

ACESIAN PARTNERS LIMITED

Incorporated in Singapore
(Co. Reg. No.: 199505699D)



SUSTAINABILITY REPORT 2021

CORPORATE PROFILE

Founded in Singapore in 1998, Acesian Partners Limited (“Acesian”) is a multi-disciplinary group serving as a one-stop provider for environmental solutions and integrated services to diverse industries including the semiconductor, wastewater treatment, chemical, pharmaceutical and biotechnological industries. The Company was successfully listed on the SGX Sesdaq (now known as Catalist) in February 2005. In late 2015, we set up our latest business unit, Information Communication Technologies (“ICT”), dedicated to meet the needs of the audio-visual industry and providing a one stop

solution to our contractors, consultants and customers, where our products ranging from simple video conferencing solution to large-scale command centre to integrated video wall set up.



BOARD STATEMENT ON OUR SUSTAINABILITY REPORT (“SR”)

Acesian is committed to sustainability and with our vision and values in mind, we are making effort to incorporate the key principles of environment, social and governance (ESG) into our businesses. Having considered sustainability issues as part of its strategic formulation, the Board determined the material ESG factors and overseen the management and monitoring of the material ESG factors.

We recognise that creating sustainable value for our stakeholders remains at the core of our business to ensure success and longevity of the business. Apart from achieving business goals based on good business fundamentals and conducts, Acesian is driving at performance with integrity and adopting a balanced

approach to managing expectations between business growth, meeting the needs of our stakeholders, governance, environment as well as development and welfare of our people and communities.

Our sustainability strategy involves multi-stakeholder considerations and we endeavour to monitor and evaluate our ESG efforts and intend to focus on continuous improvement that balance today’s needs with longer term developments.

We look forward to having our stakeholders’ support as we pursue sustainability practices.

Yours faithfully,
For and on behalf of the Board,

Wong Kok Chye
(Chief Operating Office and Executive Director)
13 May 2022

REPORTING LOCATIONS, BOUNDARIES AND PERIOD

For the purpose of this report which covers the financial year 2021 (“FY2021”), we focus primarily on our business operations in Singapore and Malaysia on issues that impact business growth and are of utmost importance

to our stakeholders. A sustainability report will be published annually in accordance with our SR Policy and uploaded on the SGXNet and Company’s website.

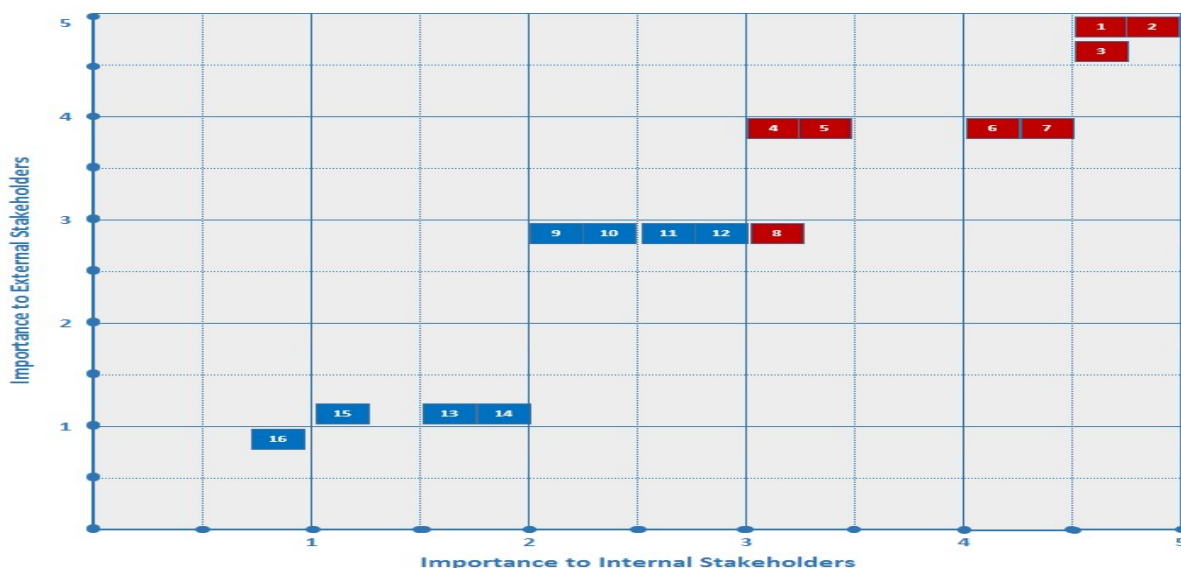
DEFINING OUR MATERIALITY ISSUES

From the results of our engagement with key stakeholders, we have performed a materiality analysis to identify challenges and issues that are important to our stakeholders and which are relevant to our businesses today and taking into consideration of the following:

- a) Those risks ranked as high impact and likelihood of occurrence to the Group, and;
- b) Those that are ranked as high and critical by both our internal and external stakeholders for sustainability issues.

Accordingly, we focus our sustainability efforts and reporting on these issues. These issues were further deliberated and narrowed down through our engagement process with stakeholders. The senior management then reviewed the list of issues, identified and prioritised the material issues based on importance to our stakeholders and the sustainability impact to our businesses.

OUR MATERIALITY MATRIX



ISSUE

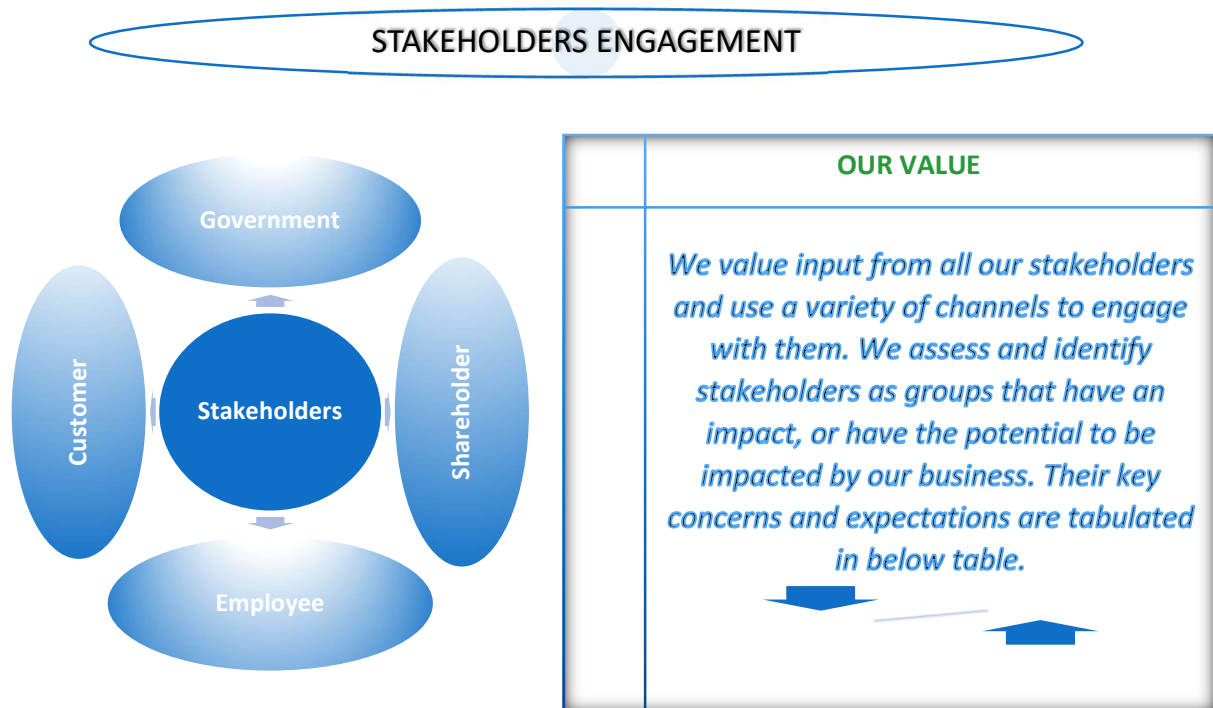
- | | | | |
|---|---|----|--|
| 1 | Legal compliance and corporate governance | 9 | Water management |
| 2 | Service quality and responsibility | 10 | Supply chain and procurement practices |
| 3 | Health and safety | 11 | Wages and local hiring |
| 4 | Economic contribution to society | 12 | Business partners engagement |
| 5 | Anti-corruption and anti-fraud | 13 | Energy management |
| 6 | Training and staff development | 14 | Water conservation |
| 7 | Labour management relations | 15 | Environmental impact assessment and mitigation |
| 8 | Diversity and equal opportunities | 16 | Climate change and emission |

SUSTANABILITY REPORTING FRAMEWORK

The Global Reporting Initiative (“GRI”) Standards: Core option was selected in our sustainability reporting framework in view of its globally-recognised and generally accepted standard for sustainability reporting. It covers the GRI principles for defining report content including sustainability context, materiality and stakeholder inclusiveness, and also




complies with the Singapore Stock Exchange (the “SGX-ST”) “Comply or Explain” requirements for sustainability reporting.

Unless otherwise stated, the report covers the Economic, Social and Governmental (ESG) performance of Acesian’s main activities in Singapore and Malaysia.



Key stakeholder	How we engage them	Key topics	Our Response
GOVERNMENT AND REGULATORS 	<ul style="list-style-type: none"> • SGX Half-Yearly Announcements • Annual Reports • Sustainability Reporting • Ongoing dialogues 	<ul style="list-style-type: none"> • Employment practices • Workplace safety and health • Regulatory compliance • Environmental compliance 	We keep ourselves abreast of the prevailing rules and legislations through regular trainings, public seminars, and consultation with external professionals.

STAKEHOLDER ENGAGEMENT

<p>CUSTOMERS</p> 	<ul style="list-style-type: none"> • Direct engagement, ongoing dialogues and feedback 	<ul style="list-style-type: none"> • Offer premium product / service at competitive pricing • Safe and reliable product • Project timeliness • Customer health and safety 	<p>Our customer engagement includes, among others, a key account/dedicated sales personnel, constant interactions and dialogues, follow up on customer feedback.</p>
<p>Key stakeholder</p>	<p>How we engage them</p>	<p>Key topics</p>	<p>Our Response</p>
<p>EMPLOYEES</p> 	<ul style="list-style-type: none"> • Management committee • Open annual performance appraisal system to link performance with remuneration • Training and education opportunities 	<ul style="list-style-type: none"> • Competitive remuneration and benefits • Career development and trainings • Ethical and conduct • Job security 	<p>We adopted open and transparent communication with our employees through various channels such as Group's policies, formal appraisals, informal social gathering, regular business meetings and chat groups.</p>
<p>INVESTORS AND SHAREHOLDERS</p> 	<ul style="list-style-type: none"> • Annual reports • SGX half yearly announcement • AGM / EGM 	<ul style="list-style-type: none"> • Financial performance • Corporate governance • Business and growth strategies 	<p>We are committed to embrace and adhere to relevant industry practices and guidelines such as the Singapore Code of Corporate Governance 2018 and Listing Rules to ensure transparency and timely dissemination of all material information to our investors and shareholders.</p>

ECONOMIC

Economic Contribution to Society

The business was buoyed by the recovery of the construction industry (in particular, in the semiconductor sector), where the Group participated in some of the construction projects for semiconductor plants through supplying ducts-related products. Against this backdrop, the Group performed strongly with net profit growing substantially from S\$0.05 million in FY2020 to S\$1.9 million in FY2021 on the back of higher revenue, anchored by the strong results and contributions from the Group’s manufacturing segment.

In line with the improved results, cash and cash equivalents surged to S\$8.98 million as at 31 December 2021 from S\$4.46 million as at 31 December 2020. The cash increase was derived

mainly from operating cash flows and improved working capital management, which generated a net cash inflow of S\$5.37 million. For more details, please refer to our annual report FY2021.

Year (S\$ '000)	FY2021	FY2020
Revenue	14,812	9,523
Profit attributable to shareholders (PATMI)	1,872	23
Net Tangible Assets per Share (cents)	1.55	1.21
Cash and cash equivalents	8,982	4,464



Target FY2022:
To drive growth and profitability

“ The awareness of stakeholders’ presence is essential, as it is a precondition for taking their interests and rights into account. We will continue to strengthen the financial health of the Group through a sustainable growth, building partnerships with our stakeholders and a balanced approach to risk management. Furthermore, we strive to contribute and make a positive difference to the welfare of our people and society through our economic presence. “

CAPITALISING ON UPTREND MARKET

The manufacturing segment remains pivotal to the business of the Group, and the business imperatives continue to be an innovative, agile and cost-effective manufacturing process, high product quality, and efficient order fulfilment. After transforming the business and gaining a stronger footing, the focus had since pivoted to expanding business capabilities by leveraging on our ability to identify emerging trends despite challenges on various fronts. The semiconductor sector is on an upward trajectory and is expected to sustain its growth momentum and continue to grow steadily in the next few years. To reap the benefits and capitalise on the market uptrend in the semiconductor sector, efforts had been shifted

to further boosting and proactively adjusting production capacity and throughput (apart from product quality) ahead of anticipated increases in demand of our ducts-related products. Various initiatives were undertaken (and are still ongoing) such as production automation, equipment rejuvenation and process reinvention, as well as capacity utilisation maximisation, manpower increase and expanding strategic outsourcing partnerships. We had, among others, laid out a production ramp-up management framework, invested in new machineries (such as a laser machine) and acquired additional trucks to improve the transportation of goods.

LEGAL COMPLIANCE AND CORPORATE GOVERNANCE

We believe in creating long-term value for our stakeholders through commitment to high standards of corporate governance. Compliance with legislation and standards including corporate governance, environmental, health and safety, product quality and safety, and social responsibility are important issues of interest to our stakeholders. The Group is committed to

ensuring legal compliance in all areas of our business and uphold high standards of ethical business conduct.

For more details on our corporate governance practices, please refer to our 'Corporate Governance Report' section in our annual report 2021.

Code of Ethics and Principles of Business Integrity

We believe that reputation for integrity is the cornerstone of the public's faith and trust in us. We seek to conduct our business in an ethical manner and in accordance with the legal standards and best practices. Apart from setting out the code of ethics, the

management is constantly reminding employees to abide by the code of ethics in our business dealings through various means such as meetings, group chats and sharing of articles and news.

Anti-Corruption

The Group maintains a zero-tolerance policy against bribery, corruption or other malpractices which covers employees, business partners and other stakeholders. In FY2021, the Group has not received any reportable incidence of corruption or bribery cases in the reported period.



Target FY2022:
To maintain zero tolerance against corruption

Compliance with Laws and Regulations

Our Group's continuing policy and commitment is that our business be conducted in accordance with all relevant laws and regulations and industry standards. Our management team aspire to achieve in their efforts to ensure that they are aware of and take steps to comply with legal and regulatory requirements. In FY2021, there is no incidence of non-compliance with the relevant laws and regulations.



Target FY2022:
To achieve full compliance with laws and regulations

ENVIRONMENT

Health and Safety

The health and safety are fundamental and its significance is bolstered given the COVID-19 situations. We are committed to striving towards zero harm and carrying out our business activities in a sustainable manner and adopting the best practices. We work hard to ensure product quality and safety, aiming to meeting or exceed industry standards and win the trust of our customers. In FY2021, there is no incidence of serious accidents.

	Year	Lost days rate
2021	Actual	0%
	Target	0%



Target FY2022:
To achieve zero serious accidents of health and safety issue

The construction of our newly-expanded manufacturing facility which completed in early 2018, with the health, quality and safety in mind, has not only elevated the production capacity by three-fold, there have also been significant improvement in quality, efficiency and productivity. We have also invested substantially in machineries and equipment that helped to mitigate air pollutants and with noteworthy improvement in health and safety throughout the manufacturing process.

was redeveloped resulting in improved quality and delivery speed.



We recognise that effective quality systems training program is necessary to ensure that personnel involved in quality assurance have the skills needed to perform their responsibilities. The quality control process



SOCIAL

Our People

Our employees are our greatest assets and we strive to improve our employees’ productivity and level of competency through continuous training and collaborative teams. We are committed to creating and maintaining a conducive environment in which all employees are treated with respect and differences are highly valued. Our Group advocates a policy of fair employment opportunities and provides competitive remuneration packages. We cultivate ownership and empowerment of our employees and adopted an open and transparent performance appraisal exercise as well as provides platforms and opportunities for career development.

to yield a decent results for FY2021. This would not have been possible without the initial sacrifices by our employees. In recognition of their hard work and sustained commitment to the Group, employees were rewarded with year-end bonuses, which was frozen last year.


Notwithstanding the continued disruptions from Covid-19 pandemic, the Group managed



Diversity and Equality

We value diversity and consider the benefits of diversity, including diversity of skills, experience, gender, ethnicity and other

relevant factors. We reward our employees based on merit, in the context of the skills, experience, knowledge and performance.

Year	Gender 	Manufacturing, distribution and services	Engineering services	Corporate	Group
2021	Female	16%	17%	62%	20%
	Male	84%	83%	38%	80%
2020	Female	14%	15%	62%	19%
	Male	86%	85%	38%	81%

In 2021, the female employees represented 20% of our full-time headcount at group level and 62% at our corporate office. Due to the nature of our business, we have more male than female at operational level.

Employee Retention. Our recruitment policy is based on meritocracy, prerequisite skills and academic qualifications that matching to the job scope and requirements. It is geared toward attracting and retaining suitable talents to support our business growth. We reward good work performance by offering competitive remuneration packages and staff remuneration is compensated based on performance, expected roles and responsibilities. An open annual performance appraisal system to link performance with remuneration is adopted. The retention rate

set for FY2021 of 81% has not been achieved due to a group of workers of a subsidiary company wished to return to their home country due to Covid-19 pandemic.

Year		Retention rate
2021	Actual	60%
	Target	81%



Target FY2022:
To achieve retention of employee of 81%.

Social Affairs and Activities. Employees are the lifeblood of our company and collectively will predominantly dictate the future trajectory of our business. With this in mind, we endeavour to provide them with a conducive work environment to ensure they use their work hours in a productive and effective manner. In light of the Covid-19 situation, all social activities in 2021 were suspended in response to various safety and precautionary measures implemented by the government bodies to curb the spread of the Covid-19, and all in all the safety and mental health of our employees and the community.

In wake of the escalating and evolving COVID-19 situation, we had implemented various flexible work arrangements such as work from home. The Group is keeping a close watch on the development of the COVID-19 and will adopt a flexible approach and resume social activity appropriate to the situation in 2022. As the Covid-19 situation is paved with exceptional uncertainty and changing circumstances, target for 2022 will not be set.



Target FY2022:
Target is not set.

Training and development

The Group strives to improve and develop our employees and invests to upgrade our staff skills capability, increase work productivity and interpersonal competencies. This is crucial for building and updating skills needed to support our business operations. We send staff for seminars / training to keep them abreast with knowledge, work skills and technology. In FY2021, we conducted an average training hours per FTE of 9.8 hours which was in line with the target of 9.9 hours (increase by 5% over actual hours in year 2020).



Target FY2022:
To maintain average training hours per FTE of 10 hours

Year	Average hours of training per year per employee				Target
	Total employees ^	No. of days	No. of training hours *	Average no. of training hours per FTE ^	
2021	83	149	812	9.8	9.9
2020	64	78	603	9.4	10.0

* Assume 8 training hours per day

^ The number of headcount (excluding production workers) represents the full-time employees ("FTE") of the Group as at 31 December

GRI STANDARDS CONTENT INDEX

GRI Standards	Disclosure	Issues of Concern
Organisation Profile		
102-1	Name of the organisation	Acesian Partners Limited
102-2	Activities, brands, products, and services	Annual Report (AR) page 1
102-3	Location of headquarters	Singapore
102-4	Location of operations	Singapore and Malaysia
102-5	Ownership and legal form	Public Listed Company (Limited by Share Capital)
102-6	Markets served	Singapore, Malaysia and Europe
102-7	Scale of the organisation	AR, Corporate Profile (page 1) AR, Financial Review (page 2-3) AR, Twenty Largest Shareholders (page 89) Sustainability Report
102-8	Information on employees and other workers	AR, Board of directors and senior management (page 4-5)
102-9	Supply chain	Not applicable. During the reporting period, the Company assessed supply chain management as non-material (or it does not have influence) in respect to the operations.
102-10	Significant changes to the organisation and its supply chain	None
102-11	Precautionary Principle or approach	Not applicable
102-12	External initiatives	None
102-13	Membership of associations	Not applicable
Strategy		
102-14	Statement from senior decision-maker	AR, Letter to Shareholders (page 2-3)
102-15	Key impacts, risks, and opportunities	AR, Letter to Shareholders (page 2-3)
Ethics and Integrity		
102-16	Value, principles, standards, and norms of behaviour	AR, Report of Corporate Governance (page 7-34)
Governance		
102-18	Governance structure of the organization	AR, Report of Corporate Governance (page 7-34)
Stakeholder Engagement		
102-40	List of stakeholder groups	Sustainability Report > Stakeholder Engagement
102-41	Collective bargaining agreements	Not applicable. No employee was covered under any collective bargaining agreement.
102-42	Identifying and selecting stakeholders	Sustainability Report > Stakeholder Engagement
102-43	Approach to stakeholder engagement	Sustainability Report > Stakeholder Engagement
102-44	Key topics and concerns raised	Sustainability Report > Stakeholder Engagement

ACESIAN PARTNERS LIMITED

Sustainability report 2021

Reporting Practice		
102-45	Entities included in the consolidated financial statements	AR, Corporate Structure (page 5)
102-46	Defining report content and topic Boundaries	Sustainability Report > Reporting Locations, Boundaries and Period
102-47	List of material topics	Sustainability Report > Stakeholder Engagement
102-48	Restatements of information	Not applicable.
102-49	Changes in reporting	Not applicable.
102-50	Reporting period	Sustainability Report > Reporting Locations, Boundaries and Period
102-51	Date of most recent report	FY2021
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	AR, Corporate Information (page 6)
102-54	Claims of reporting in accordance with the GRI Standards and GRI content Index	This report has been prepared in accordance with the GRI Standards: Core option
102-55	GRI content index	Sustainability Report > GRI Content Index
102-56	External assurance	None