SUSTAINABILITY REPORTING FY2024

Powermatic Data Systems Limited

SUSTAINABILITY REPORT FY2024

Relevant corresponding reference location in our Annual Report 2023/24

1. Board Statement

Powermatic Data Systems Ltd (hereafter referred to as "PDS" or the "Group") is pleased to present the sixth annual Sustainability Report (the "SR Report") which covers our Group's performance from 1 April 2023 to 31 March 2024 (the "reporting period").

This Report covers the Group's key sustainability issues, management approach, and related performance. It is prepared following the GRI Standards 2021: Core Option.

Our board of directors continues to appoint a steering committee headed by our executive director, Ms. Katherine Ang and a working committee consisting of senior staff of the Singapore entities and our subsidiary in Suzhou, China to supervise the sustainability report in 2023/24.

During the process, our committees have worked closely with all HODs and our stakeholders from whom we gathered valuable material ESG factors for our sustainability assessment. The Sustainability Report for FY2023/FY2024 has been/will be reviewed by the Internal auditors.

As at the date of this report, the board comprises 2 executive directors and 4 independent directors. All directors had attended the courses required by the SGX. Our board takes yearly sustainability reporting seriously, and all concerns of stakeholders are duly discussed and put into our business strategy to make room for improvements. The BOD wishes to thank all parties who participated in the compilation of this report.

Chairman, Board of Directors

Sustainability Reporting Steering Committee
Chairperson: Ms. Katherine Ang
Members: Molly Chua/ Yvonne Ang / Alex Tiong/ Kelly LI

Sustainability Reporting Working Committee
Chairperson: Molly Chua
Members: Kelly LI / Sun Hong Lian

2. Economic

2.1 Our Business

Powermatic Data Systems was established in Singapore on 1 February 1989 and was listed on the SGX since 1992. As an investment holding company, it has six fully owned subsidiaries located in Singapore, China, and Malaysia. The Group operates under two main segments:

1. Manufacturing and sale of Wireless Connectivity products and related services
2. Lease and maintenance of Harrison Industrial Building, a freehold investment property owned by the Company.

The Company has obtained approval from the relevant authorities to re-develop Harrison Industrial Building into a multi-story food production development. At the date of this report, all tenants had vacated the building. The Company had also relocated its Singapore operations to a newly acquired office unit at 178, Paya Lebar Road.

Geographically,　our sales distribution for FY2024 is Asia – 33% (FY2023:34%), USA – 12% (FY2023: 18%), Europe – 52% (FY2023: 47%), and other regions – 3% (FY2023: 1%).

Wireless connectivity is the core business and the main profit driver of the Group. Apart from manufacturing its own designed hardware, the Group also provides OEM, ODM solutions, and other sales-related services to customers.

Our product range includes high-performance wireless radio modules, embedded boards, indoor and outdoor access points, and wireless antennas. These products are used in various industries such as PC, IoT, Health care, Hospitality, Security surveillance etc.
Our product applications by customers: In the healthcare sector, our wireless radio modules have been integrated into healthcare products to provide wireless connectivity for easier access to patients' databases; In the security industry, our outdoor access points have been deployed to provide live feed transmission across long distances for remote surveillance; In the factory automation industry, our wireless radio modules have been utilized in factory applications such as power meters and robots to increase productivity; and In industrial PC, our Industrial Grade wireless radio modules have been utilized in industrial computers designed to transmit crucial data to servers. https://compex.com.sg/　https://compex.com.sg/cn/

The Group develops and designs its proprietary array of wireless communication products. To further our technology reach, we have a technology partnership with Qualcomm Atheros (QCA). Our subsidiary Compex Systems Pte Ltd was officially appointed as Qualcomm Authorized Design Centre in South East Asia in 2014. As a Qualcomm Authorized Design Center, we provide our wireless know-how, including those in our proprietary array, in hardware and software services to many multinational corporations. Our clientele includes reputable distributors of electronic and wireless device components, system integrators, wireless product design houses, and Fortune 500 corporations.

2.2 Economic Performance and Outlook

Here is a glance at our financial records over the last five years

Income Statement	2020	2021	2022	2023	2024
Revenues (S$ million)	21.8	26.3	27.9	30.9	28.1
Profit before tax (S$ million)	9.9	9.1	9.8	11.6	6.3
Earnings per share (Sin Cents)-diluted	24.99	21.23	23.38	27.14	11.97
Dividend per share (Sin Cents)	NIL	5	15	10	10
Dividend paid as a percentage of profit, net of tax (%)	NIL	24	64	37	84
Net assets value per share with investment property and freehold office unit stated at carrying cost (S$)	1.75	1.81	1.96	2.11	2.14
Net assets value per share with investment property and the owner-occupied property stated at fair value (S$)	2.18	2.4	2.6	2.92	3.18
Staff headcount (In Numbers)	83	84	80	84	87

Figure 1 Financial Performance (2020-2024)

The ongoing rivalry between China and the United States, along with its allies (many of which are key members of the European Union), continues to create uncertainties in global trade. These countries advocate for restrictions on China's access to critical technologies related to microchips, electronics, and communications. To mitigate the challenges posed by these geopolitical tensions, our plant in Kulai, Malaysia, will complement our plant in Suzhou, China. This strategic approach will help ensure the continuity and resilience of our operations amidst the evolving international landscape.

2.3 RBA Code of Conduct (previously known as EICC, Electronic Industry Code of Conduct)

Our plant in Suzhou continues to practise the Responsible Business Alliance Code of Conduct and all our major customers recognize and accept our standards. This Standard includes an essential requirement of various international standards such as *SA8000, ISO14001, OHASAS18001, and QC080000.* It is an integrated standard. By adopting the RBA standard, we ensure that the best practices of labor regulation, health & safety, environment, management system, and ethics are kept in check at all times.

2.4 Better WiFi 7 Products: Do more, power efficient, environmentally friendly.

Sustainability is a cornerstone of our product engineering criteria during the design phase. Our engineering team prioritizes optimizing the power efficiency of our products to minimize energy consumption while maintaining robust WiFi transmission power. We adopt a design approach that favours 3.3V Front-End

Modules (FEMs) over the more common 5V ones. Additionally, we utilize non-linear FEMs that reduce power consumption by up to 30%. This not only lowers operational costs but also contributes to a reduced environmental footprint. In today's global context, choosing eco-conscious solutions is not merely a trend but a responsibility we uphold.

Our product designs also ensure compliance with stringent environmental regulations such as the EU RoHS (Restriction of Hazardous Substances Directive) and USA REACH (Registration, Evaluation, Authorization, and Restriction of Chemicals). This commitment guarantees responsible material usage and minimizes potential environmental risks throughout the product lifecycle. By closely collaborating with regulatory bodies, we ensure our products adhere to high standards, mitigating exposure to hazardous materials.

Furthermore, we are dedicated to enhancing our processes, particularly through Responsible Sourcing initiatives. We actively partner with ethical suppliers who practise responsible mining and resource management. Aligning with the OECD Conflict Minerals Regulation, we ensure that Tin, Tungsten, Tantalum, and Gold (3TG) used in our products are responsibly sourced from certified global smelters. This approach not only reduces environmental impact but also promotes ethical business practices across our supply chain.

In summary, we remain committed to achieving peak WiFi performance without compromising sustainability. Our proactive stance on environmental stewardship and regulatory compliance underscores our dedication to delivering products that are both technologically advanced and environmentally friendly.

Figure 2: Our first DBDC WiFi 7 Module, the WLE7002E25D.

Figure 2 shows the latest WiFi 7 product offering that we are bringing to the market by Q3 2024, featuring improved power consumption, and better heat dissipation. This module cuts down the requirement to have 2 radio modules in a single device, as it is able to deliver 2.4GHz and 5GHz concurrently.

3. Stakeholder Engagement

Our Group has always focused on creating sustainable value for our stakeholders. We have actively engaged them through the following traditional channels as shown in figure 4. To prevent the spread of Covid-19 when the virus was still prevalent during the early part of FY2022, meetings and events are via online where practicable. Events are also conducted via online telecommunication- "virtual" instead of physical meetings.

1	Shareholder	Annual AGM, Company Website (http://www.powermatic.com.sg & www.compex.com.sg), Annual Report, Half-yearly financial report disclosure.
2	Customer	meetings, events, email communications, phone calls, teleconferences and visiting /receiving customers after the ease of border restrictions
3	Employee	Regular online meetings, Monthly birthday celebrations for staff, and webinars.
4	Vendor	Communication platforms with vendors involve all levels of personnel in each product line via emails, meetings, events and regular vendor conferences.
5	Regulator	Attend SGX, ACRA, and trade industry events and functions.

Figure 4 *How we engaged our Stakeholders*

4. Material Factors

Our materiality assessment process for FY2024 involved the Group's Senior Management in identifying sustainability factors deemed material to our businesses and our stakeholders, this is to ensure that our resources are better deployed to create sustainable value for our stakeholders. Our 10 key factors prioritized by the working committee in this reporting year are as follows:

① Product quality and satisfaction (Economic & Environmental)
② Sustainable Business Performance (Economic)
③ Innovation & technology leadership (Economic)
④ Business continuity management (ESG)
⑤ Occupation health and safety (Social)
⑥ Succession Planning (Social)
⑦ Robust corporate governance framework and compliance (Governance)
⑧ Inclusive workplace and talent development (Social)
⑨ Electricity & water conservation (Environmental)
⑩ Community engagement (Social)

This year the 10 key factors for the company remain the same except that Sustainable Business Performance has been

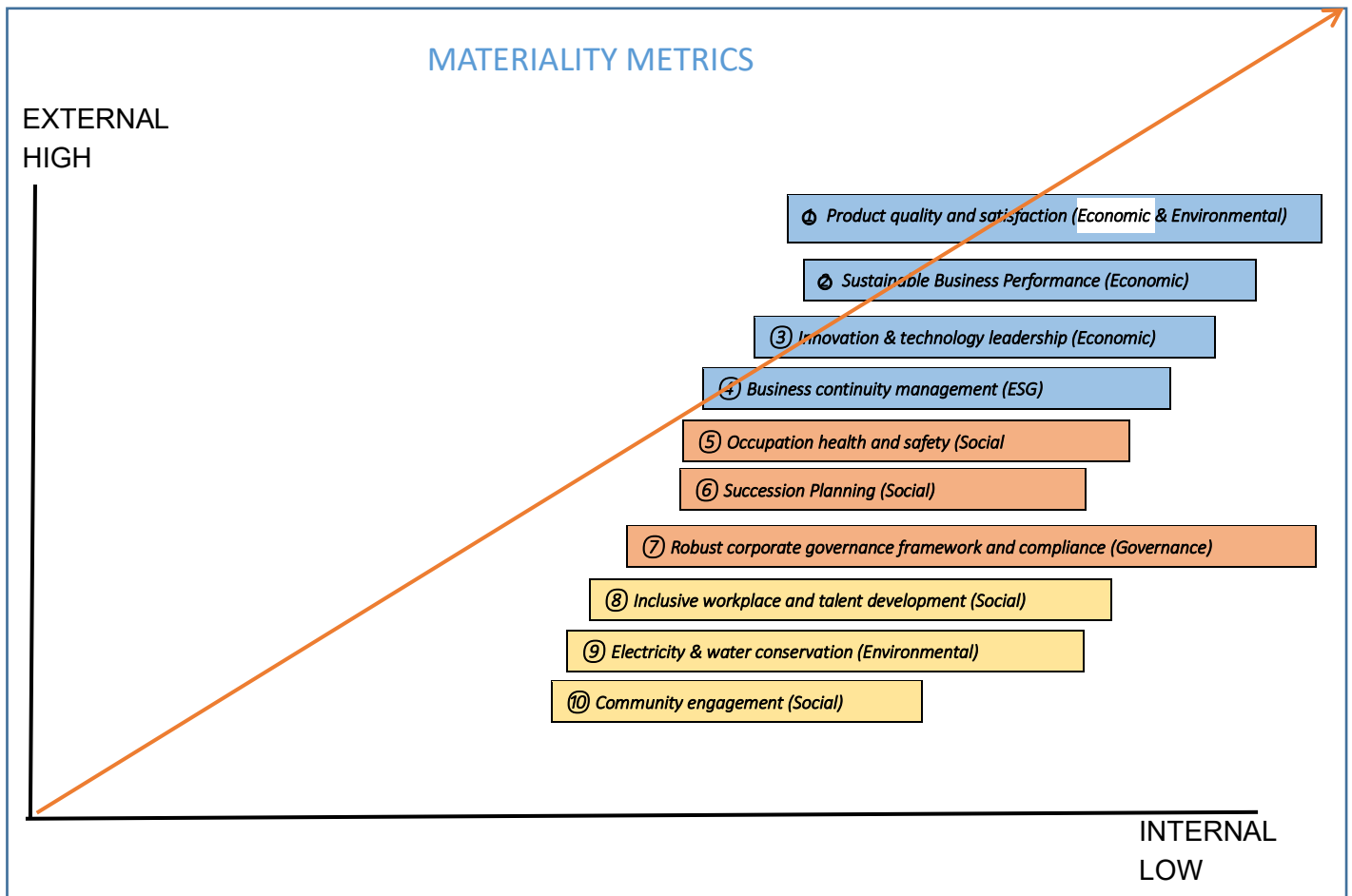replaced by Product quality and satisfaction in the ranking of importance.

MATERIALITY METRICS

EXTERNAL
HIGH

① Product quality and satisfaction (Economic & Environmental)

② Sustainable Business Performance (Economic)

③ Innovation & technology leadership (Economic)

④ Business continuity management (ESG)

⑤ Occupation health and safety (Social

⑥ Succession Planning (Social)

⑦ Robust corporate governance framework and compliance (Governance)

⑧ Inclusive workplace and talent development (Social)

⑨ Electricity & water conservation (Environmental)

⑩ Community engagement (Social)

INTERNAL
LOW

Figure 5 Materiality Assessment by Our Stakeholders and Their Priority

Each of these topics was discussed among the selective groups separately and collectively in some subjects which are elaborated on in this report.

5. Environment

5.1 Electricity and Water Conservation

Our group is committed to the responsible usage of electricity and water resources. We have created an SOP for energy-saving and consumption. Key statistics on electricity and water consumption of the Group are as follows:

The tables below show the total actual consumption of energy consumed per dollar and the emissions intensity per metric ton.

Year	Actual Consumption (KWh) of the Group	Turnover (S$M)	(KWh/S$)

Year			
2016	526,528.00	15.5	0.03397
2017	630,015.00	15.4	0.04091
2018	628,323.03	16.1	0.03903
2019	619,834.00	21.0	0.02951
2020	498,600.00	21.8	0.02287
2021	752,405.00	26.2	0.02871
2022	561,886.00	27.9	0.02013
2023	642,540.00	30.9	0.02079
2024	638,825.00	28.1	0.02273
Average	610,995.11	22.5	0.02873

Figure 6 KWh Consumption vs the Revenue (KWh/S$ represents the energy consumed per monetary unit of sales)

Year	Total indirect CO2 or Carbon Equivalent Emissions (Metric Tons)	Turnover (Revenue in Millions, S$)	Emissions Intensity (MT/S$'000)
2016	392	15.5	0.02529
2017	469	15.4	0.03045
2018	468	16.1	0.02906
2019	425	21.0	0.02023
2020	353	21.8	0.06175
2021	533	26.2	0.02034
2022	398	27.9	0.01426
2023	455	30.9	0.01472
2024	446	28.1	0.01619

Figure 7 Emissions Intensity https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator

Our electricity and water consumption in the past reflected the data mostly from China plant. From this reporting onwards we include Singapore and Malaysia besides the main factory in Suzhou. The following tables show the composition of the costs and consumption of all three operation sites.

ELECTRICAL AND WATER CONSUMPTIONS (1 APRIL 2023 TO 31 MARCH 2024)

ELECTRICITY CONSUMPTION	Singapore (SIN)	Suzhou (SZ)	Malaysia (MY)	Total SIN/MY/SZ
Total KWH used	50,979	493,876	93,970	638,825
Total amount in Singapore $'000	14	82	15	111
WATER CONSUMPTION	**Singapore (SIN)**	**Suzhou (SZ)**	**Malaysia (MY)**	**Total SIN/MY/SZ**
Total ton used	122	757	425	1,304
Total amount in Singapore $'000	335	590	500	1,425

Hydropower Management Measures

To further strengthen the company's energy-saving work, manage well the use of hydro-power resources, and reduce hydropower expenses, the following method is specially formulated.

A. Management responsibility

The factory affairs department is in charge of the company's hydropower management, and the company's staff supervises the implementation.

B. Management Content

1. Power management

(1) The staff of each department should be responsible for the use of lighting in the area of the department and cultivate the habit of turning off the lights when not in use.

(2) Cultivate the habit of shutting down unused office equipment. When leaving the office (area), do pay attention to turning off all electrical appliances, such as computers, printers, drinking fountains, and other electrical facilities in time. Electrical appliances that have not been used for a long time should be disconnected from the power supply to reduce energy consumption in the standby state.

(3) Each office computer and printer is switched on manually by the user, and the power must be disconnected and turned off after getting off work.

(4) The air-conditioning, lighting, multimedia, and other equipment in the conference room should be turned on within half an hour before use, and all electrical equipment should be turned off after use.

(5) When the room temperature is between 10 and 28 degrees Celsius, the use of air conditioning is not allowed. The temperature setting of the air conditioner is not less than 25 degrees.

(6) Pay attention to heat preservation in the air-conditioned space, close doors and windows, reduce the loss of cold and hot air, and save electricity.

2. Water management

(1) The office staff should be responsible for the use of the faucet of each floor, it should be reported to the administrative department for maintenance if found not in working condition.

(2) Water-saving must be made a habit when doing daily toilet cleaning and sanitation.

(3) It is forbidden to turn on the faucet and wait for water during the water supply conservation period, to prevent the overflow of water when no one attends to it.

3. Repair management

After receiving the repair report, the factory affairs department shall carry out repairs promptly and perform daily maintenance to ensure that the hydro-power equipment is in normal operation mode.

5.2 Waste Management

We practise the IECQ QC 080000 Hazardous Substance Process Management (HSPM) system in our operating plant. Our waste including scraps and discharges is contracted out to licensed companies for proper disposal to ensure an environmentally friendly process is carried out thoroughly. We also make known to our customers that some parts of our products must be properly disposed of or decommissioned after being used. Clear instructions are attached to the manual of our products.

5.2.1 Hazardous Waste Training

While we have advocated for hazardous waste training for all our employees involved in waste management, we did not generate any hazardous waste materials during this reporting year. However, we recognize the importance of preparedness and the need for our employees to have the necessary knowledge and skills and we have in place a training plan to ensure that our employees are well-equipped in handling hazardous waste, should the need arise in the future.

A. Purpose of training:

To improve the awareness of all employees on hazardous waste management through training and to strengthen environmental protection, protection awareness, and self-protection awareness, to effectively prevent and control the harmful impact of hazardous waste on human health and the environment.

B. Training target:

1. Full-time (part-time) personnel in hazardous waste management;
2. Enterprise leaders, environmental protection supervisors, hazardous waste management staff
3. Newly hired employees, interns, etc.

C. Main training content:

1. The importance and necessity of hazardous waste management;
2. Relevant national laws and regulations and hazardous waste management regulations;
3. Duties of full-time (part-time) personnel in hazardous waste management;
4. Hazardous waste classification collection methods and work requirements;
5. Working procedures for internal transportation of hazardous wastes;
6. Hazardous waste transfer procedures and registration system;
7. Occupational health and safety of workers in the process of separate collection, transportation and temporary storage of hazardous waste all self-protection measures;
8. Report the disposal system and accidents when hazardous wastes are lost, leaked, or spread emergency measures.

D. Training methods:

1. Issue relevant national regulations and hazardous waste management regulations and the company's hazardous waste management practices. The implementation measures and related systems are for the whole company employees to study by themselves or department heads to organize learning.
2. For each quarter, all employees will be organized in groups and batches to learn and discuss the topics to strengthen their knowledge and to do assessments.
3. Carry out the logic and operation of hazardous waste management work procedures for relevant personnel in combination with actual work guidance and demonstration of the method.

5.3 Work Place Air and Environment Compliance

Our production plant in Suzhou is in full compliance with the workplace safety regulations mandated by the authority. The last inspection by the government official was in 18 June 2024, no irregularity was sighted.

5.4 Supply Chain

We practise RBA standards in our operating process in advocating sustainable solutions. In dealing with our suppliers, we ensure that proper evaluation procedures are reported in our assessment checklist which includes their business conduct, labour practices, safety & health, and environmental management.

5.5 Compliance

We are not aware of any violations of the laws and regulations pertaining to the environmental aspects. We have also set up policies and standard operating procedures to ensure environmental compliance such as

➢ Workers are well informed of policies and procedures in the event of contamination
➢ Products are labelled with the environmental requirements
➢ All materials used are within the limit of environmental requirements
➢ The equipment used are environment friendly
➢ Applying the precautionary principle to reduce or avoid negative impacts on the environment

5.6 Climate Change Policy and Commitments

We recognize the business imperative of integrating climate change into our investment strategies and view the physical, regulatory and reputation risks of climate change as material to our clients' objectives, especially over medium and long-term investment horizons.
Considering the current climate-related disclosure landscape, we are committed to the following active management strategies in alignment with our industries and commitments:

1) To engage stakeholders in promoting climate-related disclosure
2) To advocate with policymakers, regulators and stock exchanges to encourage climate-related disclosure guidance
3) To take an active role in collaborative research regarding carbon, plastics, and methane water, promote best practices and benchmark firms' performance on these metrics over time.
4) To set realistic, achievable and time-bound targets related to climate change.

5.7 Recycle Policy

➢ Use of recycled papers for printing internal documents (used papers with one side blank).
➢ Recycling of usable components from damaged or unsold finished goods that are waiting for destruction or disposal.
➢ The electrostatic outfits for production operators are thoroughly washed and recycled for future use when operators resign.

6. Social

6.1 Inclusive Workplace and Talent Management

Our Corporate Culture:

➢ We believe in collective resourcefulness, experience, skills, know-how, dedication and endurance.
➢ Quality employees are nurtured, cultivated, and given space to improve their skill sets.
➢ We exploit the cooperative and positive energy of our employees to succeed.
➢ Everyone is treated equally. We practice non-discrimination and equal opportunities.
➢ Our employee handbook states that decisions on recruitment, selection, promotion, and transfer are made based on merits regardless of age, race, gender, religion, nationality, marital status, and family responsibilities.
➢ We are constantly developing our human capital base to build a strong succession pipeline and a high-performing team.
➢ We organize cohesive bonding programs which include festive celebrations, staff appreciation functions, community events, seminars, and family gatherings to achieve the purpose.
➢ All employees meet regularly to cultivate their ethical behaviour via community talks and festive activities organized by the HR department where feedback and suggestions are received and explained.

6.2 Our Work Force Group as at 31st March of each Financial Year End

Particulars	FY2020	FY2021	FY2022	FY2023	FY2024
All workers	109	133	129	122	113
Management	14	15	16	16	19
Male workers ratio	46%	49%	48%	45%	41%
Female workers ratio	54%	51%	52%	55%	59%
Tertiary Education and above	71	69	71	58	63
Below Tertiary Education	38	64	56	64	50
Below 40 years old	92	104	110	69	73
Above 40 years old	17	29	19	53	40
Production Workers	40	50	40	35	37
Monthly Training hour per month per staff	2	2	2	2	2
Monthly Training hour per month per worker	2	2	2	2	2

Figure 8 Work Force Characteristics over the last five years

6.3 Employee Entry Wages & Turnover Rates

We adhere to the minimum wage laws-in the respective countries our subsidiaries operate. On average we paid higher entry wages than the required minimum to attract and retain employees. In Suzhou and Malaysia, we engaged local professional human resources companies to help us in the new recruitment of general workers and replacements. It is efficient and cost-saving in such practices. We strictly abide by the manpower laws and regulations in all the entities within the Group, once the recruits qualify for certain conditions, the rightful benefits will be provided accordingly. Our manpower turnover rate is 36.8% during the reporting year. There was a reduction in total workers from the last reporting year of 122 to 113. And maintained an average of 115 workers during the period. The group remains a relatively young workforce of more than 65% below the age of 40 and 35% above 40. Our female workers make up 60% of the group population and 47 of management positions.

6.4 Diversity in the Workforce

We embrace diversity and have employees from different backgrounds. We have representation from different nationalities/provinces in China and gender in our workplace. In Singapore and Malaysia, we also comply with the local manpower regulations. All races are given equal opportunities in their applications. This allows our organization to be more vibrant and innovative with the different experiences and backgrounds that each employee offers.

6.5 Employee by Department as at 31st March 2024

	Suzhou Plant	SG HQ	Kulai Plant	Group	Percentage
	China		Malaysia		
Department	# Of Workers	# Of Workers	# Of Workers	# Of Workers	% Of the Group
Executive Director		2	1	3	3%
Finance, Shipping & Warehouse	8	5	5	14	12%
Management Information System	5	1	1	7	6
Production	29	0	8	37	33%
Sales and Marketing	0	4	2	6	5%
Purchasing	3	1	0	4	4%
R &D	13	2	5	20	18%
Quality Control	13	0	2	15	13%
HR & Management Support	3	1	1	5	4%
Logistic & Property	1	1	0	2	2%
Total	75	17	21	113	100%

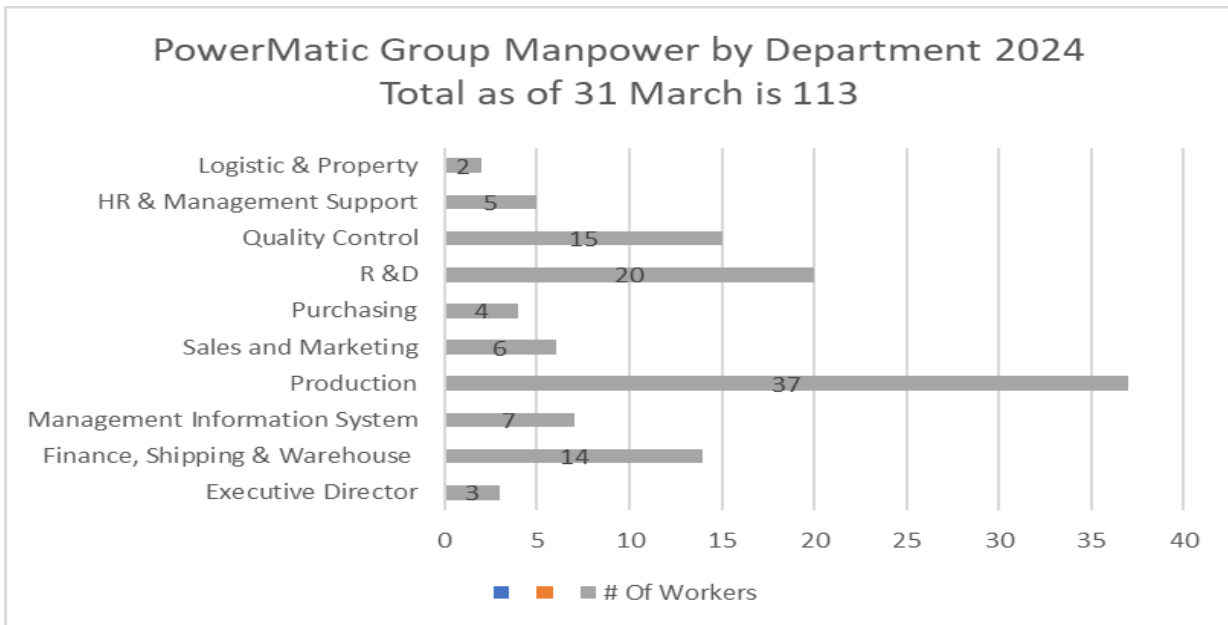*Figure 9 Employees by Departments in numbers*

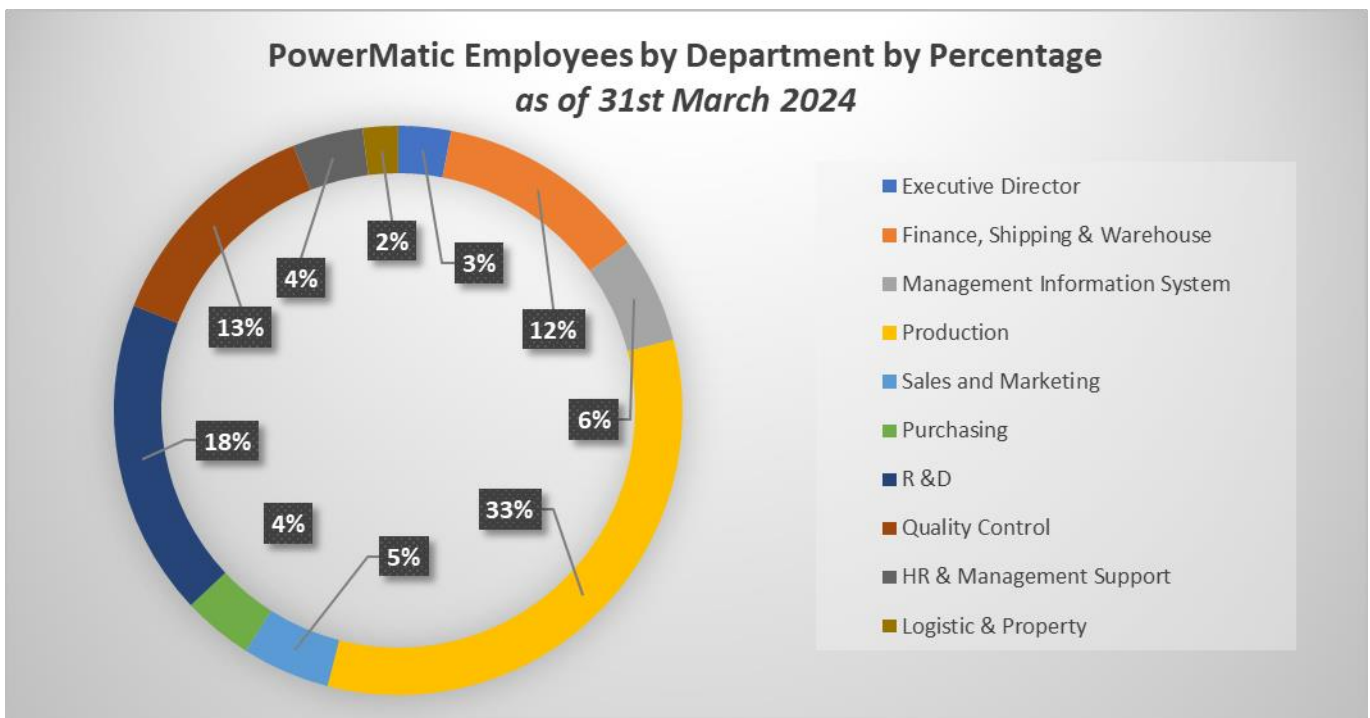*Figure 10 Employees by Departments in number*

Figure 11 Employees by Departments in Percentage as of 31st March 2024

There are 19 key persons in the management of the group which consists of 3 executive directors and 16 heads of department. The female takes up 9 positions or 47.36% of the management team of the group.

6.6 Occupational Health and Safety

We are aware of the importance of health and safety. Hence, we are committed to ensuring that we place the highest priority on the health and safety of our employees, customers, suppliers, and subcontractors as well as the community at large. All three business locations are managed by trained persons in charge to ensure safety within the premises. Key measures adopted to manage health and safety in the workplace environment are as follows:

➢ A set of safety rules and regulations is in place.
➢ A Safety committee is in place and safety inspections are performed regularly, any incident will be carefully investigated to prevent future recurring.
➢ Briefings and talks on occupational safety are organized regularly. Persons in charge are retained yearly by the local authorities.
➢ Accidents are tracked and monitored regularly.

There is no record of fatalities in this reporting year.

6.7 Ongoing Community Engagement

Our Group strives to set a good example in giving back to our community. We encourage our employees to give back to society through community service projects and/or donations to less fortunate groups. We aim to organize corporate social responsibility activities for our employees to participate in as practicably as possible.

6.8 Employee Benefits

We have in place programs to encourage a healthy workforce through sports, social and health-related education talks and activities. Our employees' welfare benefits include subsidized outpatient medical, hospitalization insurance coverage, workmen compensation insurance, medical and hospitalization leaves. Our Group supports the government's pro-family policies and follows statutory regulations with regard to parenting and childcare leaves.

6.9 Training and Education

We believe that our greatest assets are our people and their skill sets and knowledge are the core of our success. The total number of employee training hours from April 1, 2023 to March 31, 2024 was 150 hours, covering the following areas:
1. Regular, weekly OP training for workers (once a week, 30 minutes each time)
2. Taxation changes and update training/talks for staff of the Finance Department
3. Human and social system training for the HR department
4. safety and risks training for Security officers
5. Occupational hygiene training for all staff
6. Fire safety training for all staff.

Apart from technical skills, we also organized business, leadership, train-the-trainer, finance, operational management, and enterprise resource planning training for our management and staff. On average, our workers receive 20-24 hours of training a year depending on their job requirements.
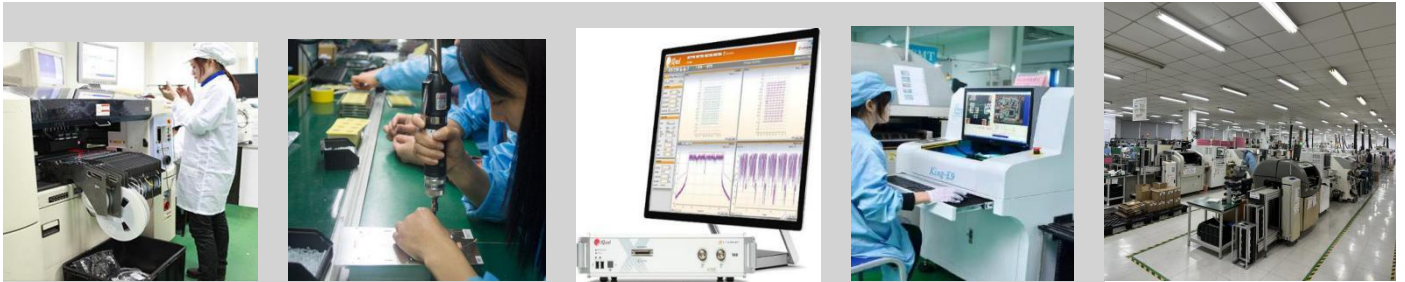

Figure 12 Suzhou Factory

7. Governance

7.1 Corporate Governance

A high standard of corporate governance is integral in ensuring the sustainability of the Group's business as well as safeguarding shareholders' interest and maximizing long-term shareholder value. Our overall Singapore Governance and Transparency Index (GTI) score assessed by the National University of Singapore Business School was 63 in FY2023, the same as FY2022.

GTI Year	Rank	Score
2023	353	63
2022	329	63
2021	237	69
2020	497	52
2019	510	44
2018	522	35
2017	375	46
2016	599	23
2015	584	27
2014	552	26
2013	566	25
2012	220	37
2011	458	25
2010	417	30

Figure 13 SGTI scores 2010-2023

7.2 Whistle-blowing Policy

The Company has in place a whistle-blowing policy where the staff of the Company and any other persons can have access to the ARMC ("Audit and Risk Management Committee") Chairman. All concerns about possible improprieties in financial reporting and other matters would be channelled to the ARMC Chairman.

The Company's Whistle-blowing Policy aims to:

(a) Provide a trusted avenue for employees, vendors, customers and other stakeholders to report serious wrongdoings or issues, particularly fraud, governance or ethics, without fear; and

(b) Ensure that robust arrangements are in place to facilitate independent investigation of the reported issues with appropriate follow-up actions. The Company will treat all information received confidentially and protect the identity of all whistle-blowers. It is also committed to ensuring that whistle-blowers will be treated fairly, and protected against detrimental or unfair treatment for whistle-blowing in good faith.

All whistle-blowing complaints are independently investigated and appropriate actions are taken.

ARMC, which is responsible for oversight and monitoring of whistle-blowing, reviews and ensures that independent investigations and any appropriate follow-up actions are carried out, taking into account factors such as the seriousness of the issues, the credibility of the concern and the likelihood of confirming the allegation from attributable sources. The ARMC will follow a set of guidelines to ensure proper conduct of investigations and appropriate closure actions following the completion of the investigations, including administrative, disciplinary, civil and/or criminal actions and remediation of control weaknesses that may arise to fraud or misconduct. In addition, the ARMC reviews the Whistleblowing Policy regularly to ensure that it remains current.

A whistle-blower email address is created for reporting suspected fraud, corruption, dishonest practices or other similar matters. Details of the whistle-blowing policy and arrangements have been made available to all employees of the Company and are published on the Company's website www.powermatic.com.sg .

The ARMC shall commission and review the findings of internal investigations in matters where there is any suspected fraud or irregularity, failure of internal controls, or infringement of any law, rule or regulation which has or is likely to have a material impact on the Group's operating.

During this reporting year, the ARMC did not receive any complaints from whistle-blowers.
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7.3 Anti-corruption Policy

Our staff is required to strictly comply with the Group's Anti-corruption policy as spelt out clearly in the Employee Handbook.

7.4 Risk Management

We have an Enterprise Risk Management (ERM) framework in place to monitor and address the Group's risk profiles. NEXIA TS Pte Ltd, a Singapore audit and risk management company was commissioned to assess the group's risk exposure in 2013 ,2016 and 2022 Key risks identified in the recent report were insufficient succession planning for key procurement staff; procurement risk arising from the worldwide shortage of microchip, an essential component for the manufacturing of our products. The Board has seriously considered the assessment of the consultant's proposal and has

a) put in place a strategic succession plan.
b) mitigated the impact of procurement risk by managing our customers' conversions into newer generations of microchips that have shorter delivery lead times.

The Group outsourced its internal audit function to a well-established, mid-tier local risk advisory firm. On an annual basis, the internal auditors prepare the internal audit plan for ARMC's approval. These audits are conducted to assess the adequacy and effectiveness of the Group's risk management and internal control systems, including financial, operational, compliance, and information technology controls. Concerted efforts are made to rectify lapses and non-compliance reported by the internal auditors.

7.5 Investor Relations

We welcome all stakeholders to approach us and support the sustainability of our business. Investors can reach us via our company website at *www.Powermatic.com.sg* or read our company's latest information at *www.SGX.com* or actively participate at the AGM.

8. Measures and Targets for FY2024

For this reporting year we target to address the following concerns and issues.

Sustainability improve	Issues	Policies, Measures &Targets
MIS department aims to enhance the automation levels of the production process and reduce human errors.	Organize and analyze the production process, simplify employee operation steps, improve employee work efficiency, and prevent human errors.	1. Sorting out employee operation steps 2. Discuss with relevant personnel the steps to simplify the analysis 3. Simplify the system and simplify the work steps of employees 4. Add system control to prevent human errors. The target date to complete these measures will be within current financial year.

MIS department also aims to enhance the enterprise's information security management.	How to effectively back up all the databases, ensuring server security and continuous control of important files to prevent leakage and cyber protection.	1. Utilize the company's existing equipment to back up the company's system data in a timely manner and continuously track the effectiveness; 2. Regularly inspect server security: Regularly check the transmission of important company documents or information to prevent security breaches. The target date to finish the system will be 1 year.
The QC department is concerned about the quality of finished products due to mishandling during the process.	How to reduce the deficiency rate to maintain at less than 1%.	To create a quality improvement project team : 1. Set quality improvement goals 2. Establish a project team 3. Develop a sustainable plan 4. Implementation 5. Effect confirmation Target date: It is a continuing process

9. Performance Tracking and Reporting

Within the group, we track our progress of material factors by systematically identifying relevant information and data. And to conduct Gap analysis to ensure the expectations of our stakeholders and the company are going along well. Also, we set performance targets that are aligned with our strategy to ensure that we maintain the right course on our path to sustainability.

9.1 The damaged tables on the 3rd floor have been fully replaced. It is 100% satisfied.

9.2 The floor of R&D on the 2 level has also been repaired and it is 100% satisfactory

9.3 The industrial alcohol used to clean the publishing machines contains methanol has been replaced to prevent occupational health hazards.

9.4 The handling of certain important documents that may give rise to possible leakages has been tightened with security codes and new SOPs.

9.5 Our Kulai Plant, Johor, Malaysia has stepped up the operation. It contributes 33% of the total production in FY2024 and is expected to increase further.

We have been closely monitoring the situation and actively engaging with our customers to mitigate any undesirable impact on our operations.

Our new factory in Kulai, Johor, Malaysia   Production lines

GRI CONTENT INDEX

GRI Standard 2021- Disclosure Title		Page Reference & Remarks
GRI 2: General Disclosures 2021		
ORGANISATIONAL PROFILE		
2-1	Organizational details	AR Report 2024: Pg [01]
2-2	Entities included in the organization's sustainability reporting	AR Report 2024: Pg [01]
2-3	Reporting period, frequency and contact point	SR Report 2024: Pg [2]
2-4	Restatements of information	No restatement of information for SR Report 2024
2-5	External assurance	No External assurance but reviewed by the Internal Auditor.
2-6	Activities, value chain and other business relationships	AR Report 2024: Pg [02-06]
2-7	Employees	SR Report 2024: Pg [13-17]
2-8	Workers who are not employees	Not applicable, this Sustainability Report specifically addresses employees in Singapore, Malaysia, and the People's Republic of China (PRC)
2-9	Governance structure and composition Annual Report 2024	AR Report 2024: Pg [08-40]
2-10	Nomination and selection of the highest governance body	AR Report 2024: Pg [24-27]
2-11	Chair of the highest governance body	AR Report 2024: Pg [19-23]
2-12	Role of the highest governance body in overseeing the management of impacts	AR Report 2024: Pg [08-36]
2-13	Delegation of responsibility for managing impacts	AR Report 2024: Pg [24-27]
2-14	Role of the highest governance body in	AR Report 2024: Pg [08-33]
2-15	Conflicts of interest	AR Report 2024: Pg [36]

2-16	Communication of critical concerns	Sustainability Report 2024: Pg [8, 9]
2-17	Collective knowledge of the highest governance body	AR Report 2024:Pg [08]
2-18	Evaluation of the performance of the highest governance body	AR Report 2024:[Pg 22]
2-19	Remuneration policies	AR Report 2024:Pg [22-27]
2-20	Process to determine remuneration	AR Report 2024:Pg [22-27]
2-21	Annual total compensation ratio Unable to disclose due to confidentiality constraints	Nil
2-22	Statement on sustainable development strategy	SR Report 2024: Pg [2]
2-23	Policy commitments	SR Report 2024: Pg [17-21] Governance
2-24	Embedding policy commitments	SR Report 2024: Pg [17-21] Governance
2-25	Processes to remediate negative impacts	SR Report 2024: Pg [17-21] Measures and Targets
2-26	Mechanisms for seeking advice and raising concerns	SR Report 2024: Pg [17-21] Governance
2-27	Compliance with laws and regulations	SR Report 2024: Pg [13] Corporate Culture
2-28	Membership associations	Member of SBF Singapore
2-29	Approach to stakeholder engagement	SR Report 2024: Pg [6] and AR Report 2024: Pg [35]
2-30	Collective bargaining agreements	Not applicable
GRI 2: General Disclosures 2021		
MATERIAL TOPICS		
GRI 201: ECONOMIC PERFORMANCE 2016		
201-1	Direct economic value generated and distributed Annual Report 2024	SR Report 2024: Pg [07]
GRI 205: ANTI-CORRUPTION 2016		
205-3	Confirmed incidents of corruption and actions taken	Nil
GRI 302: ENERGY 2016		
302-1	Energy consumption within the organisation	SR Report 2024: Pg [8-13]
GRI 303: WATER AND EFFLUENTS 2018		
303-1	Water withdrawal	SR Report 2024: Pg [10-11]
GRI 305: EMISSIONS 2016		
305-2	Energy indirect (Scope 2) GHG emissions	SR Report 2024: Pg [8-13]
GRI 306: WASTE 2020		
306-1	Waste generated	SR Report 2024: Pg [11]
GRI 308: SUPPLIER ENVIRONMENTAL ASSESSMENT 2016		

308-1	New suppliers that were screened using environmental criteria	SR Report 2024: Pg [12]
GRI 401: EMPLOYMENT 2016		
401-1	New employee hires and employee turnover	SR Report 2024: Pg [14] Also see your ESGenome at the SGX Website
GRI 403: OCCUPATIONAL HEALTH AND SAFETY 2018		
403-1	Occupational health and safety management system	SR Report 2024: Pg [16]
403-2	Hazard identification, risk assessment, and incident investigation	SR Report 2024: Pg [21]
403-3	Occupational health services	SR Report 2024: Pg [16]
403-4	Worker participation, consultation, and communication on occupational health and safety	SR Report 2024: Pg [16]
403-5	Worker training on occupational health and safety	SR Report 2024: Pg [16]
403-6	Promotion of worker health	SR Report 2024: Pg [16]
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Nil
403-9	Work-related injuries	Nil
GRI 404: TRAINING AND EDUCATION 2016		
404-1	Average hours of training per year per employee	SR Report 2024: Pg [17]
GRI 405: DIVERSITY AND EQUAL OPPORTUNITY 2016		
405-1	Diversity of governance bodies and employees	SR Report 2024: Pg [14]
GRI 413: LOCAL COMMUNITIES 2016		
413-1	Operations with local community Engagement, impact assessments, and development programs	SR Report 2024: Pg [17]

End of Report