

SUSTAINABILITY REPORT 2024

SERIAL SYSTEM LTD
serialsystem.com



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SUSTAINABILITY STRATEGY

ABOUT THIS REPORT

This is the eighth Group Sustainability Report by Serial System Ltd. It covers the sustainability performance of all subsidiaries for which Serial System Ltd ("Serial System" or "SSL" together with its subsidiaries, collectively the "Group") has management control, unless otherwise stated. During the reporting period, the Group completed a reverse takeover of Serial Achieva Limited (formerly known as Axington Inc. and listed on the Catalist Board of the Singapore Exchange Securities Trading Limited) on 14 June 2024. The transaction involved a share swap comprising the Group's 100% equity interest in Achieva Technology Sdn. Bhd. and 49.0% equity interest in the newly incorporated Achieva Digital (Thailand) Company Limited, in exchange for a 77.6% equity stake in Serial Achieva Limited and its subsidiaries. This report includes relevant data from Serial Achieva Limited, which has also published a standalone sustainability report dated 28 April 2025.

The Sustainability Report 2024 ("SR2024") covers the Group's sustainability strategies, initiatives and performance in relation to Environmental, Social and Governance ("ESG") issues for the financial year ended 31 December 2024 ("FY2024"). Relevant data has been consolidated where material to the Group's overall ESG performance. We had reviewed our previously submitted reports and made necessary changes in order to align with the current requirements by the Singapore Exchange Securities Trading Limited ("SGX").

This year, we partnered with STACS to adopt their ESGpedia System, enhancing our engagement with internal stakeholders and improving data management. To ensure consistency, we have revised our reported electricity and water consumption intensities per floor area and Scope 2 emissions to align with the calculation methodology and electricity emission factors used in the ESGpedia System. As a result, we observed an average increase of 14.0%, 21.8% and 10.7% in electricity consumption intensity per floor area, water consumption intensity per floor area, and Scope 2 emissions, respectively, compared to previously reported figures from 2019 to 2023. For more details, please refer to the "Calculation Methods Used" in Appendix B on pages 45-47. Additionally, we have expanded our Scope 3 disclosures to include Category 4 and 9 emissions data from our subsidiaries in Malaysia, Thailand, Taiwan, Singapore, and South Korea. We have also consolidated the Group's office paper consumption into a single reported value, rather than presenting separate figures for the Singapore head office and other entities, as done in previous years.

In terms of our supply chain, there were no significant changes during the reporting cycle. Through this report, we hope to share our sustainability commitments with our various stakeholders, including shareholders, business partners, customers, suppliers, staff, the community, government and regulators.

International Standards and Guidelines

This report has been prepared in accordance with the sustainability reporting regulatory requirements set out in the Singapore Exchange Securities Trading Limited's (SGX-ST) Listing Manual Rules 711A and 711B and the International Sustainability Standards Board (ISSB) – which includes the Sustainable Accounting Standards Board (SASB), Global Reporting Initiative (GRI) Universal Standards 2021 and the Task Force on Climate-related Financial Disclosures (TCFD). For FY2024, we had included the 11 TCFD recommendations in our reporting (please see Appendix F).

Independent Assurance

The ESG performance data presented in this report are mainly extracted from internal information systems and original records to ensure accuracy. The Group had not sought external assurance for this sustainability report but relied on internal review of the sustainability processes.

Feedback

We are fully committed to listening to our stakeholders and welcome feedback on this report, as well as any aspect of our sustainability policies, processes and performance. Please address all feedback to sustain@serialsystem.com. Your feedback will be valuable for us in achieving our goals to build a sustainable and thriving business.

SUSTAINABILITY STRATEGY

MESSAGE FROM THE BOARD

Amidst ongoing geopolitical and economic uncertainties characterised by elevated interest rates, inflationary pressures, and currency fluctuations, the importance of ESG (Environmental, Social, and Governance) considerations has become increasingly pronounced. For Serial System, sustainability is now a core component of our strategic direction, reflecting our enduring commitment to societal contribution and the cultivation of a more inclusive and compassionate global community.

As we pursue growth and expansion, we remain resolute in our mission to build a sustainable enterprise. This involves the continuous refinement of our ESG practices and the seamless integration of sustainability into our daily operations through our established Sustainability Framework.

The Board extends its sincere appreciation to the management team for their unwavering dedication to implementing sustainability initiatives, even amidst persistent global economic challenges. We also express our gratitude to our shareholders, business partners, customers, suppliers, and employees for their steadfast support throughout our sustainability journey. We look forward to your continued partnership as we advance our collective goals.



SUSTAINABILITY STRATEGY

ABOUT THE GROUP

Corporate Profile

Established in 1988, listed since April 1997 and currently traded on the Mainboard of the Singapore Exchange, Serial System owns and operates a synergistic global distribution network built on strong partnerships with suppliers and customers.

Serial System has a customer base of more than 5,000, mostly across Asia, spanning a diverse range of industries such as consumer electronics, telecommunications, household appliances, industrial, electronics manufacturing services, security and surveillance, automotive and medical.

Major suppliers of electronic components distributed by Serial System include ON Semiconductor, OSRAM Opto Semiconductors, Renesas, Goodix, Allegro MicroSystems, Gigadevice, Littelfuse, TE Connectivity, Varta and Monolithic Power Systems Inc. Serial System has also been progressively expanding its product portfolio to support customers within emerging core technologies, such as 5G, Internet of Things (IoT), artificial intelligence, electric and autonomous vehicles etc.

Serial System also boosts demand for its suppliers' components and supports its customers' product development by adding value through design and other initiatives.

Since its launch in 2014, Serial System's consumer products distribution business has expanded its portfolio to include computers and peripherals, printers and accessories, covering notebooks, processors, motherboards, SSDs, DRAM, VGA and graphic cards, and printer ink and toner cartridges.

In 2017, Serial System broadened its reach by introducing a new managed print service, supported by distribution networks in Singapore, Indonesia and Thailand. In 2020, the company ventured into 3D printing by forming a distribution partnership with Netherlands-based UltiMaker for the Asia Pacific region.

Major suppliers of consumer products distributed by Serial System include AMD, MSI, Intel, Gigabyte, PNY, Ultimaker, Viewsonic, Apacer, AOC, Kyocera and BASF.

With 20 offices and 13 warehousing facilities in key Asian markets – Singapore, China, Hong Kong, India, Indonesia, Japan, Malaysia, Philippines, South Korea, Taiwan, Thailand and Vietnam – Serial System has one of the largest and most extensive distribution networks in the region.



SUSTAINABILITY STRATEGY

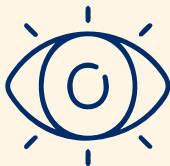
Serial System has been engaged in the assembly and distribution of medical devices, offering a comprehensive range of standard and customized perfusion tubing packs since 2011. These products are widely distributed across the Asia Pacific region and are the preferred choice of many leading hospitals. Serial System is also a key player in Singapore's healthcare and hospitality solutions sector, providing integrated systems that enhance both inpatient and outpatient touchpoints, ultimately improving the overall healthcare experience for patients and medical staff.

Serial System will continue to help its partners to be more competitive in the marketplace, today and in the future.



OUR VISION

To be the leading electronic components and consumer products distribution partner, known for our dynamic demand creation activities, extensive network and strong local expertise.



OUR MISSION

To provide a wealth of growth opportunities for our stakeholders.

TOWARDS OUR PARTNERS

We provide market insight to our business partners to enable faster time-to-market. To our suppliers, we help expand their market reach.

To our customers, we provide innovative and competitive solutions.

TOWARDS OUR STAFF

By empowering our staff with the right resources and looking after their well-being, we help them to be their best at work, grooming them to be our leaders of tomorrow.

TOWARDS OUR SHAREHOLDERS

We strive to make steady progress in every aspect of our business, providing our shareholders with consistent and favorable dividend yields.

TOWARDS OUR COMMUNITY

By staying in touch with the community, we are able to contribute in ways that are close to their needs.



OUR VALUES

Progressiveness
Empowerment
Efficiency
Teamwork

PROGRESSIVENESS

Derived from the drive to achieve our targets and the courage to change for the better.

EMPOWERMENT

Encouraged by giving our staff the power to make decisions.

EFFICIENCY

Arose from working smart, doing our work well, and using our resources effectively to serve our customers and suppliers well.

TEAMWORK

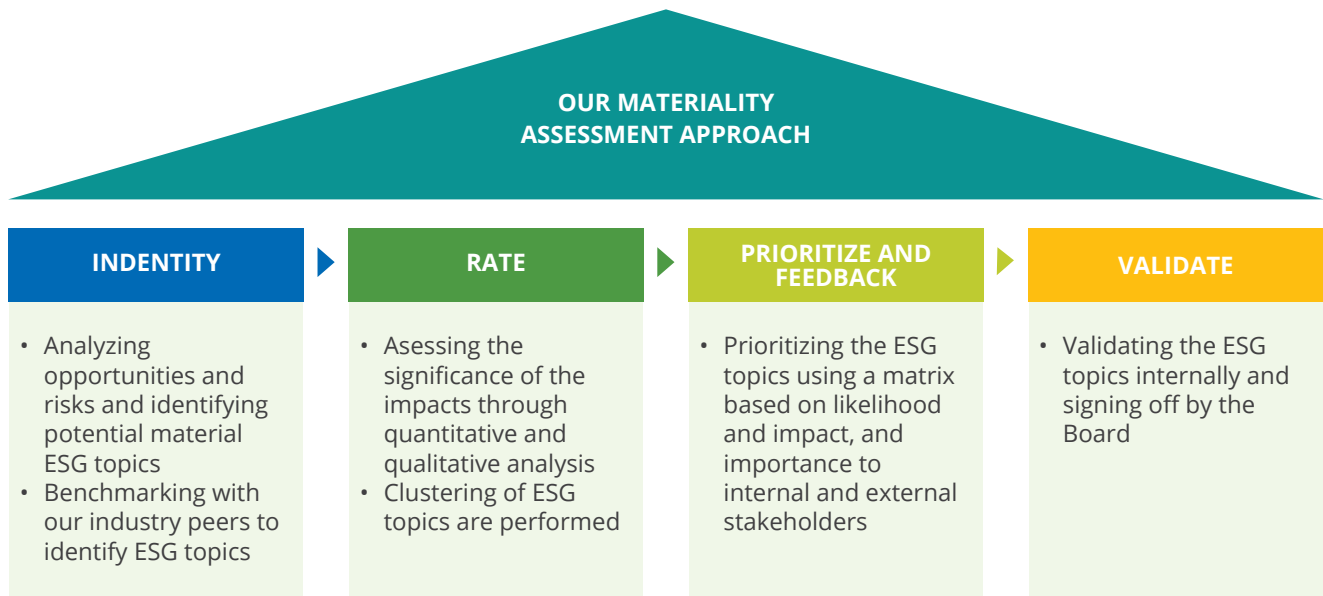
Striving towards a common goal in one spirit - despite our cultural or individual differences.

SUSTAINABILITY STRATEGY

OUR ESG APPROACH

Our Sustainability Framework

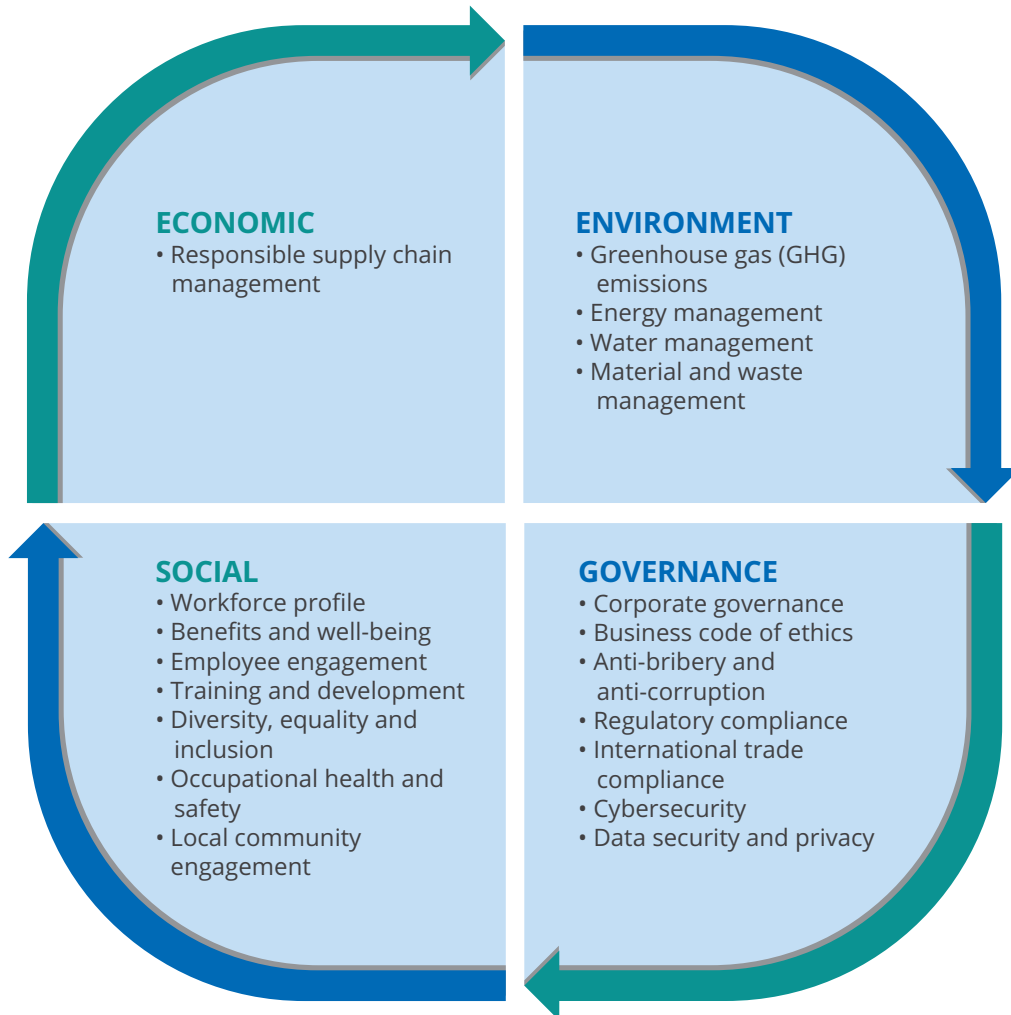
Our sustainability framework articulates how we embed sustainability into our business strategies and reflect our latest stakeholder engagement and materiality assessment. It comprises four mutually reinforcing pillars which underpin our vision for sustainability. Besides serving as the compass to direct our actions, this framework seeks to demonstrate how our strategy, governance, programs and performance lead to long-term business growth and value creation for stakeholders while protecting our environment.



SUSTAINABILITY STRATEGY

Material ESG Topics

Using the above assessment, we had identified the following material ESG topics for FY2024:



Identification and Management of ESG Risks

We had integrated the identification and management of ESG risks into our business continuity plan. For this year, we had identified and followed up on the two major risks and the mitigation actions to address them. The risks include possibility of delisting from SGX and possibility of suppliers and customers discontinuing business with our company.

SUSTAINABILITY STRATEGY

As a publicly listed company in Singapore, SGX expects the Company to comply with its Mandatory Climate Reporting following the International Sustainability Standards Board (ISSB) International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards (SDS) — IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures, which are built on the existing works of leading sustainability reporting organizations, including the Task Force on Climate-related Financial Disclosures (TCFD). As a company, our business partners expect Serial System to advocate for sustainability in its operations. In doing so, it helps transform business practices for the better, ensuring that the business thrives economically and is contributing positively to the environment.

To comply with SGX requirements, we had included IFRS S1 and S2 Disclosures, which follow TCFD's 11 recommended disclosures since 2023. We had also formed the Sustainability Steering Committee ("SSC") to focus on our sustainability strategy, performance and best practices in compliance with SGX Regulatory Requirements. A Procurement, Supplier and Asset Management Functional Head of Department ("HOD") was added into the committee to cover the Supply Chain in preparation for the upcoming Scope 3 emissions SGX Sustainability Reporting requirements expected in the near future.

To ensure continued business with our business partners, we had obtained green certifications such as the ICC SME360X Singapore Green Exporter Program Certificate (by SBF/MTI) and STACS ESNB Green Badge Award to show our commitment to sustainability by disclosing our carbon emissions and sustainable practices. As part of our customers' and suppliers' requirements, we also answered their ESG Audit Questionnaires to capture their Scope 3 emissions based on our operations and actively participated in their ESG initiatives. In response to the questionnaires, Serial System Responsible Minerals (3TG) Sourcing Policy was rolled out in FY2024 to ensure the selection and retention of direct Suppliers providing materials containing tin, tantalum, tungsten, gold and/or cobalt are in accordance to Section 1502 of Dodd-Frank Act, USA.






Key Stakeholders Engagement

As part of our Materiality Assessment, we engage with all our internal and external stakeholders who support the business or who are impacted by our operations. Their perspective and feedback provide us information that help us prioritize and continuously improve our ESG strategy. We maintain communications with them through various channels to receive their inputs.



In FY2024, we had partnered with STACS to use their ESGpedia System. This is the Group's initiative to better engage with our key stakeholders. Currently, we are using it to gather our internal stakeholders' data and consolidate it to the group level. Moving forward, we also plan to extend its usage to our external stakeholders.

SUSTAINABILITY STRATEGY

The following illustrates the approach the Group undertakes to engage with our key stakeholders:

Stakeholders	Stakeholders' Key Concerns and Expectations	Engagement and Communication Channels	Our Response
Customers 	<ul style="list-style-type: none"> • Provide quality customer service and experience • Ensure product quality • Solve product's related technical problems • Competitive pricing and reasonable payment terms • On-time delivery • Quality control in place • Streamlining of business operations in distributing products to customers 	<ul style="list-style-type: none"> • Regular meetings and customer management • Regular communications via phone, email, website and/or circulars • Contracts and agreements • Business reviews with customers 	<ul style="list-style-type: none"> • Manage key accounts • Build and maintain a good relationship with customers • Expand product lines and ranges • Regularly review to fulfill customers' needs • Seek and provide timely feedback
Business Partners 	<ul style="list-style-type: none"> • Collaborative partnerships and opportunity to nurture and expand the business 	<ul style="list-style-type: none"> • Business meetings • Strategic partnerships 	<ul style="list-style-type: none"> • Engage suitable business partners to pursue business objectives and work towards growth and profitability
Local Communities 	<ul style="list-style-type: none"> • Give back and serve the community • Help the less privileged 	<ul style="list-style-type: none"> • Volunteering initiatives • Donations to charitable organizations 	<ul style="list-style-type: none"> • Organize volunteer activities • Contribute to charitable causes
Government and Regulators 	<ul style="list-style-type: none"> • Regulatory compliance • Promote workplace health and safety • Address pertinent issues 	<ul style="list-style-type: none"> • Regulatory filings and submissions through government and regulators websites 	<ul style="list-style-type: none"> • Timely announcements on material information and financial results through SGXNet and corporate website • Ensure compliance with prevailing laws and regulations • Submit annual report or circular
Employees 	<ul style="list-style-type: none"> • Competitive remuneration and benefits • Career growth and personal development • Work-life balance • Job security • Health and safety in the workplace 	<ul style="list-style-type: none"> • Annual performance appraisal system • Training and career development programs • Employee feedback channels • Social and team-building activities • Health and safety trainings 	<ul style="list-style-type: none"> • Establish and communicate human resource policies and practices which promote work-life balance and safe working environment • Reward good performance and long service employees • Provide opportunity for career development • Establish a platform for submission of staff suggestions and feedback to management

SUSTAINABILITY STRATEGY

Stakeholders	Stakeholders' Key Concerns and Expectations	Engagement and Communication Channels	Our Response
Suppliers 	<ul style="list-style-type: none"> Fulfill contractual obligations and receive timely payments Promote joint efforts on product development and growth Supply good quality products Develop value-added services 	<ul style="list-style-type: none"> Contracts and agreements Regular meetings Monthly/quarterly reviews with suppliers Electronic data interchange 	<ul style="list-style-type: none"> Market the supplier's products Regularly review whether we are meeting supplier's needs Feedback on product development and growth efforts Resolve product quality together with customers Promote demand creation activities for supplier's products Meet and exceed targets set
Investors and Shareholders 	<ul style="list-style-type: none"> Group's strategy and long-term growth Corporate governance Risk management and internal controls Deliver strong economic performance Shareholders' return Timely and accurate release of the Group's business progress and financial report 	<ul style="list-style-type: none"> Timely announcement of financial results and relevant disclosures through SGXNet and corporate website Annual/extraordinary general meeting Annual report or Circular Corporate governance and sustainability reports Meeting analysts and investors 	<ul style="list-style-type: none"> Strive for sustained and long-term growth Adhere to the rules of the Singapore Exchange Securities Trading Limited and other regulatory requirements Embrace good corporate governance, effective risk management and internal controls Ensure timely and accurate disclosure of financial and non-financial information Manage risks and take advantage of opportunities to further business operations

About the ESGpedia System

To show our commitment to enhancing stakeholder engagement, we partnered with STACS in 2024 and adopted their ESGpedia System. This comprehensive digital ESG platform supports various sustainability initiatives, including GHG calculations, supplier engagement, sustainability-linked financing, sustainability reporting, ESG assurance, carbon offsetting and green procurement. In addition, it collaborated with the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP) to launch a digital ESG self-assessment on the ESGpedia platform, partnered with the Sustainable Finance Institute Asia to support the Single AccessPoint for ESG Data (SAFE) Platform, and worked with the United Nations Global Compact to drive corporate adoption. It also contributed to the Monetary Authority of Singapore's (MAS) Project Greenprint by developing an ESG Registry. Furthermore, it was accepted into the Infocomm Media Development Authority (IMDA) SPARK Program and ADS program. Beyond these initiatives, it has partnered with financial institutions such as DBS, OCBC, and CIMB to leverage ESG financial products, including Green Loans, Sustainability-Linked Loans (SLLs), Supply Chain Finance, Insurance, and Investments



SUSTAINABILITY STRATEGY

They also award the ESN Asia-Pacific Green Deal Badge to businesses that have demonstrated their commitment to sustainability by pledging support and completing the digital assessment, complying with SGX List of Core Metrics and IFRS Standard for Scopes 1, 2, and 3.

Sustainability Highlights and Awards

Sustainability is increasingly becoming important as the need to address environmental challenges intensifies. In Singapore, the Government unveiled the Singapore Green Plan 2030, an ambitious and rigorous strategy that outlines the country's long-term plan to achieve net zero emissions by 2050. To achieve this goal, businesses in Singapore are required to adopt sustainable practices in its operation, spearheaded by the SGX. Consequently, management consultants are actively contributing to the promotion and implementation of sustainability initiatives across the country. As a good Corporate Citizen, on 19th February 2025, our ESG Chair was invited by the Institute of Management Consultants, Singapore (IMCS) to deliver a ESG presentation on SGX Sustainability Reporting. The session was attended by over 300 highly qualified professional management consultants, many of whom hold Doctorate and Master's degrees.

We are also proud to share that we received the ESN Green Badge which shows our commitment to sustainability through the use of ESGpedia, as well as the GoGreen Plus Certificate by using DHL LCL GoGreen Plus Low Emission Transport Services for our ocean shipments in FY2024. We were also recertified with ICC SME360X Singapore Green Exporter Program Certificate by SBF/MT1 for disclosing our sustainability performance.



GoGreen Plus Certificate through DHL LCL GoGreen Plus Low Emission Transport Services



ESN Green Badge



ICC SME360X Singapore Green Exporter Program Certificate by SBF/MT1

OUR ECONOMIC

RESPONSIBLE SUPPLY CHAIN MANAGEMENT



OUR VALUE CHAIN APPROACH

Sustainable Supply Chain Management

We are committed to embrace responsible business practices across our operations and supply chain by collaborating with transparent, ethical, environmentally and socially responsible suppliers. As such, we established a stringent pre-qualification and procurement process to ensure the quality of our supply chain. All our suppliers and customers are required to undergo restricted party screening through our automated denied party screening software which comprises database from government authorities and international organizations. Since FY2023, we had used a third party trade compliance solution provider to ensure sustainable operations, enabling us to monitor the product items that would be shipped out, fully comply with the applicable international export control laws for such transactions. In FY2024, we were awarded best-in-class TradeFIRST Premium Band and re-certified Secure Trade Partnership (STP) aligned to the European Union ("EU") Authorized Economic Operator (AEO) concept – to date recognized under Mutual Recognition Arrangements (MRA) with 13 countries across the globe.

Green Logistics

Our 3PL logistics service providers are also frequently assessed against their suitability and capability to meet our Group's requirements, as well as their adherence with government customs requirements. We had considered the technologies and alternatives proposed by both our existing 3PL logistics service providers, such as FedEx's use of Sustainable Aviation Fuel (SAF) and DHL's use of electric vehicles in its commercial fleet. In FY2024, Serial System used DHL LCL GoGreen Plus Low Emission Transport Services for ocean transportation, facilitated by sustainable marine fuel. Through this initiative, we were able to reduce our ocean freight emissions by 85% compared to when we used fossil energy source.



DHL GoGreen Plus Program

OUR ECONOMIC

Responsible Supply Chain Practices and Sourcing

As a distributor, we are not directly involved in the manufacturing of the electronic components and consumer products we supply. Consequently, we do not have direct insight into or control over the specific substances used in these products. Nonetheless, we remain committed to upholding environmental and social standards across our value chain. To this end, we source exclusively from franchised suppliers and maintain a dedicated REACH and RoHS compliance page on our company website. This page promotes transparency and enables customers and stakeholders to easily access manufacturers' certification documents.

Our SSC actively monitors updates to relevant regulations and standards to ensure continued compliance. Looking ahead to FY2025, we aim to further strengthen our supply chain processes and contribute to the development of a sustainable global electronics ecosystem.

We have also implemented the Serial System 3TG (tin, tantalum, tungsten, and gold) policy, which addresses the ethical sourcing of these minerals—often linked to conflict financing or mined under exploitative conditions. While we do not manufacture products ourselves, we expect our suppliers to provide proper documentation verifying the origin and sourcing of any conflict minerals used in the products they supply to us.

Sustainable Supply Chain Stewardship

In support of the National Environment Agency's (NEA) Packaging Partnership Programme (PPP), we are committed to reducing, reusing, and recycling packaging materials wherever feasible. We consistently comply with NEA's Mandatory Packaging Reporting (MPR) framework. While we do not have direct control over the primary packaging of the products we distribute, we actively manage the elements within our control—such as outer cartons—by reusing and recycling them to the fullest extent possible.

OUR ENVIRONMENT

OUR ENVIRONMENTAL GOALS

We aim to reduce our consumption in order to lower the use of utilities and paper, and thus lowering our greenhouse gas emissions. For FY2024, changes in the reported values for consumption intensities per floor area and Scope 2 emissions are due to the adaption of ESGpedia's calculation methodology. Please refer to the "Calculation Methods Used" in Appendix B on pages 45-47 for further explanation. We also started reporting the total office paper consumption of the Group as one value. Quantitatively, we maintained our previously set percentage targets.

Material Topics		2025 Target (%Target Improvement from Indicated Base Year Performance)	FY2023 Performance	FY2024 Performance	Target Status (FY2024 Performance vs 2025 Target)
Greenhouse Gas (GHG) Emissions	Absolute GHG Emissions (Scope 1 and 2 only)	800.17 tons CO ₂ e* (30% Reduction from 2019 Base Year Performance of 1,143.10 tons CO ₂ e*)	863.34 tons CO ₂ e*	810.92 tons CO ₂ e*	Underway
	Absolute GHG Emissions (Scope 3 only)	1,511.51 tons CO ₂ e (20% Reduction from 2022 Base Year Performance of 1,889.39 tons CO ₂ e)	1,742.30 tons CO ₂ e	1,523.65 tons CO ₂ e	Underway
	Intensity by Revenue (Scope 1 and 2 only)	1.06 tons CO ₂ e/US \$M* (30% Reduction from 2019 Base Year Performance of 1.52 tons CO ₂ e/US\$M*)	1.14 tons CO ₂ e/US\$M*	1.03 tons CO ₂ e/US\$M*	Achieved
	Intensity by Revenue (Scope 3 only)	1.79 tons CO ₂ e/US \$M (20% Reduction from 2022 Base Year Performance of 2.24 tons CO ₂ e/US\$M)	2.30 tons CO ₂ e/US\$M	1.93 tons CO ₂ e/US\$M	Underway
Energy	Absolute Energy Consumption	1,441.71 MWh (30% Reduction from 2019 Base Year Performance of 2,059.59 MWh)	1,484.03 MWh	1,391.89 MWh	Achieved
Water	Absolute Water Consumption	5,874.00 m ³ (20% Reduction from 2019 Base Year Performance of 7,342.50 m ³)	10,792.90 m ³	7,400.90 m ³	Underway
Materials and Waste	Compliance with NEA's MPR Framework	Achieve 100% compliance with NEA's MPR Framework	Maintained 100% compliance by completing the submission of our packaging data and 3R plans on their portal	Maintained 100% compliance by completing the submission of our packaging data and 3R plans on their portal	Achieved and Maintained
	Absolute Paper Consumption	4.06 tons (30% Reduction from 2019 Base Year Performance of 5.80 tons)	4.99 tons	5.12 tons	Underway

*Updated values using the ESGpedia calculation methodology

OUR ENVIRONMENT

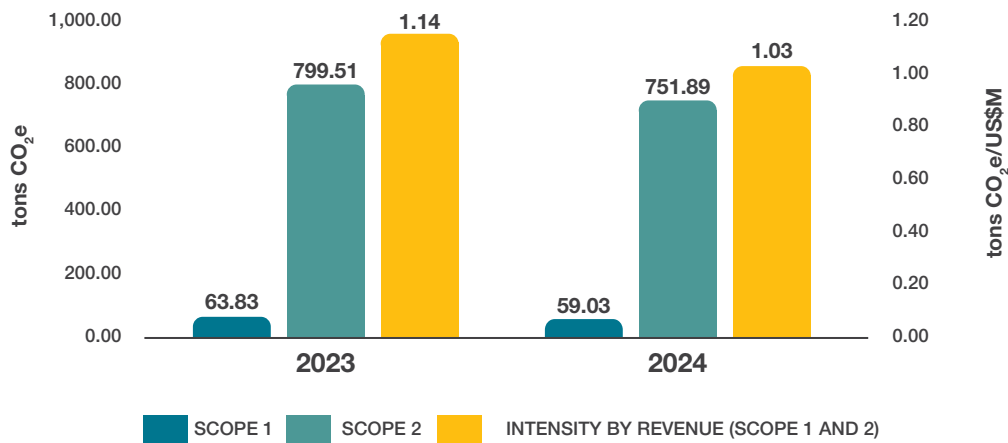
OUR APPROACH TO MANAGING ENVIRONMENTAL IMPACT

Greenhouse Gas (GHG) Emissions Management and Reduction Strategies

Scope 1 and Scope 2 Emissions

For FY2024, we had recalculated our figures for Scope 2 emissions using the ESGpedia calculation methodology. As shown in the following graph, there was a decrease in absolute GHG emissions and intensity by revenue in both Scope 1 and 2. For Scope 1 emissions, this is largely due to the decrease of SVB's fuel consumption by 42.0% while for Scope 2 emissions, it is attributed to our Hong Kong group's decrease in their use of purchased electricity by 32.9%.

SCOPE 1 AND 2 GHG EMISSIONS & INTENSITY BY REVENUE



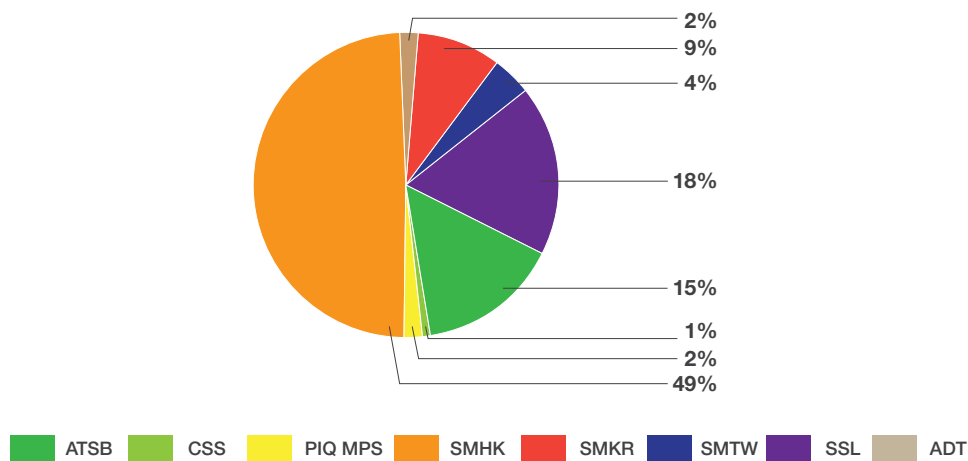
To reduce our Scope 1 emissions, we are considering reducing the number of owned vehicles when possible and to use eco-friendly fuel alternatives such as biofuels or use of electric vehicles specifically in Singapore when our existing fleet of trucks' certificate of entitlements (COE) expire. To address our Scope 2 emissions, we have taken the following actions: installation of solar panels which has commenced in our Singapore head office in February 2025 and our Thailand subsidiary office is considering installing solar panels and has requested quotations from vendors for evaluation; replacing old fluorescent lightings to LED ; and replacing air-cons with Energy Efficiency 5x Green Ticks Mark. We also continue to remind our employees to practice energy conservation by doing little things such as switching off lights and air conditioners when no one is in the office.

OUR ENVIRONMENT

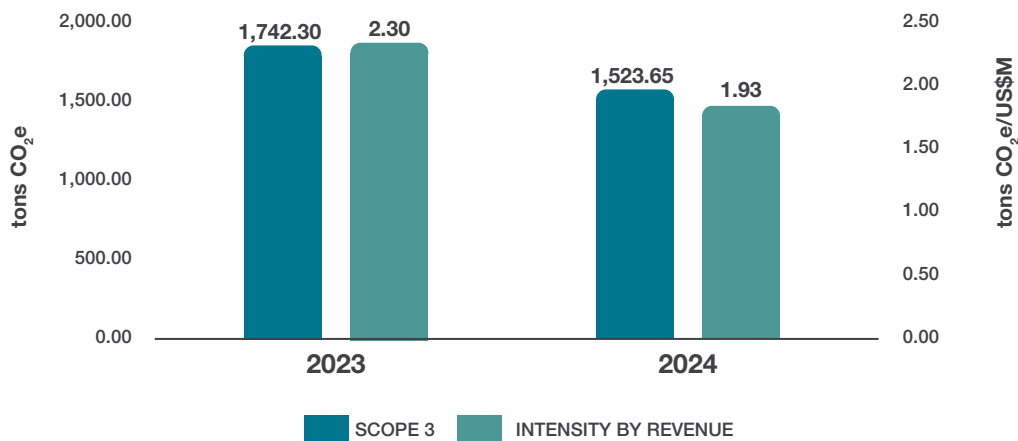
Scope 3 Emissions

For Scope 3 emissions, it consists only of Category 4 (Upstream Transportation and Distribution) and Category 9 (Downstream Transportation and Distribution). For FY2024, we had expanded our data collection to include other subsidiaries from Malaysia, Thailand, Taiwan, Singapore and South Korea, apart from our Singapore head office, China and Hong Kong offices.

FY2024 SCOPE 3 GHG EMISSIONS PER COMPANY



SCOPE 3 GHG EMISSIONS & INTENSITY BY REVENUE



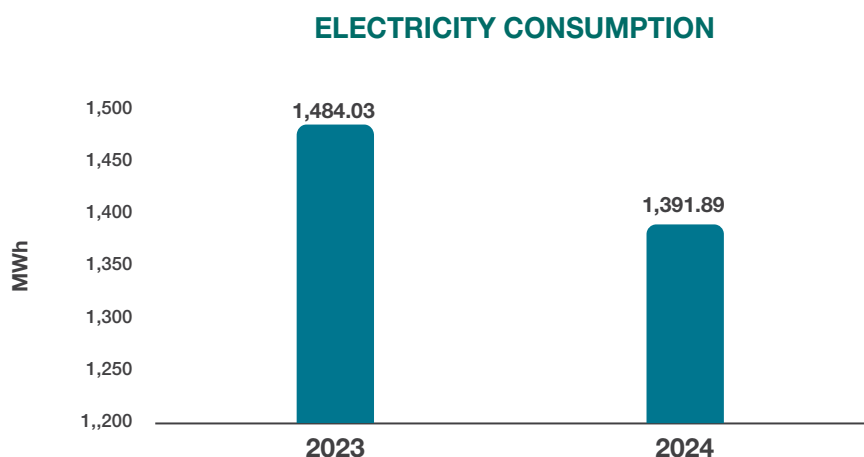
Our operations saw a decrease in absolute emissions and emission intensity by revenue in FY2024 (from 1,742.30 tons CO₂e to 1,523.65 tons CO₂e and 2.30 tons CO₂e/US\$M to 1.93 tons CO₂e/US\$M, respectively). In FY2024, air freight shipments remained the most-used mode of good transportation in the Group. However, we had increased the use of land and sea/ocean shipments as well. In FY2024, Serial System used DHL LCL GoGreen Plus Low Emission Transport Services for ocean transportation, facilitated by sustainable marine fuel. We saw an 85% reduction compared to when we used fossil energy source.

It is our goal to continually strive to reduce our CO₂ emissions and play our part to alleviate the impact of global warming by continuously looking for sustainable alternatives, reducing air freight shipments and better consolidating inventories to be transported.

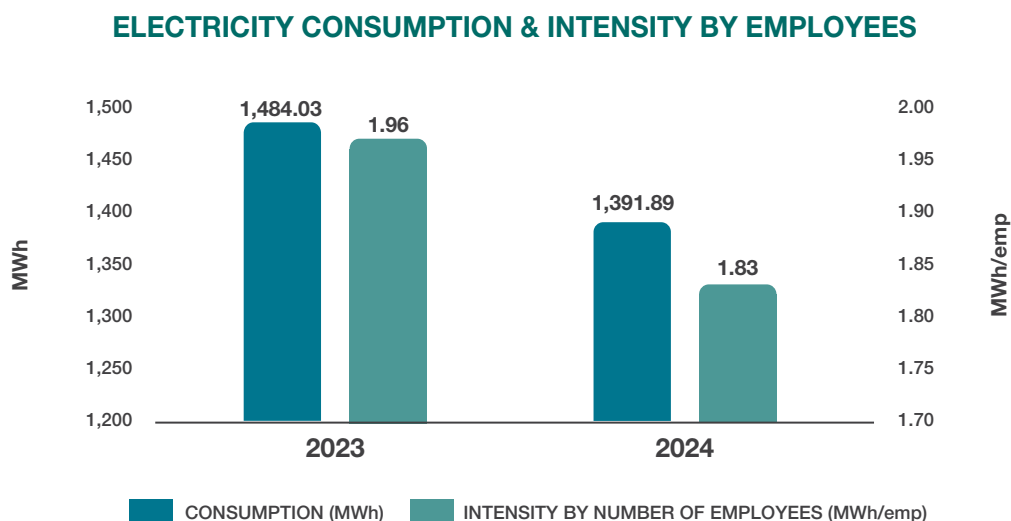
OUR ENVIRONMENT

Energy Management and Reduction Strategies

Electricity from the grid is the main and only source of energy consumed at our sites. The Group saw a decrease in electricity consumption from 1,484.03 MWh in FY2023 to 1,391.89 MWh in FY2024. This is based on available data through statements from utility providers in the territories that the Group operates in.

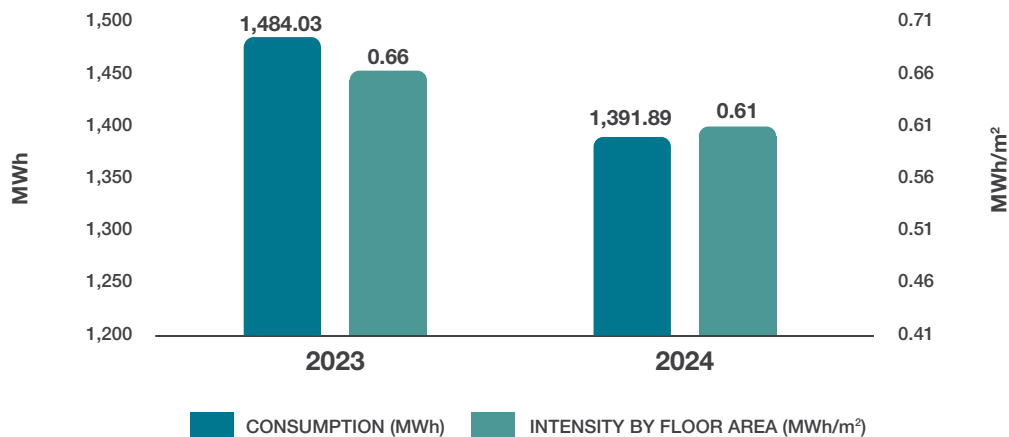


Comparing our performance over the last two years, our energy intensity per employee and building energy consumption decreased from 1.96 to 1.83 MWh/employee and 0.66 to 0.61 MWh/m², respectively. The equivalent greenhouse gas (GHG) emission intensity also decreased from 1.05 tCO₂e/US \$M in FY2023 to 0.95 tCO₂e/US \$M in FY2024. This decrease is attributed to our Hong Kong group's decrease in their use of purchased electricity by 32.9%. This also represents our Scope 2 emissions.

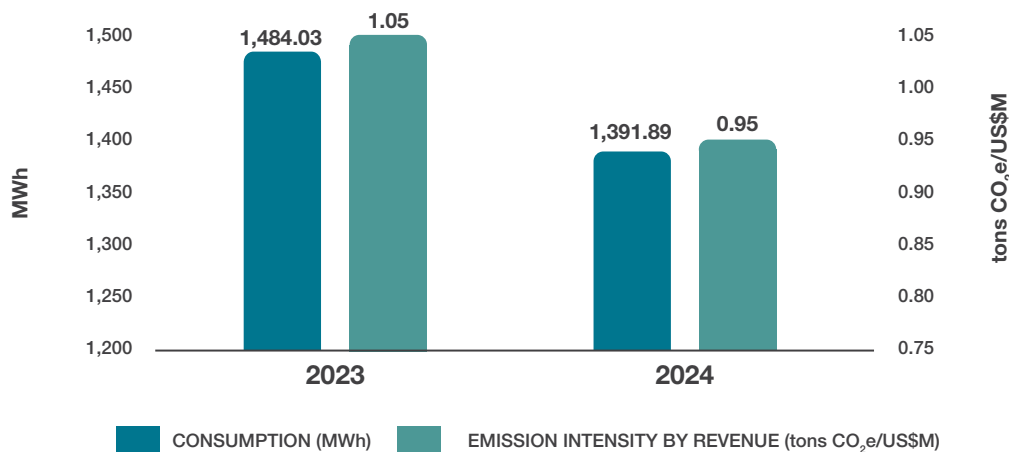


OUR ENVIRONMENT

ELECTRICITY CONSUMPTION & INTENSITY BY FLOOR AREA



ELECTRICITY CONSUMPTION & INTENSITY BY REVENUE



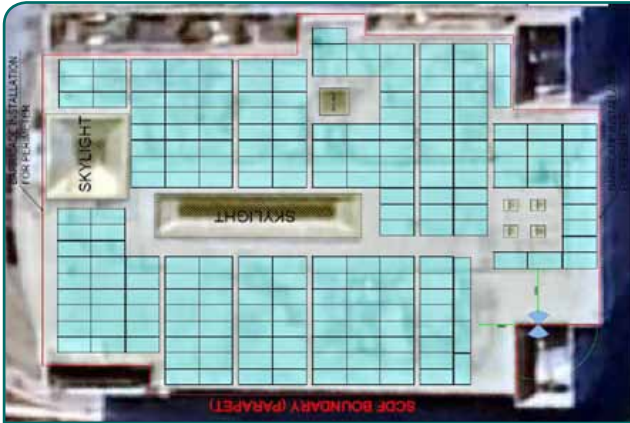
To conserve energy and reduce consumption, we have placed reminders throughout our offices in Singapore, encouraging employees to switch off lights and air conditioners when not in use. Periodic email reminders are also sent to reinforce this practice. In FY2024, we concluded discussions regarding the installation of solar panels at our Singapore head office, with installation works commencing in February 2025.

As part of our ongoing Green Initiatives, we have also begun replacing T5 fluorescent lighting with energy-efficient LED alternatives and upgrading older air-conditioning units to models with the Energy Efficiency 5x Green Ticks Mark in our Singapore offices. We have instructed our 19 offices and 12 warehouses overseas to adopt similar measures where feasible, as part of our continued efforts to reduce energy consumption across all our facilities.

OUR ENVIRONMENT

Solar Panel Installation

In February 2025, Rezeca had started their work on the installation of solar panels at our Singapore head office's rooftop.



Solar panel installation



Workers installing barricade



Hoisting of solar panels



Expected finished project outlook on SSL Building Rooftop

Green Initiatives

Since FY2023, our HR department had taken the following green initiatives as a commitment to promote sustainability in our Singapore office. They replaced old air-conditioners with energy efficient ones and fluorescent lightings with LED in progression.



Replacing the air-cons with energy efficiency
5x green ticks mark



Replacing fluorescent lighting with energy-efficient
LED lighting

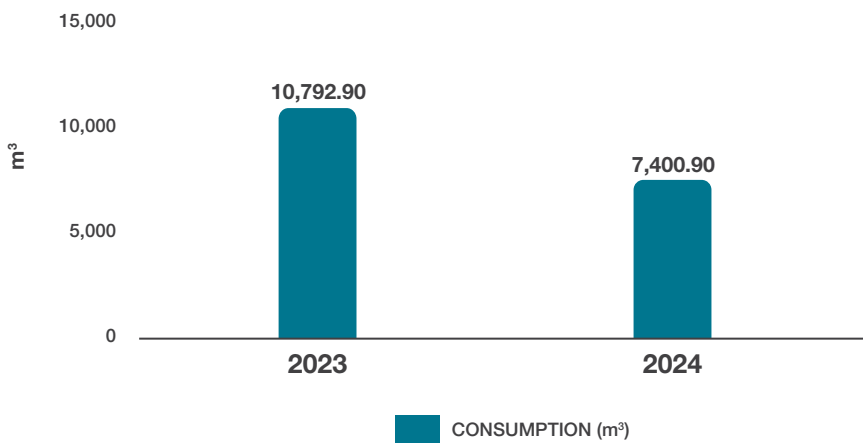


OUR ENVIRONMENT

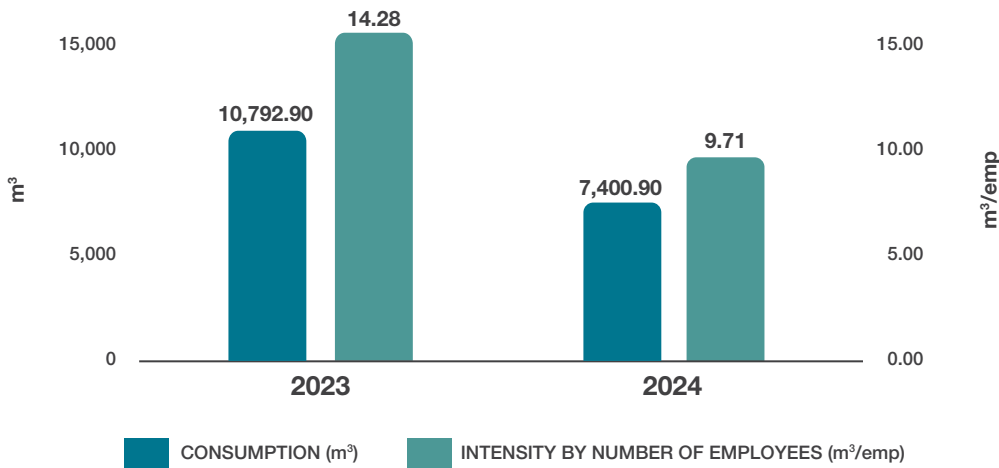
Water Management and Reduction and Conservation Strategies

In our offices, we use water for consumption and facility maintenance. Our water consumption significantly decreased from 10,792.90 m³ in FY2023 to 7,400.90 m³ in FY2024. Similarly, our intensity per employee and per floor area decreased from 14.28 m³/employee to 9.71 m³/employee and from 2.69 m³/m² to 2.23 m³/m², respectively. This decrease is largely contributed by our Singapore head office which saw a reduction in their water consumption by 42.8% in FY2024 when compared to FY2023.

WATER CONSUMPTION

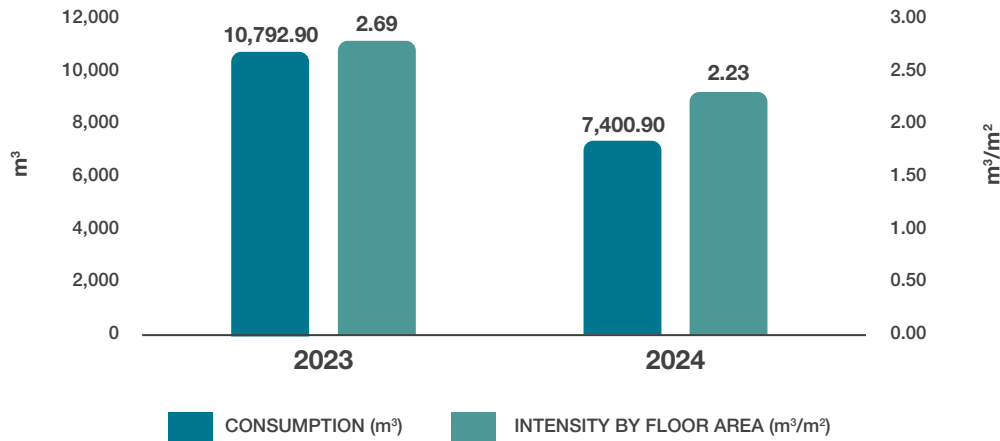


WATER CONSUMPTION & INTENSITY BY EMPLOYEES



OUR ENVIRONMENT

WATER CONSUMPTION & INTENSITY BY FLOOR AREA



In FY2024, we continued our efforts to reduce water consumption across our operations. To support more efficient water use, dual flush systems were installed at our Singapore head office. We remain steadfast in raising employee awareness on the importance of water conservation by placing reminder notices in key areas and regularly communicating this message internally.

Beyond conservation, we also actively contribute to the prevention of water pollution. Recognizing that clean water access and sanitation remain critical in some areas where we operate, we take care to ensure that no harmful substances are improperly disposed of in ways that could contaminate water sources.

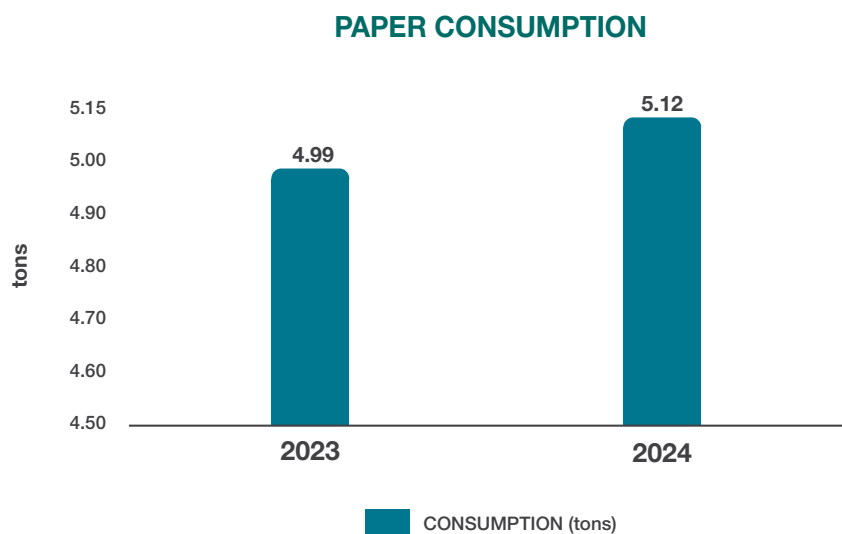
Looking ahead to FY2025, we aim to further reduce our overall water consumption and its corresponding intensity as part of our broader sustainability goals.

OUR ENVIRONMENT

Materials and Waste Management and Reduction Strategies

Packaging and corporate wastes, particularly paper and wood are key contributors to the waste generated across our Group's operations and value chain. We remain committed to reducing, reusing, and recycling wherever possible, and fully support the NEA's Packaging Partnership Programme. Sustainable packaging plays a significant role in reducing our overall carbon footprint, influencing everything from resource use to packaging disposal throughout the value chain. In line with NEA's MPR framework, we submitted our packaging data and 3R (Reduce, Reuse, Recycle) plans via the Waste and Resource Management System portal. For FY2024, the Group reported using 11,687 kg of packaging materials—primarily paper and wood—for MPR compliance. As a distributor, we do not have direct control over the primary packaging of the products we supply. However, for components within our control, such as outer boxes, we strive to reuse and recycle them to the fullest extent possible.

We also place strong emphasis on reducing and recycling our internal corporate waste to minimize environmental impact across the value chain. A key focus has been lowering paper consumption from printing and photocopying across all our offices. In FY2024, we began consolidating office paper consumption reporting into a single Group-wide figure, rather than separating data from our Singapore head office and other locations as done previously. As shown in the following chart, our total paper consumption increased from 4.99 tons in FY2023 to 5.12 tons in FY2024. This increase is due to the inclusion of paper consumption data from our Beijing and Shenzhen offices where previously they had not reported such data.



As part of our Group's ongoing initiatives to go digital, we moved towards electronic transactions to reduce paper usage and boost productivity. Since FY2021, we successfully streamlined current business processes through digitization of employees' claims submission, as well as the archival of finance and human resources related documents, to further reduce paper usage. In FY2024, we promoted and checked the feasibility of implementing PaperCut MF Integration to our other subsidiaries, following its success in our Singapore head office.

OUR SOCIAL



SSL Chinese Lunar New Year Opening Day 2025



SMTW Annual Dinner & Dance 2025

OUR

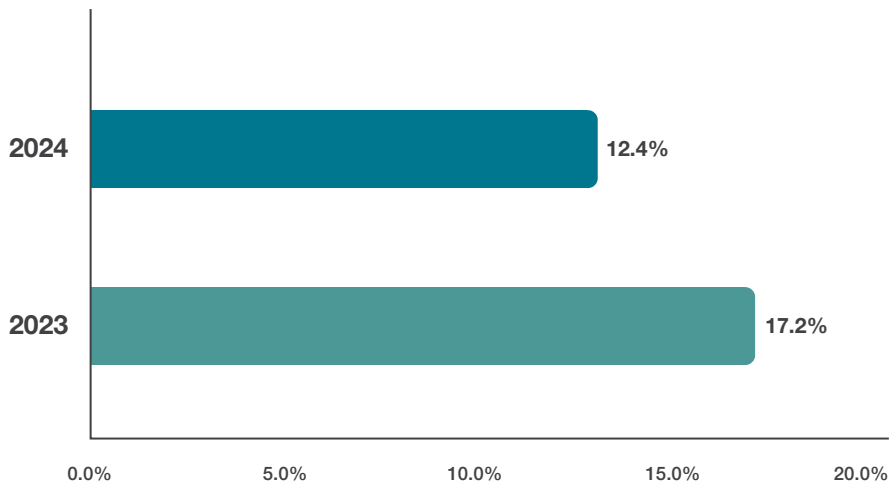
SOCIAL

WORKFORCE PROFILE

	Number
Current Employees	762
New Hires	107
Resigned Employees	108

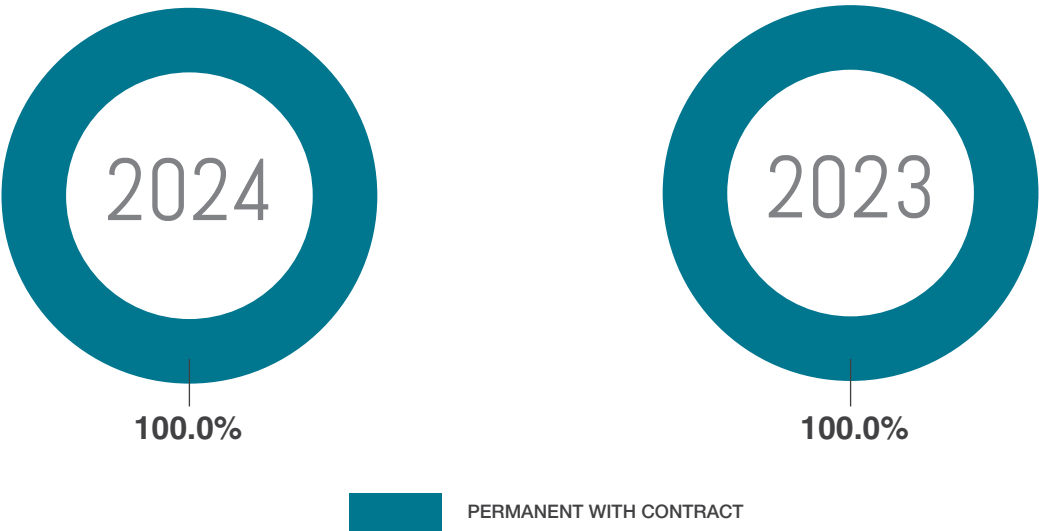
Our people, our greatest asset, are key to the Group’s long-term growth and success. We have a diverse workforce comprising employees across various regions. In FY2024, our total headcount was at 762, an increase of 0.8% from 756 in FY2023. We also welcomed 107 new employees and bid goodbye to 108 employees. These are equivalent to a new hire rate of 14.0% and turnover rate of 12.4%. The following tables show the Group’s workforce profile, as well as its new hires and resigned employees by type of employment, gender, age group and region.

TURNOVER RATE (2024 VS 2023)



CURRENT EMPLOYEES PROFILE

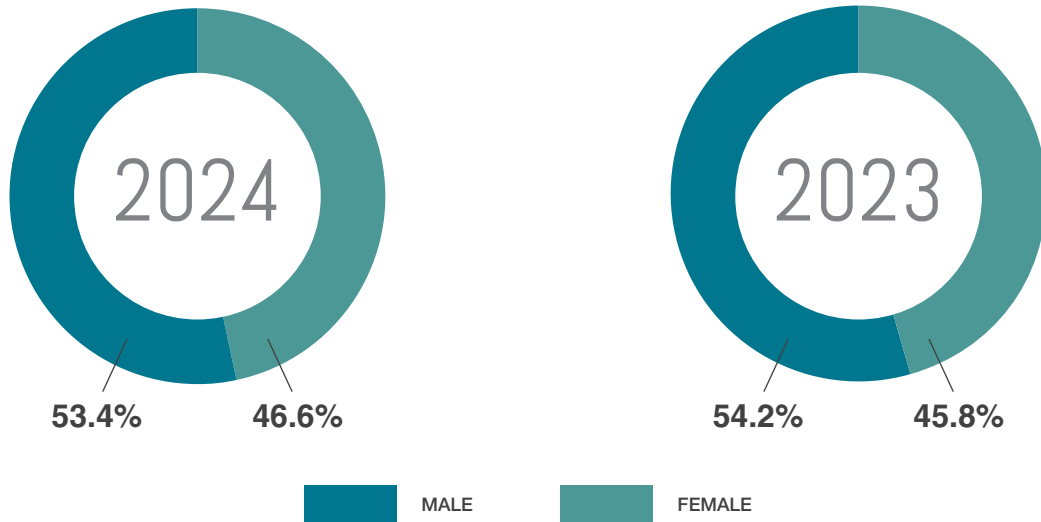
TYPE OF EMPLOYMENT



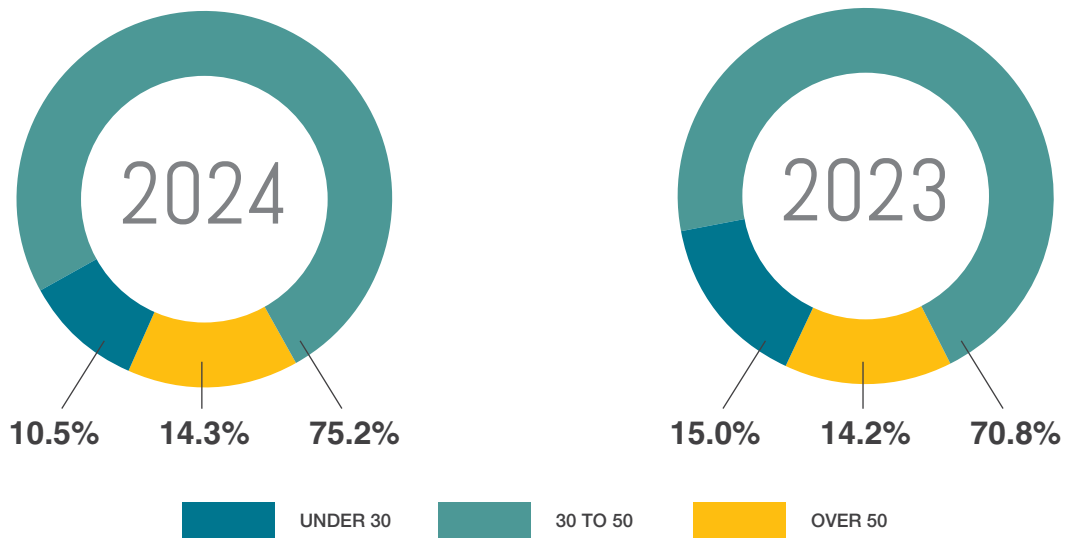
OUR SOCIAL

CURRENT EMPLOYEES PROFILE

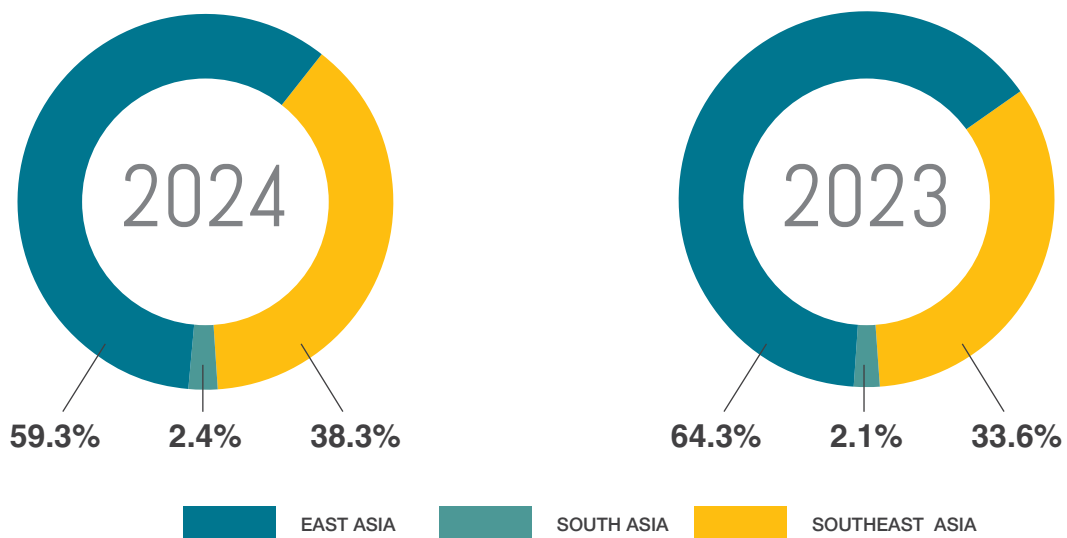
GENDER



AGE GROUP



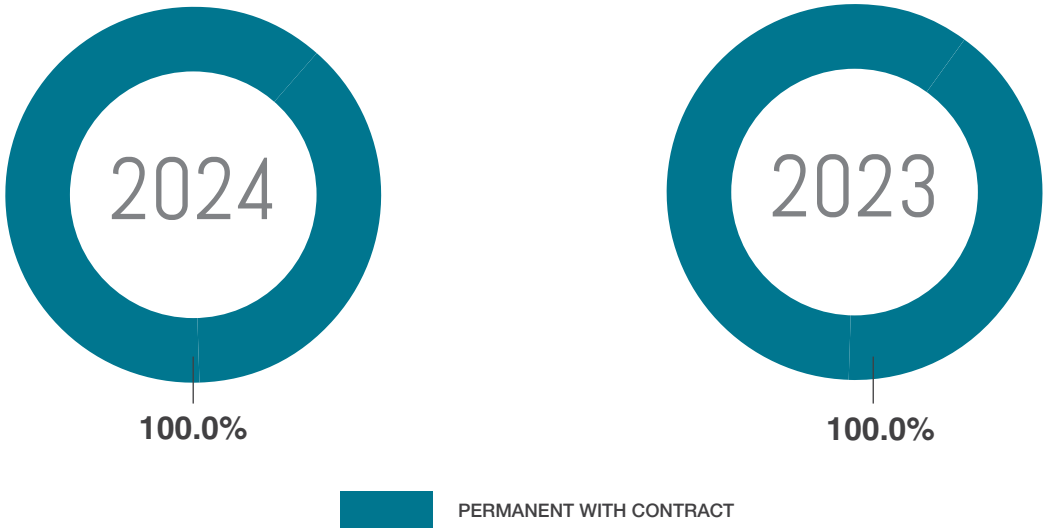
REGION OF EMPLOYMENT



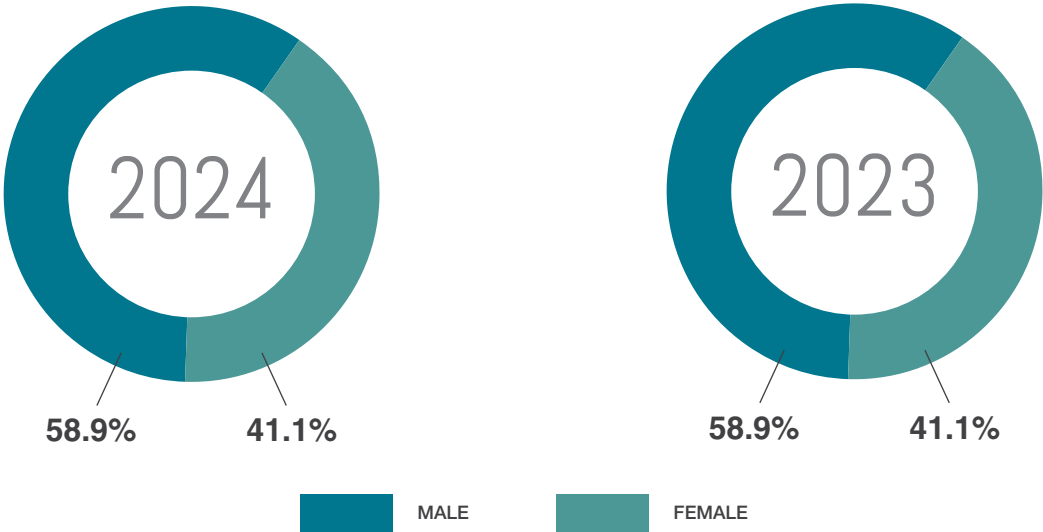
OUR
SOCIAL

NEW HIRES PROFILE

TYPE OF EMPLOYMENT



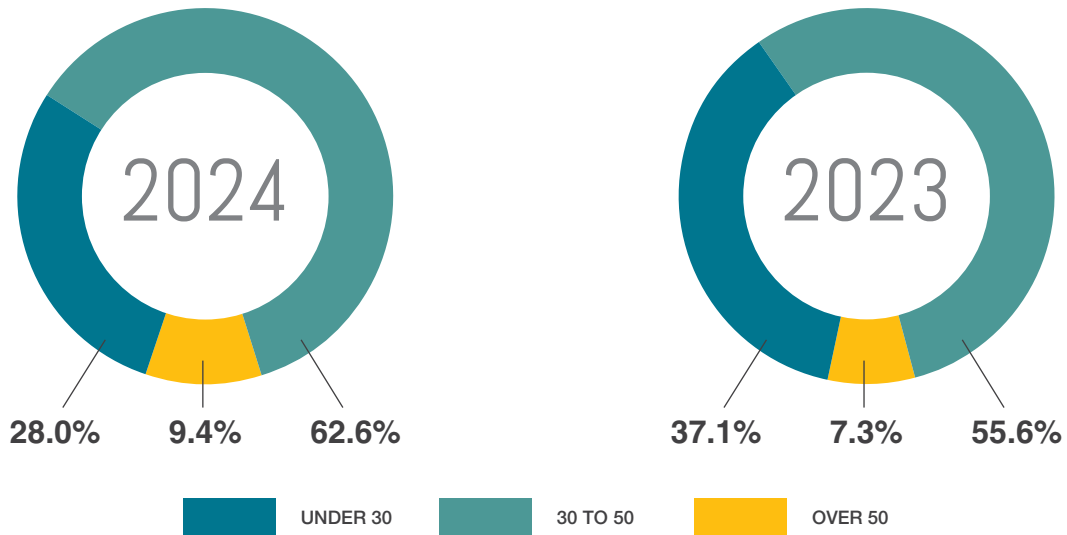
GENDER



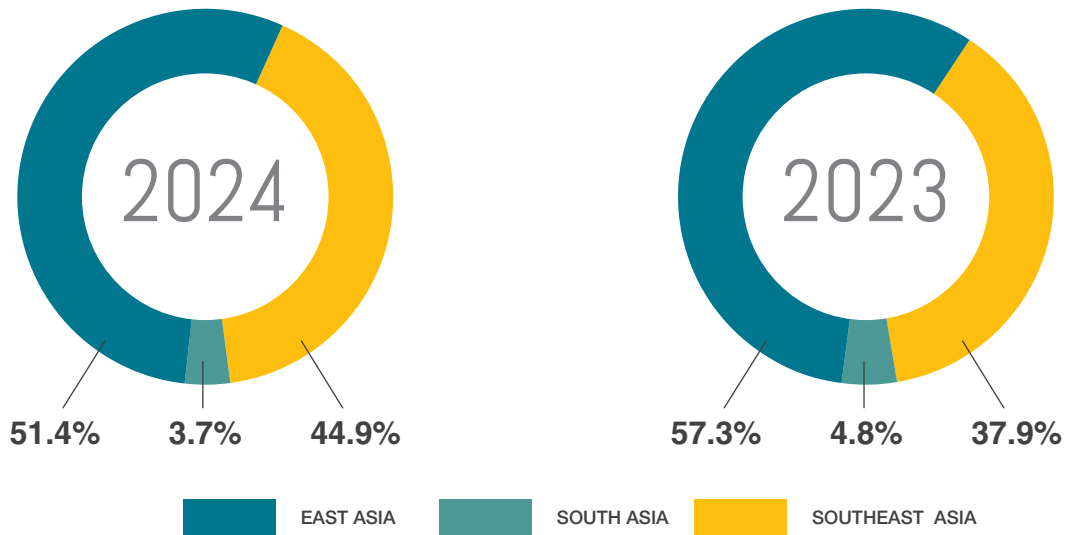
OUR SOCIAL

NEW HIRES PROFILE

AGE GROUP



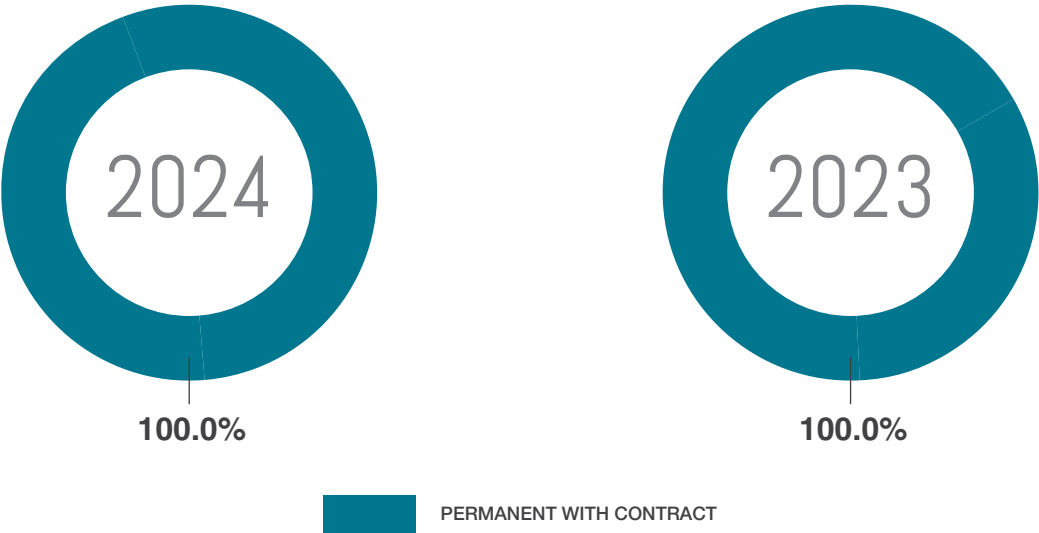
REGION OF EMPLOYMENT



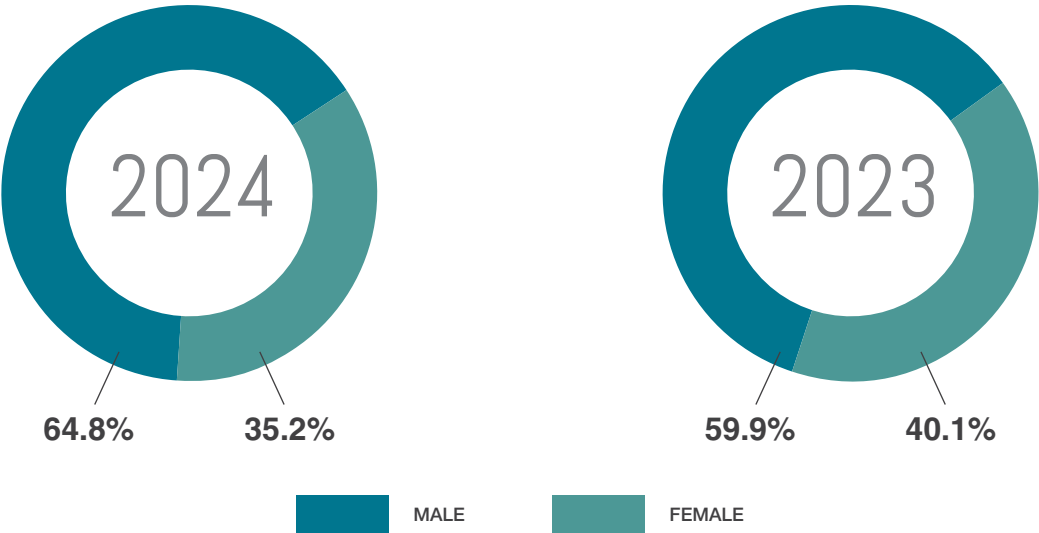
OUR
SOCIAL

RESIGNED EMPLOYEES PROFILE

TYPE OF EMPLOYMENT



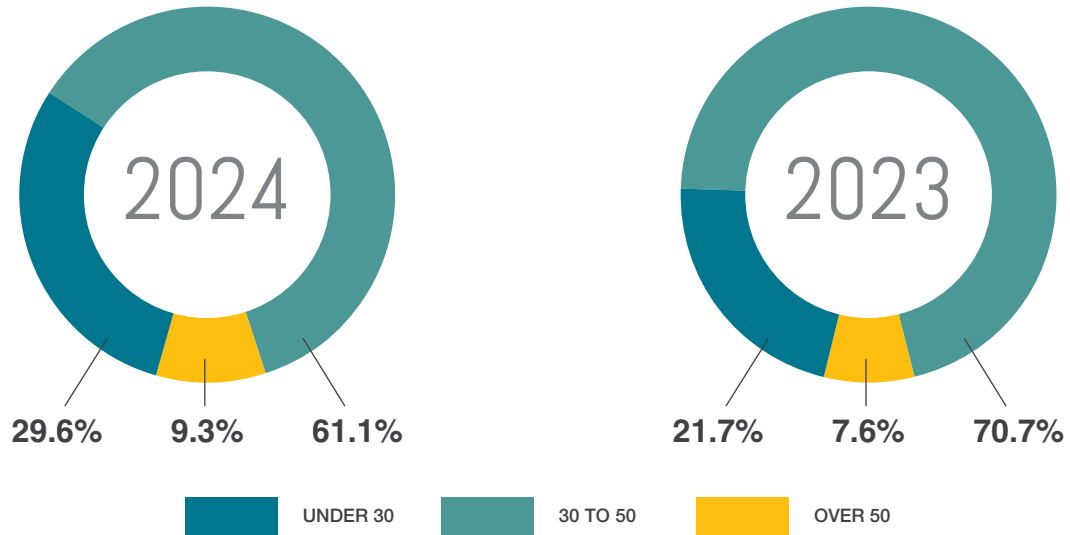
GENDER



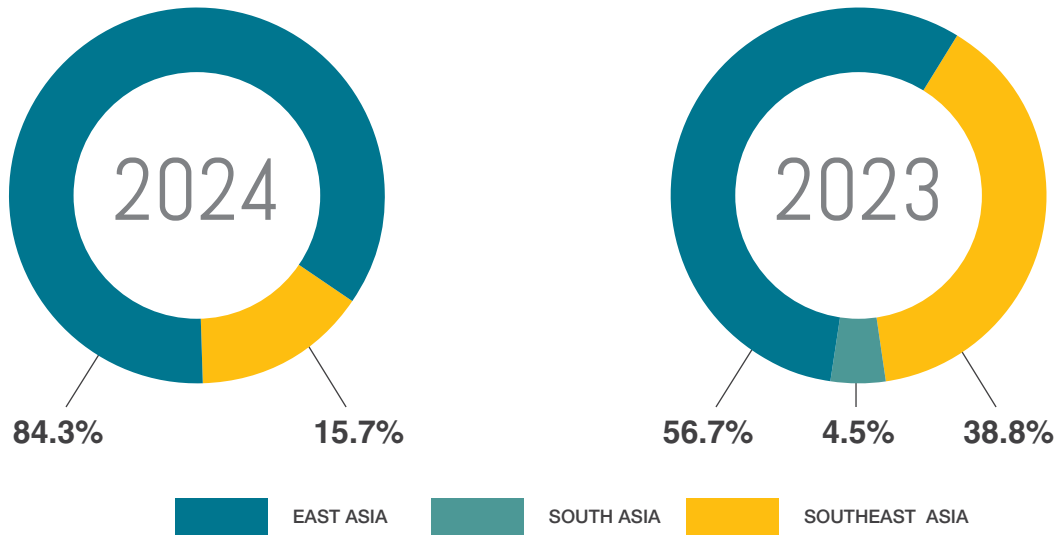
OUR SOCIAL

RESIGNED EMPLOYEES PROFILE

AGE GROUP



REGION OF EMPLOYMENT



OUR SOCIAL

BENEFITS AND WELL-BEING

Our HR department regularly reviews benefit offerings and aligns our package to ensure market competitiveness while meeting employees' needs. We provide benefits that support our employees' physical, financial, professional and emotional well-being. These benefits include:

- Insurance coverage (hospital and surgical)
- Medical and dental claims
- Continuous training opportunities
- Annual and medical leaves
- Performance bonus
- Company activities such as team building, christmas/annual dinners, visits to charitable organisations etc.
- Parental leaves (maternity and paternity leaves)

EMPLOYEE ENGAGEMENT

At Serial System, we are committed to providing our employees with the right platforms to support their career growth and development. Annual performance appraisals are conducted to offer constructive feedback based on individual performance, goals set at the beginning of the year, and a framework of shared leadership competencies. High-performing employees are recognized through promotions and performance-linked rewards.

We have established a Long Service Award to honor the dedication and contributions of our employees over the years. This initiative, overseen by our HR department, highlights our appreciation for the long-term commitment of our employees. In FY2024, a total of 20 employees received the Long Service Award for serving at least five years with the Group — the longest tenure being an impressive 30 years.



SSL FY2024 Long Service Awardees

We also conducted various activities in our different office locations such as Team building, Annual dinner and Christmas dinner and visits to charitable organisations etc.

OUR SOCIAL



SMHK/SMCN Annual Dinner and Dance



SSL Headquarter "Chap Goh Meh"
(Chinese Valentine's Day Celebration)



SMPH Annual Christmas Dinner



SMKR Annual Dinner



SMKR Climbing of Mt. Cheonggyesan



SMKR Chuncheon Camping and Bike



SSL Headquarter Lunar New Year Opening Day Celebration



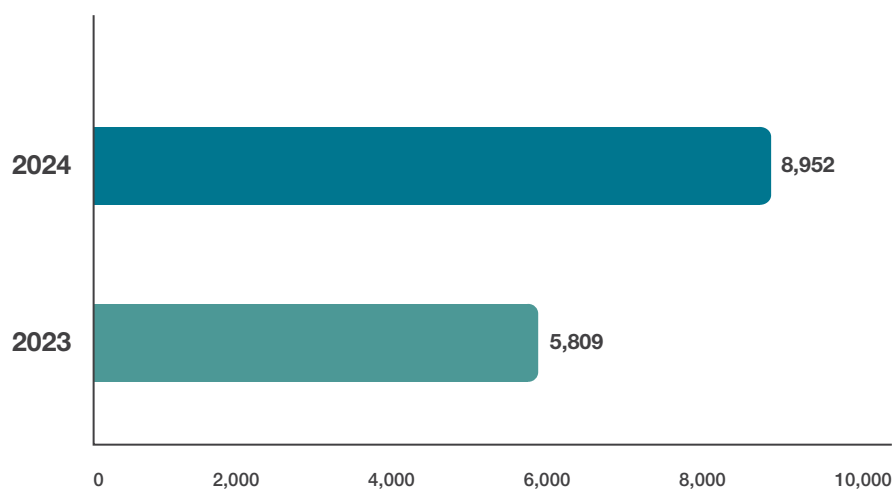
SSL Headquarter Hungry Ghost Festival Praying

OUR SOCIAL

TRAINING AND DEVELOPMENT

Training and development within our Group is a decentralized function as each country adopts its own approach based on employees' needs and resources. We actively encourage our employees to enhance and continuously develop their skills and knowledge. We do this by providing sponsorship to those that express a desire to attend external courses and seminars. By empowering our staff with equitable access to the right resources and looking after their well-being, we help them become their best at work and groom them to be our future leaders. Apart from these external/formal trainings, our employees also receive in-house and on-the-job trainings to develop their technical knowledge and relevant skill sets. We continue to explore other means to enhance their knowledge and skills to build a resilient workforce.

TRAINING HOURS (2024 VS 2023)



In FY2024, our employees had benefited from a total of 8,952 hours of training with 9.73 hours per female employee and 13.50 hours per male employee, averaging to 11.75 hours per employee. The increased training hours from FY2023 was due to the trainings conducted in our Hong Kong and China offices where majority of our workforce is located. Across the whole Group, the following trainings were conducted: ESGpedia Orientation and Training to SSL's Key Users, ITC Awareness Training, Anti-corruption Training and Fire Safety Training. We aim to further increase this number in FY2025.

OUR SOCIAL

SMHK/SMCN TRAININGS



Customer Relationship Maintenance



Micron and SMHK Conference



Analog Product Application and Use of Marketing
and Sales Promotion Tools



OA System Online Training

DIVERSITY, EQUALITY AND INCLUSION

We are committed to providing an inclusive workplace with equal opportunities throughout employment including remuneration, training, and promotion of staff regardless of age, gender, race, nationality and family status.

Our Group has a diversified workforce across all age groups. In FY2024, 49.7% (FY2023: 45.5%) of our workforce consists of millennials who have helped infuse new perspectives, passion and efficiency. We maintained a female to male ratio of 46:54 in our workforce across all regions. Comparing our FY2024 performance from the previous year, the new hire rate of female employees in our Group was maintained at 41.1%, while there was a decrease of 34.8% in hiring new employees in the under 30 age category.

We respect and support the international principles on human rights. Our HR policies ban child labor, forced or compulsory labor, as well as discrimination. Clear guidelines on workplace abuse, harassment and disciplinary matters are established and communicated to all employees. They are also encouraged to report any grievances to their immediate supervisor should they experience any of the stated offenses. Further assistance and investigation will be handled by the HR department. For FY2024, no violations and grievances on human rights were recorded.

OUR SOCIAL

OCCUPATIONAL HEALTH AND SAFETY

Our employees' occupational health and safety is of utmost importance to us. Effective Occupational Health and Safety ("OH&S") Management is part of risk management and expects to enhance business efficiency and staff morale. Across our Group, we adopt and comply with ISO 45001:2018 OH&S standards, along with its respective policies, which were put in place to guide the implementation of its initiatives. We also follow ISO 22301:2019 (Business Continuity Management System) standards, requiring us to measure, monitor, evaluate and analyze our OH&S. Proactively tracking and taking accountability of reportable and reported incidents help create awareness on the importance of a safe and healthy workplace.

To ensure compliance, we constantly communicate the importance of complying with all relevant laws and legislations in countries where we operate to all our business divisions through trainings, drills, and reminders. Any case of non-compliance will be directly reported to our HR department and Management for prompt follow-up actions. In FY2024, the Singapore Civil Defence Force (SCDF) held an in-person Responders Plus Programme (RPP) at our Singapore head office while other employees not residing in Singapore took the online RPP training. The RPP is SCDF's emergency preparedness training program, which equips learners with core lifesaving skills, namely First Aid, Cardiopulmonary Resuscitation (CPR) and Automated External Defibrillator (AED), and Fire Fighting. In addition, our Hong Kong and China office also conducted fire drills in accordance to the Fire Control Law of the People's Republic of China.

In FY2024, we recorded zero fatalities, severe injuries and ill health. We plan on keeping this track record for FY2025 and continue to conduct safety trainings and drills, including first aid and responses to fire.

SMHK/SMCN FIRE DRILL/TRAININGS



OUR SOCIAL

SSL HEADQUARTER RESPONDERS PLUS PROGRAMME (RPP) BY SCDF



First Aid Training



CPR/AED Training

OUR SOCIAL

SSL HEADQUARTER RESPONDERS PLUS PROGRAMME (RPP) BY SCDF



Evacuation Drill



Fire Fighting Training

LOCAL COMMUNITY ENGAGEMENT

As a responsible corporate citizen, Serial shares the concerns of our community and takes on the responsibility for its improvement by actively giving back to them to enrich people's lives. We do this through our various Corporate Social Responsibility (CSR) initiatives and efforts. Over the years, we had supported several activities for the elderly, poor and needy, as well as in areas like healthcare, culture and heritage, education, youth development, and environmental conservation.

In 2024, we donated a total of S\$297,000 to various causes and organizations in Singapore, reinforcing our dedication to building a more inclusive and sustainable society. For more details on the Company's CSR efforts, please refer to the Corporate Social Responsibility" section on page 18 of the Serial System Ltd Annual Report 2024.

OUR GOVERNANCE

OUR CORPORATE GOVERNANCE

Serial System is committed to achieving high standards of corporate governance, to promote corporate transparency, protect the interests of its stakeholders and enhance shareholder value. The Board of Directors (the “Board”) and Management Team believe that sound corporate governance supports long-term value creation. To this end, the Group has in place a set of well-defined policies and processes to enhance corporate performance and accountability. The Group remains focused in complying with the principles of the Code of Corporate Governance 2018 (Code) while achieving operational excellence and delivering long-term strategic objectives.

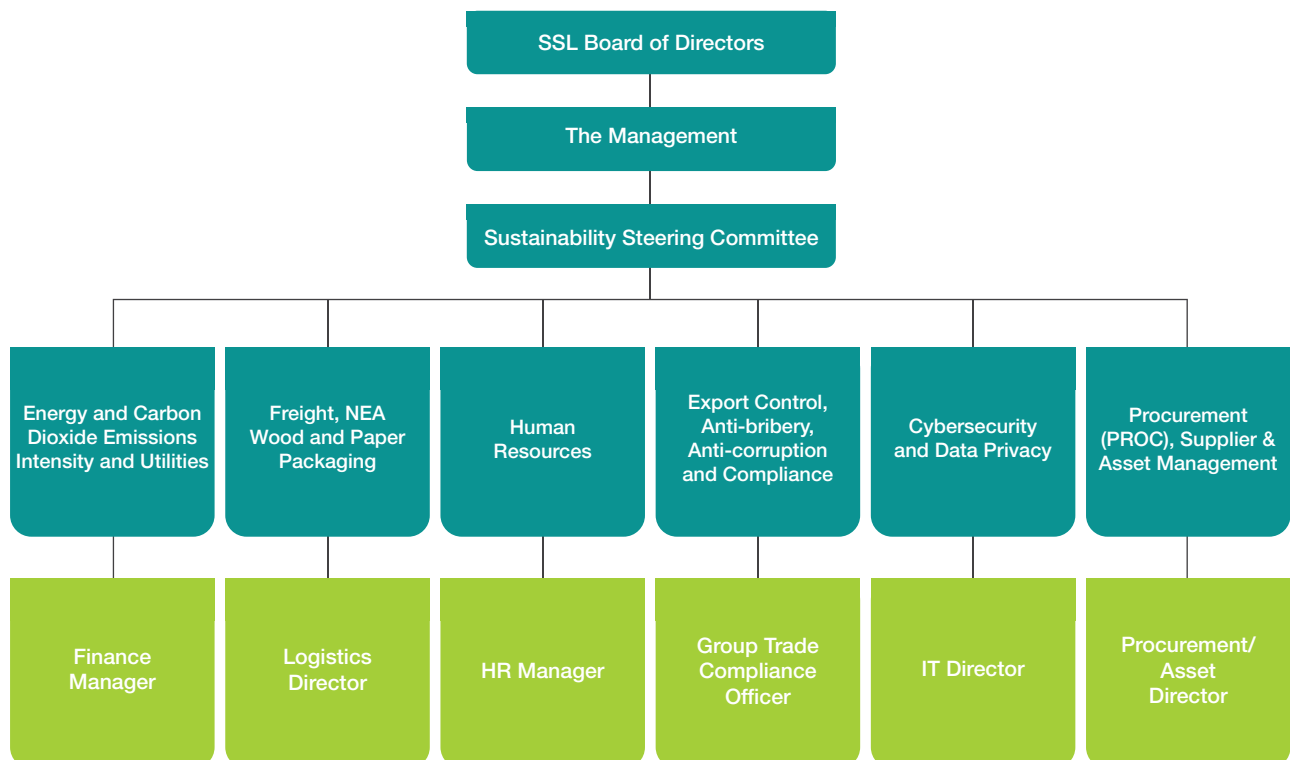
Serial System scored 84 points and ranked 69 in 2024 from 477 listed companies in the Singapore Governance and Transparency Index (“SGTI”) 2024 by CPA Australia, NUS Centre for Governance and Sustainability, and Singapore Institute of Directors (“SID”). This is a significant jump from our 154th ranking in FY2023.

Rank 2024	Company Name	Base Score	Adjustments for Bonuses/Penalties	Overall SGTI 2024 Score
69	Serial System	70	14	84

Source: Singapore Governance and Transparency Index 2024 - General Category from <https://www.sid.org.sg/common/Uploaded%20files/Resources/SGTI/2024/CGS-SGTI-2024-GeneralCategoryRankingResultsbyScores.pdf>

Please refer to the “Corporate Governance Report” section on page 27 to 51 of the Serial System Ltd Annual Report 2024 for a detailed disclosure on how the Company applies the corporate governance practices. Where there are deviations from any of the principles of the Code, an explanation has been provided within the “Corporate Governance Report” section in the Serial System Ltd Annual Report 2024.

Corporate Structure and Profile under Sustainability



OUR GOVERNANCE

Our Board of Directors and its Demographics

The Board had considered the diversity of each member's skills, industry and business experiences, professional knowledge and experiences, core competencies, gender, age, educational background, and tenure of service, maintaining the view that the current Board's size and structure are adequate for the existing business operations of the Group.

Each director has been appointed on the strength of his/her calibre, experience and stature and is expected to bring valuable range of experience and expertise to contribute to the development of the Group's long-term strategy and business performance. The Board comprises 9 Directors with 5 Independent Directors (55.6%) and 1 Female Executive Director (11.1%).

For detailed disclosure on the "Board Composition and Guidance", please refer to the "Corporate Governance Report" section on page 31 to 34 of the Serial System Ltd Annual Report 2024.

Roles and Responsibilities of the Board

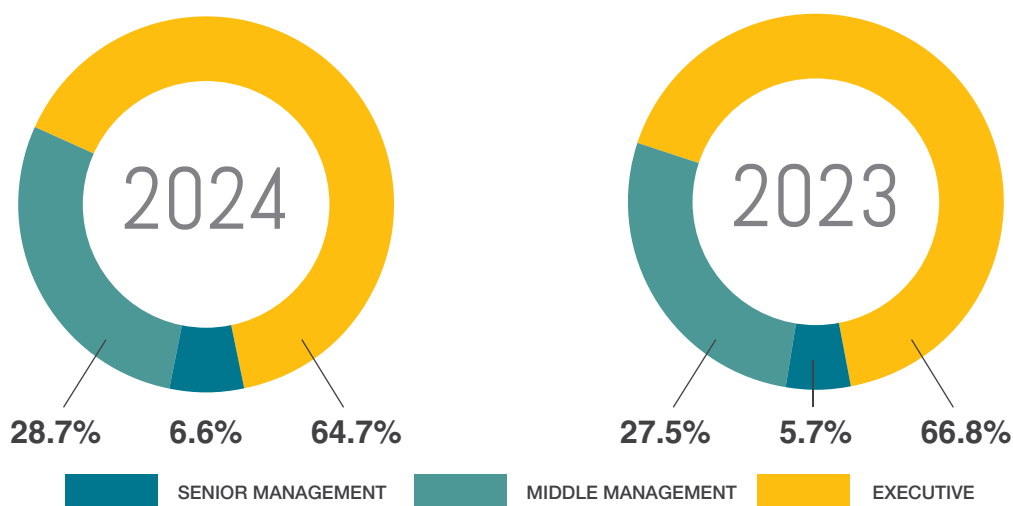
The Board has overall responsibility for the Group's sustainability and ensures that its growth is sustainable in the long term. The Board oversees and monitors the management of Serial System's material ESG factors for the implementation of sustainability strategies, policies, key performance indicators, targets and initiatives. The Sustainability Steering Committee (SSC) comprising of management team members and other department heads from Singapore was established in FY2022 to support and aid the Board in discharging its roles and responsibilities.

Management Team and Other Employees

The SSC under the Management Team is in charge of implementing sustainability policies and practices in the Group. They are tasked to consistently look for ways or options to make sure that our operations are sustainable in the long-term. The SSC supports the Board to provide oversight on SAL's overall sustainability performance and drive its sustainability programs across the organization. To ensure the Board has effective oversight over the Group's sustainability matters, the Management Team keeps the Board updated on the Group's sustainability performance by reporting to them on such matters at least once a year. At the same time, senior management also ensures timely communications with both our internal and external stakeholders on sustainability issues, as and when these are required.

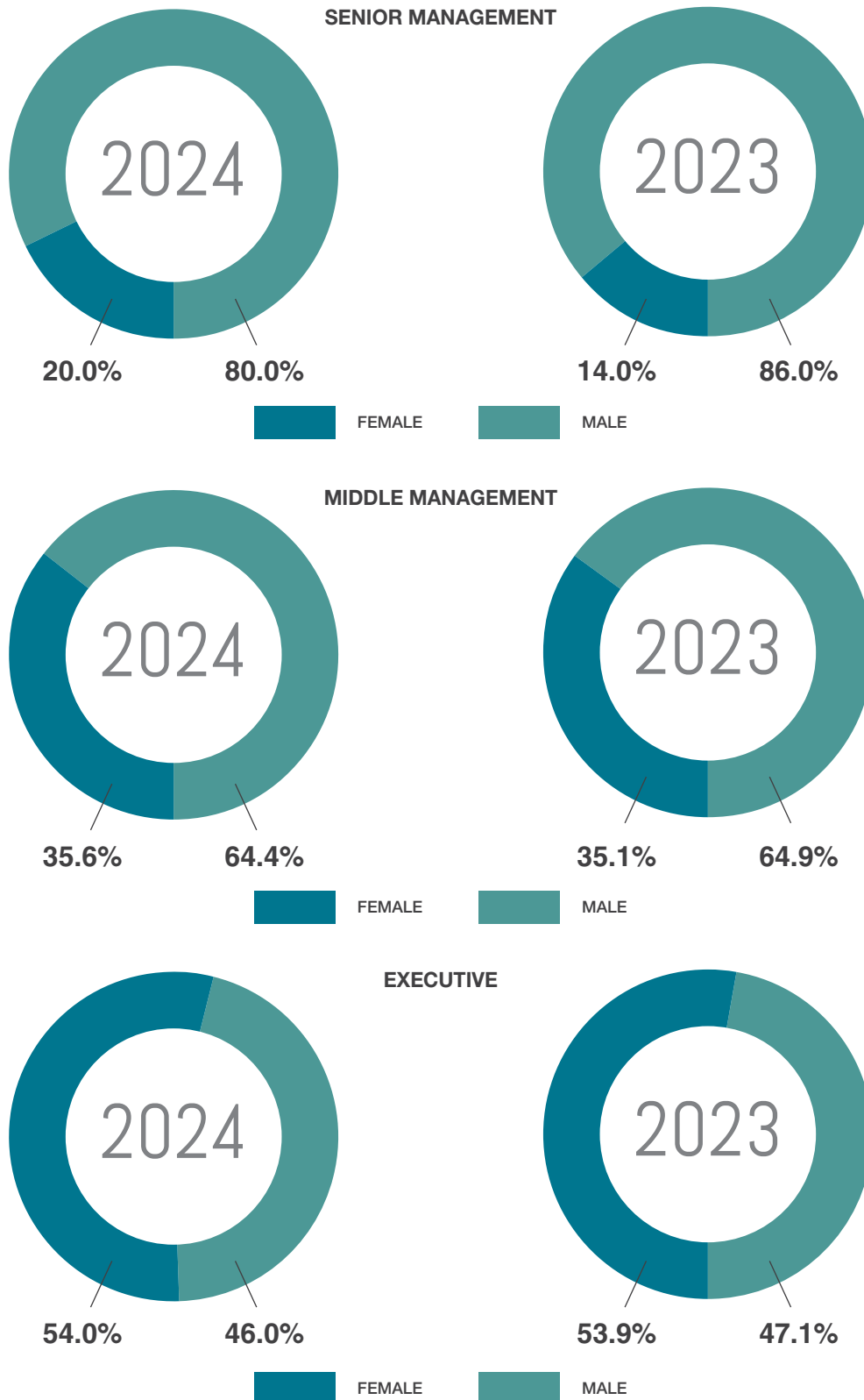
These updates help guide the Board towards making informed decisions in business strategies and financial planning. To ensure that the Board is up-to-date on these matters, members of the SSC attended mandatory trainings conducted by the SGX. Important topics for discussion were then relayed to the rest of the SSC.

Supporting the management team are our employees which are categorized into three levels:



OUR GOVERNANCE

Further categorizing by gender:



Based on the table above, the Gender Diversity spread for Senior and Middle Management is still quite significant. Serial System will look for opportunities prioritizing employee capabilities and qualifications to achieve an overall equal spread of employees across the spectrum in the coming years.

OUR GOVERNANCE

BUSINESS CODE OF ETHICS

Our business principles and practices regarding subjects that may face ethical implications are outlined in our internal code of business and ethical conduct. The Code of Conduct provides clear guidance for employees to observe our principles such as integrity, honesty, responsibility and accountability across all levels of our organization in the course of carrying out their duties. It is published on our corporate website and is easily accessible by all employees and stakeholders. The Code of Conduct provides guidance on matters such as:

- Conflict of interest and their appropriate disclosures
- Maintaining fair dealings in the conduct of our business and in our relationship with customers, suppliers and employees
- Our stance against bribery and corruption
- Safeguarding personal data and proper handling of confidential information
- Compliance with applicable laws and regulations including those relating to insider trading and personal data protection

New hires, as part of their induction program, are oriented with information about our Code of Conduct as well as other related corporate policies, including anti-bribery and anti-corruption, whistleblowing and business continuity. In FY2024, there were no incidents of major disputes. We aim to keep this track record in subsequent reporting periods.

Anti-Bribery and Anti-Corruption

Corruption can result in significant damage to the organization, such as loss of financial and social capital. We adopt a zero-tolerance approach towards corruption and continue to manage the exposure to these risks by applying and emphasizing good corporate governance, business ethics, and transparency while applying robust internal controls.

At Serial System, we prohibit corruption in any form, including but not limited to extortion and bribery. We require all employees, officers and directors to conduct business worldwide with integrity, transparency, and in compliance with all applicable legal requirements relating to anti-bribery, anti-corruption, anti-money laundering and anti-terrorism financing. This has been made clear to all employees, customers, suppliers and business partners.

We have a whistleblowing policy in place which enables an employee to report or raise concerns over any wrongdoings across the Group related to unlawful conduct, financial malpractice or dangers to the public or environment directly to the Chairman of the Audit Committee. The whistleblower who had acted in good faith is provided confidentiality, as well as victimization and harassment protection. The whistleblowing channels for our employees are accessible through our whistleblowing policy. External stakeholders can also directly raise their concerns by contacting us via our corporate website: <https://www.serialsystem.com>. Wrongdoings include fraud, corruption, theft, abuse of authority, breach of regulations or non-compliance with the Group's internal controls and procedures. This policy is covered during employee trainings and is periodically communicated via e-mail to all employees as part of the Group's efforts to promote awareness on anti-corruption and fraud prevention.

OUR GOVERNANCE

We regularly review our policies on anti-bribery and anti-corruption, as well as on whistleblowing to ensure that they are updated, taking into account any related changes in legal and regulatory requirements. Besides this, we also conduct internal audits to ensure the efficiency and effectiveness of our internal controls, risk management and governance processes. To ensure all of our employees are knowledgeable and comply with our anti-bribery and anti-corruption policies, Foreign Corrupt Practice Act (FCPA) Awareness Training had been conducted. On 12 April 2024, 63.1% of employees in Singapore received training from Mr. Daryl Ng, Head (Investigations) from the Singapore Corrupt Practices Investigation Bureau (CPIB). On 5 November 2024, our employees in SMKR South Korea also attended the internal FCPA Training.

In FY2024, there were no incidents of corruption within the Group. We aim to keep this track record in subsequent reporting periods.

Regulatory Compliance

The Group has not been subjected to any fines or sanctions for contravention of any laws or regulations globally, including those relating to infringements of environment, health and safety, anti-money laundering, anti-terrorism financing and international trade compliance. We strive to maintain this track record and ensure all queries/allegations received are promptly investigated and addressed, failure of which may result in either public allegations of non-compliance or significant fines being levied on the Group.

Through our Materiality Assessment, we recognize that our core business faces increased risks related to export control laws, anti-bribery and anti-corruption, and data governance due to its nature and workforce presence across various countries and regions. We are committed to comply with all existing laws and regulations wherever the Group operates in. Regular training and communication are provided to keep employees updated on compliance issues that may affect their functions.

The Group had introduced various policies to guide its business conduct, including Export Control Compliance Policy ("ECC" Policy), Anti-Bribery and Anti-Corruption Policy ("ABAC" Policy) and Personal Data Protection Policy ("PDP" Policy). At the end of FY2024, we also added Policy No: SSL-FIN-016 on *ANTI-MONEY LAUNDERING AND PREVENTION OF FINANCING OF TERRORISM POLICY* in our corporate website.

International Trade Compliance

We contribute to maintaining international peace and security by implementing country-specific Internal Compliance Programs (ICPs). These programs establish a framework of operational controls and protocols that ensure business transactions across our divisions comply with relevant export control laws and regulations.

To support our screening processes, we have partnered with an ISO-certified third-party trade compliance solution provider. This collaboration allows us to stay current with regulatory changes, as any changes to applicable laws are promptly updated into the system. The adoption of this third-party solution has played a key role in our Group's digital transformation, enabling high levels of automation and seamless integration with our ERP system. It also supports our efficiency objectives and aligns with Singapore's green technology initiatives.

OUR GOVERNANCE

By transitioning from on-premise infrastructure to a cloud-based platform, we have significantly reduced costs and minimized IT hardware and maintenance requirements. Our compliance stakeholders now benefit from complete audit trails and full transparency of screening results, allowing for swift decision-making—particularly for the 1.9% of orders flagged with critical matches. The system ensures legal certainty by screening all partners and transactions across relevant jurisdictions.

As a result of implementing these solutions, we have attained Singapore Customs' Best-In-Class "TradeFIRST" Premium Band Accreditation, enhancing our operational efficiency and global trade reputation. Additionally, we hold Secure Trade Partnership (STP) status—a program aligned with the EU's Authorized Economic Operator (AEO) framework—recognized under Mutual Recognition Arrangements (MRAs) to date with 13 countries.

Our International Trade Compliance (ITC) Team also periodically reviews and communicates major/urgent updates to key personnel or regional ITC gatekeepers and management on a need-to-know basis. To further strengthen our commitments and minimize the risk of non-compliance, the Group requires all new employees to undergo an export control awareness training. All existing employees are required to attend a refresher training every eighteen months to keep them up-to-date on the compliance issues that may affect their functions. In FY2024, our team in China had conducted an internal training for ITC and SCS (Supply Chain Security) awareness.



SMHK/SMCN ITC and SCS Awareness Training for New Hires

In FY2024, similar to FY2023, we had complied with all relevant export control laws and worked with suppliers, customers, third-party logistics providers, local and international authorities to minimize disruption to our Group's business operations. We endeavor to maintain our compliance status in the following years.

Complying with trade compliance laws and regulations is vital to protect the safety and security of countries where we operate and to ensure that our products do not fall into the hands of entities or persons that seek to do harm. The nature and scope of the Group's distribution business make it highly susceptible to international fraud and unlawful activities. For this reason, SSL assigned a Group ITC Officer to ensure its compliance with international trade laws and regulations. He is also responsible to regularly update the Management and key personnel on developments in international and local trade regulations, as well as the lead for all ISO Quality Accreditation initiatives. Please see "List of Certifications" in the Appendix A.

Cybersecurity

The rapid pace of digital transformation continues to outpace the evolution of regulations governing data privacy and protection, leaving organizations increasingly vulnerable to cyber threats. Data breaches and compromises not only disrupt operations but can also lead to significant financial losses and reputational damage. Recognizing these risks, we remain committed to strengthening our cybersecurity framework and adopting proactive measures to address emerging threats in an ever-evolving digital environment.

OUR GOVERNANCE

Our approach encompasses robust investments in cybersecurity infrastructure and the implementation of comprehensive safeguards to protect the confidentiality, integrity, and availability of data. Through ongoing efforts, we align with industry standards and best practices, including compliance with the ISO22301:2019 Business Continuity Management System (BCMS).

Key measures we have undertaken include:

- **Strengthened Access Controls and Monitoring Tools:** implemented advanced access controls, data security measures, and real-time system monitoring to detect and respond to unusual activities.
- **Employee Cybersecurity Awareness Initiatives:** regularly educate employees about the latest cybersecurity trends, phishing tactics, and prevention strategies, including targeted communication campaigns such as alerts and training materials.
- **Social Engineering Awareness Training:** In addition to phishing training, employees are educated on broader social engineering tactics, including impersonation scams, ensuring they are better equipped to recognize and resist human-targeted attacks.
- **Business Continuity and Disaster Recovery Testing:** An annual disaster recovery exercise is conducted to ensure readiness and alignment with business recovery objectives in the event of a cyber incident or system disruption.
- **Periodic Vulnerability Assessments and Penetration Testing (VAPT):** Collaborate with certified external cybersecurity experts to perform vulnerability assessments and penetration tests on our systems, enabling us to identify and mitigate potential weaknesses.
- **Continuous System Upgrades and Patching:** System hardware and software are regularly upgraded and patched to address vulnerabilities and ensure resilience against emerging attack vectors.
- **Mandatory Multi-Factor Authentication (MFA):** Implemented MFA across all critical systems, introducing additional layers of protection beyond passwords to help prevent unauthorized access.

Data Security and Privacy

Safeguarding our stakeholders' personal data is of utmost importance to us. We conduct our business in compliance with the Personal Data Protection Act (PDPA) in Singapore. Accordingly, we had put in place a PDP Policy which governs the collection, use, disclosure and care of personal data. This policy is available to the public on our corporate website.

In accordance with the PDPA, we have designated a Data Protection Officer ("DPO") to enact this regulation. He had undergone proper training conducted by a qualified compliance solution provider in collaboration with Singapore Management University ("SMU") and supported by 2x backup DPOs.

All new employees are required to go through our PDP Policy and acknowledge their understanding over the prevailing risks, handling and protection of sensitive corporate data. We continue to educate our employees by conducting training programs, especially when there are changes in the legislation.

In FY2024, apart from no major cybersecurity incidents, there was zero substantiated complaint from outside parties and from the Personal Data Protection Commission in Singapore. We will continue to improve our existing processes to safeguard personal data and confidential information through periodic review of our PDP Policy.

APPENDIX A

LIST OF CERTIFICATIONS

TRADE AND ISO CERTIFICATIONS

- Serial Microelectronics Pte Ltd – ISO9001:2015 Quality Management System (QMS) surveillance audit on 4 January 2024
- Serial Microelectronics Inc.–Taiwan International Trade Administration (ITA) Internal Compliance Program (ICP) re-certification on 31 March 2024
- Contract Sterilization Services Pte Ltd – ISO 13485:2016 Medical Devices Quality Management System (QMS) certified since 15 August 2005, re-certified on 15 May 2023 and valid until 14 May 2026
- Serial Microelectronics (HK) Limited-ISO9001:2015 Quality Management System (QMS) re-certification on 7 August 2024 and valid until 6 August 2027
- Serial Microelectronics Pte Ltd-ISO22301:2019 Business Continuity Management System (BCMS) major re-certification on 16-19 September 2024, re-certified on 31 October 2024 and valid until 30 October 2027
- Serial Microelectronics Korea Limited-ISO45001:2018 Occupational Health & Safety Management System (OH&S) Recertification audit by 30 Aug 2025
- Serial Microelectronics Korea Limited-ISO14001:2015 Environmental Management System (EMS) Recertification audit by 30 Aug 2025
- Serial Microelectronics Pte Ltd-SG Customs TradeFIRST, re-certification on 1 January 2024, valid until 31 December 2026
- Serial Microelectronics Pte Ltd-SG Customs Secure Trade Partnership (STP), re-certification on 1 January 2024, valid until 31 December 2026
- Serial Microelectronics Korea Limited-South Korea Ministry of Trade, Industry & Energy (MOTIE) Internal Compliance Program (ICP) Accreditation re-certification before 19 March 2024 valid until 17 March 2027

SUSTAINABILITY/GREEN CERTIFICATES

- Serial Microelectronics Pte Ltd-ICC SME360 X Singapore Green Exporter Program Certificate by SBF/MT1 on 3 August 2023, re-certified on 4 July 2024
- Serial System Ltd-ESBN Green Badge by STACS on 2 July 2024
- Serial System-GoGreen Plus Certificate by using DHL LCL GoGreen Plus Low Emission Transport Services (for ocean shipments)

FY2025 PLANNED TRADE AND ISO RE-CERTIFICATIONS

- Serial Microelectronics Pte Ltd-ISO9001:2015 Quality Management System (QMS) surveillance audit and major re-certification on 14-16 January 2025, certified since 7 February 2019, re-certified on 7 February 2025 and valid until 6 February 2028
- Serial Microelectronics Inc.–Taiwan International Trade Administration (ITA) Internal Compliance Program (ICP) re-certification on 3 March 2025
- Serial Microelectronics (HK) Limited-ISO9001:2015 Quality Management System (QMS) surveillance audit by 30 Jun 2025
- Serial Microelectronics Pte Ltd-ISO22301:2019 Business Continuity Management System (BCMS) surveillance audit on 20 Aug 2025.
- Serial Microelectronics Korea Limited-ISO45001:2018 Occupational Health & Safety Management System (OH&S) major re-certification by 30 Aug 2025
- Serial Microelectronics Korea Limited-ISO14001:2015 Environmental Management System (EMS) major re-certification by 30 Aug 2025

APPENDIX B

CALCULATION METHODS USED

This section explains the definitions, calculation boundaries, methodologies, and assumptions used in the computation of SSL's greenhouse gas (GHG) emissions, energy, water, materials and waste, and employee-related information.

ENVIRONMENT

SSL adopts the Operational Control Approach, as outlined in the GHG Protocol Corporate Standard, which was used to determine organizational boundaries. This means that the Company accounts for 100% of the emissions from operations over which it or one of its subsidiaries has operational control. As at 31 December 2024, the Group accounted for our offices in Singapore, Malaysia, Thailand, China, Hong Kong, Taiwan, and South Korea.

ESGpedia Calculation Methodology: Accounting the Changes for Electricity and Water Consumption Intensities by Floor Area, and Scope 2 Emissions

Comparing how the system collects and calculates data to our previously used methodology, the following changes were implemented for FY2024:

- Serial China's consumption data were separated into its actual office locations in Beijing, Shanghai and Shenzhen. Previously, the data from these three locations were consolidated as one before further calculations were made.
- Due to this separation mentioned above, the intensity values per floor area were also changed as it became site-specific. Previously, the floor area of these locations were consolidated as one.
- Comparing the calculation methods used in FY2024 vs FY2023, an average increase of 14.0% and 21.8% were seen from previously reported values (2019 to 2023) for Electricity and Water Consumption Intensities per Floor Area, respectively. The table below gives the actual figures:

Electricity Consumption Intensity per Floor Area

	2019	2020	2021	2022	2023	2024*
FY2024 Calculation Method (MWh/m²)	1.00	0.73	0.66	0.60	0.66	0.61
FY2023 Calculation Method (MWh/m²)	0.91	0.64	0.58	0.53	0.57	0.52
% change	9.9%	14.1%	13.8%	13.2%	15.8%	17.3%

* The 2024 values are presented to show that the changes in calculation methodology (FY2024 vs FY2023) for the 2019 to 2023 reported values are consistent.

Water Consumption Intensity per Floor Area

	2019	2020	2021	2022	2023	2024*
FY2024 Calculation Method (m³/m²)	2.42	1.90	1.87	1.90	2.69	2.23
FY2023 Calculation Method (m³/m²)	1.83	1.49	1.50	1.59	2.38	1.96
% change	32.2%	27.5%	24.7%	19.5%	13.0%	13.8%

* The 2024 values are presented to show that the changes in calculation methodology (FY2024 vs FY2023) for the 2019 to 2023 reported values are consistent.

- For Scope 2 emission calculations, we had followed the electricity factors used in the ESGpedia System instead of searching for our own references in the previous year.
- Comparing the calculation methods used in FY2024 vs FY2023, an average increase of 10.7% was seen from previously reported values (2019 to 2023) for Scope 2 emissions. The table below gives the actual figures:

APPENDIX B

CALCULATION METHODS USED

Scope 2 Emissions

	2019	2020	2021	2022	2023	2024*
FY2024 Calculation Method (tons CO₂e)	1070.13	926.43	741.14	734.14	799.51	751.89
FY2023 Calculation Method (tons CO₂e)	997.09	836.97	658.90	667.18	718.41	668.94
% change	7.3%	10.7%	12.5%	10.0%	11.3%	12.4%

* The 2024 values are presented to show that the changes in calculation methodology (FY2024 vs FY2023) for the 2019 to 2023 reported values are consistent.

Climate – Greenhouse Gas (GHG) Emissions (Scope 1, 2 and 3)

Scope 1 emission was calculated from the consumption of diesel fuel, expressed in tons CO₂e. Data came from seven offices of our Group and was retraced back to 2019 (base year).

Scope 2 emission was calculated based on the Group's energy consumption, expressed in tons CO₂e.

Scope 3 emission was calculated based on the shipment data from all our Group's offices, expressed in tons CO₂e.

GHG Emission Factors

For Scope 1 and 3: We had used the emission factors from the UK Government GHG Conversion Factors for Company Reporting.

Type of Transportation	Activity	Value*	Unit
Land	Diesel (100% mineral diesel)	2.66155	kgCO ₂ e/L
	HGV (diesel), Rigid (>3.5 to 7.0 tons), Average-laden	0.50546	kg CO ₂ e/tonne-km
	Railway	0.02779	kg CO ₂ e/tonne-km
Sea	Cargo Ship (average of general cargo and container ship)	0.01467	kg CO ₂ e/tonne-km
Air	Air Freight	1.09904	kg CO ₂ e/tonne-km

*The value used here already accounts for CO₂, CH₄ and N₂O emissions.

APPENDIX B

CALCULATION METHODS USED

For Scope 2:

Country	Electricity Factor (gCO ₂ e/kWh)	Source
Singapore	417.0	Energy Market Authority (Singapore Energy Statistics 2022)
Malaysia	758.0	Malaysia Energy Information Hub (Grid Emission Factor (GEF) in Malaysia, 2017-2021)
Thailand	408.0	Energy Policy and Planning Office (CO ₂ Statistics) by the Ministry of Energy (Thailand)
Beijing	941.9	Ministry of Ecology and Environment of the People's Republic of China (2019 Annual Emission Reduction Projects China Regional Power Grid Baseline Emission Factors)
Shanghai	792.1	
Shenzhen	804.2	
Hong Kong	630.0	CLP Group Sustainability Report 2022
Taiwan	484.1	IFI TWG (Harmonized IFI Default Grid Factors 2021 v3.2)
South Korea	555.4	

Electricity Consumption

The Group consumes energy from purchased electricity and is expressed in megawatt-hour (MWh).

Water Consumption

The Group consumes municipal water and is expressed in cubic meters (m³).

Materials and Waste – Conversion of sheets of paper to tons

For FY2024, we had taken the sum of all office paper consumption from the SSL group and reported this value. Previously, this value was separated between the Singapore head office and the rest of the group.

This part only accounts for office paper use (printing and photocopying). For the calculations, the following assumptions were made:

- A4-sized papers are used which weigh 5g per sheet.
- For offices that have the actual number of printed sheets, it was assumed that 20% of the time they had used back to-back printing. This means that for every 10 prints, 9 papers were used (8 were used one-sided and 1 was used back-to-back).
- For offices that only have the number of reams bought, it was assumed that 75% of the total papers were used.

APPENDIX B

CALCULATION METHODS USED

SOCIAL

Hire and Turnover Rate

These are calculated as follows:

$$\text{Hire rate} = \frac{\text{Number of New Hires}}{\text{Number of Current Employees}} \times 100\%$$

$$\text{Turnover rate} = \frac{\text{Number of Resigned Employees}}{\text{Number of Current Employees} + \text{Number of Resigned Employees}} \times 100\%$$

Training Hours (per Employee and per Gender)

These are calculated as follows:

$$\text{Number of Training Hours per Employee} = \frac{\text{Total Conducted Hours of Training}}{\text{Number of Current Employees}}$$

$$\text{Number of Training Hours per Male Employee} = \frac{\text{Total Conducted Hours of Training to Male Employees}}{\text{Number of Current Male Employees}}$$

$$\text{Number of Training Hours per Female Employee} = \frac{\text{Total Conducted Hours of Training to Female Employees}}{\text{Number of Current Female Employees}}$$

APPENDIX C

ESG PERFORMANCE SUMMARIES

Description	2025 Target	FY2023	FY2024	Target Status (FY2024 Performance vs 2025 Target)
Sustainable supply chain management	Expand the scope of verification for better transparency of the value and supply chain	Regular monitoring and updating of REACH/ RoHS certifications	Regular monitoring and updating of REACH/ RoHS certifications	Achieved and Maintained
Absolute GHG Emissions (Scope 1 and 2 only)	800.17 tons CO ₂ e (30% Reduction from 2019 Base Year Performance of 1,143.10 tons CO ₂ e*)	863.34 tons CO ₂ e*	810.92 tons CO ₂ e*	Underway
Absolute GHG Emissions (Scope 3 only)	1,511.51 tons CO ₂ e (20% Reduction from 2022 Base Year Performance of 1,889.39 tons CO ₂ e)	1,742.30 tons CO ₂ e	1,523.65 tons CO ₂ e	Underway
Intensity by Revenue (Scope 1 and 2 only)	1.06 tons CO ₂ e/US \$M (30% Reduction from 2019 Base Year Performance of 1.52 tons CO ₂ e/US \$M*)	1.14 tons CO ₂ e/US\$M*	1.03 tons CO ₂ e/US\$M*	Achieved
Intensity by Revenue (Scope 3 only)	1.79 tons CO ₂ e/US \$M (20% Reduction from 2022* Base Year Performance of 2.24 tons CO ₂ e/US \$M)	2.30 tons CO ₂ e/US\$M	1.93 tons CO ₂ e/US\$M	Underway
Absolute Energy Consumption	1,441.71 MWh (30% Reduction from 2019 Base Year Performance of 2,059.59 MWh)	1,484.03 MWh	1,391.89 MWh	Achieved
Absolute Water Consumption	5,874.00 m ³ (20% Reduction from 2019 Base Year Performance of 7,342.50 m ³)	10,792.90 m ³	7,400.90 m ³	Underway
Compliance with National Environment Agency (NEA) mandatory packaging reporting (MPR) framework	Achieve 100% compliance with NEA's MPR Framework	Maintained 100% compliance by completing the submission of our packaging data and 3R plans on their portal	Maintained 100% compliance by completing the submission of our packaging data and 3R plans on their portal	Achieved and Maintained
Absolute Paper Consumption	4.06 tons (30% Reduction from 2019 Base Year Performance of 5.80 tons)	4.99 tons	5.12 tons	Underway
Total turnover (%)	To be reviewed in 2025	17.2%	12.4%	Not available
Non-discrimination and Equal Opportunity	Maintain zero incidents of harassment or unlawful discrimination against employee	Zero incidents	Zero incidents	Achieved and Maintained

APPENDIX C

ESG PERFORMANCE SUMMARIES

Description	2025 Target	FY2023	FY2024	Target Status (FY2024 Performance vs 2025 Target)
Occupational Health and Safety	Maintain a workplace injury rate below the national all-time industry average	No recorded incidents of severe injuries or cases of ill health	No recorded incidents of severe injuries or cases of ill health	Achieved and Maintained
	Maintain zero fatality	Zero fatality	Zero fatality	Achieved and Maintained
Local Community Involvement	Sustain our annual commitment to provide support and contributions to various charitable organizations and programs across diverse sectors	Total donations of S\$219,000 to various causes and organizations	Total donations of S\$297,000 to various causes and organizations	Maintained
Total Number of Training Hours	8,692 hours (30% increase from 2021 baseline of 6,686 hours)	5,809 hours	8,952 hours	Achieved
Board Independence	Maintain majority Board Independence	57.1%	55.6%	Achieved and Maintained
Women on the Board	To be reviewed in 2025	14.3%	11.1%	Not available
Women in the Management Team	To be reviewed in 2025	14.0%	20.0%	Not available
Business Code of Ethics	Uphold high standards of responsible business practices with no major disputes and no incidents of regulatory fines and/or sanctions	Upheld high standards of responsible business practices and had no major disputes and no incidents of regulatory fines and/or sanctions	Upheld high standards of responsible business practices and had no major disputes and no incidents of regulatory fines and/or sanctions	Achieved and Maintained
Anti-Bribery and Anti-Corruption	Maintain zero incidents	No confirmed incidents of corruption	No confirmed incidents of corruption	Achieved and Maintained
Regulatory Compliance	Prevent any non-compliance of laws and regulations, including Export Control Laws and International Trade Compliance	No incidents of non-compliance	No incidents of non-compliance	Achieved and Maintained
Cybersecurity and Data Privacy	Uphold high standards of data privacy protection and cybersecurity measures in adherence to Personal Data Protection Act in Singapore with zero major incident	Adhered to data protection laws in Singapore and had no incidents of major cybersecurity and personal data breach	Adhered to data protection laws in Singapore and had no incidents of major cybersecurity and personal data breach	Achieved and Maintained

*Updated values using the ESGpedia calculation methodology

APPENDIX D

SGX LIST OF CORE METRICS

Topic	Metric	Unit	Page number(s) and/or URL(s)
Environmental			
Greenhouse Gas Emissions ("GHG")	Absolute emissions by: (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	tons CO ₂ e	SR, page 14-16
	Emission intensities by: (a) Total; (b) Scope 1, Scope 2; and (c) Scope 3, if appropriate	tons CO ₂ e/revenue US\$M	SR, page 14-16
Energy Consumption	Total energy consumption	MWh	SR, page 17
	Energy consumption intensity	MWh/m ² MWh/employee	SR, page 17-18
Water Consumption	Total water consumption	m ³	SR, page 21
	Water consumption intensity	m ³ /m ² m ³ /employee	SR, page 21-22
Waste	Total waste generated	tons	SR, page 20
Social			
Gender Diversity	Current employees by gender	Percentage (%)	SR, page 25
	New hires and turnover by gender	Percentage (%)	SR, page 26
Age-Based Diversity	Current employees by age groups	Percentage (%)	SR, page 25
	New hires and turnover by age groups	Percentage (%)	SR, page 27, 29
Employment	Total turnover	Number and Percentage (%)	SR, page 24
	Total number of employees	Number	SR, page 24
Development & Training	Average training hours per employee	Hours/employee	SR, page 32
	Average training hours per employee by gender	Hours/employee	SR, page 32
Occupational Health & Safety	Fatalities	Number of cases	SR, page 34
	High-consequence injuries	Number of cases	SR, page 34
	Recordable injuries	Number of cases	SR, page 34
	Recordable work-related ill health cases	Number of cases	SR, page 34
Governance			
Board Composition	Board independence	Percentage (%)	SR, page 38
	Women on the board	Percentage (%)	SR, page 38
Management Diversity	Women in the management team	Percentage (%)	SR, page 39
Ethical Behavior	Anti-corruption disclosures	Discussion and number of standards	SR, page 40
	Anti-corruption training for employees	Number and Percentage (%)	SR, page 40
Certifications	List of relevant certifications	List	SR, page 44
Alignment with Frameworks	Alignment with frameworks and disclosure practices	GRI/ TCFD/ SASB/ SDGs/ others	SR, page 2
Assurance	Assurance of sustainability report	Internal/External/None	The Company did not seek external assurance on this report but had relied on internal review of the sustainability processes.

APPENDIX E

SUSTAINABLE ACCOUNTING STANDARDS BOARD (SASB)

Topic	SASB Code	Metrics	Page number(s) and/or URL(s)
Energy Management in Retail & Distribution	CG-MR-130a.1	(1) Total energy consumed, (2) percentage grid electricity	SR, page 17
Data Security	CG-MR-230a.1	Description of approach to identifying and addressing data security risks	SR, page 43
	CG-MR-230a.2	(1) Number of data breaches, (2) percentage that are personal data breaches, (3) number of customers affected	SR, page 43
Labor Practices	CG-MR-310a.1	(1) Average hourly wage and (2) percentage of in-store and distribution center employees earning minimum wage, by region	No labor law violations for FY2024
	CG-MR-310a.2	Voluntary and turnover rate for in-store and distribution center employees	SR, page 28-29
	CG-MR-310a.3	Total amount of monetary losses as a result of legal proceedings associated with labor law violations	SR, page 33 No labor law violations for FY2024
Workforce Diversity & Inclusion	CG-MR-330a.1	Percentage of gender representation for (a) executive management, (b) non-executive management and (c) all other employees	SR, page 39
	CG-MR-330a.2	Total amount of monetary losses as a result of legal proceedings associated with employment discrimination	SR, page 33 No employee discrimination for FY2024
Product Sourcing, Packaging & Marketing	CG-MR-410a.2	Discussion of processes to assess and manage risks or hazards associated with chemicals in products	SR, page 12-13
	CG-MR-410a.3	Discussion of strategies to reduce the environmental impact of packaging	SR, page 12-13
Number of: (1) retail locations and (2) distribution centers	CG-MR-000.A	Number	SR, page 4
Total area of: distribution centers	CG-MR-000.B	Square meters (m ²)	22,066.39

APPENDIX F

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Key Area	SSL's Approach				
Governance a. Describe the board's oversight of climate-related risks and opportunities b. Describe the management's role in assessing and managing climate-related risks and opportunities	<p>The Board has overall responsibility for the Group's sustainability and ensures its growth is sustainable in the long term. The Board oversees and monitors the management of SSL's material ESG factors for the implementation of sustainability strategies, policies, key performance indicators, targets and initiatives.</p> <p>The Board has established a Sustainability Steering Committee (SSC) comprising management team members and department heads from Singapore in FY2022. In the following year, it was expanded to include our Procurement/Asset Director for procurement, supplier and asset management. The SSC supports the Management Team and Board to provide oversight on SSL's overall sustainability performance and drive its sustainability programs across the organization. For 2024, quarterly meetings were conducted to discuss updates on the following:</p> <ul style="list-style-type: none"> • Material ESG Factors • Transition Risks and Opportunities • SSL's Performance vs. Set Targets <p>These updates help guide the Board towards making informed decisions in business strategies and financial planning.</p> <p>To ensure that the Board is up-to-date on these matters, members of the SSC attended mandatory trainings conducted by the SGX and other ESG service providers. Important topics for discussion were then relayed to the rest of the SSC.</p>				
Strategy a. Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term b. Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2 C or lower scenario	Transition Risks:				
	Risk	Use of renewable energy (specifically solar energy)	Stopped business operations due to regulatory non-compliance and/or failed business partnerships	Use of sustainable alternatives in transportation	Carbon tax regulation
	Time Frame	Short-term	Short-term	Medium-term	Medium-term

APPENDIX F

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Key Area	SSL's Approach				
Strategy (continued)	Transition Risks:				
	Description	With the implementation of carbon taxing and the goal to reduce carbon emissions, integrating the use of solar energy can aid in lowering electricity costs in our offices and warehouses.	Sustainability is fast becoming a key criteria in business operations.	Fossil fuels are still widely-used in day-to-day business activities, especially in shipment of goods.	The Singapore government introduced the Carbon Pricing Act (CPA) last 2019 which had increased the tax rates from \$5/ton CO ₂ e in 2019 to \$25/ton CO ₂ e in 2024/25, \$45/ton CO ₂ e in 2026/27, and aiming for \$50-80/ton CO ₂ e by 2030. The European Union (EU) will also implement its Carbon Border Adjustment Mechanism (CBAM) in 2026. It is an imposed carbon price on imports and encourages global emissions reduction.
	Possible Impacts	Carbon emissions from purchased electricity could lead to more costs due to the carbon tax.	Possible delisting from the SGX and/or no business partnerships with suppliers or customers.	High carbon emissions could increase costs of operations due to the carbon tax.	Increased costs of operations due to the carbon tax

APPENDIX F

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Key Area	SSL's Approach				
Strategy (continued)	Transition Risks:				
	Company's Response	In 2024, our Singapore head office had completed discussions on the installation of solar panel. In February 2025, Rezeca commenced the solar panel installation on the rooftop of our Singapore head office. In addition, we continue to encourage our other subsidiaries to do the same, if feasible. To this end, our Thailand subsidiary has considered solar panel installation on its office rooftop and has invited quotation from various vendors for evaluation.	In compliance with the SGX, we had formed a SSC and added a Procurement/ Asset Director in preparation for the upcoming SGX requirements. We had also filled out questionnaires from our business partners to report on our sustainability efforts and progress. In addition, we also obtained green certifications like the ESBN Green Badge to showcase our commitment.	In 2024, the Group used sea and land transportation instead of air freight when possible. Our Singapore head office had used DHL LCL GoGreen Plus Low Emission Transport Services for ocean transportation, facilitated by sustainable marine fuel which had led to an 85% reduction compared to when we use fossil fuels. In cases where it is applicable, we also considered the use of either electric vehicles or biofuels in our processes and are also constantly looked for more sustainable business partners in the supply chain.	In 2024, we had finalized discussions on solar panel installation in our Singapore head office and had started the project in February 2025. We had also used sea and land transportation instead of air freight when feasible, and partnered with DHL Global Forwarding to use sustainable marine fuel for ocean transportation.

APPENDIX F

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Key Area	SSL's Approach		
Strategy (continued)	Physical Risks – Acute Impact:		
	Time Frame	Short to medium-term	Short to medium-term
	Description	Unprecedented storms had been recorded in recent years and may cause widespread flooding, especially in low-lying areas.	Risks that weather events like extreme heat will affect the business (i.e. heat stress on workers which would cause the use of more energy for cooling systems, possible damaged goods due to hot temperatures, etc.)
	Possible Impacts	<ul style="list-style-type: none"> Flooding may damage goods, especially since SSL stores electrical components and electronics consumer products, which could lead to financial loss and inability to fulfill customers' orders. Strong winds and flooding may lead to delayed arrival and shipment of goods. 	<ul style="list-style-type: none"> Heat stress on employees Use of more electricity for air conditioning
	Company's Response	<ul style="list-style-type: none"> For company-owned warehouses, all possible entries of water are secured. For rented storage, we ensure that they are in good condition with minimal chances of flooding in the area before continuing with the leasing. In anticipation of strong typhoons, heavy rains or flooding, planned shipments are made so that delays are taken into account. If there would be any delays, customers are notified timely to make alternative arrangements. 	<ul style="list-style-type: none"> In FY2024, we had completed discussions on solar panel installation in our Singapore head office and officially commenced work in February 2025 and installation of solar panels in Thailand office is in the pipeline. Employees are encouraged to wear light-colored shirts and reminded to drink lots of water, especially during warm season.
	Physical Risks – Chronic Impact:		
	Time Frame	Medium to long-term	Medium to long-term
	Description	Singapore and certain neighbouring countries which SSL operates are low-lying countries which make them vulnerable to rising sea levels and extreme weather events.	Risks associated with prolonged and more severe droughts can affect the business (i.e. increased costs due to water scarcity).
	Possible Impacts	Affected locations may be submerged over time, resulting to a loss of office or warehouse space.	Water scarcity could lead to higher water costs.
	Company's Response	SSL widened its footprint by expanding its office and warehouse locations specifically in Asia. In the event that submerging occurs, the operations will be moved to a safer area and transfer of stocks will follow.	Implement water conservation practices.

APPENDIX F

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES (TCFD)

Key Area	SSL's Approach
Risk Management a. Describe the organization's processes for identifying and assessing climate-related risks b. Describe the organization's processes for managing climate-related risks c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management	<p>In FY2023, SSL had appointed an ESG Chair and employed an ESG Engineer to review, consolidate, and correct if applicable, all data from 2019 up to the present. They are also responsible in initiating the identification and assessment of climate-related risks which are then presented to the rest of the SSC during quarterly meetings for discussion.</p> <p>Part of SSL's ongoing efforts to mitigate climate-related risks was to set quantitative targets in 2019 to reduce its energy (electricity), water and waste (office paper) consumptions, as well as its greenhouse gas emissions. We present these data in our quarterly meetings where discussions on possible reduction strategies or alternatives are done. In FY2024, the Group acquired the ESGpedia platform to better engage with our internal stakeholders by placing their consumption data into the system. To ensure uniformity with the system, the calculation method for electricity consumption intensity per floor area, water consumption intensity per floor area, and Scope 2 emissions was changed and resulted in an average increase of 14.0%, 21.8% and 10.7% respectively, to the 2019 to 2023 data. This is expounded in "Calculation Methods Used" in Appendix B.</p> <p>In FY2024, we integrated climate-related risks in our overall risk management due to regulatory compliance, quality management and business continuity. We had included two major climate-related risks namely: possible delisting from the Singapore Stock Exchange (SGX), and suppliers and customers possibly discontinuing business with SSL. Please refer to "Identification and Management of ESG Risks" for more information. Part of our response to these risks is to install solar panels in our Singapore head office and use of land and sea shipments over air when feasible. In FY2024, we had completed discussions on solar panel installation in our Singapore head office and commenced work in February 2025. In addition, we had used DHL LCL GoGreen Plus Low Emission Transport Services for ocean transportation.</p>
Metrics and Targets a. Describe the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process b. Describe Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks c. Describe the targets used by the organization to manage climate-related risks and opportunities, and performance against targets	<p>SSL reports its consumption in absolute and/or intensity values, specifically for greenhouse gas emissions, energy (electricity) consumption, water consumption and waste generation (i.e., paper), in accordance to the Singapore Exchange Securities Trading Limited's Listing Manual Rules 711A and 711B and the International Sustainability Standards Board (ISSB) – which includes the Sustainable Accounting Standards Board (SASB), Global Reporting Initiative (GRI) Universal Standards 2021 and the Task Force on Climate-related Financial Disclosures (TCFD). Please refer to "Our Environmental Goals" section and "Calculation Methods Used" in the Appendix B for guidance and explanation.</p>

APPENDIX G

GRI CONTENT INDEX

GRI Standard	Disclosure	Title	Page number(s) and/or URL(s)
Organizational Profile			
GRI 2: General Disclosures 2021	2-1	Organizational details	SR, page 4 AR, page 2-17
	2-2	Entities included in the organization's sustainability reporting	AR, page 3, 100, 106-112
	2-3	Reporting period, frequency and contact point	SR, page 2
	2-4	Restatements of information	SR, page 2 This is the eighth year of reporting and there were no restatements except for re-alignment of reported values as required by the SGX List of Core Metrics.
	2-5	External assurance	The Company did not seek external assurance on this report but plans to do so in the future
	Activities and Workers		
	2-6	Activities, value chain and other business relationships	SR, page 4-5 AR, page 2-17
	2-7	Employees	SR, page 24
	2-8	Workers who are not employees	SR, page 24 There were no workers who are not employees.
	Governance		
	2-9	Governance structure and composition	SR, page 37-38 AR, page 27-51
	2-10	Nomination and selection of the highest governance body	SR, page 37-38 AR, page 35-37
	2-11	Chair of the highest governance body	SR, page 37 AR, page 34-35
	2-12	Role of the highest governance body in overseeing the management of impacts	SR, page 3, 37-38 AR, page 27-28
	2-13	Delegation of responsibility for managing impacts	SR, page 38 AR, page 27-29
	2-14	Role of the highest governance body in sustainability reporting	SR, page 37-38 AR, page 27
	2-15	Conflicts of interest	SR, page 38 AR, page 29, 174-190
	2-16	Communication of critical concerns	SR, page 2, 8-10, 40
	2-17	Collective knowledge of the highest governance body	AR, page 20-23
	2-18	Evaluation of the performance of the highest governance body	AR, page 37-38

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GRI Standard	Disclosure	Title	Page number(s) and/or URL(s)
	2-19	Remuneration policies	AR, page 38-39
	2-20	Process to determine remuneration	AR, page 39-41
	2-21	Annual total compensation ratio	Unable to disclose due to confidentiality reasons. However, the Company has disclosed the remuneration of Directors and Group CEO, and the remuneration band of the top five key management personnel (excluding the Directors or the Group CEO) in page 41-42 of the Annual Report 2024.
	Strategies, Policies and Practices		
	2-22	Statement on sustainable development strategy	SR, page 2, 6, 8
	2-23	Policy commitments	SR, page 2, 6, 8, 11
	2-24	Embedding policy commitments	SR, page 2, 6, 8, 11
	2-25	Processes to remediate negative impacts	SR, page 2, 6, 8
	2-26	Mechanisms for seeking advice and raising concerns	SR, page 6
	2-27	Compliance with laws and regulations	SR, page 40-41
	2-28	Membership associations	SR, page 42
	Stakeholder Engagement		
	2-29	Approach to stakeholder engagement	SR, page 9-10
	2-30	Collective bargaining agreements	There were no collective bargaining agreements.
Identification of Material Topics			
GRI 3: Material Topics 2021	3-1	Process to determine material topics	SR, page 2, 6-7
	3-2	List of material topics	SR, page 7
	3-3	Management of material topics	SR, page 6-8
Material Topics			
Economic Performance			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	SR, page 12-13 AR, page 59-161
	201-2	Financial implications and other risks and opportunities due to climate change	SR, 48-49, 52-56
GRI 203: Indirect Economic Impacts 2016	203-2	Significant indirect economic impacts	SR, page 13

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GRI Standard	Disclosure	Title	Page number(s) and/or URL(s)
Energy			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	SR, page 17-19
	302-3	Energy intensity	SR, page 17-18
	302-4	Reduction of energy consumption	SR, page 17-19
Greenhouse Gas Emissions			
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	SR, page 15
	305-2	Energy indirect (Scope 2) GHG emissions	SR, page 15
	305-3	Other indirect (Scope 3) GHG emissions	SR, page 16
	305-4	GHG emissions intensity	SR, page 15-16
	305-5	Reduction of GHG emissions	SR, page 15-16
	305-7	Nitrogen oxides (NOx), sulfur oxides (SOx), and other significant air emissions	There were no significant air emissions other than GHG
Water			
GRI 303: Water and Effluents 2018	303-1	Interactions with water as a shared resource	SR, page 20-21
	303-5	Water consumption	SR, page 20-21
Materials and Waste			
GRI 301: Materials 2016	301-1	Materials used by weight or volume	SR, page 22
Human Capital			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	SR, page 24
Occupational Health and Safety			
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	SR, page 34
	403-2	Hazard identification, risk assessment, and incident investigation	SR, page 34
	403-4	Worker participation, consultation, and communication on occupational health and safety	SR, page 34
	403-5	Worker training on occupational health and safety	SR, page 34
	403-6	Promotion of worker health	SR, page 34
	403-8	Workers covered by an occupational health and safety management system	SR, page 34
	403-9	Work-related injuries	SR, page 34
	403-10	Work-related ill health	SR, page 34
Training and Development			
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	SR, page 32
	404-2	Programs for upgrading employee skills and transition assistance programs	SR, page 32
	404-3	Percentage of employees receiving regular performance and career development reviews	SR, page 32

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GRI CONTENT INDEX

GRI Standard	Disclosure	Title	Page number(s) and/or URL(s)
Diversity			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	SR, page 33
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	SR, page 33
Human Rights			
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	SR, page 33 No incidents of child labor by suppliers in FY2024
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	SR, page 33 No incidents of force or compulsory labor by suppliers in FY2024
Local Community Involvement			
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	SR, page 36
Business Ethics			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	SR, page 40-41
	205-2	Communication and training about anti-corruption policies and procedures	SR, page 40-41
	205-3	Confirmed incidents of corruption and actions taken	SR, page 40-41
Compliance			
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	SR, page 41-42
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR, page 43
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	SR, page 41-43
AR – Annual Report 2024 SR – Sustainability Report 2024			

APPENDIX H

ABBREVIATIONS

SUBSIDIARIES OF SERIAL SYSTEM LTD

ADT – Achieva Digital (Thailand) Company Limited

ATSB – Achieva Technology Sdn. Bhd.

CSS – Contract Sterilization Services Pte Ltd

PIQ MPS – Print-IQ MPS Company Limited

SMCN – Serial Microelectronics (Shenzhen) Co., Ltd

SMHK – Serial Microelectronics (HK) Limited

SMKR – Serial Microelectronics Korea Limited

SMPH – Serial Microelectronics Pte Ltd (Philippines)

SMTW – Serial Microelectronics Inc.

SVB – Swift-Value Business Pte Ltd