partners and e-commerce platforms to end-consumers.



Kayla Gen 2 Smart Hub and Smart Station successfully achieved Cybersecurity Labelling Scheme (CLS) Level 1 certification rating from the Cyber Security Agency of Singapore (CSA).

Aztech's Supply Chain



As a one-stop vertically integrated design and manufacturing service provider, Aztech sources our electronics components and raw materials from a well-diversified and extensive network of suppliers. In certain circumstances, we purchase materials from suppliers which are appointed by our customers. In most cases, several quotations from different suppliers are obtained and selection are based on critical factors including price, quality, timely delivery and compliance with internal policies, laws and regulations such as our Responsible Minerals Policy, Restriction of Hazardous Substances in Electrical and Electronic Equipment (“RoHS”) of the specific country and/or region, etc.

To mitigate supplier-related risks and improve supply chain integrity and security, Aztech maintains good working relationships with key suppliers to ensure adequate support and allocation of supply to meet our business requirements. We also ensure that there are alternative parts as far as practicable. For unique parts, only suppliers that are reliable and financially strong are selected.

Amidst the global component shortage and supply chain disruptions arising from pandemic-induced shutdowns, Aztech has been actively collaborating with customers on design changes to enable the use of alternative components. The close working relations with our long-term suppliers and expansion of our base of alternative suppliers had also enabled Aztech to secure majority of our component requirements to meet higher production volume and shipment of IoT devices and data-communication products to customers.

Aztech recognises the moral responsibility to source minerals from conflict-free regions, and is committed to increasingly source our minerals ethically and responsibly to respect human rights and to protect the security and integrity of our procurement operations. Our procurement team has been sourcing conflict minerals namely tantalum, tin, tungsten and gold as well as cobalt from suppliers that source from smelting plants certified under the Conflict-Free Smelter program⁶.

⁶ The Conflict-Free Smelter program was developed by the Electronic Industry Citizenship Coalition (now known as the Responsible Business Alliance) and the Global e-Sustainability Initiative (GeSI).

Aztech's Sustainability Governance



A robust governance framework that lays out accountabilities and responsibilities, and engages all levels of organisation is key to effectively manage Aztech's impacts on the economy, environment and people towards ensuring longevity of our business in creating long-term value to shareholders and stakeholders. The Board is, thus, committed to undergo sustainability trainings, review, develop and update Aztech's purpose, value and mission statements, strategies, policies and goals relating to sustainable development with senior management annually, and ensures that relevant updates were communicated across all levels of the organisation and to stakeholders by the Sustainability Committee and Sustainability Reporting Team.

The Board oversees Aztech's sustainability strategy, significant ESG factors and initiatives, and ensures our impacts on the economy, environment and people is properly managed, monitored and documented on ongoing basis, and provides strategic leadership in integrating sustainability principles and goals to business programs and imperatives. The Board is kept apprised of sustainability programs, activities and progress by the Sustainability Committee that is chaired by Chief Operating Officer Mr Jeremy Mun.

The Sustainability Committee deliberates on ESG matters, develops, formalises and implements sustainability strategy, policies, goals and targets, as well as monitors sustainability

performance of the Group. The committee updates and assists the Board in setting quantitative and qualitative targets for the forthcoming year following evaluation of feedback, assessment on and prioritisation of significant ESG factors that are material to Aztech's value creation strategy.

Together with the Sustainability Committee, senior management identifies and cautiously reviews key material ESG factors annually and provides stewardship in the implementation of sustainability policies, programs, processes and practices to ensure that Aztech's business and strategy are aligned with sustainability goals and principles.

The Sustainability Committee and senior management are, in turn, supported by our Sustainability Reporting team. It comprises representatives from each of our operating sites in Singapore, China and Malaysia across varied functions. The reporting team plays a critical role in the daily execution, management and collaboration on sustainability programs and reports the progress of sustainability initiatives as well as qualitative and quantitative updates at the respective sites to the Sustainability Committee.

Employees across all levels were engaged to participate in the implementation of various sustainability programs and initiatives. Short and simple in-house education pieces on Aztech's sustainability issues, goals and programs were also circulated monthly to raise awareness, enhance understanding and gather feedback on sustainability efforts.

Aztech’s Sustainability Governance

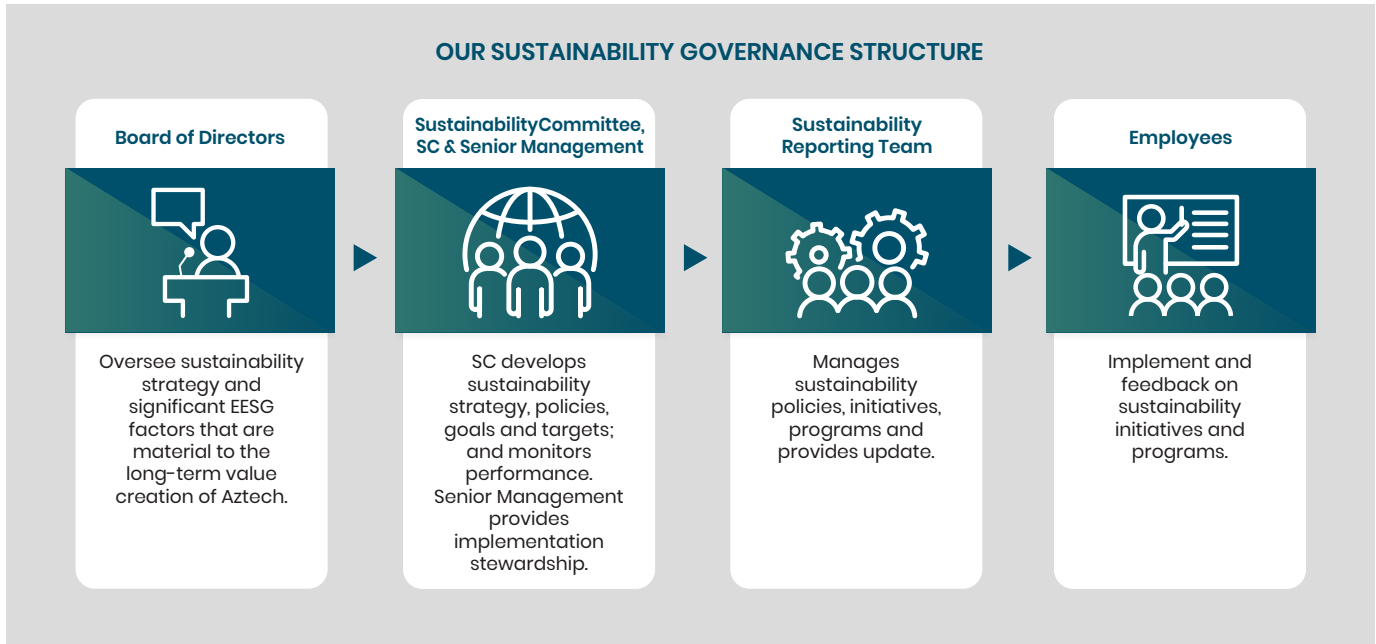


Diagram 4: Aztech Sustainability Governance Structure

Complementary and critical to Aztech’s sustainability governance is its sustainability reporting process and system. Internal controls and mechanisms were developed and periodically refined to ensure quality of data collected and reported. To ensure reliability of data and information collected and reported, internal audit has been commissioned to internally review sustainability reporting process.

With the commissioning of internal review of its sustainability process, Aztech intends to focus on refining its sustainability reporting process to robustly integrate material concerns of stakeholders to its business models, processes, policies and practices, and plans to progressively seek independent external assurance in future.

Aztech’s Sustainability Approach

Aztech is committed to our sustainability vision to conduct our business in a responsible and sustainable manner to impact lives positively and meaningfully as a key technology enabler for the connected world of tomorrow.

Our sustainability framework comprises key sustainability goals that impact our business and are significant to our stakeholders. Key sustainability goals and topics are reviewed annually in light of sustainability issues such as climate change, cyber security, human rights abuse and workplace safety, amongst others by the Sustainability Committee and senior management in consultation with the Board.

To achieve and maintain our sustainability goals, Aztech articulates our values and preparation of this Report with the following sustainability approach:

Stakeholder Engagement

Aztech’s stakeholders are individuals or groups whose interests are affected or could be affected by our activities. We strive to continually engage our stakeholders meaningfully to foster mutually beneficial relationships based on trust and respect that have been cultivated through years of reliable services, quality products, certifications, communication and business decisions.

Through the engagement process, the Group seeks to identify actual and potential impacts resulting from our activities to determine prevention and mitigation measures to potential negative impacts, including respect for human rights, as we deliberated and incorporated concerns, suggestions and expectations from stakeholders in our business decisions.

To facilitate meaningful engagement with stakeholders, we have adopted as far as possible two-way formal and informal channels of communication, and considered communication barriers including, but not limited to, language, culture and internet censorship system differences to understand their needs. Feedback was documented, evaluated and incorporated in the development of the Group’s corporate and sustainability strategies to build valuable and sustainable relationships. Appropriate information, where applicable and not contravening customer protection and laws and regulations, is made available to relevant stakeholders to enable proper understanding of matters relating to the Group and its position.

Aztech identifies its stakeholder groups to engage according to the level of interest and exercise of influence the individual or group might have on our business. The engagement platform, frequency of engagement and key concerns raised by our key stakeholder groups were summarised in Table 2.



Diagram 5: Aztech’s Sustainability Approach

Aztech’s Sustainability Approach

Stakeholder Engagement *Cont'd*







Stakeholder	Engagement Platform	Frequency of Engagement	Key Concerns Raised
 Employees	Emails Meetings Performance appraisal Welfare & social events Training Employee Newsletter	Daily Monthly Annually Ad hoc Ad hoc Monthly	<ul style="list-style-type: none"> • Workplace safety • Workers' welfare • Talent retention • Career progression
 Customers	Emails, phone calls Meetings Company websites (https://www.aztechglobal.com , http://www.aztech.com) Customer inspection visits/audits Customer feedback survey	Daily Ad hoc Ad hoc Periodic / Ad hoc Ad hoc	<ul style="list-style-type: none"> • On time project completion &/or delivery • Service and product quality • Workplace safety • Workers' welfare • Customer Data and Privacy • Competitive prices
 Suppliers and Service Providers	Emails, phone calls Meetings Site visits Trade events Supplier performance feedback/assessment	Daily Ad hoc Ad hoc Ad hoc Periodic / Ad hoc	<ul style="list-style-type: none"> • Prompt payment • Service and product quality • On time delivery • Workplace safety • Workers' welfare
 Local Communities	Participation in community activities	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 with 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 with rules and regulations

Table 2: Engagement with Stakeholders

Materiality Assessment

Aztech’s ability to deploy an evolving, responsible and sustainable business strategy to create long-term value hinges on our understanding of the changing priorities, expectations and concerns of our stakeholders across our value chain. Our materiality assessment methodology is illustrated by Flow Chart 1.

This year, Aztech undertook a robust materiality assessment exercise to determine material topics to focus our sustainability efforts on and disclosures for this Report. In addition to peers benchmarking exercise that was conducted in prior years, stakeholder engagement exercise was carried out during the year that provided feedback and inputs to our materiality assessment exercise.

Identification

The materiality assessment has enabled us to identify the key sustainability areas of focus for our business, allowing us to identify the current and emerging sustainability issues. This assessment has helped us understand the implications of our decisions and actions to sustain our business operations. The identification took place on a digital survey platform where we engaged both internal and external stakeholders on their views of material sustainability topics related to Aztech.

Ranking

Upon the conclusion of stakeholder engagement, we analysed the responses and refined the long list of material sustainability issues identified during the exercise. Topics were also categorised in terms of themes and mapped against Aztech’s material factors that were reported in the previous report. The list was streamlined with a total of 19 material sustainability factors identified.

Prioritisation

The 19 material sustainability factors obtained from stakeholders’ responses were then reviewed, evaluated and prioritised based on their importance to stakeholders and to Aztech. To ensure that our EESG materiality assessment is relevant to the business, strategy, business model and key stakeholders’ interests across the value chain, the SC proposed a set of prioritised material factors to the Board as new material factors to be disclosed this year.



Flow Chart 1: Materiality assessment methodology

Aztech’s Sustainability Approach

Materiality Assessment *Cont'd*

Validation

The Board agreed and validated the proposed new material factors through series of expert consultations. Endorsed by the Board, the list of 19 material sustainability factors were also plotted in a matrix to reflect accurate representation of stakeholders’ interests and importance to Aztech in this period which robustly reflect changes in the sustainability environment.

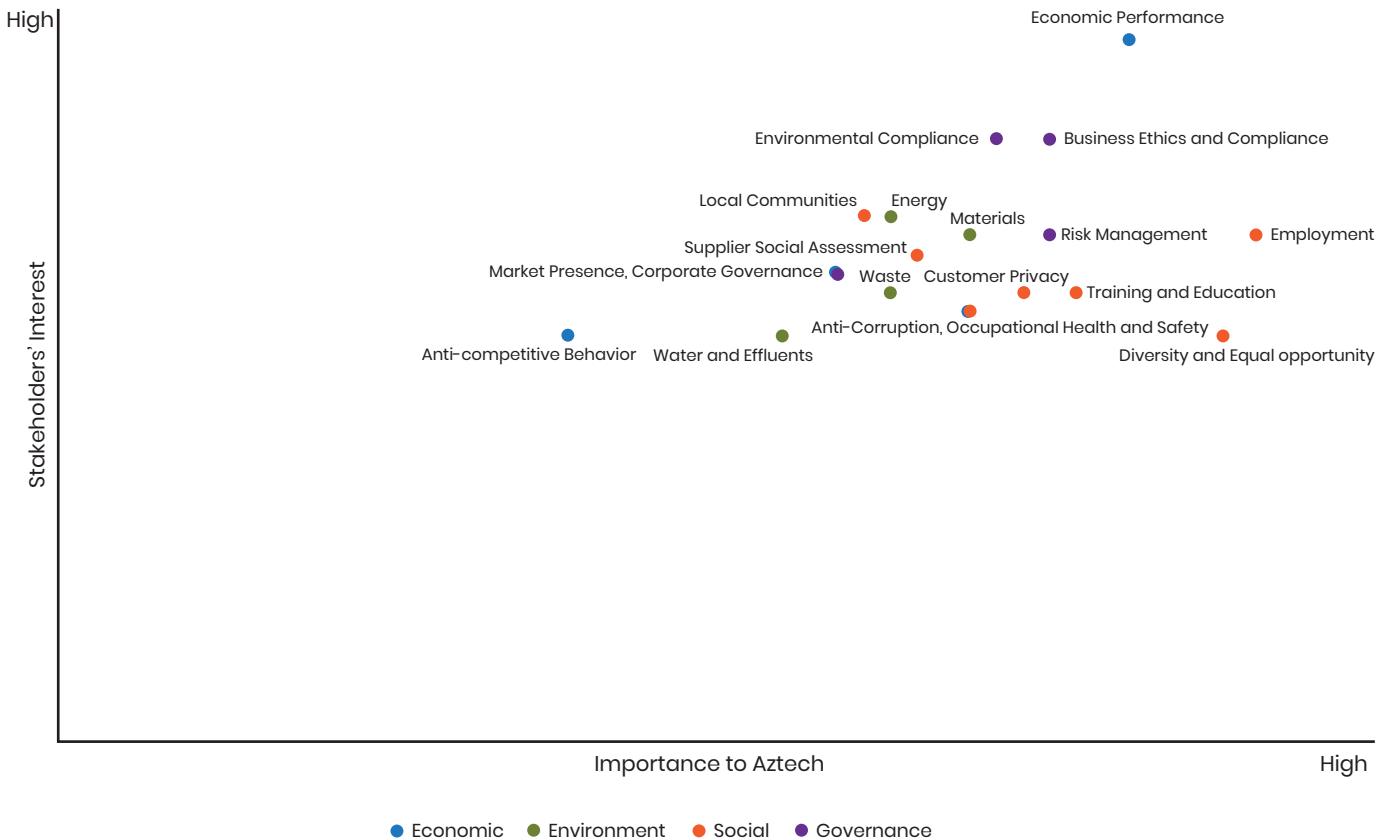
From the materiality assessment, topics on “Economic Performance”, “Business Ethics and Compliance” and “Environmental Compliance” were ranked. We will also continue to address topics that are of high importance to Aztech such as “Corporate Governance”, “Training and Education”, “Employment”, and “Risk Management”.

Material topics that the Group will improve on include “Environmental Compliance”, “Customer Privacy”, “Diversity and Equal Opportunity”, “Occupational Health and Safety” and “Anti-Corruption”, and will monitor our impact on topics pertaining to “Energy”, “Local Communities” as well as “Water and Effluents”.

New topics namely “Materials”, “Anti-competitive Behaviour” and “Waste” were identified, ranked and included in this Report as an effort to address the most pervasive issues according to us and our stakeholders in this period.

We have included disclosures relating to “Human Rights” in this Report to reflect our stance and efforts to make positive impact on our belief that human rights is foundational to all human beings and are all interrelated, interdependent and indivisible for basic living. Meanwhile, we will continue with our disclosure on “Market Presence” as we believe by recruiting and promoting candidates from diverse groups contribute to the economic development of the local markets where Aztech has presence.

Aztech Materiality Matrix 2022



Governance



Business Ethics & Compliance

Driven by Aztech ethos and the Board's commitment to foster a culture of integrity and good governance, we are committed to conducting our business in a responsible and sustainable manner, through the consistent deployment of responsible business practices, to safeguard the long-term value creation of Aztech as well as the interest of all our stakeholders.

Aztech adopts an uncompromising stance towards the responsible conduct of our business and strive for fairness, honesty, integrity and compliance with all applicable laws and regulations at the countries of our business operations, and across all our business activities and relationships on daily basis to achieve a more equitable society and resilient operation excellence. The list includes regulations on anti-competitive behaviour and anti-trust, export control, operational permits, finance and accounting, insider trading, interested person transaction, labour laws, human rights, customer protection, personal data protection, workers' health and safety and environment. There were no incidents of non-compliance to the laws and regulations in FY2022.

Aztech has instituted policies governing responsible business conduct with relevant controls and processes, and is committed to adopting the precautionary principle of taking early action to prevent and mitigate potential negative impacts with regards to the protection of environment, health and safety of our employees and respect for human rights.

The Group abides by the local laws and regulations, and supports the OECD Guidelines for Multinational Enterprises, the United Nations ("UN") Guiding Principles on Business and Human Rights, International Labour Organisation ("ILO") guidelines, and has incorporated applicable guidelines, legal requirements and commitments in our policies set out below.

List of policies

- Anti-Corruption and Anti-Bribery Policy
- Conflict of Interest Policy
- Data Privacy Policy
- Diversity Policy
- Environmental Policy
- Human Rights Policy
- Responsible Minerals Policy
- Whistle-Blowing Policy



These policy commitments, upon approval by the Chief Executive Officer, were communicated via electronic mails, internal newsletter or virtual sessions. Policies are made available for all employees to access through our internal portal. Training for relevant persons were also provided to facilitate understanding and communication to achieve a more effective implementation and impact. Policy commitments were also communicated to our third-party business partners such as suppliers and customers either as part of the agreement and/or contract or qualification process for their adherence, for instance, to our Code of Business Conduct and Ethics, Environmental and Responsible Minerals Policies to cultivate ethical and responsible supply chain.

The Group seeks to regularly assess its policies and related risks by conducting due diligence and assessments within the organisation and across its supply chain. We will manage these risks by periodically sending surveys and questionnaires, and reviewing the responses to update business strategy, operational policies and determine corrective and/or preventive actions to business process and practices, which will be monitored, to mitigate negative impacts to stakeholders. The Board and senior management are regularly updated on Aztech's ethics and compliance performance to spearhead the team towards excellent business conduct.



Please refer to our Sustainability webpage at <https://www.aztechglobal.com/sustainability/policies.html> for details on the policies

Governance

Business Ethics & Compliance *cont'd*

Violations of any policy commitments and Aztech's Code of Business Conduct and Ethics can be reported to the Head of Legal or the AC Chairman at whistleblower@aztech.com. For more information on the governance structure of the Group, including the committees of the Board of Directors and their roles and responsibilities, please refer to the "Report of Corporate Governance" section of our Annual Report 2022.



FY2022 Targets

- Uphold the Code of Corporate Governance, Aztech Code of Conduct and financial discipline and accountability
- Comply with SGX requirements and listing rules to provide timely disclosure about the Company, including financial position, performance and prospects
- Zero (0) non-compliance with applicable laws and regulations



FY2022 Performance

- Provided timely quarterly business performance updates and half-yearly results releases
- Zero (0) substantial cases of fines and non-monetary sanctions for non-compliance with applicable laws and regulations
- Zero (0) non-compliance with applicable laws and regulations



Perpetual Targets

- Uphold Code of Corporate Governance, Aztech Code of Conduct, financial discipline and accountability
- Comply with SGX listing rules and requirements including timely disclosures about the Company, including financial positions, performance and prospects
- Comply with all applicable laws and regulations

Environmental Compliance

Aztech adopts an uncompromising stance in its compliance with environmental laws and regulations such as the Environmental Protection Law of the People's Republic of China on water, atmospheric and solid wastes pollution, amongst many others, to reduce our impact on environment and biodiversity in our value creation process.

We have established processes and practices to control and monitor our air, emissions, noise and wastewater discharge to comply with the relevant pollutant emissions standards to secure our discharge permits for our manufacturing facilities.

There were no reported incidents of environmental non-compliance during FY2022. We aim to earnestly comply with the environmental laws and regulations at our operation sites, and seek to improve environment performance through more efficient use of resources and adherence to the strict control of waste water, exhaust gas, waste and noise emissions compliance, in accordance with ISO 14001 certified environmental management system.

The ISO 14001 certification for Environmental Management System provides a systematic framework that integrates environmental management practices comprising environmental protection, pollution prevention, waste minimisation as well as energy and materials use reduction.

In FY2022, Aztech has successfully maintained the ISO 14001 Environmental Management System certification for its operation site at Dongguan, China. The ISO 14001 certification for our facility in Gelang Patah, Johor, Malaysia has been delayed and the team is working to achieve the certification in 2023. The team at Johor is also integrating the ISO 14001 Environmental Management Systems with ISO 45001 Occupational Health and Safety Management System to achieve greater effectiveness and efficiency in addressing environmental and health and safety risks.

Environmental compliance at our manufacturing facilities at Dongguan and Johor is core to our continuous operations, and we take a serious stance in managing and mitigating negative impact arising from our activities through the systematic framework provided by ISO 14001 certification.



FY2022 Targets

- Maintain ISO 14001 certification for our Dongguan facilities
- Achieve ISO 14001 certification for our Johor plant
- Maintain zero (0) incidents of non-compliance with laws and regulations



FY2022 Performance

- Maintained ISO 14001 certification for Dongguan facilities
- ISO 14001 certification for Gelang Patah plant in Johor was delayed
- No reported incidents of non-compliance with discharge limits and regulations



FY2023 Targets

- Maintain ISO 14001 certification for Dongguan
- Achieve ISO 14001 certification at the Gelang Patah plant in Johor
- Maintain zero (0) incidents of non-compliance with environmental laws and regulations

Customer Audit & Compliance

Aztech takes pride in providing quality products and services to our customers, and values the feedback provided by our customers to continually improve and excel on manufacturing safe and quality products that delight.

Our customers inspect and audit our manufacturing facilities to verify production quality, health and safety processes as well as other operating standards including labour and ethics through external independent third-party auditors. Following the completion of each audit, our

customer provides feedback on areas for our improvement to enhance our production qualities, capabilities, processes and conform to their standards.

We confirmed that we have passed all the audits including product safety, labour and ethics audits in accordance with BSCI, SMETA and customers' standards and have received the necessary audit reports of our top customers during the year under review. The following table summarised the audits in FY2022:

Customer / Audit Body	Month of Audit	Frequency	Brief Description of Audit
US Customer	Feb, May, Aug, Nov	Quarterly	Product Safety Audit
US Customer	Mar	Yearly	CSR Audit
US Customer	Jul	On demand	Information Security Audit
US Customer	Aug, Nov	Quarterly	Product Safety Audit
All Customers	Nov	Yearly	ISO 9001 Audit

Table 3: Summary of Audits in FY2022

Risk Management

Risk management is an integral part of good corporate governance and enterprise risk management. The Board determined and approved the acceptable levels of risks for the Group, and oversees the Group's risk management framework.

Under the framework, risks are identified and assessed on the likelihood of occurrence and impact on business. Processes, techniques and tools as well as designated team roles and responsibilities are developed and deployed to manage and reduce risks. Management is responsible for maintaining an effective system of internal controls and risk management policies, and adopts appropriate measures to address risks identified by the Board including, but not limited to, foreign exchange risk, customer risk and risk arising from supply chain disruption.

Foreign Exchange Risk

The Group produces about 80% of its output from its manufacturing facilities in China, and approximately 30% of its operating cost is incurred in Chinese Yuan ("CNY"). The Group had entered into various financial instrument contracts for CNY vis a vis the US Dollar ("USD"), its main trading currency. However, the upward movement of the USD against the CNY resulted in an adverse effect to the Group's financials. Majority of these contracts had been settled as at 31 December 2022, with the remaining 2.5% of the contract settled on 31 January 2023.

The Group will implement a more stringent approach to foreign exchange risk management and going forward, will enter into foreign currency contracts to hedge only operational needs denominated in foreign currencies and with duration limits. A foreign currency risk management framework has been established to manage foreign exchange risks, particularly for its major currencies, namely the USD, CNY, the Malaysian Ringgit and the Singapore Dollar and policy limits including duration, quantum and counter party were instituted. To ensure relevancy and resilience of the framework in mitigating foreign exchange risks, periodic due diligence will be conducted to assess product pricing changes and also identify gaps with appropriate measures, and/or new limits incorporated and relevant market risks taken into consideration.

Governance

Risk Management *cont'd*

Customer Risk

The Group has a manufacturing and development services agreement to supply IoT devices with a major US customer from 2018. The business has since grown to constitute approximately 80% of the Group's total revenue in FY2022.

The Group has been engaging with other customers to grow our portfolio of high-quality customers and product offerings mainly through ODM, JDM and CMS arrangement in the IoT space across varied applications and industries, and will continue to nurture and expand our customer base.

Supply Chain Disruption

The Group sources its electronics components and raw materials from a well-diversified and extensive network of suppliers. The global component shortages and supply chain disruption arising from pandemic-induced shutdowns reinforces our well-diversified and extensive sourcing strategy. Our good working relations with customers also facilitated advance order lead-time to mitigate impacts resulting from disruptions pose to the supply chain of the Group.

In addition to holding identified critical components and the selection of reliable and financially strong suppliers for unique parts, Aztech's three-pronged approach has largely been effective in enabling the Group to secure majority of its component needs to meet the production volume and shipment of orders to customers. The approach comprises:

- (1) Active collaboration with customers on product design changes to substitute for alternative components that are more readily available;
- (2) Leverage close working relations with our long-term key suppliers; and
- (3) Expansion of alternative supplier base.

Aztech remains committed to improving our supply chain integrity and security and will adapt our supply chain management strategy with changing operating landscape to mitigate supplier-related risks to deliver on-time for our customers.

The Board commits to commission an annual review of the adequacy and effectiveness of the Group's risk management and internal control systems including financial, operational, compliance and information technology controls. The AC will, at least annually, review the effectiveness and adequacy of the internal control procedures, and report to the Board the risk profile of the Group, the effectiveness and adequacy of internal control and risk management procedures within the Group, including appropriate steps to mitigate and manage risks at acceptable levels determined by the Board, and discuss issues and concerns, if any, arising from the internal audits. The Board ensures that a clear reporting structure is in place between the AC and internal audit.

Management undertakes to regularly review the Group's risk management framework and internal control procedures to ensure that they are in line with any changes in market conditions, sustainability environment and the Group's activities. It will also ensure that sufficient resources and expertise are directed towards improving internal policies, practices and procedures, and maintaining a high level of governance and internal controls towards responsible and sustainable business initiatives.

At the end of the financial year, the Board receives assurance from the CEO, the Financial Controller and Management that the Group's risk management and internal control systems are adequate and effective to address risks including financial, operational, information technology and compliance risks which may adversely affect the Group's operations and sustainability.

Risk Management *cont'd*

As part of the risk management process, the Group's ISO 9001 certified manufacturing facilities in Dongguan and Johor leveraged the Quality Management System to identify, assess and rank a comprehensive set of potential threats arising from pandemic, natural disasters, changes in operating environment, etc. to develop mitigating measures and put in place a business continuity plan to ensure continuity of operations to consistently manufacture products that meet customer and applicable statutory and regulatory requirements.

While we currently do not have the formal tools and systems in place to fully assess the climate-related impacts on our business financial planning, we have been actively engaging the internal stakeholders and conducting TCFD training and focus groups to identify potential risks. Through these efforts, we have identified several themes of climate-related risks that are relevant to our business such as:

- Physical Risks – Acute and Chronic e.g., flood risks; and
- Transitional Risks – Policy and legal, Technology, Market, Reputation e.g., compliance, technological, reputational, changing customer behavior risks.

We will continue to engage with internal and external stakeholders to ensure that we are addressing these risks in a comprehensive and effective way. We are committed to integrating these risks into our overall business strategy and decision-making process over the short, medium and long term.

Please refer to the "Report on Corporate Governance" section of our Annual Report 2022 for additional discussion on risk management and internal controls and the TCFD Content Index in this Report to navigate our climate-related risk management efforts.

Membership Associations

As a thriving company in our industry, we are proud to become a member of the following associations:

1. Singapore Chinese Chamber of Commerce & Industry that promotes the development of industry and commerce, the economic prosperity, cultural and educational activities as well as the community services of Singapore; and
2. Singapore Business Federation that champions the interests of our business community in Singapore and internationally, and act as the bridge between business and the Government.

Our decisions to join these associations reflect our commitment to staying at the forefront of our industry and continuously improving our value creation capabilities. Through these memberships, we have and will continue to gain valuable insights, forge strong partnerships, and participate in initiatives that will foster our ability to create more value for our stakeholders. We also believe by working closely with associations, we will be better equipped to tackle current challenges and seize new opportunities that lie ahead.

Economic

Economic Performance

Long-term value creation for our stakeholders through responsible and sustainable engagement of our employees and business partners, including suppliers, to provide one-stop vertically integrated design and manufacturing services to our customer forms the bedrock for Aztech's success.

As a key technology enabler, Aztech has proven and is pursuing greater value creation through our relentless research and development ("R&D") efforts, expansion of our technological capabilities, and product innovations in the IoT space by engaging our employees' expertise to meet the evolving demands of our customers and enter new markets. Our economic performance is, thus, a critical pillar to Aztech's sustainability strategy and cornerstone to our mission of delighting people with smarter solutions.

The Group reported a revenue of \$820.2 million for FY2022. This was a growth of 31.4% from \$624.4 million in FY2021. Improvement was due mainly to the Group's unwavering focus on IoT devices and data-communication products, which continued to see higher production volume and shipment to customers. Revenue from this segment increased by 34.3% to \$801.7 million and contributed 97.7% to the Group's FY2022 revenue. The balance revenue comprised sales from LED lighting as well as other electrical products.

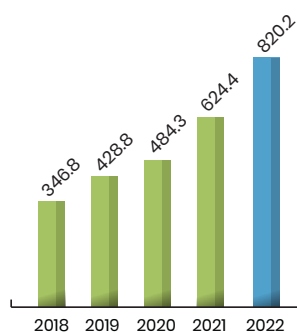
While the Group's performance had benefited from higher revenue, productivity and operational efficiency gains, cost control measures and increase in interest income, profitability was impacted by a loss of \$56.6 million resulting from foreign exchange contracts entered into by the Group and maturing in FY2022. Majority of these contracts had been settled as at 31 December 2022 with 2.5% of the contracts to be settled in 2023.

As a result of the foreign exchange loss, the Group's FY2022 EBITDA and pre-tax profit fell by 5.8% and 5.0% year-on-year (y-o-y) to \$90.3 million and \$80.7 million respectively. Meanwhile, prior year full utilisation of tax incentive from the Group's operations in China led to higher effective tax rate of 16.8%. The Group reported a 9.7% y-o-y decrease in FY2022 net profit to \$67.2 million. Basic and diluted EPS declined from 10.0 cents in FY2021 to 8.70 cents in FY2022.

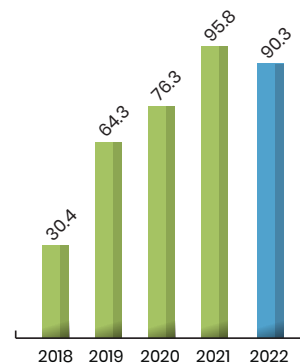
Excluding the impact of foreign exchange loss, the Group's proforma EBITDA, pre-tax profit and net profit would record y-o-y improvement of 53.2%, 61.6% and 66.4% to \$146.9 million, \$137.3 million and \$123.8 million respectively. Proforma basic and diluted EPS would be 16 cents in FY2022.



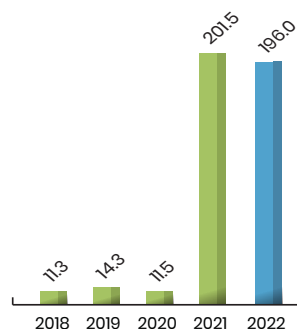
Revenue (\$M)



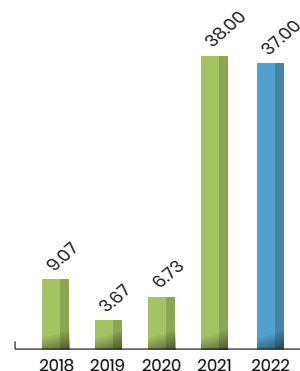
EBITDA (\$M)



Cash and Cash (\$M)
Equivalents



NAV Per Share (Singapore cents)



Economic Performance *cont'd*

The Board of Directors recommends a second and final cash dividend of 1.5 cents a share on a one-tier tax-exempt basis for shareholders' approval at the forthcoming Annual General Meeting. If approved, the final dividend will be paid on 17 May 2023. Including the interim dividend paid in November 2022, the total dividend payout for FY2022 will be 4.5 cents a share.

It remains the intention of the Board to recommend dividends of at least 30% of the Group's net profit after tax in FY2023 to reward our Shareholders for participating in the Group's growth.

As at 31 December 2022, the Group's cash and bank balances remain healthy at \$196.0 million, while total bank borrowings and lease liabilities stood at \$8.5 million and gross debt to equity ratio at 3.0%. Net asset value per share of the Group was 37.0 cents as at 31 December 2022 compared with 38.0 cents as at end of 2021.

Details of our economic performance can be found in the following sections of our Annual Report 2022:

- Business & Geographical Presence, pages 2 to 3
- Key Business Metrics, pages 4 to 7;
- Letter to Shareholders, pages 8 to 11;
- Operations Review, pages 16 to 18; and
- Financial Statement, pages 67 to 74.

Market Presence

Recruiting and promoting qualified candidates from diverse groups contribute to the economic development of the local markets where Aztech operates. By attracting and retaining diverse groups, we also build stronger relationships with local businesses, organisations and communities which can in turn help to drive economic growth and development in the local areas through fostering a more innovative, competitive and productive working environment.

In our commitment to the building and nurturing of management personnel from diverse groups in the local communities we operate in, Aztech provides equal employment opportunities and prohibits any form of unfair discrimination based on gender, race, religion, sexual preference or age.

Aztech adheres to the stipulated legislation on hiring. Our hiring process includes advertising through job portals, social media platforms, third party agencies and involvement in community events such as career fairs and with educational institutions to acquire talents and learners. We also develop talent from within the Group to beef up our talent pool for management bench strength.

Our management personnel comprise individuals who are heads of department in the location of our operations, and who have been instrumental in the effective functioning of, and contributions to our local operations.



FY2022	Hong Kong	Shenzhen	Dongguan	Singapore	Malaysia	Group's Total
Total number of management Personnel	3	1	7	7	6	24
Number of management personnel at significant locations of operation that are hired from the local community	3	1	5	7	6	22
Percentage of management personnel at significant locations of operation that are hired from the local community	100%	100%	71%	100%	100%	92%




Table 4: Management personnel hired from the local community for FY2022

Economic

Market Presence *cont'd*

In FY2022, the Group employed 92% of its management team from the respective local communities compared with 96% in FY2021 and 89% FY2020. The Group intends to maintain the hiring of not less than 80% of its management personnel from local communities to ensure continuity of operations even in situations of border controls, allow effective exchange and development of technological and engineering expertise in supporting the Group's growth plans and strategy, and to develop local talents.

In situation where required skills are not available at the significant location of operations, expatriate assignment would only be for a specific duration with certain conditions. Expatriates would return to their home countries upon the completion of assignment.

 <p>FY2022 Targets</p> <ul style="list-style-type: none"> Hire at least 80% of the Group's management personnel from the local communities 	 <p>FY2022 Performance</p> <ul style="list-style-type: none"> Achieved 92% in local hiring of management personnel 	 <p>FY2023 Target</p> <ul style="list-style-type: none"> Maintain our hiring of not less than 80% of the Group's management personnel from the local communities
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Anti-Corruption


Aztech takes a zero-tolerance approach to bribery and corruption, and has set out a framework to detect, report and prevent bribery and corruption with the establishment of Anti-Corruption and Anti-Bribery Policy.

During the year, we have engaged a consultant to conduct anti-bribery and anti-corruption training on our "Detect, Report and Prevent" framework to equip employees on the application of the framework at each location of operations. Selection of employees for the training was based on their level of risks exposure, as well as executive role to facilitate training and to raise awareness at local offices.

Governed by the Code of Business Conduct and Ethics, the Group is committed to exercising the highest standard of professionalism, integrity and ethics in all its business dealings and relationships, and abiding all laws relevant to countering bribery and corruption in each of the jurisdictions in which it operates. This has been communicated to all of our employees during onboarding and periodic signing of Anti-Corruption declaration form and training sessions. All our key employees are required to annually sign Conflict of Interest declaration form and make the necessary declarations. Elsewhere, qualified suppliers are required to sign the Statement of Integrity form during the onboarding to uphold business integrity and stop all forms of bribery and corruption. Majority of our qualified suppliers have signed the required form.


Reports of suspected bribery, corruption, dishonest practices or other similar matters can be lodged with the Head of Legal in person or with the Chairman of the AC by email at whistleblower@aztech.com. At the Group's plant operations, employees are to notify the Human Resources ("HR") department, which will subsequently raise these matters with the Head of Legal and the AC Chairman. Procedures were in place to protect the reporting employee from any detrimental treatment.

No incidents of corruption were reported in FY2022. We aim for zero incidents of corruption and commit to periodically educate our employees, assess the effectiveness of our 'detect, report and prevent' framework, and refresh our Anti-Corruption and Anti-Bribery Policy and Code of Business Conduct and Ethics to prevent occurrence of corruption as targeted.




FY2022 Targets

- Provide anti-corruption, anti-bribery training to equip employees to detect, report and prevent occurrences of bribery and corruption
- Ensure all key employees sign the Conflict-of-Interest declaration form



FY2022 Performance

- Conducted anti-corruption and anti-bribery training to equip employees to detect, report and prevent occurrences of bribery and corruption
- All key employees signed Conflict of Interest declaration form and made necessary declarations
- Published our Anti-Corruption & Anti-Bribery Policy on our website
- No incidents of corruption were reported in FY2022



FY2023 Targets

- Assess the effectiveness of our 'detect, report and prevent' framework
- Zero (0) incidents of corruption

Anti-Competitive Behaviour

Aztech strives for fairness, honesty, integrity and compliance with all applicable and international legislations on competition, and prohibits any forms of anti-competitive behaviour, anti-trust and monopoly practices in our business dealings. All employees are expected to uphold fair practices and conduct in accordance with Aztech’s Code of Conduct and Ethics.

All entities in the Group are to adhere to the review and management framework sets out in our Contract Management Policy, where contract is subjected to stringent review process by our Legal department for risks assessment and considerations prior signing by the relevant signatory. As part of the review process, contracts and agreements that are anti-competitive and exhibits abuses of dominant position or that substantially lessen competition would be re-negotiated and/or deemed void.

In FY2022, no legal proceedings new, pending or completed on anti-competitive behaviour or breaches of anti-trust and monopoly law were brought against Aztech. This is made possible by our compliance with relevant anti-competitive legislation and ensuring that principles of fairness apply to all works and third parties involved. It remains our intent to promote competition, economic efficiency and sustainable growth, and targets to achieve zero incidents of non-compliance in FY2023.

 **FY2022 Performance**

- Determined Anti-Competitive Behaviour as one of the material topics in FY2022
- Complied with relevant anti-competitive legislations and ensured all contracts, terms and agreements are based on the principles of fairness

 **FY2023 Target**

- Zero (0) incidents of non-compliance with anti-competitive behaviour, anti-trust and monopoly practices

Environmental



Aztech recognises that our growth and success is linked to the wellness of the environment and the ecosystems in which the Group operates, and that steps and efforts are to be invested in identifying and addressing any actual or potential adverse impacts on the environment that may arise from the activities of the Group or its business associates. We are, thus, committed to considering and minimising the impacts of the Group's actions and programs on the environment, including climate change, as well as integrating environmental considerations in our business practices and processes, and conducting environmental due diligence as per our Environmental Policy.

In addition to taking an uncompromising stance on environmental laws and regulations compliance, we firmly believe sustained economic growth built on the foundation of efficient use of resources is key to alleviating our impact on the environment. Hence, our focus on efficient consumption of energy, water and materials, and waste management efforts are imperatives to achieving effective environmental stewardship and building our strong environmental pillar essential for business success.

Materials

Aztech understands that the use of sustainable materials will reduce the built-up of GHG emissions that exacerbate climate change. Following our stakeholder engagement and materiality assessment in FY2022, it was clear that materials become one of the topic areas of concerns for our stakeholders, ranging from our suppliers, customers and employees this year.

Aztech is fully committed to doing our part to reduce the negative impact our packaging materials can have on the environment. Hence, we will be taking steps to balance our responsible use of materials for packaging, while minimising our negative impact on the climate.

While we continue to ensure that we have stable sources of materials from our current suppliers, the team has been considering sustainable procurement. We will also be making sure that our packaging is efficient and minimises the amount of materials used for each package.

FY2022 Performance

- Determined Materials as one of the material topics in FY2022

FY2023 Target

- Establish dedicated packaging materials conservation team to propose and implement responsible materials for packaging and sustainable procurement



Energy


The Group's activities are powered by electricity and diesel. We have been striving to improve our energy consumption efficiency through the deployment of energy efficient equipment and processes, as well as, energy conversion technology. We have, for instance, recycled heat energy generated by our air-conditioning systems at our dormitories in Dongguan to power the central hot water system. We have also converted our air-conditioning system in Dongguan into energy efficient inverter systems and installed sensor lightings at the corridors of dormitories to conserve energy. At our manufacturing facilities in Dongguan and Johor, all T8 lighting were replaced with LED T8 lighting, with added time switch capability to automatically turn off lights when not in use.

While our operation teams in China and Malaysia are exploring the deployment of economically feasible renewable energy sources, we have supplemented our energy conservation initiatives with ongoing promotion of electricity conservation behaviour and practices such as the use of natural light, switching off air-con after office hours, and reminder posters to sustain energy conservation efforts and to reduce our carbon footprint.

We monitor our electricity and fuel consumption at our offices, manufacturing facilities, warehouses and motor vehicles at all our sites in Dongguan, Hong Kong, Shenzhen, Johor and Singapore and adhere to the various regulations including Energy Conservation Law of People's Republic of China.

Energy cont'd

Table 5 presents our energy consumption indicators from FY2020 to FY2022. Fuel consumption to deliver finished products to customers is, however, excluded in our consumption calculation as our business with customers is on ex-factory terms.

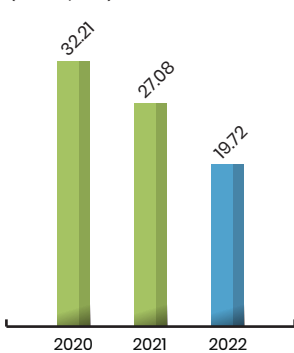


	FY2020	FY2021	FY2022	Y-o-Y Change
Electricity consumption (MWh)	15,468	16,551	16,027	-3.2%
Diesel and petrol consumption (MWh)	129	358	146	-59.2% ⁷
Total Energy Consumption (MWh)	15,597	16,909	16,173	-4.4%

Table 5: Energy Consumption

Electricity, diesel and petrol consumption decreased by 3.2% and 59.2% from 16,551 MWh and 358 MWh in FY2021 to 16,027 MWh and 146 MWh in FY2022 respectively as a result of continued energy consumption efficiency at our operations. The border restrictions between Hong Kong and China when the zero-Covid policy was in effect also led to lower diesel and petrol consumption as components and products were shipped by third-party service providers instead of our transportation via land. These, in turn, led to 4.4% decrease in total energy consumption of the Group from 16,909 MWh to 16,173 MWh.

Energy Intensity Ratio (MWh/\$M)




Our energy intensity ratio⁸ improved by 27.2% from 27.08 MWh/\$M in FY2021 to 19.72 MWh/\$M in FY2022 due to continuous improvement in the management of factors of production and efficient production planning. Revenue grew 31.2% to \$820.2 million.

⁷ The lower diesel and petrol consumption in FY2022 was a result of border restrictions between Hong Kong and China amidst the enforcement of zero-Covid Policy. Components and products were shipped through third-party service providers instead of our transportation via land.

⁸ Energy intensity ratio refers to total energy consumption per million dollars of revenue generated.


Y-o-y denotes year-on-year

We are actively working to identify opportunities and implement innovative solutions to reduce the amount of energy used in the production and distribution of our products as we understand that the effects of climate change can be negatively felt in a variety of ways within our operations and the planet. We look forward to continuing and enhancing our efforts in this direction and working together to create a more sustainable future for our planet.




FY2022 Target

- Improve energy intensity ratio by 10%



FY2022 Performance

- Energy intensity ratio improved by 27.2% to 19.72 MWh/\$M



FY2023 Target


- Improve energy intensity ratio by 5%

Water

Water plays a critical role to the Group's manufacturing operations. Municipal water supply, purified river water and rainwater remains our primary water source, and we are careful in monitoring water usage at every site to prevent and mitigate harmful effects of excessive water consumption as well as water discharge on the local communities.

We are aware that global climate is changing, and water resources are being impacted. To ensure that water is consumed responsibly, we implement several initiatives to reduce over-consumption. Water saving initiatives and reminder posters on responsible consumption continued into the year. The installation of delayed flushing valves for toilet bowls and replacement of water-saving faucets to conserve water had contributed to reduction in water consumption at our Dongguan facilities. In Malaysia, routine inspections of the plumbing system, water pipes and valves for leakages and damages had also been effective in stemming wastage.

The below table summarised our water consumption for FY2020-FY2022 period.



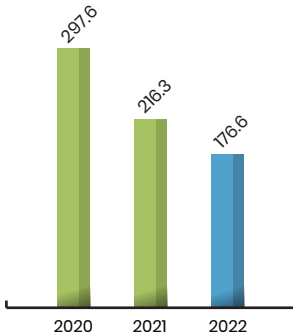
	FY2020	FY2021	FY2022	Y-o-Y Change
Water consumption ('000 m ³)	144	135	145	7.3%

Table 6: Water Consumption

Environmental

Water cont'd

Water Intensity Ratio (m³/\$M)



In FY2022, the Group's water consumption increased by 7.3% from 135,000 m³ to 145,000 m³. The higher consumption was due mainly to higher production activities at our Johor manufacturing plant. Water intensity ratio⁹, however, improved by 18.4% from 216.3 m³/\$M to 176.6 m³/\$M owing to higher productivity of our production workforce and the employment of lesser temporary workers leading to lower water consumption per dollar of revenue generated.




⁹ Water intensity ratio refers to water consumption per million dollars of revenue generated.

Compliance with the local government regulations on water and effluent discharge remains our priority, especially at our manufacturing sites, where quantifiable standards on discharge had been established, tracked and monitored to

meet discharge standards set by the authorities. In Dongguan, our centralised rainwater and sewage diversion system collects and treats the sewage to conductivity less than 200 µS/cm with pH scale of between six and nine before discharging to the public drainage system.

Similarly, our Malaysian facility in Johor is required to remove impurities and waste substances at the centralised septic tank system and sewage control prior discharge to the public drainage system to mitigate impact of waste water discharge on the environment. Water samples from the final drainage were sent to be analysed in a certified laboratory to ensure water discharged from our premises comply with the local legislation. Routine inspection to the sewage treatment plant is also conducted to ensure the plant is functioning accordingly to prevent stagnant water and breeding of mosquitoes and impact to the community.

There were no reported incidents of non-compliance with effluence discharge limits and regulations in FY2022. The Group is committed to adhere strictly to the local government regulations for water and effluents discharge to lessen our impact and contribute to the wellness of the environment and the ecosystems in which the Group operates.

 <p>FY2022 Targets</p> <ul style="list-style-type: none"> • Strict adherence to local government regulations for water and effluents discharge • Improve water intensity ratio by between 5% and 10% 	 <p>FY2022 Performance</p> <ul style="list-style-type: none"> • No reported incidents of non-compliance with discharge limits and regulations • 18.4% improvement in water intensity ratio to 176.6m³/\$M 	 <p>FY2023 Targets</p> <ul style="list-style-type: none"> • Zero (0) incidents of non-compliance relating to water and effluents discharge • Improve water intensity ratio by 5%
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Waste Management

Waste is generated through all stages of production at our manufacturing facilities and within our value chain. Aztech is conscious of the waste we generate and recognise our responsibility to manage such waste to minimise our impact on the environment and the communities. We reckon that effective waste management enhances our ability to achieve resource efficiency that could translate into cost savings. Hence, we would be focusing on driving effective waste management in our direct operations by reducing and diverting our operational waste and applying strict standards to our waste management efforts.

Our operational waste is divided into hazardous waste and general solid waste, which is entrusted to qualified third party service providers for recycling or treatment for disposal to mitigate the impact of our waste and to comply with environmental regulatory requirements such as the Environmental Quality (Scheduled Wastes) Regulations 2005 in Malaysia. Table 7 provides a summary of waste generated in 2022.


Type of Waste	Hazardous Waste (Tonnes)	General Solid Waste (Tonnes)	Waste Generated (Tonnes)
Diverted from Disposal	2	361	363
Directed to Disposal	11	2	13
Total Waste Generated	13	363	376

Table 7: Waste generated in FY2022

Waste Management *cont'd*

The Group generated a total of 376 tonnes of waste in 2022, of which 363 tonnes were general solid waste and the balance being hazardous waste at 13 tonnes. More than 96% of the total waste generated were diverted from disposal, of which 0.6% were hazardous waste that comprised electronic waste.

It remains our intention to continuously divert our waste from disposal, and to maintain our disposal of hazardous waste through certified third-party service providers at 100% to comply with environmental regulations and minimise our environmental footprint. In addition, the Group seeks to explore alternative uses for waste from our operations to improve resource efficiency, and explore the adoption of green alternatives as well as the application of 5Rs – refuse, reduce, reuse, repurpose and recycle – to our waste minimisation thrust to conserve scarce resources towards zero waste in the long-term. We intend to explore ways to engage our stakeholders along the value chain to identify circular opportunities through the efficient use of resources in the near future.



FY2022 Performance

- Determined Waste as one of the material topics in FY2022
- Embarked on disposal & diverted waste data collection in our facilities located in Dongguan, China and Gelang Patah, Johor, Malaysia
- More than 96% of waste generated were diverted from disposal



FY2023 Targets

- Maintain 100% disposal rate of hazardous waste to certified third-party service providers
- Establish disposal & diverted waste data collection in our Pasir Gudang manufacturing plant in Johor, Malaysia

Social



Aztech considers the core principles and is committed to the advancing of human rights both within our operations and in the wider value chain. To ensure that we are fulfilling our mission to protect human rights, we make sure that our internal stakeholders reflect our corporate values and adhere to the local laws and labour regulations that apply to our various operating markets.

To improve the welfare of external stakeholders that may be affected by our operations, we first identify solutions by embarking on social programs that benefit the people who are most vulnerable. This is reflected through the series of charity and donations, yearly supplier assessment, and ensuring all the goods that we produced meet the general safety requirements including RoHS, Conformité Européenne (CE), Underwriters Laboratories (UL) listed for consumers. We have also instituted Responsible Minerals Policy to support responsible sourcing of conflict minerals namely tantalum, tin, tungsten and gold, as well as cobalt to achieve conflict-free supply chain and avoid sourcing:

- linked to or are from armed conflict areas;
- where human rights are abused in its extraction; and
- from conflict-affected and high-risk areas, including the Democratic Republic of Congo and adjoining countries.

As we understand the increased focus on human rights, we have published our stance in our website to communicate our Human Rights Policy to the general public, and to the employees during induction processes. With regards to efforts in reducing adverse impacts of salient human rights issues, we continuously scan, remedy and report violations and breach of policies to Chief Sustainability Officer, Head of Legal & Corporate Affairs and Head of Human Resources at the earliest possible opportunity.

Our Human Rights and Responsible Minerals policies are available on the website:
<https://www.aztechglobal.com/sustainability/policies.html>



Employment

As an equal opportunity employer, Aztech encourages and embraces inclusiveness, diversity and teamwork that lend impetus to innovation. We have, thus, embedded these principles to our recruitment policy where prospective employees are evaluated based on merits, and employees' performance are evaluated through a transparent appraisal process.

With proper recruitment and reward systems in place, Aztech firmly believes success is built upon a collaborative work environment in which every employee is engaged, empowered and motivated to achieve corporate goals as each employee plays an essential role in driving the business. Hence, the creation of a respectful, rewarding, progressive and safe working environment for our people remains core to helping our employees remain employable, relevant and competitive so as to attract, develop and retain talents in the Group.

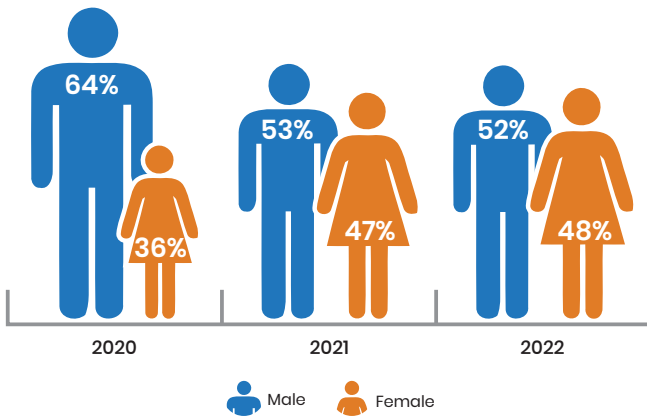
Aztech respects human rights and supports the elimination of all forms of forced and compulsory labour, including child labour, and do not tolerate any discrimination in respect of employment and occupation. Our remuneration package is competitive and commensurate with employee's experience, performance and job responsibilities. None of our employees are covered by collective bargaining agreement.

Employment cont'd

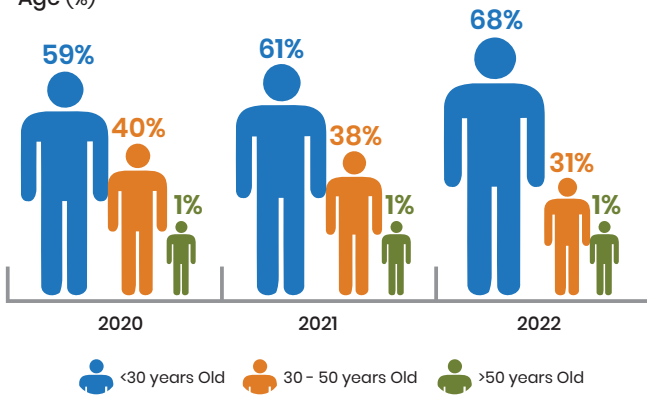
The Group employed an average of 1,307 employees¹⁰ in FY2022. This was an increase of 129 employees from a year ago as a result of our expansion in Malaysia. New recruitment accounted for 56% of the average number of employees in FY2022 compared with 37% in FY2021. Employee turnover was 8%, a decline from 11% in the previous year. The breakdown in new hires and employee turnover are as follows:

New Hires:

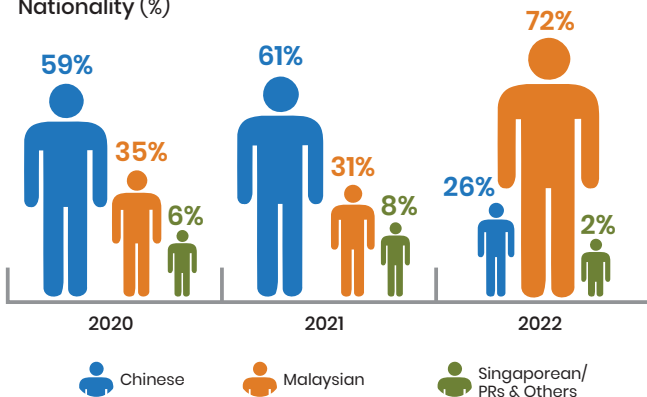
Gender (%)



Age (%)

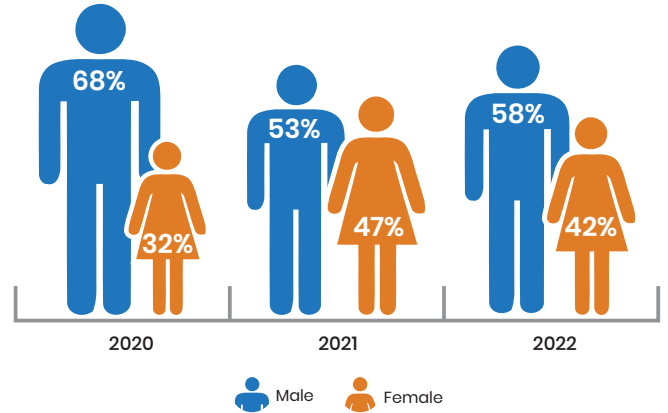


Nationality (%)

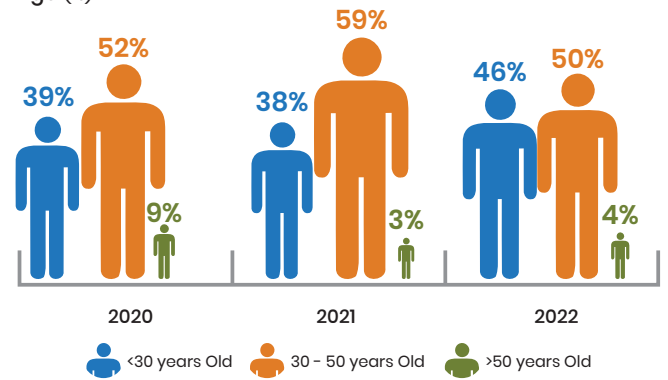


Turnover:

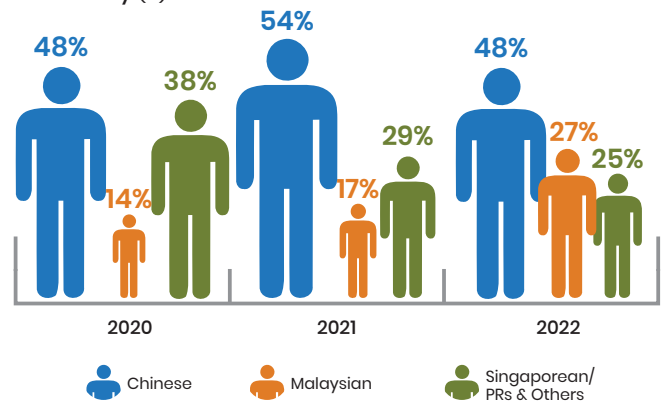
Gender (%)



Age (%)



Nationality (%)



¹⁰ Employees exclude part-time and temporary workers from employment agency.

Social

Occupational Health and Safety

At Aztech, providing a safe environment to safeguard the health and safety of our employees against any workplace hazards is a fundamental right of our employee as well as our top priority. The overall wellness and morale of our employees, we believe, would impact the productivity and quality of products and services to our customers.

Aztech adheres to the guidelines provided by International Labour Organisation, Singapore's Workplace Safety and Health ("WSH") as well as the Law of the People's Republic of China on Work Safety and Labour Law, and the Occupational Safety and Health Act 1994 in Malaysia to protect the health and safety of our employees.

Governed by Occupational Health and Safety ("OHS") Policy, we manage safety risks in our operations systematically via on-site OHS management system that identifies, assesses, manages and mitigates risks and hazards at our workplace and processes with proper risks controls implemented. Specific targets and objectives were defined, communicated across the various levels of the organisation through various channels such as emails, briefings and bulletin boards and monitored to reduce loss time arising from work-related injury and illness, and to achieve an incident-free workplace.

During the year in review, our Singapore office has successfully integrated the ISO 45001 Occupational Health and Safety Management System, ISO 9001 Quality Management System and ISO 14001 Environmental Management System to manage health and safety, quality and environmental risks seamlessly. Specific targets were defined and communicated to employees via emails to recognise the importance of our employee's safety amidst the demanding requirements for quality and environmental compliance.

Regular review and audit are conducted to assess the effectiveness of the OHS management system to comply with evolving workplace safety and other regulatory requirements to better protect the safety and health of employees. Hence, we ensure that the system is adequately supported by competent and trained personnel such as our safety officer to improve our safety performance while achieving business goals.

Training has been an integral factor to a safe and incident-free workplace. It heightens employees' awareness on health and safety risks relating to their workplace and course of their work, and equips them with practical know-how to eliminate and/or mitigate such risks. To enable our employees to perform their job safely, trainings relating to Machinery and Equipment Safety, Electrical Safety, Fire Safety, Hazardous Chemical Safety, Occupational Health Protection Knowledge, Apply Workplace Safety and Health in Construction Sites, Supervise Construction Work for Workplace Safety and Health, Manage Workplace Safety and Health in Construction Sites as well as Manage Work at Height were provided.

Employees of higher risk exposure to occupational disease inductive factors are provided with protective equipment and regularly scheduled for health examination. Warning labels are pasted to heighten alert, while the workplace of higher risk exposure is periodically tested for occupational disease inductive factors. In addition, first-aid supplies are regularly refreshed in preparation for emergency purposes.

The Group performs routine maintenance of fire extinguishers and holds fire drill and evacuation exercise to familiarise our employees with exit procedures and to raise awareness on fire prevention. Routine inspections are conducted at emergency exits to ensure clear and operational signages and unblocked passage ways to facilitate quick and safe exit in case of an emergency.

Our joint management-worker Health and Safety Committee oversees and ensures that health and safety policies and OHS management systems are properly implemented at each site, and is involved in developing annual plans, setting and monitoring performance indicators to ensure workplace safety. Discussion on health and safety issues among workers and supervisors were carried out daily; and with managers periodically to develop strategies to enhance effectiveness in preventing injury and illness at workplace.

To sustain the safety of our working environment, we have adopted Job Safety Analysis ("JSA"), Chemical Health Risk Assessment ("CHRA") and Health Identification, Risk Assessment and Risk Controls ("HIRARC") to identify safety elements, implement proper controls and to coach employees to handle potential safety hazards effectively. In Malaysia, our team had implemented the 5S program to create and sustain a more organised, productive and safer work environment systematically.

Occupational Health and Safety *cont'd*

Aztech provides several channels for employees to report work-related hazards and hazardous situations. Employees can report directly to their supervisors verbally, or to top management through Aztech’s suggestion box, email, facsimile, letter, noticeboard, etc. and to any member of the Health and Safety Committee. Regardless of channels utilised, the reporting employee is protected from any form of retaliation.

Complementary to a healthy and safe workplace, we believe the provision of benefits and care for our employees will enhance their wellbeing as we seek to nurture trust and excellence within the Group. We provide dental benefit, medical insurance and organise health promotion activities such as talks and workshops on Eating Well for Better Immunity, Strengthening and Stretch for Good Posture, Fitness Improvement, Lowering Cancer Risk through Healthy Lifestyle and Emotional Intelligence. All of our employee’s personal health-related information are kept confidential and protected with access limited strictly to authorised person.


 Work-related Injuries	FY2020	FY2021	FY2022
Major Work Injury Accidents	0	0	1
Minor Work Injury Accidents	7	3	5
Rate of Injury per 100 workers	0.18	0.078	0.161

Table 8: Work-related Injuries

In FY2022, there were 1 major injury and 5 minor work injury accidents at our Dongguan, Malaysia and Singapore operation sites, up from 3 in FY2021. The rate of injury increased from 0.078 per 100 workers in FY2021 to 0.161 per 100 workers in FY2022.

The major injury work accident involved the slipping of a worker on wet surface. Immediate medical attention was provided to the worker, and investigations were carried out to determine the root cause of the wet surface to deploy effective course of corrective and preventive measures. Standard operating procedures (“SOPs”) were reviewed to

prevent the recurrence of wet surface, while anti-slip mat was installed at the accident site and wet floor signages acquired. Affected workers were counselled to observe and adhere to the SOPs to achieve workplace safety. Report was lodged with the Malaysia’s Department of Occupational Safety and Health within the stipulated 3-day period and corrective actions as well as the accident site were audited by the appointed officer from the authority.

Investigations on the 5 minor work injury accidents were also carried out. Each incident was evaluated with corrective and/or preventive actions implemented to mitigate recurrence of such accidents. Effectiveness of corrective action was assessed and verified by health and safety officer at the respective sites.

		
<p>FY2022 Targets</p> <ul style="list-style-type: none"> • Not more than 5 minor workplace accidents • Zero (0) cases of major work-related accident 	<p>FY2022 Performance</p> <ul style="list-style-type: none"> • 5 minor work injury accidents • 1 major work injury accident 	<p>FY2023 Targets</p> <ul style="list-style-type: none"> • Not more than 5 minor workplace accidents • Zero (0) cases of major work-related accident

Supplier Social Assessment

In our efforts to improve resiliency of our supply chain and following the disruptions caused by the Covid-19 pandemic, the urgency to prevent and mitigate negative occupational health and safety impacts that are directly linked to the Group’s operations, products and services from our business relationships could not be overemphasized.

Over the years, Aztech has established a detailed and stringent supplier assessment and qualification processes. One of the many factors of assessment was occupational health and safety, where suppliers were qualified and assessed in ensuring a safe and healthy work environment for their employees via complying with the relevant laws and regulations, and meeting our production requirements.

Social

Supplier Social Assessment *cont'd*

Our qualified suppliers are regularly assessed for their compliance to workplace safety that is part of our proprietary monitoring procedures and controls. At any point of our business relationship, identified non-compliance will be promptly communicated to the affected supplier for rectification and improvement within a set time limit. Failure on the part of the affected supplier to oblige would result in the disqualification and termination of business. During the year, none of our suppliers were disqualified or terminated arising from non-compliance to workplace safety.

 <p>FY2022 Target</p> <ul style="list-style-type: none"> Enhance supplier assessment and qualification and monitoring procedures to comply with latest laws and regulations and align with best practices 	 <p>FY2022 Performance</p> <ul style="list-style-type: none"> All of our qualified suppliers complied with workplace safety requirements 	 <p>FY2023 Target</p> <ul style="list-style-type: none"> Maintain zero tolerance towards qualified suppliers that neglect workplace safety
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Training And Education

Human capital development is critical to ensuring the continued relevancy of Aztech's value proposition to its markets. Aztech encourages and provides our employees regular trainings to develop them professionally through our holistic Learn, Train and Develop ("LTD") training framework to align our people's growth and development with that of the organisation and industry trend.

The LTD training framework targets three main areas of employees' learning journey to promote learning and assist our talents in taking on and transitioning into new and emerging roles. Annual reviews and regular assessments of employees' training and development needs are conducted to determine critical skills gap at both departmental and individual levels. Based on the assessment, life-long learning and training journey along with career map are crafted.

In Singapore, we engaged external experts to train our employees on Anti-Corruption and Anti-Bribery ("ABAC"), Task-force on Climate-Related Financial Disclosures ("TCFD"), Smart Lighting Solutions on IoT XENSIV™ Lighting, WSH, Dialux, Electric Vehicle Charging System and Grow Your Innovation Potential with Creative Leadership to expand employees' perspective, professional knowledge and skills to facilitate workflow.

Total training hours achieved for FY2022 amounted to 17,394 hours, while average training hours per employee was 13 hours, meeting our FY2022 target even as we experienced an increase in business activities. During the year, average training hours per female employee was 13.2 hours, while that for male employee was 13.0 hours. We believe in investing in the continuous development of our people and commit to conduct regular performance and career development reviews with our employees. We also intend to deploy resources and offer training courses to continuously strengthen the competency of all our employees.





	FY2020	FY2021	FY2022
Total Number of Training Hours	16,362	13,855	17,394
Average Number of Training Hours	15	12	13
By Gender			
FY2022	Male	Female	
Total Number of Training Hours	9,143.5	8,250.5	
Average hours of training per year per employee	13	13.2	
Percentage of employees receiving regular performance and career development reviews	98%	100%	

Table 9: Training Hours, Regular Performance & Career Development Reviews

 <p>FY2022 Targets</p> <ul style="list-style-type: none"> Upskill, reskill and train employees to value add to their role Achieve an average of 13 training hours per employee
 <p>FY2022 Performance</p> <ul style="list-style-type: none"> Met target and attained training hours of 17,394 and average of 13 hours per employee Conducted ABAC, TCFD, Smart Lighting Solutions, EV Charging, Grow Your Innovation Potential with Creative Leadership trainings to develop employees
 <p>FY2023 Targets</p> <ul style="list-style-type: none"> Maintain an average of 13 training hours per employee Maintain more than 90% of the Group's employees receiving regular performance and career development reviews

Diversity And Equal Opportunity

Board Diversity

Aztech recognises the benefits of diversity in the Board’s composition and its diverse workforce. In response to our Board diversity policy and the three (3)-year timeline to appoint at least one (1) female Director on the Board from January 2022, Ms Jeann Low was appointed to the Board on 1 August 2022 as Independent Director and member of the AC for her relevant financial experience, along with her expertise in high-tech telecommunication industry and deep strategic insight. With Ms Low’s appointment, the Board independence ratio increased from 60% to 67%, and lifted Aztech’s female board appointment to 17%. The Board remains committed to ensuring its continued effectiveness in directing Aztech’s growth through sustainable development, and will continue to embrace diversity for the furtherance of Aztech’s purpose and vision.

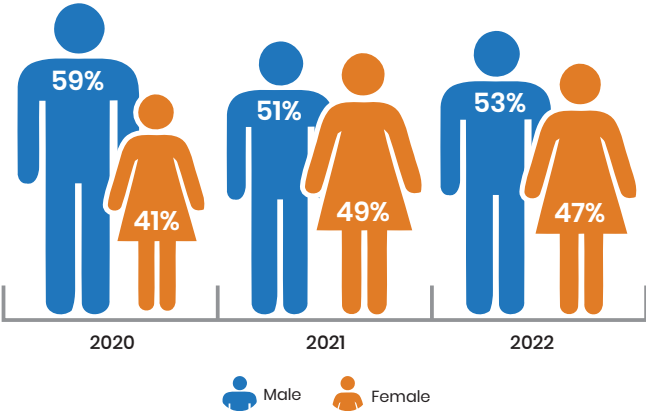
Workforce Diversity

In its appreciation of the values afforded by a diverse workforce, Aztech provides equal employment opportunities in terms of skillset, expertise and competencies. We do not discriminate employees according to their race, age, gender, religion, ethnicity, facial attractiveness, marital status, physical impairments, sexual preference, political viewpoints or nationality. We recruit and reward our employees based on performance, work attitude and teamwork and strive to achieve a fair portion of diversity across gender, age and nationality in our workforce. There were no cases of discrimination reported in FY2022, and the percentage of woman in the management team stood at 25%.

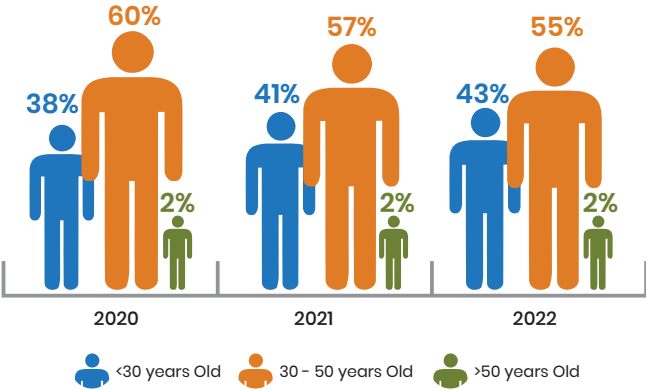
All of our employees are Aztech’s greatest asset that empowers the success, achievement and growth of the Group. We believe the continuous adoption of fair practices and building of meaningful partnership with our employees remain key to allowing our diverse talents to flourish and attract complementary talents. Hence, we have installed the growth and development pathway to engage our talents starting from their onboarding to ensure their fit into the organisation culture and perform effectively in their role. Fast-track programme is also available for motivated employees to encourage and drive positive performance with the right reward. The pathway is complemented by our annual Learning Needs Analysis programme where our employees are equipped to take on evolving roles and responsibilities to challenge and reach their fullest potential.

Our workforce profile:

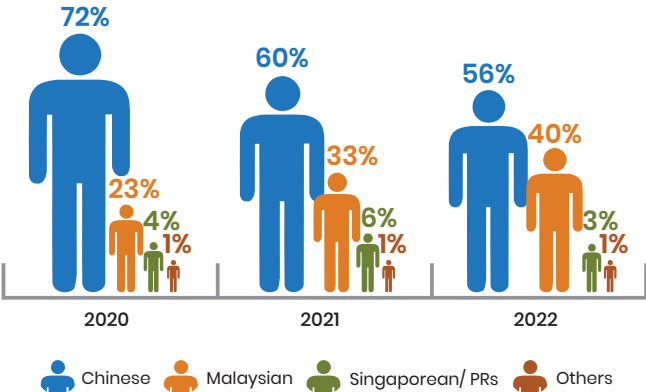
Gender (%)



Age (%)



Nationality (%)



Social

Diversity And Equal Opportunity *cont'd*

Besides continuous employee development, Aztech demonstrates our practical care towards our people with competitive employee benefits and ensures fair and safe working environment to retain and attract talents to our organisation. We review remuneration policies and packages regularly to ensure that our compensation and benefits are in line with market. To align the interests of the employees with those of the Group's, employees are rewarded equitably for their contribution. Variable bonuses are awarded to eligible employees based on the individual's contribution to the Group, profitability of the Group, current economic and business situation, government's wage guidelines, and internal and external salary equality.

Aztech values and stresses the importance of teamwork and collaborative spirit amongst employees as each plays their essential role in the Group. Different types of teambuilding activities and events are organised for our employees regularly to nurture bonds. We continue to take every opportunity such as birthdays, annual dinner, festivities, appreciative awards for long-service employees and best team/departmental spirit, etc. to facilitate inter-departmental bonding as well.

We aim to provide equal opportunities to all employees in terms of their skillset and competencies.

 <p>FY2022 Performance</p> <ul style="list-style-type: none"> There were no cases of discrimination reported in FY2022 	 <p>FY2023 Target</p> <ul style="list-style-type: none"> We will continue to adopt fair practices for all employees
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Employee birthday celebration



Chinese New Year Celebration



Hari Raya Celebration



Deepavali Celebration



Christmas Celebration



Staff Get-Together Dinner

Local Communities

Aztech embraces the philosophy of giving back to the community. To achieve our social sustainability goal of impacting lives with smarter solutions for long-term sustainability and caring for equality in our local communities, various Corporate Social Responsibility (“CSR”) initiatives were carefully assessed and selected to aid in the development and improvement of the society in which we live and work.

Throughout the year in review, the Group had participated in 15 community projects and activities to empower and positively impact our vulnerable, underprivileged and disadvantaged stakeholders in the local communities. In these CSR activities, we prioritise to understand the beneficiaries we are helping first to ensure that our donations match what they require. We also ensure that all guidelines and safety precautions are taken before we conduct any CSR activities. We appreciate our local communities’ patronage and look forward to serving them sustainably.



Employees volunteer activities during the pandemic



Sponsorship for Sports events in Jiujiang Shui Village



Participated in turning E-waste to resources donation programme



For the 5th consecutive year, Aztech’s warm-hearted colleagues in Hong Kong have responded to the blood donation call by the Red Cross

 <p>FY2022 Performance</p> <ul style="list-style-type: none"> 15 community projects & activities completed in FY2022 	 <p>FY2023 Target</p> <ul style="list-style-type: none"> Support community projects and activities to empower and positively impact our vulnerable, underprivileged and disadvantaged stakeholders
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Social

Local Communities cont'd



Aztech gave back to the community through North East Community Development Council's (NECDC) Project Refresh 2022



Aztech was able to help 53 single mothers and 72 children from underprivileged families access basic necessities at home like hot water for their day-to-day meals



Through this programme, Aztech recognises that individuals, regardless of age, can have meaningful and impactful dreams



Aztech partnered with Loving Heart Multi-Service Centre Jurong (LHMSCJ) in May 2022 by donating and distributing 100 electric kettles to families under their Food Gift Programme

Customer Privacy

While we seek every opportunity to improve to meet and do better than our customers’ requirements and standards, Aztech recognises the increasing cyber security threats amidst the rapid digitalisation trend that could potentially compromise customer privacy and ability to protect and secure customers’ personal data, intellectual property rights and trade secrets that are core to our healthy business relationships.

We affirm and reiterate our respect for customer privacy and stance on data protection. Our employees are briefed during their onboarding on the importance of adhering to personal data protection and cyber security policies and regulations.

Annual information security training and quiz are provided to staff to raise their awareness especially against increasingly sophisticated phishing and spoofing attacks. Periodic emails are sent to remind employees on good cyber hygiene practices that are anchored on our Group-wide Cyber Security Policy. The policy applies to all employees, contractors, volunteers, suppliers, interns and/or individuals with access to Aztech’s electronic systems, information, software and hardware to:

- Protect Aztech’s data and infrastructure;
- Outline the protocols and guidelines that govern cyber security measures;
- Define the rules for company and personal use to protect device, email and data security;
- Provide guidelines for the use of cloud computing; and
- List the Company’s disciplinary process for policy violations.



Additional key measures taken to protect our customer data include network separation, access restriction and control to customer data, and secured data sharing via Electronic Data Interchange and through cloud with Secure Sockets Layer. All company-issued devices such as tablets, computers and mobile devices are password protected. Logical access attempts are logged, reviewed and monitored for applications, operating systems, databases, network devices, logs and program source code to identify security flaws and/or vulnerabilities.

Aztech abides strictly by the procedures and stringent requirements from customer onboarding to the expiry of contract. Employees, officers, representative and agents to the contract are required to sign and commit to the duty of non-disclosure of sensitive confidential materials, knowledge or information provided by the customer for a specified term. At the expiry of the contract or for a specified term of the contract, all copies of sensitive and confidential information would be returned to the customer when requested.

The Group in the course of our operations is required to collect and retain personal information of our customer and/or end-consumer. In the provision of our service, personal information of customer will be used, and might be applied for the improvement of our service as well as for notification of opportunities which customer might be interested in. Aligned with the Personal Data Protection Act 2012 (No. 26 of 2012), no personal information collected for the purpose of the business is provided to third parties except where necessary to our business partners who assist us in the provision of our service to customers. The Data Privacy policy is available at our website and our customers are kept abreast of any updates in policies through notifications such as website popups and/or emails. Data Protection Officer for the Group has also been appointed.

Nevertheless, it remains imperative to develop and implement data breach management and response plan to manage data breach whenever it occurs. The plan covers procedures on containing the breach, assessing risks and impact posed by the breach, reporting the breach as well as evaluating response and recovery to prevent its future occurrence.

There were no reported breaches in FY2022, and vigilance remains the Group’s defense to customers privacy and data security. We are in the process of acquiring ISO 27001 certification for our information security management systems, and target to achieve the certification in 2023 to manage information security in a systematic and cost-effective way.

	
<p>FY2022 Performance</p> <ul style="list-style-type: none"> • No major observations were made on customer audit • Zero (0) data breaches 	<p>FY2023 Target</p> <ul style="list-style-type: none"> • Obtain ISO27001 certification

GRI Standards 2021 Content Index

GRI Standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organizational details	Pg. 7-8
	2-2 Entities included in the organization's sustainability reporting	Pg. 4
	2-3 Reporting period, frequency and contact point	Pg. 4
	2-4 Restatements of information	Pg. 4
	2-5 External assurance	Pg. 5
	2-6 Activities, value chain and other business relationships	Pg. 7-10
	2-7 Employees	Pg. 8, 30-31
	2-8 Workers who are not employees	Pg. 31
	2-9 Governance structure and composition	Pg. 12
	2-10 Nomination and selection of the highest governance body	Annual Report ("AR") Pg. 28-29
	2-11 Chair of the highest governance body	AR Pg. 22
	2-12 Role of the highest governance body in overseeing the management of impacts	Pg. 11-12
	2-13 Delegation of responsibility for managing impacts	Pg. 11-12
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	2-16 Communication of critical concerns	Pg. 14
	2-17 Collective knowledge of the highest governance body	Pg. 2
	2-18 Evaluation of the performance of the highest governance body	AR Pg. 29-30
	2-19 Remuneration policies	AR Pg. 31-33
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TCFD Content Index

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GOVERNANCE: Disclose the organization's governance around climate-related risks and opportunities	(a) Describe the board's oversight of climate-related risks and opportunities	Pg. 1
	(b) Describe management's role in assessing and managing climate-related risks and opportunities	Pg. 11-12
STRATEGY: Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material	(a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term	Pg. 21
	(b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy and financial planning	Pg. 1
	(c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Pg. 1
RISK MANAGEMENT: Disclose how the organization identifies, assesses, and manages climate-related risks	(a) Describe the organization's processes for identifying and assessing climate-related risks	Pg. 19-21
	(b) Describe the organization's processes for managing climate-related risks	Pg. 19-21
	(c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	Pg. 19-21
METRICS & TARGETS: Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material	(a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process	Pg. 5
	(b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	Pg. 6
	(c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	Pg. 6

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