



AEM Holdings Ltd.
Sustainability Report 2024

A Zero Failure World



Table of Contents

01	CONTENTS
02	VISION & MISSION
03	CORPORATE PROFILE
04	OUR GLOBAL FOOTPRINT
05	CEO'S MESSAGE
07	AEM'S LEADERSHIP TEAM
08	DRIVING INNOVATION, SHAPING A SUSTAINABLE FUTURE

09	SUSTAINABILITY PERFORMANCE HIGHLIGHTS
10	ABOUT THIS REPORT Reporting Period and Scope Sustainability Reporting Framework Assurance Feedback
11	BOARD STATEMENT
12	SUSTAINABILITY AT AEM Sustainability Governance Stakeholder Engagement Materiality Assessment
17	SUSTAINABLE GROWTH Overview Corporate Governance & Anti-Corruption Economic Performance

19	ENVIRONMENTAL CONSCIENTIOUSNESS Overview Sustainable Supplier Management Minimising Our Environmental Footprint
22	SOLIDIFYING RELATIONSHIPS WITH OUR STAKEHOLDERS Overview Managing Our Human Capital Giving Back To The Community Protecting Our Customers
27	TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURES REPORT
29	APPENDICES
32	GRI CONTENT INDEX
34	TCFD CONTENT INDEX

Our **Vision** for the Future

A Zero Failure World

We are on a **Mission**

To provide the most comprehensive semiconductor and electronics test solutions based on the best-in-class technologies, processes, and customer support.

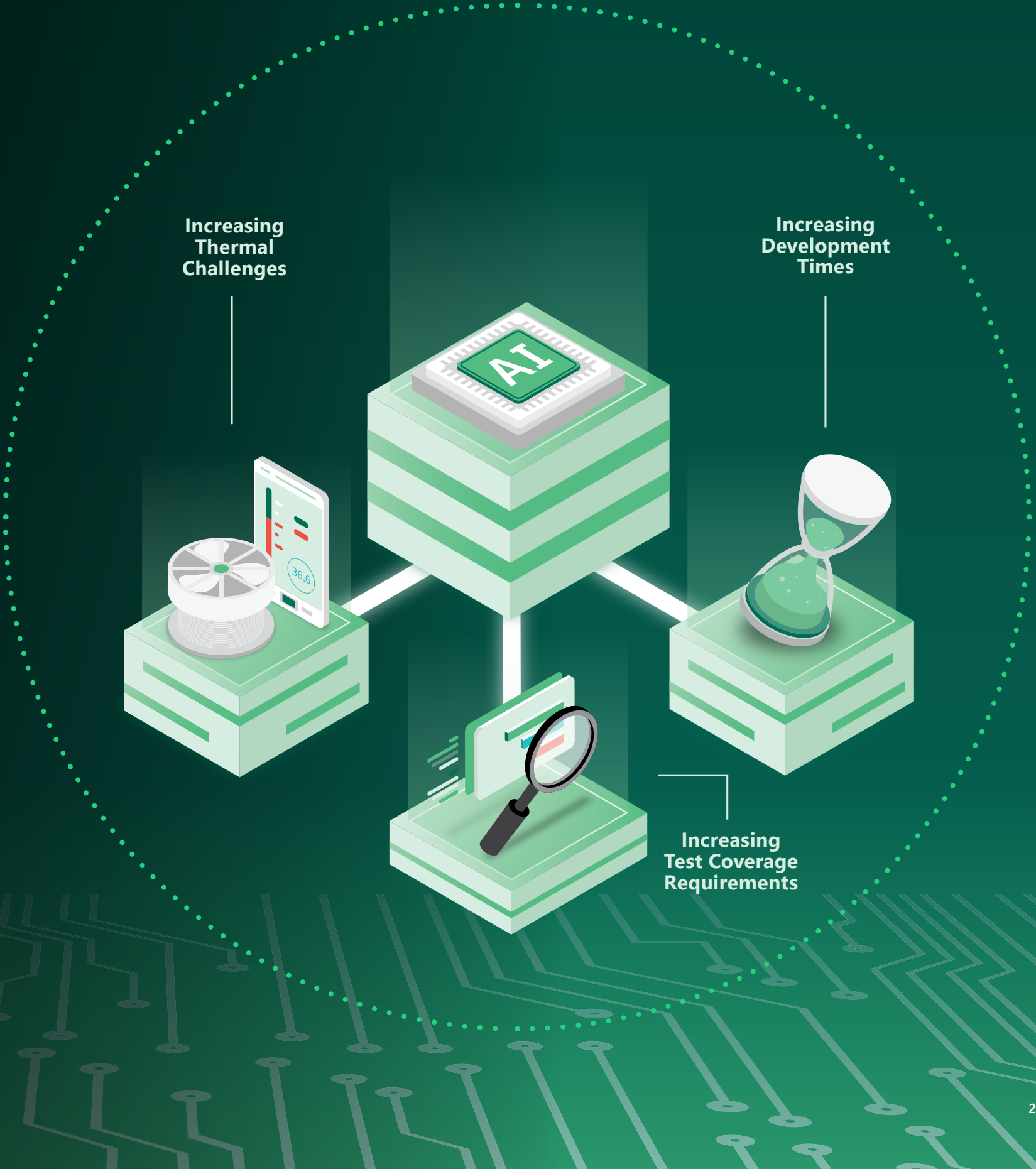
Powering the AI Revolution
with Advanced Test and Thermal Solutions

With the rise of artificial intelligence (AI), the demand for powerful AI chips continues to surge, driving the semiconductor industry towards a trillion-dollar market. These next-generation chips require advanced packaging, high-power thermal management, and rigorous test coverage.

As a leader in Active Thermal Control technology, AEM provides innovative full-stack test solutions designed to enhance test cell throughput and lower test costs. PiXL™—our patented, intelligent thermal management technology - provides rapid, precise control of test environments.

PiXL™ is utilised across all testing stages, from engineering labs to high-volume manufacturing, thus accelerating time-to-market and enhancing yield insights. Together with our automation capabilities and application-specific test instruments, our Test 2.0 solutions are revolutionising 2.5D/3D advanced packaging testing for AI and High-Performance Computing (HPC) devices.

Through our innovative, highly parallel, high-power test solutions, AEM empowers customers to realise the full potential of AI and future semiconductor advancements.



Corporate Profile

AEM is a global leader in test innovation. We provide the most comprehensive semiconductor and electronics test solutions based on the best-in-class technologies, processes, and customer support. We deliver customised, and application-specific solutions to meet our customers' needs. With full-stack test capabilities for advanced engineering to high-volume manufacturing, we provide innovative test solutions to drive successful customer outcomes in innovation.

We innovate test to test innovation, providing leading-edge engineering solutions to meet the demands of fast-moving industries. With customer intimacy at our core, we build strong partnerships with our customers through our global network, tailoring solutions and delivering services that meet their needs. Beyond our leading-edge test innovation, we take pride in building strong partnerships with our customers and catering to the demands of an ever-evolving advanced manufacturing landscape.

AEM has a global presence across Asia, Europe, and the Americas. Our R&D centers are crucial in innovating and advancing our in-house engineering capabilities to deliver technologies and solutions for the next generation of semiconductor testing needs. AEM's R&D centers are situated in Singapore, Malaysia, Finland, France, South Korea, and the United States of America. With manufacturing plants located in Singapore, Malaysia (Penang), Indonesia (Batam), Vietnam, Finland (Lieto), South Korea, and the United States of America, and a global network of engineering support, sales offices, associates, and distributors, we offer our customers a robust and resilient ecosystem of test innovation and support.

AEM Holdings Ltd. is listed on the Mainboard of the Singapore Exchange (SGX: AWX, Reuters: AEM.SI, Bloomberg: AEM:SP)



OUR GLOBAL FOOTPRINT





Dear Shareholders & Readers,

2024 was a defining year for AEM—not just in advancing semiconductor testing but in reinforcing our role in building a more sustainable technology future. As computing power accelerates, so do the challenges of testing next-generation chips. Our R&D efforts led to groundbreaking innovations, helping our customers navigate the demands of Artificial Intelligence (AI), High-Performance Compute (HPC), and Quantum Computing.

From tackling high-power processors to enabling Quantum chips that operate at near absolute zero, we are pushing the boundaries of what is possible. More importantly, we are doing so with a focus on efficiency, resilience, and a shared responsibility for a more sustainable semiconductor industry.

Sustainability is more than a responsibility at AEM—it's how we operate every day. It's about making decisions that drive our long-term success while protecting the environment, supporting our people, and upholding the highest ethical standards.

Since assuming the role of CEO on July 1, 2024, I have made it a priority to listen, learn, and connect with our people. In my first three months, I held weekly communications with the company, led in-person town halls, and engaged with teams in Singapore and across our global offices. These conversations reinforced what makes AEM strong—our people's dedication, expertise, and drive for excellence. Our Human Resources Team conducted several employee pulse surveys, and in response to the results, we introduced targeted measures to address employee concerns, from improving work-life balance to fostering greater organisational stability to enhance the workplace experience.

In 2024, we placed a strong focus on our people. Human Capital Development is not just a key to our success—it's at the heart of everything we do. We've taken meaningful steps to support our teams, providing extensive digital and in-person training to help employees grow their skills. We prioritised mental well-being, introducing Wellness Days and Employee Engagement Initiatives to create space for balance and connection. We formalised a clear Career Pathway Framework, giving everyone greater visibility on how they can develop within AEM. This emphasis on human capital development is a testament to the value we place on our employees and their integral role in AEM's success.

We are also driving continuous improvement across the business with our teams leading grassroots-driven Quality Improvement Projects and safety initiatives. To reinforce workplace safety, we introduced Safety Moment, a dedicated engagement programme that encourages open discussions on a wide range of safety topics while regularly reinforcing critical safety information for our employees. At the same time, we strengthened our gate review process to uphold the highest quality standards as we expand our portfolio of new products, collaborating closely with customers to unlock new business opportunities. These initiatives have not only elevated workplace safety and product quality but have also strengthened customer trust, reinforcing our reputation as a reliable and forward-thinking partner.

In 2024, we also maintained a perfect record of zero significant compliance issues and zero substantiated data privacy complaints. This reflects our commitment to doing right by our customers and employees. Additionally, our dedication to operational excellence has been at the core of these achievements, ensuring that we continuously improve our processes, deliver exceptional results, and uphold the highest standards across all business areas.

As of 2024, we received an MSCI ESG Rating assessment of BB. The recalibration of our score highlights the evolving ESG landscape and the increasing expectations placed on businesses like ours. It also reinforces our drive for continuous improvement. This is an opportunity to strengthen our efforts, sharpen our focus, and accelerate our progress in key areas to create a more sustainable future for AEM and our stakeholders. Under our social pillar, we remain committed to investing in programmes that foster employee development, enhance engagement, and prioritise employee well-being. By nurturing a supportive and growth-oriented workplace, we empower our people to thrive, driving both individual and organisational success.

On the environmental front, we have strengthened our approach to managing climate-related risks and opportunities by adopting the Task Force on Climate Related Financial Disclosures (TCFD) framework. Our ongoing efforts in energy conservation and space optimisation have led to measurable improvements in our energy intensity ratio, reinforcing our commitment to operational efficiency. Additionally, our investments in renewable energy are beginning to deliver returns, marking a significant step forward in our journey towards a more sustainable future.

In 2025, we will take a more targeted approach to sustainability by developing site-specific programmes tailored to the unique local contexts of each location. This will enable us to set a quantifiable Scope 1 and 2 emissions goal for 2026, ensuring a more precise and impactful path towards carbon reduction.

Equally important is fostering a culture of sustainability within our organisation. By increasing employee awareness and deepening engagement in these initiatives, we aim to empower our people to play an active role in driving meaningful environmental change.

Innovation is at the heart of our technology, and we're proud to lead the Future of Compute - from AI and HPC to Quantum Computing. Our role in supporting the development of safe and reliable technologies is vital as they shape the future. AEM's solutions are deployed in critical environments like data centres and quantum computing labs, where complex tasks require precise testing. Our patented, intelligent thermal management technology, PiXL™, helps manage heat dissipation, thus enhancing energy efficiency and reducing waste in chip testing. Meanwhile, our cryogenic probes are accelerating quantum research, paving the way for quantum technologies that could revolutionise energy consumption.

Our vision of A Zero Failure World extends beyond our technology capabilities. It is equally embedded in our commitment to sustainability and responsible business practices. It is not just about perfecting our technologies—it's about creating a business that has a positive, lasting impact on the world around us.

Leong Chunyi Yin (Amy)
Chief Executive Officer



Creating Impact Through Operational Excellence



Our commitment to operational excellence drives sustainable growth through strategic cost-optimization and seamless collaboration with stakeholders, enhancing profitability while supporting long-term sustainability.

By cultivating a culture of discipline, compliance, and continuous improvement, we ensure agility and consistency, upholding the highest standards to deliver lasting value and success across all aspects of our business.

Shaping the Future Through Innovation & Sustainability



At AEM, we are dedicated to developing innovative solutions that drive both technological progress and sustainability. Our cutting-edge thermal management technologies, like PiXL™, are designed not only to enhance performance but also to reduce energy consumption and waste.

As we push the boundaries of quantum research with our cryogenic probers, we remain focused on enabling advanced computing technologies.

Financial Strength and Resilience

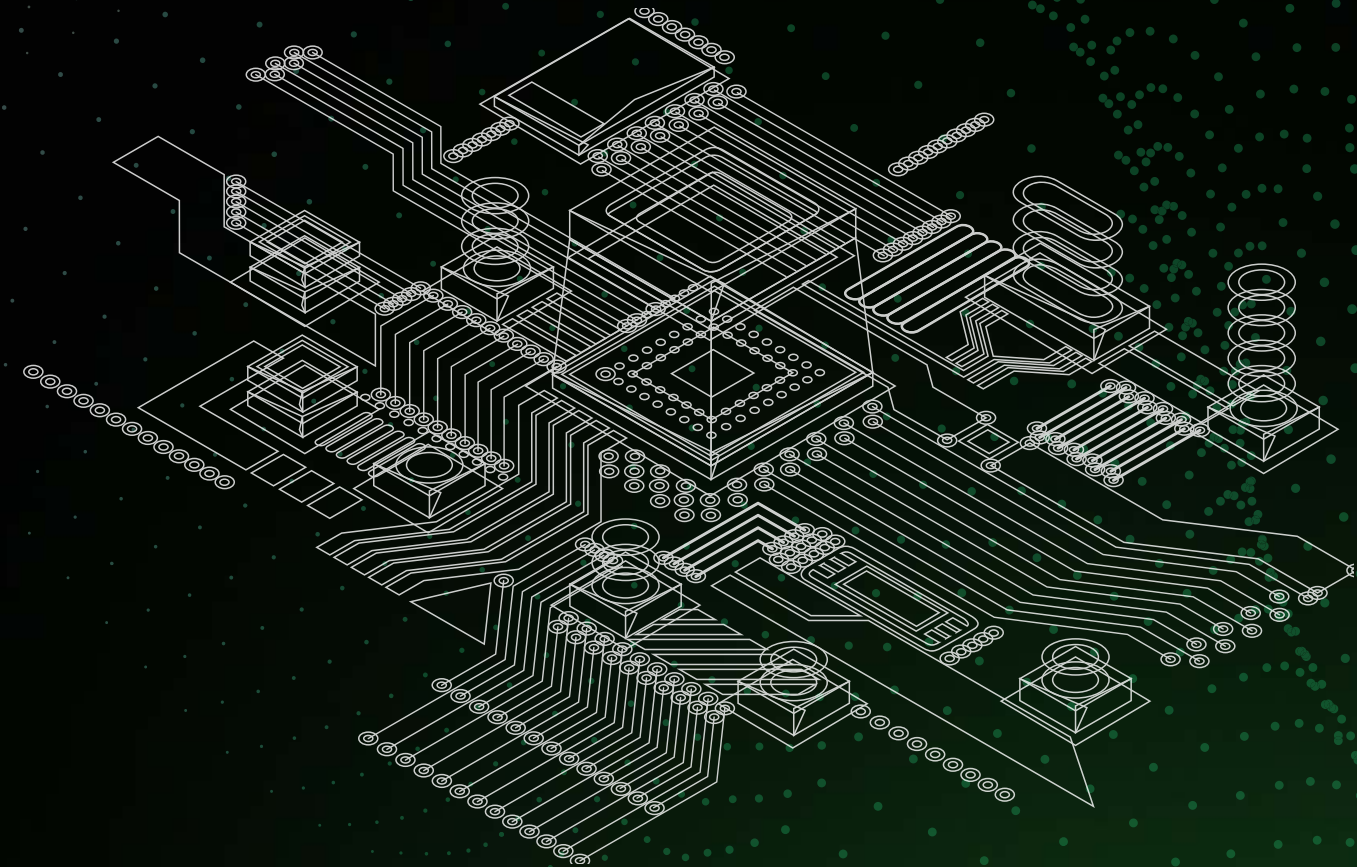


Our financial performance reflects the Group's focus on ensuring financial resilience in a transformative period. For FY2024, the Group delivered revenue of S\$380.4M, profit before tax, excluding exceptional items, of S\$19.8M, and earnings per share of 3.65 Singapore cents on a fully diluted basis while maintaining a robust debt-to-equity ratio of 0.2x. Net Asset Value per share increased by 2.6% to 155.2 Singapore cents. As part of our commitment to sustainability, the Group has discontinued the physical printing of our Annual and Sustainability Reports this year.

Digital publications are now central to our communications strategy, allowing us to engage with all stakeholders in an accessible and inclusive way. Looking ahead, we remain focused on sustainability and operational efficiency while continuing to invest in R&D and product innovation to serve a growing customer base. These efforts position AEM for sustained success and long-term profitability.

In 2024, AEM strengthened its position as a trusted leader in semiconductor testing through strategic partnerships, technological innovation, and industry recognition.

By collaborating with world-class partners and driving innovation, we continue to deliver advanced solutions that meet the evolving demands of high-performance computing (HPC), artificial intelligence (AI), and beyond.



Fraunhofer Institute Awards AEM ATE Radiation Testing System Contract

AEM Expands SLT Capabilities on AMPS Platform for Scalable, Cost-Effective Solutions

Global Theme Park Implements AEM's Network Service Assistant to solve PoE Anomalies for IoT Connected Devices

AEM Designated Plan-of-Record Thermal Solutions Provider for Leading AI and HPC Semiconductor Manufacturer.

First Barometric Wafer Prober Order Confirmation in Japan

Patented CWP Technology in China & Japan

AEM-CEI Named Tier 1 Supplier by Bio-Rad

Launch of AMPS-BI: Advanced Burn-In System for AI & HPC Chip Reliability

Introduced the Industry's First Power over Ethernet (PoE) Passthru Test Adapter






Corporate Governance & Anti-Corruption

0

Zero cases of material non-compliance with laws and regulations in jurisdictions where we operate.

Zero

cases of bribery and corruption.






Sustainable Supplier Management

100%


of key suppliers internally screened for negative social and environmental impacts, in compliance with the AEM Code and industry standards.



Gender Diversity



Continual improvement in workforce gender diversity ratio, **with female employees representing 60% in FY2024.**



Training




33.8 hours

of training provided to each employee on average.





Reduction of Electricity Usage and Emissions




28%

decrease in electricity consumption.

21%

decrease in Scope 2 emissions.




Customer Health & Safety



ZERO

significant incidents of non-compliance with regulations and/ or voluntary codes concerning the health and safety impacts of our products and services.



Customer Privacy



ZERO

substantiated complaints concerning breaches of customer privacy and/or loss of customer data.





About This Report

AEM Holdings Ltd. ("AEM" or the "Company") is pleased to present the Company's annual Sustainability Report (the "Report").

Reporting Period and Scope

This Report provides a comprehensive overview of AEM's key sustainability priorities, detailing our management strategies and the Environment, Social, and Governance ("ESG") policies, practices, and performance for the period from 1 January 2024 to 31 December 2024 ("FY2024"). Reflecting AEM's commitment to operational excellence in sustainability, we have outlined specific short-term, long-term, and ongoing goals for each ESG area of importance to our internal and external stakeholders.

The scope of this Report spans our global operations, including our headquarters in Singapore and subsidiary entities across Asia, Europe, and North and Central America. All key entities included in our financial reporting are also accounted for within this sustainability report.

Sustainability Reporting Framework

This Report has been prepared with reference to the Global Reporting Initiative ("GRI") Universal Standards 2021. This globally recognised framework allows businesses to deliver detailed and transparent disclosures on a wide range of sustainability topics. It provides organisations with a universally accepted approach to effectively convey their environmental and social impacts. For ease of reference, the GRI Content Index is provided on pages 32 to 33. It outlines the specific locations of all relevant disclosures within the Report.

In accordance with SGX Listing Rules 711A and 711B, we have included the six key components required for annual sustainability reports. This is done in adherence to the 'comply or explain' principle. Additionally, the Group has adopted a phased approach to incorporating climate-related disclosures. These are aligned with the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") in this FY2024 report.

Assurance

The sustainability data presented in this Report does not include external assurance. However, we have put in place internal verification processes to ensure its accuracy and reliability.

Feedback

We value your feedback, perspectives, and suggestions regarding our sustainability report and initiatives. You can reach out to us at: <https://www.aem.com.sg/contact>

We are committed to keeping you informed about the latest developments at AEM and encourage ongoing engagement with our stakeholder groups. Stay connected through our digital platforms, including LinkedIn and our Corporate Website: <https://www.aem.com.sg>



Loke Wai San
(56)

Non-Executive Chairman, Chairman of the Strategy Committee, and Member of the Nominating Committee



Chok Yean Hung
(60)

Non-Executive, Non-Independent Director, Member of the Audit & Risk Management Committee, and Member of the Strategy Committee



André Andonian
(62)

Independent Director, Chairman of the Nominating Committee, and Member of the Strategy Committee



Chou Yen Ning @ Alice Lin
(57)

Independent Director and Chairman of the Audit & Risk Management Committee



James Toh Ban Leng
(60)

Lead Independent Director, Chairman of the Remuneration Committee, Member of the Audit & Risk Management Committee, and Member of the Nominating Committee



Loh Kin Wah
(70)

Independent Director, Member of the Nominating Committee, Member of the Remuneration Committee, and Member of the Strategy Committee



Tham Min Yew (Russell)
(57)

Non-Executive, Non-Independent Director, Member of the Nominating Committee, Member of the Remuneration Committee, and Member of the Strategy Committee

Board Statement

The Board of Directors (the "Board") is pleased to present AEM's Sustainability Report for FY2024. This Report highlights our ongoing commitment to excellence in ESG practices. It provides an overview of the progress we have made, the challenges we have encountered, and our strategic objectives.

Throughout FY2024, the management of climate-related risks and opportunities remained a priority. We maintained a strong focus on environmental stewardship as a key enabler of sustainable growth. This approach ensured full compliance with environmental regulations and avoided any non-compliance penalties. At the same time, we continue to explore ways to reduce our carbon footprint and enhance operational efficiencies, aligning with our long-term sustainability goals.

Under the strategic guidance of the Board, the management team implemented a range of initiatives designed to optimise operational processes and drive substantial economic value through innovative semiconductor testing solutions. These solutions meet the ever-evolving demands of the industry while solidifying our leadership in technological advancements.

Our dedication to social responsibility was further reinforced through a series of meaningful community engagement initiatives across our global operations. These efforts yielded positive outcomes in key areas such as education, wellness, and community development. This has benefited not only our employees but also the broader communities in which we operate. Through cultural events, charitable contributions, and employee recognition programs, we have strengthened our role as a responsible corporate citizen.

This comprehensive approach to corporate governance, integrating environmental, social, and economic pillars, exemplifies the leadership standards upheld by the Board. As we look ahead, we remain committed to continuous improvement, innovation, and transparent communication with all stakeholders. This ensures that AEM continues to lead in sustainability and create enduring value for all.

Sincerely,
Board of Directors
AEM Holdings Ltd.

We understand that the success of our business is deeply interconnected with the sustainable growth of the communities and environments in which we operate globally.

Our sustainability program is built upon three core pillars, which have served as the cornerstone of our commitment to sustainability.



Sustainable Growth

We are dedicated to maintaining the highest standards of ethical behaviour, corporate governance, financial prudence, and risk management. This commitment is essential to enhancing our decision-making processes and delivering sustained value to our stakeholders

Economic Performance
(GRI 201)

Corporate Governance & Anti-Corruption
(GRI 205)

Environmental Conscientiousness

Our strategy for addressing climate change focuses on reducing our operational footprint and embedding sustainable supplier management practices throughout our entire value chain.

Energy
(GRI 302)

Water Management
(GRI 303)

Emissions
(GRI 305)

Waste Management
(GRI 306)

Supplier Environmental Assessment
(GRI 308)

Supplier Social Assessment
(GRI 414)

Solidifying Relationships with Our Stakeholders

Our commitment to fostering a cohesive business organisation is centred around nurturing our workforce and cultivating long-term, positive relationships with our stakeholders and the communities where we operate.

Employment
(GRI 401)

Occupational Health and Safety
(GRI 403)

Training and Education
(GRI 404)

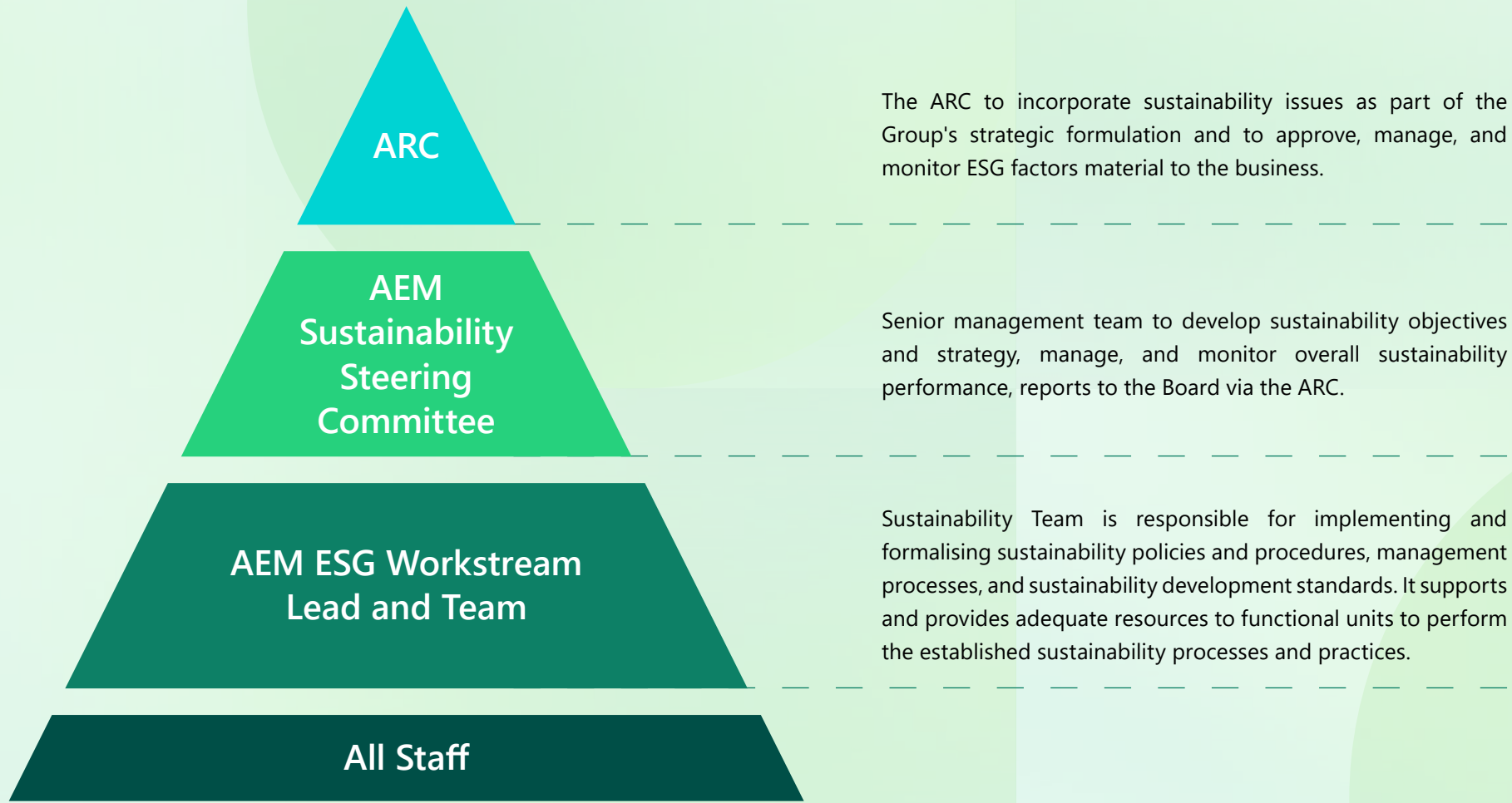
Diversity and Equal Opportunities
(GRI 405)

Market Presence and Contribution
(GRI 202)

Giving Back To The Community
(GRI 413)

Customer Health and Safety
(GRI 416)

Customer Privacy
(GRI 418)



Sustainability Governance

The strategic oversight of the Company's sustainability efforts is provided by the Board. Under the Board's guidance, the Audit and Risk Management Committee ("ARC") plays a central role in integrating sustainability into the Group's strategic framework. The ARC also oversees the identification, management, and monitoring of the material ESG factors that impact the business. In line with the updated SGX sustainability reporting requirements, all Board members have undertaken mandatory sustainability training to ensure they possess the necessary knowledge to guide the Company's sustainability initiatives effectively.

Our sustainability initiatives are driven by the Sustainability Team (the "Team"), a diverse group of employees from various departments with expertise across

different areas. The Team is responsible for advancing sustainability initiatives within the organisation, crafting policies and procedures that align with best practices, and ensuring their effective implementation. They also serve as a resource for other teams within AEM, helping to incorporate sustainability across all functions.

The Sustainability Steering Committee ("SSC"), composed of senior management, plays a key role in shaping and monitoring AEM's sustainability strategies. The SSC evaluates the Group's sustainability performance on an annual basis, providing regular updates to both the Board and the ARC. Collaborating closely with the Sustainability Team, the SSC helps identify key ESG issues, set measurable targets, and define key performance indicators for tracking progress across short-term, medium-term, and long-term horizons.

Stakeholder Engagement

AEM is dedicated to building strong relationships with our stakeholders, actively listening to their concerns and safeguarding their interests. By gathering valuable feedback, we are able to identify key ESG issues that align with stakeholder expectations, which in turn shapes our sustainability strategy. For more information, our stakeholder engagement policy is available on our corporate website.

We have identified seven primary stakeholder groups, each of which plays a role in influencing our operations, being impacted by our activities, or providing expert insights on relevant ESG topics. To facilitate open dialogue and gather a broad range of perspectives, we engage with our stakeholders through various communication channels, as outlined below.

Employees

Engagement Methods	Focus Areas	AEM's Response
Regular staff communication sessions or other improprieties	Benefits and remuneration	To encourage greater workplace diversity by taking a merit-based approach to hiring and retaining staff
Annual performance evaluation	Career advancement	To provide all staff with equal opportunities for professional development and capability building
Perception surveys	Health and safety	To promote a safe and inclusive working environment by engaging employees at all levels and facilitating two-way internal communication
Social and team-building activities		

Customers

Engagement Methods	Focus Areas	AEM's Response
Scheduled and ad-hoc site visits, calls, and reviews	Engineering and development capability	To invest in our talent resources and engineering capability
Customer satisfaction surveys	Operational and financial performance	To maintain excellent operational and financial performance
Exhibitions and trade shows		To ensure the transparent and timely dissemination of information about material developments
Annual reports		

Suppliers

Engagement Methods	Focus Areas	AEM's Response
Scheduled and ad-hoc site visits, calls, and reviews	Quality and reliability of suppliers	To assess suppliers based on their track record, capabilities, and their ability to complement AEM's commitment to delivering high-quality products and services
Supplier review	Social and environmental impact	To review suppliers with respective full assessments to drive regulatory adherence and delivery of less environmentally impactful products and services to AEM
Annual supplier audits and mass communication containing an annual supplier declaration	Adherence to regulatory requirements for substances in articles (e.g. PFAS, PIP)	





Community

Engagement Methods	Focus Areas	AEM's Response
Participation in community service initiatives	Social-economic development	To support meaningful causes by making donations to local community organisations

Government and Regulatory Bodies

Engagement Methods	Focus Areas	AEM's Response
Keeping abreast with regulatory changes	Regulatory compliance	To comply with all relevant laws and regulations in the jurisdictions we operate in
Scheduled and ad-hoc site visits and training sessions	Environmental impact	To continually invest in skills upgrading to improve talent resources and engineering capability
	Job creation	
	Capability building	

Investors and Shareholders

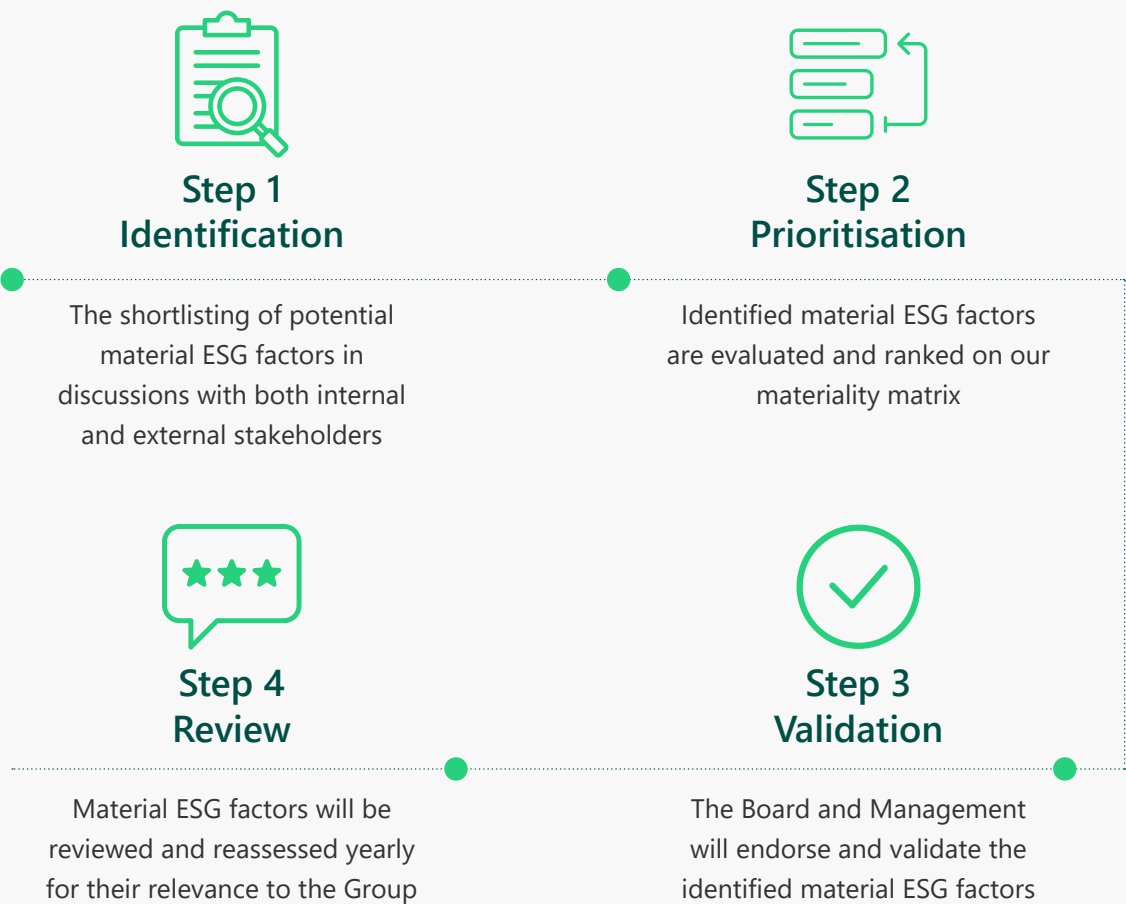
Engagement Methods	Focus Areas	AEM's Response
Quarterly business outlook updates	Business continuity	To maintain excellent operational and financial performance
Half-yearly SGX results announcements and briefings	Investor relations management	To ensure the transparent and timely dissemination of information about material developments
Ad-hoc press releases		
Annual General Meetings ("AGM")		

Industry Bodies




Engagement Methods	Focus Areas	AEM's Response
Presentation at industry seminars and trade shows	Challenges affecting the semiconductor industry	Active membership and participation in industry forums and events
Industry networking events		

Materiality Assessment

AEM’s materiality assessment process references the four-step approach outlined in GRI 3: Material Topics 2021.



The Board and management have reviewed the material topics for this year’s report and determined that the sixteen (16) material topics identified in the previous year remain relevant to AEM's business and stakeholders.

Sustainability Pillars	Material Topics	GRI Standards
 Sustainable Growth	Corporate Governance and Anti-Corruption	GRI 205
	Economic Performance	GRI 201
 Environmental Conscientiousness	Supplier Environmental Assessment	GRI 308
	Supplier Social Assessment	GRI 414
	Energy	GRI 302
	Emissions	GRI 305
	Waste Management	GRI 306
	Water Management	GRI 303
 Solidifying Relationships with our Stakeholders	Employment	GRI 401
	Occupational Health and Safety	GRI 403
	Training and Education	GRI 404
	Diversity and Equal Opportunity	GRI 405
	Market Presence and Contribution	GRI 202
	Giving back to the Community	GRI 413
	Customer Health and Safety	GRI 416
	Customer Privacy	GRI 418

Sustainable Growth

AEM is deeply committed to fostering strong leadership, a values-driven organisational culture, and robust corporate governance, all supported by well-established policies and processes. These principles are essential in maintaining AEM’s standing as a leading global player in the technology equipment industry.



At the core of AEM's operations is a dedication to upholding the highest standards of corporate governance. Our strategic planning and decision-making are firmly based on ethical practices, financial discipline, and effective risk management, all designed to generate sustainable long-term value for our stakeholders.

Corporate Governance & Anti-Corruption
(GRI 205-1)

Economic Performance
(GRI 201-1)

Overview



Material Topic	FY2024 Performance	Perpetual Targets
 Corporate Governance & Anti-Corruption	Zero cases of bribery, corruption or other material non-compliance with the laws and regulations in the jurisdictions where we operate.	<p>To maintain zero cases of bribery and corruption.</p> <p>To maintain zero cases of material non-compliance with laws and regulations in the jurisdictions where we operate.</p>
 Economic Performance	Disclosed and published quarterly business updates and half-yearly results in a timely manner and in accordance with accepted financial reporting standards.	To maintain disclosure and publication of quarterly business updates and half-yearly results in a timely manner and in accordance with accepted financial reporting standards.

Corporate Governance & Anti-Corruption

(GRI 205-1)



AEM is firmly dedicated to maintaining legal and ethical business practices throughout all aspects of its operations. To reinforce this commitment, we have established the AEM Code of Business Conduct ("the AEM Code"), which applies to both AEM and our global subsidiaries. The code sets rigorous standards for professionalism, integrity, and ethics, and it is compulsory for all AEM employees, including the Board and management team, to understand and comply with its guidelines. Additionally, the AEM Code is publicly available on our corporate website for transparency.

ANTI-CORRUPTION

AEM enforces a zero-tolerance approach towards bribery, corruption, extortion, and embezzlement. This ensures that the highest standards of integrity and accountability are maintained across our operations. To support this commitment, we have implemented comprehensive internal anti-bribery and anti-corruption policies and procedures. These policies are available to all employees, ensuring that they are aware of and adhere to the required standards.

Additionally, our Whistle-Blowing Policy is available on our corporate website. It offers a confidential and retaliation-free platform for employees and third parties

to report concerns. These concerns may relate to financial reporting, workplace safety, or other issues and can be reported directly to the Company's compliance officer who will ensure that such issues are properly brought to the attention of the ARC or resolved by the management or such parties as appropriate in order to ensure that reports are dealt with independently by persons having no direct involvement with or in-line management functions over matters raised or persons named in such report.

For FY2024, AEM conducted a thorough risk assessment across its operations, including manufacturing and production facilities in Singapore, Malaysia, Indonesia, Vietnam, Finland, France, South Korea, and United States of America to evaluate potential corruption risks. This assessment confirmed that there were no incidents of corruption during the year.

	FY2022	FY2023	FY2024
Total number of key operations assessed for risks related to corruption	10	10	10
Total number of key operations in the corresponding year	10	10	10
Percentage of key operations assessed for risks related to corruption	100%	100%	100%

CONFLICTS OF INTEREST

At AEM, we require all employees who are in contact with customers, suppliers, vendors, contractors, or subcontractors in the normal course of work as well as all managers or with equivalent position and above to disclose any potential or actual conflicts of interest through an annual declaration. For other employees, the requirement for declaration of interest will be determined on a case-by-case basis at the discretion of the management, or at the request or recommendation of the respective employee concerned. Transactions involving interested parties are also reported to the ARC. Following these disclosures, we implement the necessary internal controls



to ensure impartial handling of such transactions, thereby safeguarding the interests of all shareholders.

To comply with SGX Listing Rule 1207(19), the Group has introduced an internal compliance code. This code establishes clear guidelines for the proper handling of AEM's securities, ensuring employees adhere to both legal and ethical standards.

In FY2024, there were no reported cases of significant misconduct related to AEM's business practices or operations, nor any significant incidents of legal or regulatory non-compliance. The Group remains committed to maintaining the highest standards of integrity, ensuring that employees consistently demonstrate ethical behaviour in their interactions with customers, vendors, government agencies, and within the company.



Economic Performance

(GRI 201-1)

The Group aims to maintain a resilient leadership position in long-term technological innovation within the semiconductor and electronic testing sectors. We focus on creating economic value for stakeholders by delivering advanced technologies, offering improved products, driving productivity through cost reduction and lean operations, and encouraging employees to patent innovative ideas, thereby enhancing value generation for our shareholders.

For FY2024, the Group saw a decline in financial performance, with reported revenue of S\$380.4 million. Despite experiencing lower revenue, the Group remained committed to its production activities, ensuring the continuation of operations to fulfil long-dated, non-cancellable purchase orders. This strategic approach was aimed at meeting future sales demands, underscoring the Group's dedication to maintaining a steady supply chain and honouring contractual obligations. By focusing on these long-term commitments, the Group prioritised operational stability and customer satisfaction, even during periods of reduced revenue.

	FY2022	FY2023	FY2024
Economic Value Retained (S\$' Million)	127.3	-3.4	32.2

Please refer to the financial statements in our Annual Report for more information on AEM's economic performance in FY2024.

Environmental Conscientiousness

Sustainable supplier management is a critical component of our sustainability strategy and a key focus of our efforts. This aspect of our operations is dedicated to ensuring that our supply chain functions efficiently, ethically, and sustainably. By prioritising these principles, we align our practices with international standards and industry best practices.

Supplier Environmental Assessment (GRI 308-1)

Supplier Social Assessment (GRI 414-1)





Energy (GRI 302-1, 302-3, 302-4)

Emissions (GRI 305-1, 305-2, 305-4)

Waste Management (GRI 306-1, 306-2, 306-3)

Water Management (GRI 303-5)

Overview

Material Topic	FY2024 Performance	Perpetual Targets
 Supplier Environmental Assessment, Supplier Social Assessment	<p>100% of key new suppliers were screened using environmental and social criteria.</p> <p>Respective suppliers participated in AEM Sustainability declarations to provide update with regards to their continuous alignment with AEM's environmental and social requirements, having either aligned their business practices with industry standards such as the ISO14001 or published their environmental policy or sustainability report in the public domain.</p> <p>Respective suppliers participated in AEM PFAS/PIP non-compliance declarations to provide updates and proposed replacement materials aligned to respective AEM customer's requests.</p>	<p>Screen 100% of key new suppliers using environmental and social criteria.</p> <p>Enhance our supply chain management assessment processes to strengthen our evaluation of suppliers' environmental and social practices.</p> <p>Screen 100% of applicable AEM suppliers using the yearly supplier declaration.</p>
 Energy and Emissions	<p>Increased Scope 1 direct GHG emissions and lower energy consumption resulted in lower Scope 2 indirect GHG emissions.</p> <p>Maintained FY2023 emissions intensity ratio.</p>	<p>Pursue energy reduction measures in our business activities by increasing energy efficiency and minimising wastage.</p> <p>Promote heightened conservation awareness and usage discipline amongst our employees.</p> <p>Track and document energy consumption and all relevant Scopes 1 and 2 greenhouse gas emissions at the facility and/or corporate level.</p>
 Waste Management	<p>An increase in the total amount of waste production activities in FY2024 as compared to FY2023 due to inclusion of data from an additional entity.</p>	<p>To further reduce the use of paper documentation and consumption.</p> <p>Refine measurement and reporting methods to manage other significant waste-related impacts from our manufacturing processes (e.g., chemical waste, used coolant, etc.).</p>
 Water Management	<p>Overall water consumption increased in FY2024.</p>	<p>To continue promoting water conservation awareness among our employees.</p> <p>To take measures to reduce water consumption, e.g., by using reclaimed water, motion sensor taps, and spring faucets.</p>

Sustainable Supplier Management

(GRI 308-1, 414-1)

Maintaining open and transparent communication with suppliers is vital to fostering trust, mitigating risks, and achieving AEM’s long-term business objectives.

To evaluate potential environmental and social risks associated with suppliers, we conduct comprehensive screenings of all new suppliers during the selection process. These evaluations, as outlined in our supplier screening guide, address key issues such as pollution, contributions to global warming, child labour, breaches of customer privacy, and non-compliance with social and economic regulations. By incorporating these criteria, we ensure our suppliers uphold AEM's commitment to sustainability and high-quality standards for products and services.

In addition, we carry out annual performance reviews of our suppliers to assess their compliance with labour, environmental, health, safety, and ethical practices in line with the AEM Code. During FY2024, we onboarded 19 new key suppliers (FY2023: 20). We are proud to report that none of our existing suppliers were identified as having significant adverse environmental or social impacts.

Supplier Environmental Assessment

(GRI 308-1)

Our procurement team follows a comprehensive screening guide that includes specific environmental criteria to ensure all suppliers align with our Environmental Management System standards. We require that our key suppliers either adhere to recognised industry certifications, such as ISO 14001, or provide their environmental policies and sustainability reports upon request. Furthermore, we ensure that none of our existing suppliers have been involved in any significant incidents of non-compliance with local regulations. This year, we screened 100% of new key suppliers using environmental criteria (FY2023: 100%).

Supplier Social Assessment

(GRI 414-1)

In the same vein, we conducted a social assessment of new suppliers using our supplier screening guide. This year, we screened 100% of new key suppliers using social criteria (FY2023: 100%).

Minimising Our Environmental Footprint Energy

(GRI 302-1, 302-3, 302-4)

Energy plays a vital role in AEM’s operations, as our manufacturing and testing processes rely heavily on specialised, energy-intensive equipment. While this equipment contributes to higher utility costs, it is indispensable to the core functions of our business.

We are committed to implementing cost-effective strategies to enhance energy efficiency, minimises energy usage, and reduce waste, all of which are key to our environmental sustainability goals. To achieve this, we have several ongoing energy-saving initiatives at our Singapore headquarters and major global manufacturing sites, including:

- replacing outdated equipment with newer, more energy-efficient alternatives, and
- raising awareness among employees about energy conservation through posters and briefings, promoting responsible energy use.



This year, the Group consumed a total of 11,861 MWh of electricity, down from 16,580 MWh in FY2023 by a significant 28%. This is in line with lower business activity and aided by optimised space usage, as seen in the slight decrease energy intensity ratio of 0.031 MWh/S\$’000 (FY2023: 0.034 MWh/S\$’000). The breakdown of electricity usage can be seen in the table below.

In addition, we are exploring renewable energy options, such as the installation of solar panels. A noteworthy example of this effort is at our subsidiary CEI, which has installed solar panels at its Singapore facility, generating approximately 230,000 kWh of electricity annually for our own use.

In FY2024, diesel consumption (predominantly utilised by commercial vehicles) amounted to 1.2% of the total energy used, which is an increase in proportion due to the overall reduction of electricity consumed.

The following table depicts the changes in AEM’s energy intensity ratio.

	FY2022	FY2023	FY2024
Energy Consumed (MWh)	17,710	16,580	11,861
Revenue (S\$ 'Million)	870.5	481.3	380.4
Energy Intensity Ratio (MWh/ S\$'000)	0.020	0.034	0.031



Emissions

(GRI 305-1, 305-2, 305-4)



The growing threat of climate change impacts not only the communities where we live and work but also AEM’s sustainability goals and long-term viability as an organisation. To address the risks climate change poses, we actively participate in global initiatives aimed at reducing greenhouse gas (“GHG”) emissions. Emissions are monitored throughout every stage of our manufacturing process, enabling us to collect data and identify areas for significant reduction. Since a substantial portion of AEM’s carbon footprint comes from indirect emissions linked to purchased energy, optimising energy use remains a core focus of our efforts to lower overall GHG emissions.

The table below presents the total emissions and emission intensity ratio for AEM.

	FY2022	FY2023	FY2024
Scope 1 Direct GHG Emissions¹ (tCO2e)	35	27	39
Scope 2 Indirect GHG Emissions (tCO2e)	11,532	10,581	8,357
Revenue (S\$ ‘Million)	870.5	481.3	380.4
Emission Intensity Ratio (tCO2e/ S\$’000)	0.01329	0.02204	0.02207

¹Note: Direct GHG emissions includes carbon dioxide equivalent emissions from the consumption of diesel by commercial vehicles.

We are dedicated to further reducing emissions through continuous monitoring of our energy consumption, the adoption of eco-friendly technologies, and ongoing efforts to raise awareness about environmental issues.

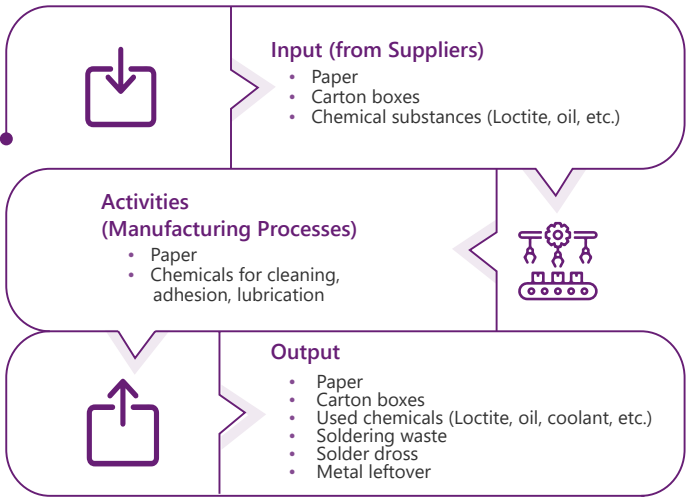
To establish robust quantitative targets, we are currently refining our data collection process, with the intention of designating FY2025 as our baseline year.

Waste Management

(GRI 306-1, 306-2, 306-3)

AEM acknowledges that waste generation is an inherent aspect of our operations. This arises from materials supplied by our vendors as well as by-products generated during manufacturing and other operational processes. To address this, we are committed to implementing effective waste management practices that minimise environmental impact while promoting sustainability.

Waste Generated



Our waste management process follows a four-step approach: identification, management, reduction, and responsible disposal or recycling of the waste we produce. At AEM, waste is primarily classified into three categories: hazardous waste (including chemical waste), recyclable waste (such as metals, paper, and plastic), and general waste, which accounts for the majority of our waste generation.

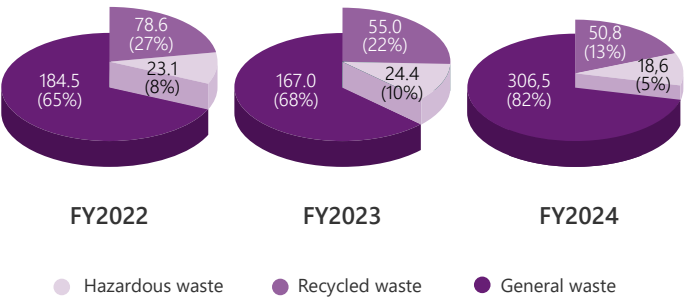
The Group is deeply committed to advancing waste reduction initiatives throughout its operational and manufacturing sites. Particular emphasis is placed on minimising key waste streams, such as soldering waste, solder dross, and carton boxes. In support of Singapore’s goal to become a Zero Waste Nation, we have amplified our efforts to reduce waste and adopt more sustainable waste management practices. Key initiatives include:

- Shifting from paper-based records to digital formats in various internal processes;
- Partnering with external recycling service to manage waste from our manufacturing and operational activities, including metal remnants from production;
- Reusing carton boxes and plastic pallets;
- Phasing out the use of hydrofluoroether (“HFE”) in our new equipment.

While FY2024 shows an increase in waste generation and intensity, this is primarily due to enhanced data collection practices. This year, we have expanded our reporting scope to include data from an additional entity, providing a more accurate representation of our total waste generation.

	FY2022	FY2023	FY2024
Total Weight of Waste Generated (tonnes)	286.2	246.4	375.9
Waste Generated per revenue (tonnes/S\$ ‘Million)	0.33	0.51	0.99

Total weight of waste generated (in metric tons)



Water Management

(GRI 303-5)

AEM acknowledges the critical importance of water as a global resource and has made responsible water usage a key focus within our sustainability strategy. In line with national water conservation goals, we have introduced several initiatives at our operational and manufacturing facilities to reduce consumption and enhance water efficiency. These initiatives include:

- Promoting water conservation awareness among our employees through educational posters and briefings, stressing the importance of responsible water usage; and
- Upgrading our facilities with motion-sensor taps and spring faucets to reduce water wastage and improve overall water efficiency.

Over the years, AEM has consistently monitored and managed our water usage. For FY2024, the Company’s overall water consumption increased slightly from FY2023.

	FY2022	FY2023	FY2024
Total Water Consumption from All Areas (m3)	74,076	109,740	114,853
Water Consumed per Monetary Unit of Sales (m3/S\$’000)	0.085	0.228	0.302



Solidifying Relationships with Our Stakeholders

At AEM, our success is the result of the collective contributions of our team. We are dedicated to fostering an inclusive and healthy work environment that encourages initiative, supports continuous learning, and fosters the exchange of innovative ideas.

Central to our strategy for managing human capital, this approach helps us drive growth and build long-term value. By empowering employees and nurturing talent, we aim to achieve sustained success for the organisation.

Employment
(GRI 401-1, 401-2)

Occupational Health and Safety
(GRI 403-1, 403-2, 403-4, 403-9, 403-10)

Training and Education
(GRI 404-1, 404-2, 404-3)

Diversity and Equal Opportunities
(GRI 405-1)

Market Presence and Contribution
(GRI 202-1, 202-2)




Local Communities
(GRI 413-1)

Customer Health and Safety
(GRI 416-1)






Customer Privacy
(GRI 418-1)

Overview



Material Topic	FY2024 Performance	Perpetual Targets
 Employment	Decrease of 204 employees compared to FY2023.	Ensure accessibility to a variety of resources and tools to implement fair and progressive employment practices within AEM. To attract and retain talent with competitive remuneration and welfare packages.
 Occupational Health and Safety	Zero cases of recordable work-related ill health, high-consequence work-related injuries, and fatalities resulting from work-related injuries or ill health.	Zero cases of recordable work-related ill health, high-consequence work-related injuries, and fatalities resulting from work-related injuries or ill health. Ensure that our practices at AEM are in line with internationally agreed best practices for OH&S management systems, for the prevention of harm and promotion of health at work. Establish a comprehensive occupational accident/ work injury compensation insurance plan for our employees.
 Training and Education	Average training hours per employee decreased slightly to 33.8 hours. 100% of eligible employees underwent annual performance appraisal.	Maintain our commitment to training and skills upgrading for all employees. Empower employees to meet their personal and professional development goals. To achieve 100% of eligible employees receiving regular performance and career development reviews.

Overview

Material Topic	FY2024 Performance	Perpetual Targets
<div><div>Diversity and Equal Opportunity</div></div>	<p>Zero reported instances of discrimination in the workplace.</p> <p>Maintained a relatively balanced gender diversity ratio of AEM's workforce for FY2024.</p>	<p>Ensure equal opportunities and career progression are made available and accessible to all employees regardless of gender, race, or age.</p> <p>Encourage greater diversity in our workforce and achieve a fair representation of various diversity categories within AEM's governing body and senior management team.</p>
<div><div>Market Presence and Contribution</div></div>	<p>Zero significant instances of non-compliance with all applicable labour laws.</p> <p>All minimum wage laws adhered to.</p> <p>Majority of senior management hired from local communities.²</p>	<p>Continue to adhere to minimum wage laws in countries we operate in.</p> <p>Maintain significant majority of senior management hired from local communities.</p>
<div><div>Local Communities</div></div>	<p>AEM significantly contributed to local communities through a series of health, education, safety, and wellbeing initiatives across various AEM sites, fostering community engagement and social responsibility.</p>	<p>To partner with charity organisations in improving the local communities' welfare.</p> <p>Pursue other means of giving back to our community, in addition to cash donations and sponsorships.</p>
<div><div>Customer Health and Safety</div></div>	<p>Zero significant incidents of non-compliance with regulations and/ or voluntary codes concerning the health and safety impacts of our products and services.</p>	<p>Deliver quality products and services that fulfil statutory and regulatory requirements and satisfy customers' needs.</p>
<div><div>Customer Privacy</div></div>	<p>Zero reports or complaints concerning breaches of customer privacy and loss of customer data.</p>	<p>Maintain zero substantiated complaints and sustain our efforts to safeguard customer privacy.</p>

²Refer to appendix for detailed breakdown of proportion of senior management hired from local communities



Managing Our Human Capital

At AEM, our success is the result of the collective contributions of our team. We are dedicated to fostering an inclusive and healthy work environment that encourages initiative, supports continuous learning, and fosters the exchange of innovative ideas. Central to our strategy for managing human capital, this approach helps us drive growth and build long-term value. By empowering employees and nurturing talent, we aim to achieve sustained success for the organisation.



Employment

(GRI 401-1, 401-2)

At AEM, we are dedicated to upholding the human rights of all employees, both current and prospective, in accordance with the AEM Code. Our commitment includes strict adherence to labor standards that promote freedom of employment, prohibit child labor, prevent discrimination, and protect the right to freely associate, all while complying with local laws. We believe that fostering ethical labor practices is essential in attracting and retaining a diverse, skilled workforce, which is crucial for AEM's continued sustainable growth.

Talent management and retention is a key focus for us, and we offer competitive compensation packages. These packages include base salaries, allowances, cash bonuses, and opportunities to participate in our share equity plan. Our remuneration strategy incorporates a variable, performance-based component that rewards individuals for their skills, responsibilities, and long-term contributions. Additionally, we celebrate long service by recognising and honoring the dedication and contributions of our staff. As of 31 December 2024, the total number of employees at AEM was 2,372, representing a decrease of 204 employees compared to the prior year.

That notwithstanding, we are continuously fine-tuning and improving our talent management and retention strategies aimed at strengthening our internal capabilities aligned with business needs, to position us for future success.

Occupational Health and Safety

(GRI 403-1, 403-2, 403-4, 403-9, 403-10)

At AEM, we prioritise the safety and well-being of our employees above all else. To ensure occupational health and safety ("OH&S"), we have established the Workplace Safety and Health ("WSH") Group, which is responsible for promoting a safety-first culture across the organisation. This group conducts regular safety checks, delivers ongoing training and drills, and ensures that any accidents or emergencies are reported to the relevant authorities in a timely manner. Monthly meetings are held by the WSH Group to address key safety topics, focusing on employee engagement and effective communication regarding safety matters.

The WSH Group proactively manages work-related risks and hazards, protecting the well-being of employees, contractors, and visitors. Our safety manual, which follows the hierarchy of controls, outlines clear procedures to manage potential risks. The safety policy is built upon compliance, communication, continuous training, accountability, and leadership, which are fundamental to our approach.

To stay in line with the guidelines from the Singapore Ministry of Manpower's Code of Practice, we regularly review and update our risk management processes, ensuring they meet the highest standards. We ensure all employees are well-versed in safety procedures through regular briefings, risk assessments, and orientation programs. Employees are encouraged to report unsafe conditions or incidents through various channels such as direct communication with supervisors, safety committee members, or on-site suggestion boxes. Quarterly meetings allow employees to discuss hazards and suggest improvements, with supervisors addressing these concerns and taking corrective actions promptly.

AEM introduced the "Zero Accidents, Zero Excuses" slogan in 2023 to emphasise our commitment to safety. This aspirational goal motivates everyone in the organisation to strive for safety excellence, instilling a sense of shared responsibility and purpose across the Company.

Preventing safety incidents and continuously enhancing our safety standards are essential to our success. Every safety incident, regardless of severity, is treated as a learning opportunity. When incidents do occur, we conduct thorough investigations to identify the root cause, implement corrective actions to prevent future occurrences, and update our safety management system accordingly.

To enhance safety during equipment testing, we have introduced smart cameras for real-time monitoring. We

also conduct regular safety audits and reviews to address potential risks before they escalate. Employees are encouraged to participate in the continuous improvement of safety practices, and we provide them with the knowledge and skills necessary to maintain a safe working environment. Safe behaviour is recognised and rewarded to further strengthen our safety culture.

For the financial year under review, there were 3 minor work-related injuries, and no work-related illnesses, severe injuries, or fatalities (FY2023: 2 recordable work-related injuries). This has resulted in an injury rate of 0.8 recordable injuries per million hours worked (FY2023: 1.7).

In line with our commitment to employee well-being, AEM ensures access to non-occupational healthcare services. Our employees benefit from company-sponsored health insurance plans and partnerships with healthcare providers, ensuring they receive essential healthcare services beyond occupational needs.

AEM continues to position safety as a critical part in the 2024 Quality Improvement Plan. This included revamp of Behavioural Based Safety (BBS) Program to create a safety partnership between management and employees that continually improve safety by changing the behaviour of our employees. Safety Moment Sharing is another program introduced in 2024 to improve focus on safety. Safety Moment promotes safety engagement by triggering periodic discussion on different safety topic and reinforces important safety information to our employees.



ZERO ACCIDENTS, ZERO EXCUSES

Training and Education

(GRI 404-1, 404-2, 404-3)

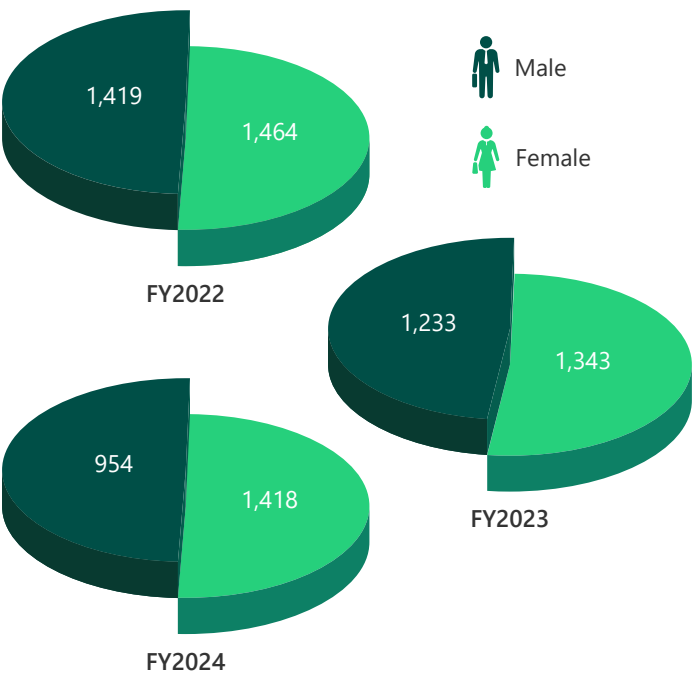
At AEM, we recognise that the technological and engineering expertise of our team plays a pivotal role in our success. To support this, we prioritise investment in training and development programs aimed at fostering continuous learning and enhancing employee skills and competencies.

We offer a variety of training opportunities, including both in-person and online trainings. Our Learning Management System (“LMS”), launched in June 2021, provides employees with access to e-learning courses and on-site classroom trainings. By encouraging our employees to take an active role in their professional development, we ensure they have the resources needed to grow and thrive. In FY2024, each employee received an average of 33.8 training hours (FY2023: 35.2 hours). This decrease is attributable to an overall decrease in new hires and headcount during the year under review.

Total Training Hours by gender

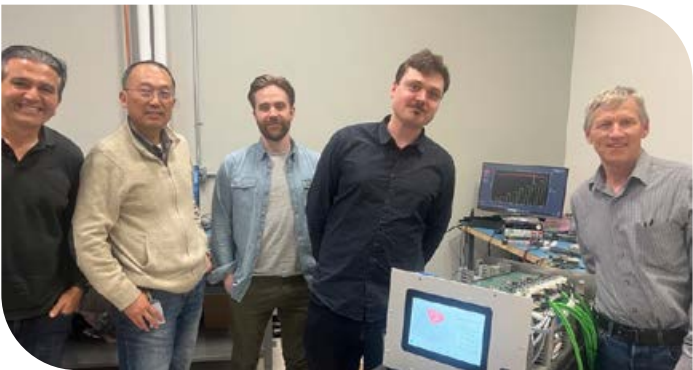


Employees Receiving Regular Performance and Career Development Reviews by gender



At AEM, we emphasise regular performance and career development discussions between employees and their managers. We are pleased to share that, in FY2024, every eligible employee participated in these review sessions.

To support ongoing development, we have implemented a structured approach across the Group to identify, track, and assess training needs. As part of this initiative, we have offered a wide range of courses for both management and staff. These courses cover key areas such as business leadership, finance, quality, safety, operational management, enterprise resource planning, personal effectiveness, and both functional and technical skills. Our goal is to ensure that our team is well-equipped to meet the industry's current and future demands.



Diversity and Equal Opportunities

(GRI 405-1)

AEM is committed to fostering a workplace culture that prioritises diversity, inclusion, and equality. We recognise the strength that comes from a workforce that represents a variety of genders, races, and nationalities, and we continuously strive to enhance our talent pool by recruiting from diverse backgrounds across the regions where we operate.

Our recruitment, training, and evaluation processes are built on fair employment principles, ensuring that decisions are made based on skills and qualifications, free from bias. We are dedicated to cultivating an environment where mutual respect and dignity are at the forefront, and we uphold a strict zero-tolerance policy towards harassment and discrimination in any form.

While the age distribution of our workforce has remained stable, we have made notable strides in achieving gender balance. In FY2024, women represented 60% of our workforce, increasing their representation in our workforce from the previous year. Furthermore, we now have a woman CEO, Ms Leong Chunyi Yin (Amy) who took on the role on 1 July 2024.

Additionally, we actively encourage our team members to share their career stories and experiences through various platforms, including magazines, social media, and internal communications. By spotlighting these personal narratives, we celebrate achievements, challenge industry stereotypes, and inspire others to explore opportunities in the semiconductor field. These efforts play a critical role in promoting diversity and empowering individuals to pursue their professional ambitions, reinforcing our commitment to fostering an inclusive culture both within AEM and in the broader industry.

Market Presence and Contribution

(GRI 202-1, 202-2)

EMPLOYEE ENTRY WAGES

At AEM, we comply strictly with the minimum wage regulations in every country where we have operations. In FY2024, we made sure that all entry-level employees in countries with established minimum wage laws—such as Malaysia, China, Indonesia, the USA, France, South Korea, and Vietnam—received at least the legally required compensation. We also ensure gender pay equality among our entry-level employees in these countries. In regions like Singapore and Finland, where no minimum wage laws are in place, AEM provides competitive compensation and benefits to our workforce.

LOCAL REPRESENTATION IN AEM'S LEADERSHIP

We recognise that a deep understanding of local markets is vital to our success as a global leader in test innovation. To strengthen our market position and benefit local economies, we prioritise local representation within our senior management team. The majority of our senior management, including general managers and higher-level roles, are recruited from the local workforce, reflecting our commitment to fostering local talent and leadership.



Giving Back to the Community

Our commitment to social responsibility drives us to make a positive impact on local communities by engaging our global workforce. We encourage employees to actively take part in community initiatives, such as participating in service projects, contributing to fundraising efforts, or making charitable donations.

Local Communities (GRI 413-1)

At AEM, we recognise that the well-being of the local communities in which we operate are integral to our success. As part of our corporate social responsibility, we are dedicated to making a positive and lasting impact in these communities. Our initiatives are focused on offering educational opportunities, enhancing health and wellness, fostering a culture of appreciation and recognition, and providing support to those in need. Below, we outline the efforts that reflect our commitment to improving the lives of individuals in communities globally.

Cultural Celebration

- **Chinese New Year Celebration:** Our AEM-CEI team in Singapore ushered in the Lunar New Year with festivities that fostered camaraderie and joy.
- **Deepavali Gift Giveaway:** In Malaysia, our AEM Penang team celebrated the Festival of Lights with a thoughtful gift distribution, spreading warmth and inclusivity.
- **Thanksgiving Celebration:** Our R&D team in California, USA, expressed gratitude and appreciation, reinforcing the spirit of togetherness.
- **Christmas Get-Togethers:** Festive cheer filled our global offices, including our Tempe Field Service team in USA, as colleagues celebrated the holiday season together.

Wellness and Health

- **“How to Lead a Mindful Way” Workshop:** Employees explored mindfulness techniques to enhance their focus and resilience at work.
- **“Unleashing Neck and Back Pain” Workshop:** Practical strategies were shared to alleviate common workplace discomforts and improve posture.
- **Firefighting Training Day:** Employees gained essential emergency response skills, reinforcing workplace safety.
- **Health Screening & Massage by the Blind:** Employees benefited from comprehensive health checkups and therapeutic massages, highlighting the importance of proactive healthcare.
- **Wellness Day:** A dedicated day for employees to recharge and prioritize self-care.

Team Bonding and Engagement

- **Breakfast Team Get-Together:** A casual yet meaningful gathering to foster closer ties among colleagues.
- **Durian Festival:** A uniquely Malaysian event where employees bonded over the country’s beloved king of fruits.

Through these varied initiatives, AEM underscores its dedication to social responsibility, actively contributing to the well-being of society and reinforcing our positive impact on local communities. We strive to create meaningful, lasting change by engaging with the communities we serve, ensuring that all stakeholders benefit from our efforts.



Protecting Our Customers

At AEM, our commitment to supporting customers in the swift launch of their next-generation products is built on a foundation of prioritising health and safety, safeguarding customer confidentiality, and meeting customer needs. Our Quality Policy Statement, which can be accessed on our website, highlights our dedication to ongoing improvement and excellence, with a key focus on ensuring the safety and satisfaction of our customers.

Customer Health and Safety (GRI 416-1)

AEM offers a wide array of core products and services, such as handling solutions, Automated Testing Equipment test solutions, Precision Cables, and contract manufacturing services. When introducing new products to the market, a rigorous validation and compliance checks are conducted to ensure that all products meet relevant health and safety standards, such as SEMI-S2/S8 and CE compliance, specific to the customer and region, before they are approved for shipment. Through this process, we carefully assess the health and safety impacts of our products and services. We are proud to report that there have been no significant instances of non-compliance with regulatory or voluntary codes regarding the health and safety impacts of our offerings in FY2024.

Customer Privacy (GRI 416-1)

We are committed to safeguarding the personal data of all our business partners, including suppliers, customers, employees, and other stakeholders. We fully comply with applicable privacy and data security laws in all regions where we operate and adhere to non-disclosure agreements with our business partners.

We carefully monitor any reports or complaints related to privacy violations or data breaches. We are proud to confirm that we do not have any such reports or complains in FY2024.



Task Force on Climate-Related Financial Disclosures



Climate change poses a significant threat to our planet, with observable shifts in weather patterns and an increase in extreme weather events worldwide. The 2023 Global Risk Report from the World Economic Forum underscores the urgent need to address this challenge to prevent severe impacts on societies, economies, and the environment over the next 5-10 years.

At AEM, our focus is on reducing our carbon footprint and enhancing climate resilience throughout our business operations. This report marks the second year of our efforts to fully implement the TCFD recommendations for climate-related disclosures, which we aim to complete by FY2025.

Below, we outline our phased approach to TCFD implementation and the timeline for its completion:



		YEAR 1 (FY2023)	YEAR 2 (FY2024)	YEAR 3 (FY2025)
Governance		Described the governance structures, including Board oversight and management's role.		
Strategy			Identified the climate-related risks, opportunities, and impacts.	Scenario analysis with quantitative outcomes.
Risk Management				Describe the processes for identifying, assessing, and managing climate related risks and how this is integrated with the organisation's overall risk management.
Metrics and Targets		Computed and disclosed AEM's major subsidiaries' operational carbon footprint (Scope 1 and Scope 2 GHG emissions).	Identified metrics used for the assessment.	Identify targets in quantitative terms



Governance

Please refer to the Corporate Governance section of our Annual Report where AEM has included the oversight of climate change risks and opportunities as part of the ARC’s responsibilities.



Risk Management

In FY2024, we initiated the process of formally integrating climate-related risks into our risk management. The SSC identified and assessed climate-related risks and opportunities that are relevant to AEM and rated these according to the impact it has on AEM and the likelihood of occurrence. We have chosen to report the risks and opportunities that were rated 12 and above, which we consider to be significant. Ultimately, climate-related risk information will be subject to the same rigorous internal controls and assurance processes as traditional financial risks.



Metrics and Targets

Recognising the importance of monitoring the Group’s performance on key environmental topics, we have included the following climate-related metrics in the earlier sections of this report:

Total energy consumption, categorised by source, along with the energy intensity ratio (see Energy GRI 302-1, 302-3, 305-4, page 20-21).

Scope 1 emissions, resulting from Diesel usage (see Emissions GRI 305-1, page 21).

Scope 2 emissions, stemming from electricity consumption (see Emissions GRI 305-2, page 21).

We are committed to continuously improving the quality and comprehensiveness of our disclosures in future reports.

Strategy

We anticipate ongoing evolution in our climate strategy, based on identifying our physical and transition risks. The following tables show the climate-related risks and opportunities identified by our major production sites.



Climate-related risks

Risk	Description	Countries Affected	Timeframe	Potential Financial Impact	Risk Mitigation Actions
Transition Risk (Policy and Legal)	Higher energy cost and potential carbon tax.	Singapore, Malaysia, Indonesia, Vietnam.	Medium, and long-term.	Higher cost of business due to higher energy cost and potential carbon tax.	Review and establish strategy to adopt renewable energy usage. Reduce carbon emissions by improvement of facility & usage of renewable energy. Raise employee awareness on energy conservation and sustainability.
	Operation delay, transitional rules and laws and increased costs due to shortage of raw materials will impact business.	Singapore, Malaysia, Indonesia, Vietnam.	Short, medium, and long-term.	Shortage of material will lead to increase in prices, and may cause us to be unable to meet the customer requirements.	Review & establish procurement strategy to address alternate materials development.
	Compliance to material environmental restriction and regulatory obligation requirement.	Singapore, Malaysia, Indonesia, Vietnam.	Medium, and long-term.	There may be significant investment into new technologies and processes required, or higher costs involved with obtaining materials that comply with regulations.	Strengthen supply chain management to keep in tandem to the changes in the material regulatory compliance requirement and/or restrictions (e.g. RoHs, Reach, PFAS etc).
Transition Risk (Technology)	Talent Acquisition & Retention.	Singapore.	Short, medium, and long-term.	Lack of sufficient & right talent can prevent further growth and innovation in organization to tackle changes from climate change.	Develop the talent building and retention program e.g. work life balance, career mapping, and progression plan. Promote awareness & appreciation through training and engagement in sustainability projects.
Transition Risk (Market)	Price sensitivity, ability to see the long-term cost effectiveness.	Singapore, Malaysia, Indonesia, Vietnam.	Short, medium, and long-term.	Higher cost of materials and increase in labour cost, will weaken competitiveness in market.	Continue to innovate Value Engineering to keep business competitive.

Climate-related opportunities

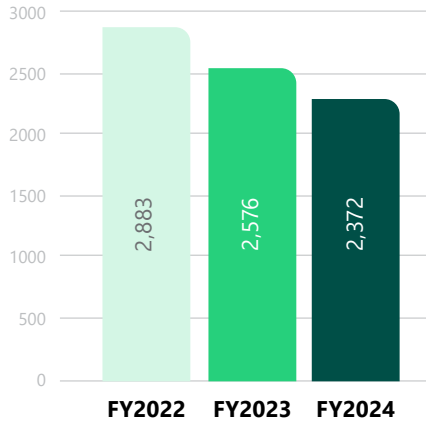
Description	Timeframe	Countries Affected	Potential Financial Impact	Opportunities
Usage of renewable energy source and use of energy saving facility equipment to reduce emissions.	Medium, and long-term.	Singapore, Malaysia, Indonesia, Vietnam.	Utilising renewable energy and energy-efficient equipment can lower energy costs and potentially provide access to government incentives or tax benefits. Reducing CO2 emissions can enhance brand reputation and potentially attract environmentally conscious customers, leading to increased sales and revenue.	Invest in energy-efficient equipment, including the usage of LED and motion sensors. Explore the usage of energy generated from solar panels or other renewable sources.

To better understand the resilience of the Group’s strategy under various climate scenarios, we are currently conducting a detailed climate-scenario analysis, which will be completed in FY2025. This marks a significant step in our ongoing journey of climate reporting.

Appendices

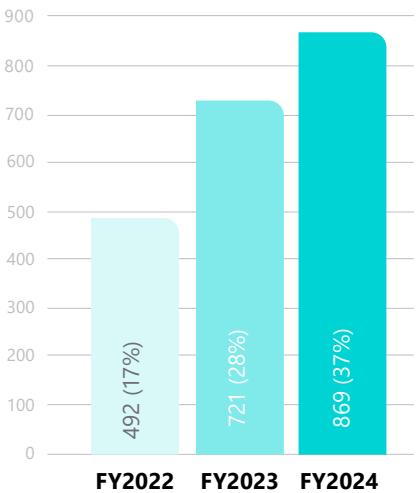
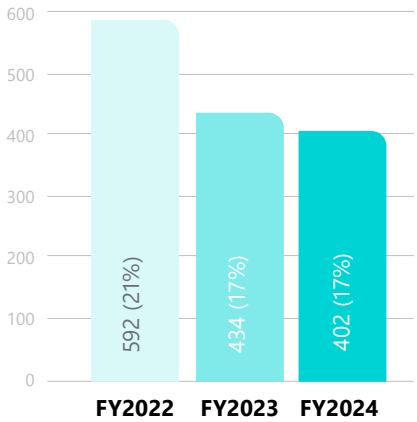
Social Performance: Employees

(GRI 2-7, 405-1)	FY2022	FY2023	FY2024
Total Number of Employees			
By Employee Category			
Operations & Support	1,831 (64%)	1,639 (64%)	1,520 (64%)
Professional	978 (34%)	863 (33%)	793 (33%)
Management	74 (2%)	74 (3%)	59 (3%)
By Gender			
Male	1,419 (49%)	1,233 (48%)	954 (40%)
Female	1,464 (51%)	1,343 (52%)	1,418 (60%)
By Age Group			
Under 30	1,477 (51%)	1,241 (48%)	1,193 (50%)
30-50	1,130 (39%)	1,056 (41%)	909 (38%)
Over 50	276 (10%)	279 (11%)	270 (12%)
Total	2,883	2,576	2,372



Social Performance: Employment

(GRI 401-1)	FY2022	FY2023	FY2024
Employee New Hire			
By Gender			
Male	367 (62%)	235 (54%)	146 (36%)
Female	225 (38%)	199 (46%)	256 (64%)
By Age Group			
Under 30	361 (61%)	265 (61%)	263 (65%)
30 – 50	188 (32%)	141 (33%)	120 (30%)
Over 50	43 (7%)	28 (6%)	119 (5%)
Total	592 (21%)	434 (17%)	402 (17%)
Employee Turnover			
By Gender			
Male	307 (62%)	376 (52%)	451 (52%)
Female	185 (38%)	345 (48%)	418 (48%)
By Age Group			
Under 30	230 (47%)	465 (64%)	482 (56%)
30 – 50	212 (43%)	193 (27%)	314 (36%)
Over 50	50 (10%)	63 (9%)	73 (8%)
Total	492 (17%)	721 (28%)	869 (37%)



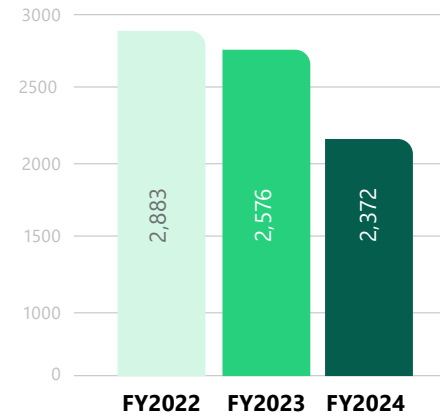
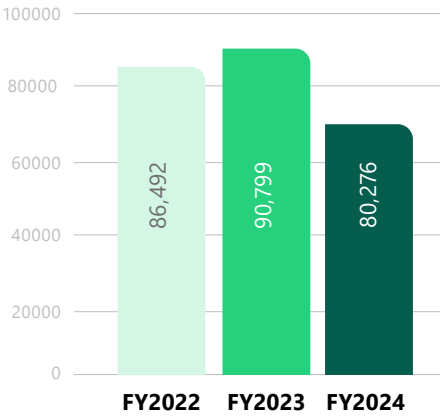
Social Performance: Diversity and Equal Opportunities

(GRI 405-1)	FY2022	FY2023	FY2024
Diversity within AEM’s Board of Directors			
By Gender			
Male	6 (86%)	6 (86%)	6 (86%)
Female	1 (14%)	1 (14%)	1 (14%)
By Age Group			
Under 30	0 (0%)	0 (0%)	0 (0%)
30 – 50	0 (0%)	0 (0%)	0 (0%)
Over 50	7 (100%)	7 (100%)	7 (100%)
Diversity within AEM’s Management			
By Gender			
Male	60 (81%)	60 (81%)	50 (85%)
Female	14 (19%)	14 (19%)	9 (15%)
By Age Group			
Under 30	1 (1%)	1 (1%)	0 (0%)
30 – 50	32 (44%)	36 (49%)	24 (41%)
Over 50	41 (55%)	37 (50%)	35 (59%)
Diversity within AEM’s Professional			
By Gender			
Male	629 (64%)	591 (68%)	495 (62%)
Female	349 (36%)	272 (32%)	298 (38%)
By Age Group			
Under 30	255 (26%)	241 (28%)	165 (21%)
30 – 50	545 (56%)	459 (53%)	465 (59%)
Over 50	178 (18%)	163 (19%)	163 (20%)
Diversity within AEM’s Operations & Support			
By Gender			
Male	731 (40%)	578 (35%)	409 (27%)
Female	1,100 (60%)	1,061 (65%)	1,111 (73%)
By Age Group			
Under 30	1,221 (67%)	997 (61%)	1,028 (68%)
30 – 50	545 (30%)	560 (34%)	420 (28%)
Over 50	65 (3%)	82 (5%)	72 (4%)

Social Performance: Training and Education

(GRI 404-1)	FY2022	FY2023	FY2024
Total Training Hours			
By Gender			
Male	17,976 (21%)	34,765 (38%)	19,832 (25%)
Female	68,516 (79%)	56,034 (62%)	60,444 (75%)
By Employee Category			
Operations & Support	75,758 (88%)	63,948 (70%)	64,715 (80%)
Professional	10,461 (12%)	26,381 (29%)	15,251 (19%)
Management	273 (0%)	470 (1%)	309 (1%)
Total Hours	86,492	90,799	80,276
Average Training Hours per Employee			
By Gender			
Male	12.7	28.2	20.8
Female	46.8	41.7	42.6
By Employee Category			
Operations & Support	41.4	39.0	42.6
Professional	10.7	30.6	19.2
Management	3.7	6.4	5.2
Overall Average	30.0	35.2	33.8

(GRI 404-3)	FY2022	FY2023	FY2024
Employees Receiving Regular Performance and Career Development Reviews			
By Gender			
Male	1,419 (100%)	1,233 (100%)	954 (100%)
Female	1,464 (100%)	1,343 (100%)	1,418 (100%)
By Employee Category			
Operations & Support	1,831 (100%)	1,639 (100%)	1,520 (100%)
Professional	978 (100%)	863 (100%)	793 (100%)
Management	74 (100%)	74 (100%)	59 (100%)
Total Employees	2,883 (100%)	2,576 (100%)	2,372 (100%)

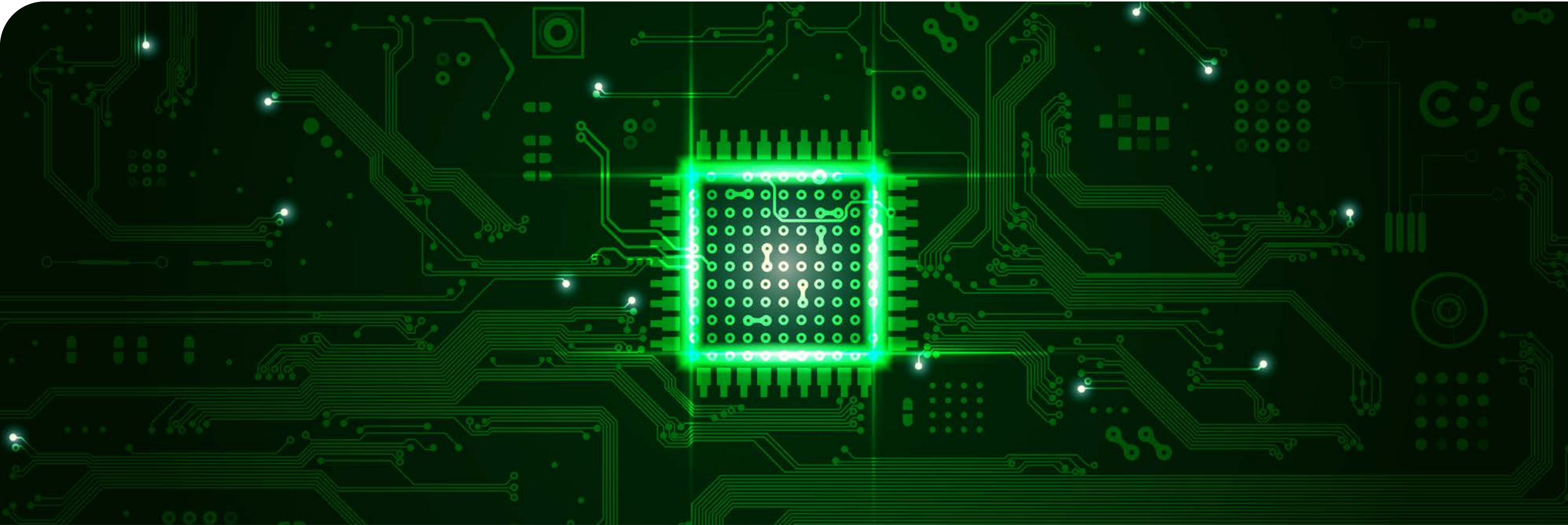


Social Performance: Occupational Health and Safety

	FY2022	FY2023	FY2024
Work-related injuries for all employees and workers (GRI 403-9)			
Number of fatalities	0	0	0
Number of high-consequence work-related injuries	0	0	0
Number of recordable work-related injuries	4	2	3
Work-related ill health for all employees and workers (GRI 403-10)			
Number of fatalities	0	0	0
Number of cases of recordable work-related ill health	0	0	0

Social Performance: Market Presence and Contribution

(GRI 405-1)	FY2022	FY2023	FY2024
Number and Proportion of Senior Management Hired from the Local Community			
By Region			
Singapore	5 (83%)	5 (100%)	4 (80%)
China	1 (100%)	0 (0%)	0 (0%)
Finland	1 (100%)	1 (100%)	1 (100%)
France	1 (100%)	1 (100%)	1 (100%)
Indonesia (Batam)	0 (0%)	0 (0%)	0 (0%)
Malaysia (Penang)	1 (100%)	1 (100%)	1 (100%)
North and Central America (U.S.A. and Costa Rica)	2 (100%)	2 (100%)	2 (100%)
South Korea	2 (100%)	2 (100%)	2 (100%)
Vietnam	1 (50%)	0 (0%)	0 (0%)



GRI CONTENT INDEX

Statement of Use	AEM Holdings Ltd. has reported the information cited in this GRI content index for the period 1 January 2024 to 31 December 2024 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standards	Disclosure Title	Page Reference
General Disclosures		
GRI 2: General Disclosures 2021	2-1 Organisational details	3
	2-2 Entities included in the organisation's sustainability reporting	10
	2-3 Reporting period, frequency and contact point	10
	2-5 External assurance	10
	2-6 Activities, value chain and other business relationships	3
	2-7 Employees	29
	2-9 Governance structure and composition	13
	2-10 Nomination and selection of the highest governance body	Annual Report: 35-36
	2-11 Chair of the highest governance body	Annual Report: 34-35
	2-12 Role of the highest governance body in overseeing the management of impacts	13
	2-13 Delegation of responsibility for managing impacts	13
	2-14 Role of the highest governance body in sustainability reporting	13
	2-15 Conflicts of Interest	Annual Report: 32-33
	2-16 Communication of critical concerns	Annual Report: 40-41
	2-17 Collective knowledge of the highest governance body	13
	2-18 Evaluation of the performance of the highest governance body	Annual Report: 36
	2-19 Remuneration policies	Annual Report: 36-39
	2-20 Process to determine remuneration	Annual Report: 36-39
	2-22 Statement on sustainable development strategy	10
	2-27 Compliance with laws and regulations	18
	2-29 Approach to stakeholder engagement	14-15
Material Topics		
GRI 3 : Material Topics 2021	3-1 Process to determine material topics	16
	3-2 List of material topics	16
Corporate Governance and Anti-Corruption		
GRI 3 : Material Topics 2021	3-3 Management of material topics	18
GRI 205 : Anti-Corruption 2016	205-1 Operations assessed for risks related to corruption	18



GRI Standards	Disclosure Title	Page Reference
Economic Performance		
GRI 3 : Material Topics 2021	3-3 Management of material topics	18
GRI 201 : Economic Performance 2016	201-1 Direct economic value generated and distributed	18
Sustainable Supplier Management		
GRI 3 : Material Topics 2021	3-3 Management of material topics	20
GRI 308 : Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	20
GRI 414 : Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	20
Energy and Emissions		
GRI 302 : Energy 2016	GRI 3 : Material Topics 2021 3-3 Management of material topics	20-21
	302-1 Energy consumption within the organisation	20
	302-3 Energy intensity	20
GRI 305 : Emissions 2016	302-4 Reduction of energy consumption	20
	305-1 Direct (Scope 1) GHG emissions	21
	305-2 Energy indirect (Scope 2) GHG emissions	21
	305-4 GHG emissions intensity	21
Waste Management		
GRI 306 : Waste 2020	GRI 3 : Material Topics 2021 3-3 Management of material topics	21
	306-1 Waste generation and significant waste-related impacts	21
	306-2 Management of significant waste-related impacts	21
	306-3 Waste generated	21
Water Management		
GRI 303 : Water and Effluents 2018	GRI 3 : Material Topics 2021 3-3 Management of material topics	21
	303-5 Water consumption	21
Employment		
GRI 401 : Employment 2016	GRI 3 : Material Topics 2021 3-3 Management of material topics	24
	401-1 New employee hires and employee turnover	24, 29
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	24

GRI CONTENT INDEX

GRI Standards	Disclosure Title		Page Reference
Occupational Health and Safety			
GRI 3 : Material Topics 2021	3-3	Management of material topics	24
GRI 403: Occupational Health and Safety 2018	403-1	Occupational health and safety management system	24
	403-2	Hazard identification, risk assessment, and incident investigation	24
	403-4	Worker participation, consultation, and communication on occupational health and safety	24
	403-9	Work-related injuries	24, 31
	403-10	Work-related ill health	24, 31
Training and Education			
GRI 3 : Material Topics 2021	3-3	Management of material topics	25
GRI 404 : Training and Education 2016	404-1	Average hours of training per year per employee	25, 30
	404-2	Programs for upgrading employee skills and transition assistance programs	25
	404-3	Percentage of employees receiving regular performance and career development reviews	25, 30
Diversity and Equal Opportunities			
GRI 3 : Material Topics 2021	3-3	Management of material topics	25
GRI 405 : Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	25, 30
Market Presence and Contribution			
GRI 3 : Material Topics 2021	3-3	Management of material topics	25
GRI 202 : Market Presence 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	25
	202-2	Proportion of senior management hired from the local community	25, 31
Giving Back to the Community			
GRI 3 : Material Topics 2021	3-3	Management of material topics	26
GRI 413 : Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	26
Customer Health and Safety			
GRI 3 : Material Topics 2021	3-3	Management of material topics	26
GRI 416 : Customer Health and Safety 2016	416-1	Assessment of the health and safety impacts of product and service categories	26
Customer Privacy			
GRI 3 : Material Topics 2021	3-3	Management of material topics	26
GRI 418 : Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	26

TCFD CONTENT INDEX

Disclosure Focus Area	Recommended Disclosure	Page Reference/ Remarks
Governance		
Disclose the organisation's governance around climate-related risks and opportunities.	a. Describe the board's oversight of climate-related risks and opportunities.	13
	b. Describe management's role in assessing and managing climate-related risks and opportunities	13, 28
Strategy		
Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.	28
	b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.	
	c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	As part of reporting in our phased approach, AEM will be disclosing this in FY2025's sustainability report.
Risk Management		
Disclose how the organisation identifies, assess, and manages climate-related risks.	a. Describe the organisation's processes for identifying and assessing climate-related risks	As part of reporting in our phased approach, AEM will be disclosing this in FY2025's sustainability report.
	b. Describe the organisation's processes for managing climate-related risks	
	c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.	
Metrics and Targets		
Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	28
	b. Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.	
	c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.	As part of reporting in our phased approach, AEM will be disclosing this in FY2025's sustainability report.



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