



## Reconsolidate

# Sustainability Report 2021

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## 1. Board Statement

We present our fifth Sustainability Report for the financial year ended 31 December 2021 (“FY2021”). FY2021 has been a year of change for ASTI. We have re-evaluated our business model and reorganized our business with the goal of achieving longer term sustainability amidst the challenges in the industry.

The COVID-19 pandemic has persisted and continued to affect the recovery of the semiconductor industry. Further, supply chain disruptions and resulting escalating energy and commodity prices are set to continue to affect the industry and our business. Nevertheless, we recognize the value and remain committed to consider sustainability in our business decisions with the eventual goal of emerging as a more resilient and sustainable business. In addition to improving our financial performance, we continue to explore opportunities in achieving our environmental, social and governance (“ESG”) goals.

This report details our efforts and the challenges we are faced with in meeting our sustainability goals and targets during FY2021. The report details our approach, practices and performance around the 13 material factors we have identified.

We endeavour to consider sustainability in all our strategic decisions and will continue to engage our stakeholders and monitor the ESG factors that are material to the continuity of our business. We seek your support as we continue on this sustainable journey to pivot our business and emerge stronger.

## 2. About this Report

### 2.1. Reporting Scope and Period

This report, published annually, covers the company’s policies, practices, initiatives, performance and goals in relation to material Environmental, Social and Governance (“ESG”) factors for the period of 1 January to 31 December 2021 and includes data and information from said period relating to ASTI, its subsidiaries and their services and products.

Our operations are located in Southeast Asia, Greater China, the United States of America and the United Kingdom. As at the date of this report, with the exception for Telford Industries Pte Ltd (“Telford”) business operations, there are ongoing plans to further rationalise our operations. Telford has the highest impact on sustainability amongst ASTI other businesses with 7 factory locations collectively. The focus of this report is on Telford business in Singapore as it oversees the operations of all other factories in Malaysia, Philippines, China and United Kingdom under the Telford Group.

### 2.2. Framework

This report is written in compliance with the requirements of SGX-ST Listing Rules 711A and 711B and has been prepared **with reference** to the Global Reporting Initiative (“GRI”) Standards.



This report references the following topic-specific disclosures:

| GRI Standards                       | Topic-Specific Disclosure |
|-------------------------------------|---------------------------|
| 201 Economic Performance            | 201-1                     |
| 205 Anti-corruption                 | 205-3                     |
| 302 Energy                          | 302-1, 302-3              |
| 305 Emissions                       | 305-2, 305-4              |
| 307 Environmental Compliance        | 307-1                     |
| 401 Employment                      | 401-1, 401-2              |
| 403 Occupational Health and Safety  | 403-8, 403-9              |
| 404 Training and Education          | 404-1                     |
| 405 Diversity and Equal Opportunity | 405-1                     |
| 414 Supplier Social Assessment      | 414-1                     |
| 416 Customer Health and Safety      | 416-2                     |
| 418 Customer Privacy                | 418-1                     |
| 419 Socioeconomic Compliance        | 419-1                     |

### 2.3. Feedback

For any enquires, comments or feedback regarding both our sustainability performance and inaugural sustainability report, please send them to [enquiries@astigp.com](mailto:enquiries@astigp.com).



### 3. Sustainability Governance

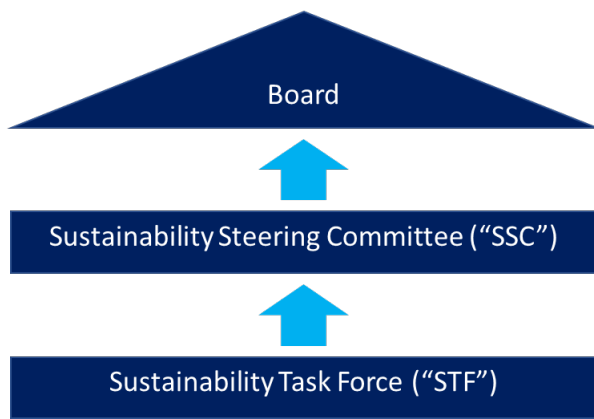
#### 3.1. Sustainability Strategy

The Board and Management recognizes the importance and the growing expectations on sustainability and strive to consider sustainability in the strategic decisions we make as well as the day to day operations of the business amidst the challenges we face.

#### 3.2. Sustainability Governance Structure

##### Board of Directors (the “Board”)

The Board oversees the sustainability performance of ASTI, with support from the Sustainability Steering Committee (“SSC”). Sustainability related matters are considered by the Board as it reviews the strategic plans for ASTI in the longer term.



##### Sustainability Steering Committee (“SSC”)

Our sustainability strategy is headed by our Sustainability Steering Committee (“SSC”). The SSC provides strong direction coupled with an effective sustainability governance framework to identify, assess and manage the ESG issues that are important to us and our stakeholders.

The SSC is led by Acting CEO and CFO and supported by Senior Management of ASTI and Telford. They provide advice and assistance to the Board in ensuring that policies and procedures related to ESG issues are aligned with ASTI’s business strategy.

##### Sustainability Task Force (“STF”)

The SSC is supported by the STF, which is responsible for driving sustainability initiatives and programmes across ASTI. STF comprises of management personnel involved in various divisions including Finance and Information Technology.



### 3.3. Stakeholder Engagement

We strongly believe that stakeholders are an integral part of our sustainability efforts, as such; it is of utmost importance that we engage with our stakeholders to gain valuable insights and understand the ESG issues that they are most concerned with, helping to shape our sustainability strategy and grow our business sustainably.

Our approach to stakeholder engagement is as follows:

| Key Stakeholders           | Key Topics of Concern   | Mode of Engagement   | Frequency of Engagement and FY2021 Highlights  |
|----------------------------|---|--|--|
| Investors and Shareholders | <ul style="list-style-type: none"> <li>▪ Financial Results</li> <li>▪ Business performance and outlook</li> <li>▪ Corporate governance</li> </ul>   | Media releases   | Ad-hoc   |
|                            |   | SGX's announcements  | Semi-Annually  |
|                            |   | Annual general meeting ("AGM") for Shareholders                          | Annually   |
|                            |   | Annual report  | Annually   |
| Employees                  | <ul style="list-style-type: none"> <li>▪ Career development</li> <li>▪ Employee engagement</li> <li>▪ Staff bonding</li> <li>▪ Health and safety</li> </ul>                                 | Company handbook   | Employees are briefed on the handbook during on boarding. Softcopy of handbook is available on a hard disk drive for employees when requested. An acknowledgement form is signed when employees read the handbook. |
|                            |   | New employee Orientation   | First week of work   |
|                            |   | Trainings  | Employees are given an average of 2 training hours per year  |
|                            |   | Whistle blowing policy   | Ad-hoc   |
| Customers                  | <ul style="list-style-type: none"> <li>▪ Customer satisfaction</li> <li>▪ Quality of facilities and services</li> <li>▪ Health and safety impacts on the environment and society</li> </ul> | On premise support and feedback  | Daily, as and when required  |
|                            |   | Customer satisfaction survey   | Surveys conducted and customer engagement for customers throughout the year  |
| Suppliers                  | <ul style="list-style-type: none"> <li>▪ Ability to make prompt payments</li> <li>▪ Business performance and outlook</li> </ul>   | Supplier selection process   | Prior to supplier selection  |
|                            |   | Supplier assessment  | Annually   |
|                            |   | Meeting with suppliers to discuss better ways of production/distribution | Ad-hoc   |

## 4. Materiality Assessment

















Annually, the Board conducts an exercise together with the SSC, to review the relevance of ASTI’s material factors in order to identify if there has been any shift in priorities among stakeholders and examine any emerging areas of concern.











The 13 material topics reported in FY2020 continue to reflect our business directions and remain our focus for our sustainability journey. We have reviewed SGX Core ESG metrics and included the metrics relating to the 13 material topics identified wherever relevant.

We will continue to assess these material topics on regular basis to ensure their relevance and importance to our business.

### 4.1. Overview of Material Factors

For each material topic, table below shows the corresponding topic specific GRI standards and relevant United Nations Sustainable Development Goals (“UN SDG”s).

|               | Material Factors                | Relevant Topic-specific GRI Standards                                      | Relevant UN SDGs  |
|---------------|---------------------------------|--|---|
| Environmental | Energy and Emissions            | <b>GRI 302:</b> Energy 2016<br><b>GRI 305:</b> Emissions 2016              |    <br>   |
| Economic      | Economic Performance            | <b>GRI 201:</b> Economic Performance 2016                                  |     |
| Social        | Talent Attraction and Retention | <b>GRI 102:</b> General Disclosure 2016<br><b>GRI 401:</b> Employment 2016 |     |
|               | Training and Education          | <b>GRI 404:</b> Training and Education 2016                                |     |
|               | Occupational Health and Safety  | <b>GRI 403:</b> Occupational Health and Safety 2018                        |      |

|            | Material Factors                     | Relevant Topic-specific GRI Standards  | Relevant UN SDGs  |
|------------|--------------------------------------|--|---|
| Social     | Customer Health and Safety           | <b>GRI 416:</b> Customer Health and Safety 2016  |    |
|            | Supplier Assessment                  | <b>GRI 414:</b> Supplier Social Assessment 2016  |     |
|            | Compliance with Laws and Regulations | <b>GRI 419:</b> Socioeconomic Compliance 2016  |    |
|            | Environmental Compliance             | <b>GRI 307:</b> Environmental Compliance 2016  |    |
|            | Cyber security                       | <b>GRI 418:</b> Customer Privacy 2016  |    |
|            | Diversity and Equal Opportunities    | <b>GRI 102:</b> General Disclosures 2016<br><b>GRI 405:</b> Diversity and Equal Opportunity 2016 |    |
| Governance | Anti-corruption                      | <b>GRI 205:</b> Anti-corruption 2016   |    |
|            | Corporate Governance                 |  |   |

### **Impact of COVID-19 on Material Factors**

The repercussions of COVID-19 continue to affect our business and heighten the need for a re-evaluation of our business model. These repercussions have affected our achievement of the ESG targets for FY2021. We will continue to assess the uncertainties of COVID-19 as well as other macro-economic factors on our operations, and the targets for FY2022 will be closely monitored against this assessment and adjusted, if necessary, to reflect the latest developments of the pandemic.





## 4.2. Environmental

### 4.2.1. Energy and Emissions

A large portion of our operation costs are attributed to electricity usage in the manufacturing process. We recognise that an increase in electricity usage also leads to an increase in greenhouse gas (“GHG”) emissions. As such, there is a focus on tracking both energy and emissions consumption and intensity.

It is also to our belief that improving our energy and emissions performance will lead to benefits for our organisation by maximising the usage of energy sources, and therefore, reducing both consumption and cost.

We acknowledge our responsibility to reduce the environmental impacts of our business operations and commit to minimise our environmental footprints through sustainable practices and initiatives.

### Management Approach

ASTI places great emphasis on improving energy and emissions performance through energy reduction initiatives, for example, by increasing the usage of shared office spaces and increasing the awareness among employees on the importance of environmental sustainability.

Regular monitoring of our energy consumption is conducted in areas such as equipment manufacturing, heating, ventilation and air conditioning by implementing a robust monitoring system.

### Performance Data

In FY2021, ASTI downsized our offices from a 958.99 square metres to 132 square meters following the movement of our production facilities to the respective client premises in November 2020. As a result, we were able to significantly reduce our energy consumption and energy intensity beyond our set targets for FY2021 of maintaining energy and greenhouse gases (GHG) emissions<sup>1</sup> within 10% of FY2020 levels.

|           |  | Actual Performance  |                     |                    | % change from FY2020 to FY2021 | FY2022 Target  |
|-----------|--|---------------------|---------------------|--------------------|--------------------------------|--|
|           |  | FY2019              | FY2020              | FY2021             |                                |  |
| Energy    | Energy Consumption (kWh)                                     | 293,222             | 282,749             | 68,115             | -76%                           | Maintain energy and GHG intensity within 10% of FY2021’s levels. |
|           | Energy Intensity (kWh/m <sup>2</sup> )                       | 305.76              | 294.84              | 87.98 <sup>2</sup> | -70%                           |  |
| Emissions | GHG Emissions – Scope 2 (tCO <sub>2</sub> e)                 | 123.33 <sup>3</sup> | 115.50 <sup>4</sup> | 27.79 <sup>5</sup> | -76%                           |  |
|           | GHG Emissions Intensity (tCO <sub>2</sub> e/m <sup>2</sup> ) | 0.129               | 0.120               | 0.036              | -70%                           |  |

<sup>1</sup> Energy indirect (Scope 2) GHG emissions resulting from the generation of purchased electricity consumed by Telford Singapore are reported.

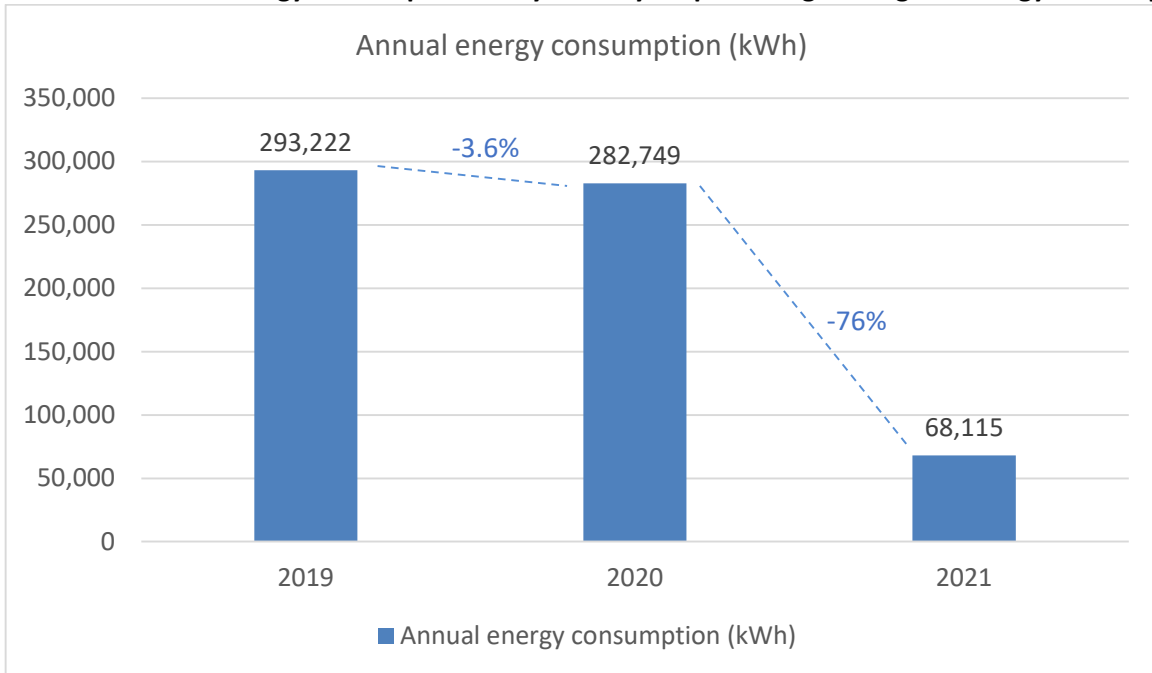
<sup>2</sup> The Energy Intensity metric is calculated using the average weighted office area (sqm) for the entire FY2021 in light of the downsizing of ASTI offices.

<sup>3</sup> This is calculated based on the 2018 Average Operating Margin (OM) grid emissions factor (0.4206 kg CO<sub>2</sub> / kWh) published by the Energy Market Authority.

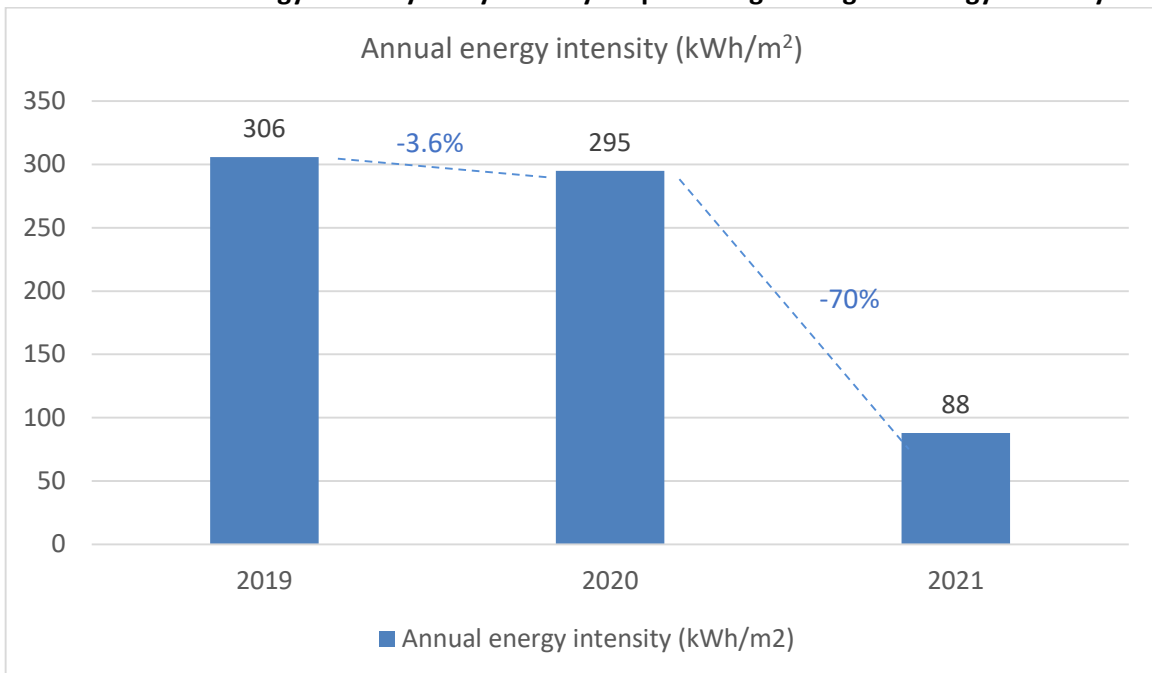
<sup>4</sup> This is calculated based on the 2019 Average Operating Margin (OM) grid emissions factor (0.4085 kg CO<sub>2</sub> / kWh) published by the Energy Market Authority.

<sup>5</sup> This is calculated based on the 2020 Average Operating Margin (OM) grid emissions factor (0.4080 kg CO<sub>2</sub> / kWh) published by the Energy Market Authority.

**Chart 1a: Annual energy consumption and year-on-year percentage change of energy consumption**



**Chart 1b: Annual energy intensity and year-on-year percentage change of energy intensity**



**Targets**

We will continue to explore energy reduction initiatives and endeavour to maintain energy and GHG intensity within 10% of FY2021's levels.



#### 4.3. Economic

##### 4.3.1. Economic Performance

Our aim to turn ASTI into a profitable business remains. It is our belief that in order to deliver value for all our stakeholders, particularly our shareholders, we have to focus on achieving a strong financial position. We will continue to re-evaluate our business and to build resilience throughout our business operations for long-term sustainable growth.

Our financial performance for FY2021 can be found in the Financial Highlights section and Appendix 2 – Audited Financial Statements of the Annual Report, to be released in due course.

#### 4.4. Social

##### 4.4.1. Talent Attraction and Retention

We pride ourselves on our highly motivated and engaged workforce. Our success depends on the commitment of our workforce. We are committed to providing equal and fair employment opportunities as we believe in employing diverse talent which is required for growth and innovation in our business.

#### **Management Approach**

All our employees are dedicated to deliver the best customer experience, products and services to our stakeholders. We collect, track and monitor our human resources (“HR”) data, including overtime, vacation balances and the number of training days on a regular basis. We believe in a transparent talent acquisition system. We offer our employees a competitive compensation and a range of other benefits.

We also learn from the employees who leave the company through the exit interviews where we gather feedback and comments. It gives us some key insights on improvement in our recruitment and talent retention system. Our career development initiatives focus on providing all our employees with a clear line of sight of their career growth in ASTI.

We strive to promote a culture of continuous performance appraisal for all job grades, encouraging constructive and open communication between managers and their staff. Although the pandemic has limited physical interaction between employees, we have also adapted through the usage of technology to ascertain that transparent and open virtual communication channels remain accessible to all employees.

These initiatives provide clear insight to our employees to take ownership of their careers and progress with acquired skill sets. Our employee annual appraisals are based on the career development framework. We believe in a more engaging appraisal system where a discussion with employee is initiated on their personal development and long-term goals. Our full-time employees are provided with benefits which include health care coverage, parental leave and retirement plans.



### Performance Data

In FY2021, ASTI undergone a restructuring exercise resulting in a high turnover rate of 53.6%.

| Year  | FY2019  | FY2020  | FY2021               |
|---|---------|---------|----------------------|
| <b>New employees hired, during the year</b> | 6       | 3       | 3                    |
| By gender:                                  |         |         |                      |
| ▪ Female                                    | 2 (33%) | 2 (67%) | 0 (0%)               |
| ▪ Male                                      | 4 (67%) | 1 (33%) | 3 (100%)             |
| By age                                      |         |         |                      |
| ▪ Below 30 years old                        | 2 (33%) | 0 (0%)  | 1 (33%) <sup>6</sup> |
| ▪ Between 30 to 50 years old                | 3 (50%) | 2 (67%) | 1 (33%)              |
| ▪ Above 50 years old                        | 1 (17%) | 1 (33%) | 1 (33%)              |
| <b>Total employees, by year end</b>         | 45      | 43      | 28                   |
| <b>Employee turnover, during the year</b>   | 3       | 2       | 15                   |

### Targets

As we continue in our restructuring efforts, we expect that we will continue to observe a higher than industry turnover. Nevertheless, we will endeavour to keep the turnover rate lower than FY2021.

<sup>6</sup> Percentages do not add up to 100% due to rounding differences.



#### 4.4.2. Diversity and Equal Opportunities

##### Management Approach

Diversity and the provision of equal opportunity form the foundations of our human resource policies. These policies help us to conserve a transparent and inclusive environment for our employees and nurture job satisfaction. We do not discriminate during our recruitment process and ensure to adopt fair practices for all the deserving candidates, including persons with disabilities, and offer remuneration as per market standards. ASTI aims to achieve dual fronts of diversity in both age and gender, as disclosed in the tables below.

##### Performance Data

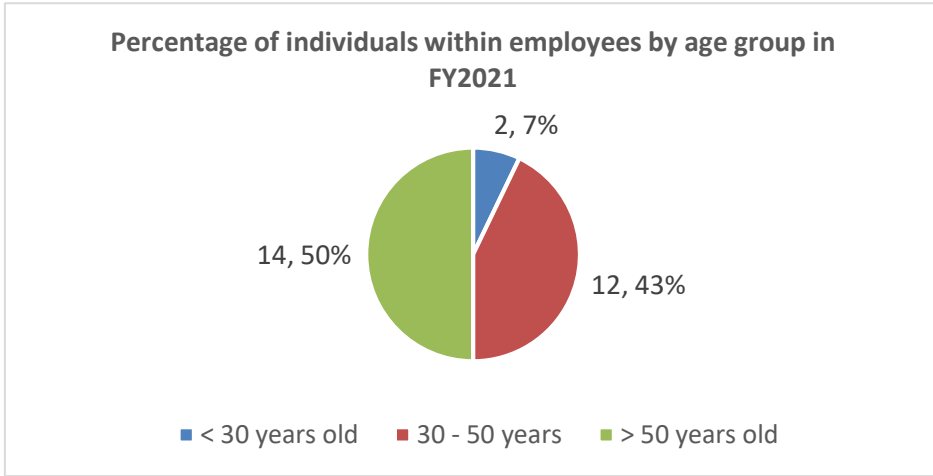
In FY2021, a restructuring exercise was performed resulting in slight adjustments in the mix of employees in terms of age and gender.

| Year                                | FY2019   | FY2020   | FY2021   |
|-------------------------------------|----------|----------|----------|
| <b>Total employees, by year end</b> | 45       | 43       | 28       |
| By gender:                          |          |          |          |
| ▪ Female                            | 25 (63%) | 21 (49%) | 13 (46%) |
| ▪ Male                              | 20 (37%) | 22 (51%) | 15 (54%) |
| By age:                             |          |          |          |
| ▪ Below 30 years old                | 3 (6%)   | 3 (7%)   | 2 (7%)   |
| ▪ Between 30 to 50 years old        | 21 (47%) | 19 (44%) | 12 (43%) |
| ▪ Above 50 years old                | 21 (47%) | 21 (49%) | 14 (50%) |

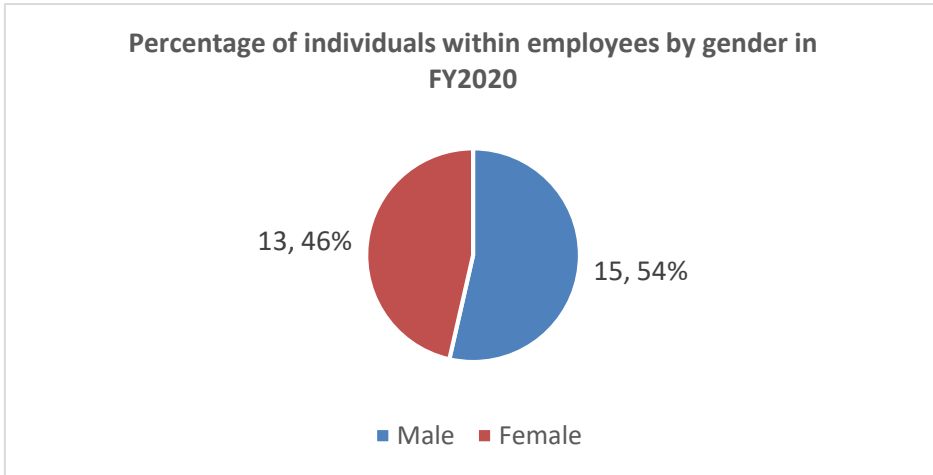
For the Board of Directors, the Nominating Committee of the Board revisited the composition of the various Board committees following the resignation of two of its directors and the appointment of a new independent director.

| Year  | 2020      |             | 2021      |             |
|---|-----------|-------------|-----------|-------------|
|   | Headcount | Percentage  | Headcount | Percentage  |
| <b>Employees</b>                                |           |             |           |             |
| <b>Within Board of Directors - by age group</b> |           |             |           |             |
| Below 30 years old                              | 0         | 0%          | 0         | 0%          |
| Between 30 to 50 years old                      | 1         | 17%         | 1         | 20%         |
| Above 50 years old                              | 5         | 83%         | 4         | 80%         |
| <b>Total</b>                                    | <b>6</b>  | <b>100%</b> | <b>5</b>  | <b>100%</b> |
| <b>Within Board of Directors - by gender</b>    |           |             |           |             |
| Male  | 6         | 100%        | 5         | 100%        |
| Female  | 0         | 0%          | 0         | 0%          |
| <b>Total</b>                                    | <b>6</b>  | <b>100%</b> | <b>5</b>  | <b>100%</b> |

**Chart 2a. Percentage of individuals within the employees by age group**



**Chart 2b. Percentage of individuals within the employees by gender**



**Targets**

For FY2022, we aim to continue to provide fair and competitive remuneration based on merit. The Board of Directors will continue to explore opportunities to provide greater board diversity in FY2022 in accordance with its established Board Diversity Policy.

4.4.3. Training and Education

Our success depends on the right pool of talent in the organisation, as such, we believe that constantly upgrading and refreshing the skills of our employees keeps us in the forefront of the industry.



### **Management Approach**

Our HR department assesses the current and future skills requirements for our business operations and designs learning and development programmes to meet these requirements. These programmes are tailored to meet the needs of employees and enhance their personal and professional development.

There are special training programmes for the Senior Management to identify and groom promising individuals as part of our succession planning. During COVID-19, instead of conventional physical trainings, ASTI has leveraged on technology and utilized webinar training sessions on imperative topics, such as financial reporting. These online trainings allow the company to remain in the forefront of the industry while staying physically safe. In addition, online trainings were consistently conducted individually by employees.

We continue to monitor the training needs and progress of our employees on a regular basis; this helps them to take ownership of their career development.

### **Performance Data**

In FY2021, we were able to meet the target set for ASTI in FY2021 of an average of 3 hours of training (both online and on-site) for our employees.

### **Targets**

We will continue to emphasise the importance of training and provide opportunities for our production personnel at client premises to undertake training. For FY2022, we set our target to provide at least an average of 3 hours of training, both online and on-site, to our employees.



#### 4.4.4. Occupational Health and Safety

Keeping our employees safe is our top priority as we believe that our employees deserve a safe workplace environment. We are in adherence to global and industrial standards and guidelines while providing a safe and positive working environment to our employees.

#### **Management Approach**

Telford Singapore adopts the Safety Handbook established for all ASTI operations and cascades the workplace health and safety requirements to all of Telford overseas offices. We also provide emergency response training and regular health & safety training to our employees. This helps our employees identify health and safety hazards and respond to incidents such as accidents, injuries and health hazards.

Fire drills are conducted twice a year to ensure that our employees are familiar with emergency procedures during a fire. During our fire drills, all employees and contractors are trained to identify and operate fire extinguishers placed in various locations within our premises. Regular inspections on fire extinguishers are conducted and signed off. We display emergency evacuation plans in our premises which are visible to all our employees and occupants. They are instructed to follow the evacuation plan during an emergency.

Regular maintenance and quality checks are carried out on our machines, equipment and work areas within our premises for any health and safety risks. Our health & safety team conducts safety drills to identify any potential hazards and monitor the effectiveness of local risk controls implemented.

With the move of our production personnel to our client premises, our production personnel are also required to abide by the workplace health and safety requirements of our clients.

To safeguard the health of our employees during the COVID-19 pandemic, our HR department has been vigilant in providing advisories for employees to adhere to safe management measures and continue to monitor the health of our employees. We received guidance from the Ministry of Health (“MOH”) and Ministry of Manpower (“MOM”)’s COVID-19 advisories and safe management measures, particularly those relevant for workplaces. Mandated requirements by the government have also been implemented and compliance was ensured through safe management officers that conduct inspections.

#### **Performance Data**

With zero reported workplace fatalities and zero major accidents among our employees in FY2021, we achieved our target set for zero workplace fatalities/ injuries for FY2021.

#### **Targets**

ASTI has zero tolerance for workplace fatalities and major accidents and will endeavour to achieve zero workplace fatalities and major accidents in FY2022.





#### 4.4.5. Customer Health and Safety

##### **Management Approach**

Since the beginning of its conception, ASTI has always emphasised a customer-centric culture which propels us to achieve world-class recognition. Trust and customer loyalty are twin objectives that ASTI constantly seeks to achieve with our clients. By fervently improving ourselves, we strive to be responsive to changing customer demands. In addition, we always view our customers' health and safety as our responsibility and implement stringent checks on the quality and safety of our products and services.

##### **Performance Data**

In FY2021, we had zero incidents of non-compliance concerning the health and safety impacts of products and services and have met our target for the year.

##### **Targets**

We have zero tolerance for any non-compliance relating to the health and safety impacts of our products and services. In FY2022, we will endeavour to achieve zero incidents of non-compliance relating to the health and safety impacts of our products and services.

#### 4.4.6. Supplier Assessment

##### **Management Approach**

Our suppliers form an important part of our value chain as they contribute to our sustainability goals and business success. Sustainable procurement is important to ASTI for us to continue adding value to our stakeholders by maintaining transparency in our value chain and ensuring smooth sailing, high quality and on-time production and delivery of our products.

We carry out due diligence of all our suppliers based on our strict requirements on social criteria in terms of sustainable practices, quality and pricing where we ensure that our suppliers deliver top-quality raw materials and products.

During COVID-19, we continuously monitor and update our supplier selection process online and ensure that only the best raw materials are used in the production process. Our current suppliers of raw materials for our production of equipment are monitored on a regular basis based on their performance. Any supplier that fails to meet the expected quality and delivery requirement is removed from the list of raw material suppliers.

##### **Performance Data**

There were no new suppliers engaged in FY2021. As per the target set for FY2021, ASTI ensured that all our suppliers complied with the requirements of the Quality Management System ISO 9001:2015 and monitors their performance in yearly basis with regards to product quality, delivery and response to complaints.

##### **Targets**

For FY2022, our target would be to work with our suppliers to achieve zero non-compliance with the applicable ISO standards (e.g. ISO9001:2015).



#### 4.4.7. Compliance with Laws and Regulations

##### **Management Approach**

Compliance with the applicable laws and regulations forms one of the most important pillars for sustainable growth and is an essential component of corporate governance in any organisation. ASTI constantly keeps abreast with changes in the evolving regulatory landscape and has various procedures and risk management standards in place. We ensure that all our employees adhere to company's values to act with integrity and conduct business in accordance with the highest ethical standards.

##### **Performance Data**

We have met our target in FY2021 with zero incidents of non-compliance with laws and regulations in FY2021.

##### **Targets**

We see the importance of compliance with laws and regulations and target to continue to achieve zero incidents of non-compliance with laws and regulations for FY2022.

#### 4.4.8. Environmental Compliance

##### **Management Approach**

Environmental laws in Singapore manage externalities caused by air, water, land and noise pollution. ASTI strives for full legal and regulatory compliance, which includes not only socioeconomic regulations, but also environmental laws to maintain our licence to operate in all our locations.

We keep ourselves updated with any new regulations on environmental compliance which is applicable to our business, so that we identify and manage our regulatory risks beforehand.

##### **Performance Data**

We have met our target in FY2021 with zero incidents of non-compliance with environmental compliance in FY2021.

##### **Targets**

We will continue to monitor the environmental laws applicable to our business to achieve zero incidents of non-compliance with laws and regulations for FY2022.



#### 4.4.9. Cyber security

Cyber security is a key emerging threat globally, as such; we strive to ensure our defences against such breaches are sufficient in order to protect our and our stakeholders' interests.

##### **Management Approach**

Cyber security is handled by ASTI's IT department which has routinely updated ASTI's Active Antivirus Server to protect all of ASTI's clients' personal computers and servers. They also handle an annual health check for IT Infrastructure including Servers and Devices (Firewall, VPN Device and Wireless Router). During this session, the IT department will update the relevant firmware and related important patches. These updates and checks reduce the risk for the devices and servers to have loopholes or weaknesses in security. Moreover, ASTI has a good and reputable firewall which is constantly updated. There is a daily back up in place in any case of any breaches such as ransom-ware and we can easily restore the data from our backup tape.

On access control, access rights are only granted to authorised users for specific data folders in the data server as required. Users are also made to reset their password annually to reduce the possibility unauthorised access of their account.

Employees have limited access to the server so that in the case of any malware, there will a lower chance of disrupting the data and operating system ("OS") of the server. Furthermore, the company taps on the expertise of third parties who possesses advanced scanning mechanisms to detect possible virus and malware. These controls seek to mitigate ASTI's cyber security risk.

##### **Performance Data**

There were zero incidents of cyber security breaches in FY2021.

##### **Targets**

ASTI will continue set our target for zero cyber security breaches in FY2022.



## 4.5. Governance

### 4.5.1. Anti-corruption

#### **Management Approach**

In ASTI, we do not condone financial crime and are constantly on the looking out for any tell- tale signs of corruption which leads to dishonest business practices such as conflict of interests, accepting gifts, insider information.

All employees are required to abide by the Code of Conduct and policies on corruption within the Group. During employee orientation, all employees go through a mandatory induction programme, where they are briefed on the Code of Conduct, which includes information on workplace ethics and our whistle-blowing policy. We encourage our employees to raise their concerns regarding suspected fraud, corruption, dishonest practices or other similar matters in a very secured and responsible manner. Any suspicious practices or inappropriate activities in the workplace are reported immediately by our workforce to the Head of HR and/or any member of the Executive Committee in a fair, respectful and timely manner. ASTI takes disciplinary action on the employee who is found guilty of fraud, dishonesty or criminal conduct.

#### **Performance Data**

There were no incidents of corruption observed in FY2021, as such; the target for FY2021 was met.

#### **Targets**

We will continue to set our target to achieving zero incidents of non-compliance with anti- corruption for FY2022.



#### 4.5.2. Corporate Governance

##### **Management Approach**

We strive to have good corporate governance to ensure transparency and accountability at all levels of our company to protect and enhance value for our stakeholders. We recognise that good corporate governance processes are essential for enhancing corporate sustainability. To promote ethical behaviour, employees are always required to adhere to the Group's policies and procedures.

We had undergone an internal review on corporate governance in order to progressively strengthen our structure and practices in 2019. The review highlighted the need for us to revisit our existing practices including over board composition, board diversity, independence, interested person transactions and conflict of interests and improve on our corporate governance practices and disclosures.

##### **Performance Data**

In FY2021, we refreshed and updated our Corporate Governance Policies Manual to enhance our policies over Code of Conduct (for the Board), Conflict of Interest and Board Diversity. Our corporate governance practices are set out in Appendix 1 - Corporate Governance Report of the Annual Report for FY2021. In areas where the Company deviates from the provisions of the Code, the rationale and explanation of how the Company's practices are in line with the principles of the Code is provided.

##### **Targets**

With the ongoing restructuring and re-evaluation of our business, we will continue to emphasize on the important of good corporate governance. Together with the SSC and STF, we will continue to enhance our corporate governance practices and work towards protecting and enhancing value for all our stakeholders.