



**BOUNDLESS CONNECTIVITY
GAINING MOMENTUM FOR
ACCELERATED GROWTH**

TABLE OF CONTENTS

ABOUT THIS REPORT	1
BOARD'S STATEMENT	2
ABOUT US	3
OUR VISION	4
OUR CORE PURPOSE	4
OUR CORE VALUES	4
SUSTAINABILITY APPROACH	5
STAKEHOLDERS	6
MATERIAL EESG FACTORS	7
BUSINESS ETHICS AND EXCELLENCE	8
ENTERPRISE RISK MANAGEMENT	8
CONFLICT OF INTEREST	8
BRIBERY AND ANTI-CORRUPTION	9
COMMUNICATION TO EMPLOYEES	9
COMMUNICATION TO GOVERNANCE BODY MEMBERS	10
ECONOMIC FACTORS	11
FINANCIAL GRANTS	11
SUPPLY CHAIN	11
ENVIRONMENTAL FACTORS	12
PRODUCT DEVELOPMENT AND PRODUCTION	12
GREENHOUSE GAS EMISSIONS	13
WASTE MANAGEMENT AND RECYCLING	13
SOCIAL FACTORS	15
SUSTAINABLE LABOUR PRACTICES	15
WORK LIFE BALANCE	15
DIVERSITY AND EQUAL OPPORTUNITY	16
NON-DISCRIMINATION POLICY AND EFFECTIVE COMMUNICATION	18
WORKFORCE RETENTION RATE	19
EMPLOYEE HEALTH AND SAFETY	20
TRAINING AND PROFESSIONAL DEVELOPMENT	21
CAREER DEVELOPMENT	22
PRODUCT RESPONSIBILITY	23
SUPPLIER SOCIAL ASSESSMENT	23
GRI CONTENT INDEX	25

ABOUT THIS REPORT

GRI 102-1, 102-50, 102-53 to 54

This year, we continue to address the Economic, Environmental, Social and Governance (“EESG”) aspects deemed material to Addvalue Technologies Ltd and our subsidiaries (“Addvalue” or the “Group”).

As a world recognised ‘one-stop shop’ communications technology products developer, we provide state-of-the-art satellite-based communication and other innovative digital broadband products and solutions for a variety of connectivity for applications at seas, on land, on flight and in space.



The Group also specialises in offering customised design services, tailored to the unique needs of each customer in availing total satellite communication solutions from anywhere and at any time. In order to promote long-term value creation in the pursuit of our commercial objectives and attainment of sustainable value for our key stakeholders, comprising the shareholders, employees, customers, vendors and regulators, the Group adopts various practices, to be carried out through sustainable efforts, concerning EESG matters.

This Sustainability Report 2022 (“Report”), covers the reporting period from 1 April 2021 to 31 March 2022 (“FY2022”).

The Global Reporting Initiative (“GRI”) Standards is the independent, international organisation that helps businesses and other organisations take responsibility for their impacts, by providing them with the global common language to communicate those impacts. GRI provides the world’s most widely used standards for sustainability reporting – the GRI Standards, as such, we have adopted the GRI Standards for our reporting purposes. This report has been prepared in accordance with the GRI Standards: Core option.

As we progress and grow, the Group values any feedback on how we can improve on our sustainability reporting. Please send your feedback to sustainability@addvalue.com.sg.

BOARD'S STATEMENT

GRI 102-12, 102-14

Dear Stakeholders,

At Addvalue, we always strive to promote long-term value creation in the pursuit of our commercial objectives and attain sustainable value for our stakeholders. Sustainability is an integral part and embedded in our business success. We engage with our stakeholders in identifying business imperatives to drive improvements in sustainability.

First, we believe that the sustainability of our business is entwined with the global movement on environmental sustainability. Through our deliberate effort in our business transformation over the years, we have scored successes in pivoting our connectivity technologies towards fisheries sustainability and a wide array of autonomous IoT-based environmental surveillance applications, including weather monitoring, utilities efficiency and animal tracking.

Second, we make sustainability priority in our partnerships and climate protection a joint task. As the curation of the materials is an integral part of our product development programs, we aspire to nurture a supply ecosystem with our vendors who have the shared principle. Indeed, it takes the collective actions to build sustainability throughout the whole value chain of supply.

With the global business environment still impacted by the COVID-19 pandemic, we continue to meet our corporate social responsibility goals by embracing our core values and adapting to challenges. As always, sustainable digital transformation for our clients will continue to drive our resilience.

The Board and Management are committed to further enhance stakeholders' value through our robust corporate governance framework, where we manage EESG related risks and opportunities. The Board maintains oversight of the identification and assessment of EESG issues that are material to operations and stakeholders. We remain focused and have taken steps to ensure a diverse and inclusive workforce; a wide breadth of opinions and backgrounds play a large part in our success. In FY2022, the Board reinforced its governance over sustainability by adopting a Board Diversity Policy. The Group places importance on diversity for an effective board and for the sustainability of the businesses.

In this report, we are pleased to share with you our progress for FY2022 and our compass towards sustainable development. We look forward to building on our commitment for a sustainable future. We thank you for your patience and support during these difficult times. Together, we will navigate Addvalue through today's challenging phase.

On behalf of Board,
Dr Chan Kum Lok Colin
Chairman

ABOUT US

GRI 102-2 to 7, 102-12

Addvalue Technologies Ltd was founded in 1996 and was listed on the mainboard of Singapore Stock Exchange in 2000. Addvalue's technical competencies include Radio and Antenna Design, Embedded System Design, Software Defined Radio platform. Addvalue is a world recognised 'one-stop shop' for communications technology products revolving around "**Connectivity**".

Leveraging off its deep and proven satellite communication knowhow for end user's terminals and applications, Addvalue has established itself as a key player in offering "Digital Connectivity as a Solution" tailored to addressing application gaps in areas where terrestrial networks do not exist, are incompetent, or are ineffective.

For example, the Addvalue's iFleetONE Vessel Monitoring System ("**VMS**") is developed to help fisheries authorities address the concerns of fisheries sustainability. The Addvalue's Sabre Ranger 5000 IoT solutions are targeted at various applications for environmental monitoring and power grid management.

Even in space, Addvalue has created a means to relay data quickly and efficiently to and from orbiting LEO satellites in real-time through the Inter-Satellite Data Relay system ("**IDRS**"). It provides a reliable platform for LEO satellite operators requiring real-time and on-demand communication, such as data alert on change detection, environmental monitoring, emergency monitoring, response and crisis intervention, and weather satellite services among other situation awareness missions.

As the mobile industry is ushering into the 5G era, Addvalue will work together with partners in satellite communication industry to bring new innovations in digital connectivity to provide better mobility and ubiquity for end users in a responsible and sustainable manner.

Addvalue markets and sells its products and solutions to government users and commercial enterprises through partners and business consultants operating in North and Latin America, Asia Pacific, Europe, Middle East and Africa. Headquartered in Singapore, where all its product development activities and manufacturing support are planned and undertaken, it also has a team in Beijing China to manage the product sales and technical support to clients in the China market.

Addvalue maintains ISO 9001:2015 Quality Management certification, where our quality management system consistently provides products and services that meet statutory and regulatory requirements, facilitates opportunities to enhance customer satisfaction, and addresses risk and opportunities effectively. Additionally, Addvalue adopts a business continuity management ("**BCM**") program since 2013 and continue to operate and maintain processes, capabilities, and response structures ensuring that Addvalue will survive disruptions and meets the business continuity needs and obligations.

ABOUT US

GRI 102-2 to 7, 102-12, 102-16



OUR VISION

To be universally recognised as a trusted and preferred partner in the business of connecting the world.

OUR CORE VALUES

Always remain **Dynamic** to look out for new opportunities and emerging threats. It is the drive to seek continuous improvement in all that we do no matter how trivial it may seem to be.

Fortitude is the hallmark of our character. Throughout the history of our company, it is this nerve of steel that enable us to preserve and overcome all crisis that confront us.

OUR CORE PURPOSE

We enable companies to unleash their real business potentials by harnessing the products and services offered by us.

Enterprising is our second nature. We are used to taking calculated risks to do things differently in search of breakthroughs. It is this enterprising spirit that urges us to think and act innovatively, away from convention.

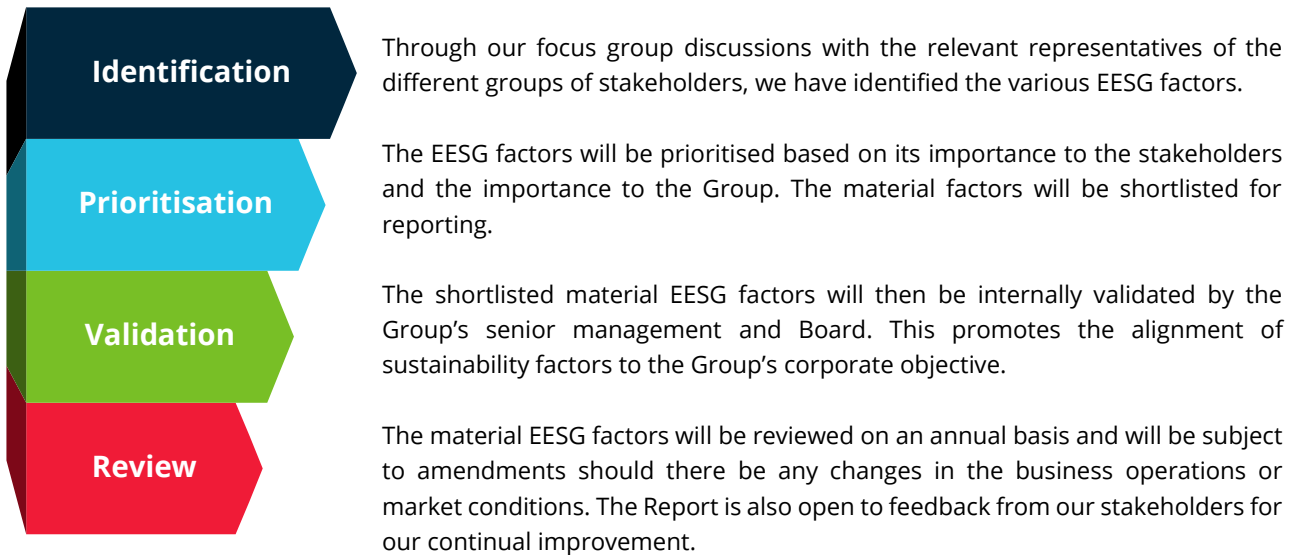
Being **Trusted** is the single most important asset that everyone of us should have. It is foundation for our teamwork. Without trust, we don't earn true respect from others.

SUSTAINABILITY APPROACH

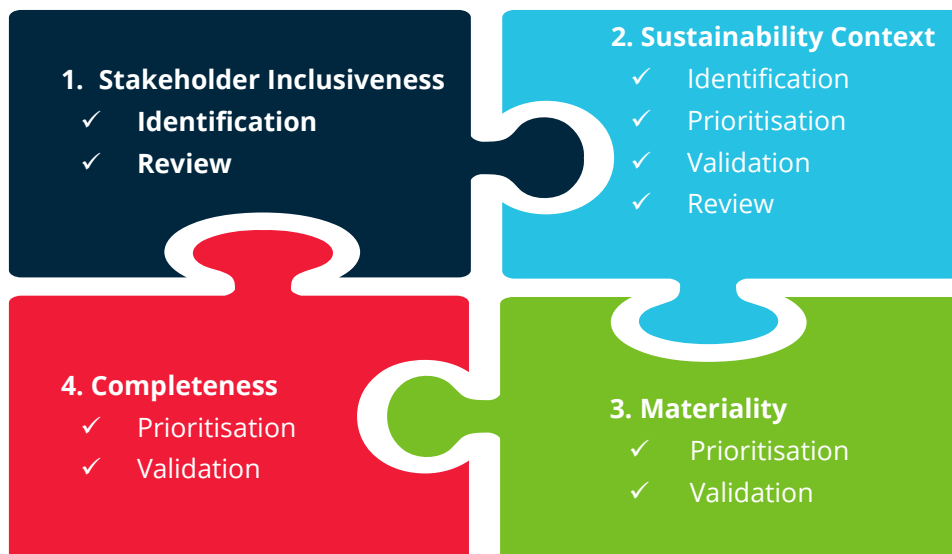
GRI 102-18, 102-46

Our materiality assessment performed involved our employee representatives of the different groups of stakeholders in identifying sustainability factors deemed material to the Group's businesses and our stakeholders so as to allow us to channel our resources to create sustainable value for our stakeholders. This is reviewed annually to reflect changes in business operations, environment, stakeholders' feedback and sustainability trends.

We have adopted the 4-step approach as follows in deriving our material sustainability factors.



In considering Addvalue's activities, impacts, and the substantive expectations and interest of our stakeholders, we have applied the four reporting principles in the above 4-step approach.



STAKEHOLDERS

GRI 102-40, 101-42 to 44

The Group recognises the importance of effective engagement with our major stakeholders for the benefit to sustain a healthy relationship with them. We strive to create an environment in which our stakeholders are welcome to voice out their concerns for us to better understand their expectations and continue to add value for all our stakeholders. We are committed to continue to work closely with stakeholders to address their concerns through our engagements with them.

Stakeholders	Basis for Determining Stakeholders	Engagement Method	Frequency of Engagement	Area of Concerns
Investors	<ul style="list-style-type: none"> Influence on Addvalue's future strategies and management's decisions 	<ul style="list-style-type: none"> Annual General Meeting Website Announcements 	<ul style="list-style-type: none"> Annually As and when necessary 	<ul style="list-style-type: none"> Financial performance Governance and transparency Anti-corruption
Customers	<ul style="list-style-type: none"> Customers' needs and preferences shapes the direction of the Group Customer feedback drives improvements to our product and service quality 	<ul style="list-style-type: none"> Trade shows Conference Phone call Site visits and meetings E-mail Website Training and workshop 	<ul style="list-style-type: none"> As and when necessary 	<ul style="list-style-type: none"> Quality of products Meeting of deadlines Meeting technical needs and requirements
Business Partners and Vendors	<ul style="list-style-type: none"> Influence on Addvalue's delivery of high-quality products and services 	<ul style="list-style-type: none"> Collaboration meetings Trade shows Conference Phone call E-mail Factory visits 	<ul style="list-style-type: none"> As and when necessary 	<ul style="list-style-type: none"> Prompt payment Fair business dealings Quality of components Delivery schedule
Employees	<ul style="list-style-type: none"> Executes the direction of the Group Employees' skills and knowledge influence Addvalue's value creation 	<ul style="list-style-type: none"> Face to face communication Annual performance review Company-wide meetings/ training Email announcements/ Newsletters via corporate intranet Social functions 	<ul style="list-style-type: none"> Throughout the year Annually 	<ul style="list-style-type: none"> Fair benefits and compensation Equal employment opportunities Adequate training provided Career advancement
Regulators	<ul style="list-style-type: none"> Compliance with local laws and regulation Enable the Group to provide credibility and professionalism for our stakeholders 	<ul style="list-style-type: none"> Reporting platforms 	<ul style="list-style-type: none"> As and when necessary Annually 	<ul style="list-style-type: none"> Compliance with regulatory requirements

LEVEL OF CONCERN TO EXTERNAL STAKEHOLDERS

High		<ul style="list-style-type: none"> Diversity and Equal Opportunity Non-discrimination Health and Safety Training and Education 	<ul style="list-style-type: none"> Employment Anti-corruption Financial Performance Environmental Compliance
Medium	<ul style="list-style-type: none"> Work Life Balance 	<ul style="list-style-type: none"> Workforce Retention Socioeconomic Compliance 	<ul style="list-style-type: none"> Financial Grants Business Ethics
Low	<ul style="list-style-type: none"> Waste Management and Recycling 	<ul style="list-style-type: none"> Supplier Social and Environmental Assessment 	

POTENTIAL OR CURRENT IMPACT ON OUR BUSINESS

Significant topics:
Topics that are deemed material to the Group and the stakeholders are indicated in the top right quadrant.

Moderate topics:
Topics that are relatively less significant but are still incorporated in Addvalue's sustainable and responsible business practices.

MATERIAL EESG FACTORS

GRI 102-46 to 47, 49

There have been no major changes to our business operations this year. The key factors identified under the EESG framework remain the same as the year before.

Material Topic ¹	Reason for Materiality	GRI Standard Disclosure	Boundary	
			Within Addvalue	Outside Addvalue
ECONOMIC				
Economic Performance	Poses significant effects towards investors	201-1 201-4	√	
Anti-corruption	Poses significant effects towards stakeholders	205-2 205-3	√	
ENVIRONMENTAL				
Supplier Environmental Assessment	Poses significant effects towards sustainability	308-1	√	
SOCIAL				
Employment	Poses significant effects towards employees	401-1	√	
Training and Education	Poses significant effects towards employees	404-1 404-3	√	
Diversity and Equal Opportunity	Poses significant effects towards employees	405-1	√	
Non-discrimination	Poses significant effects towards employees	406-1	√	
Supplier Social Assessment	Poses significant effects towards suppliers	414-1	√	
Customer Health and Safety	Poses significant effects towards customers	416-2	√	

¹ We have removed (i) Environmental Compliance; and (ii) Socioeconomic Compliance as GRI Standards Disclosures from the above table as they have been removed from the GRI Standards and are no longer in use. These were previously disclosed as material topics in our prior reports.

BUSINESS ETHICS AND EXCELLENCE

GRI 102-11, 102-16, 205-3

Acting responsibly and ethically is crucial to maintaining the trust and confidence of our stakeholders. We strive to maintain high ethical standards and continually ensure that we comply with the relevant laws and regulations. Our efforts include fostering an ethical working environment by requiring our employees to follow the Addvalue Corporate Policies and Business Conduct Guidelines, which is regularly reviewed and updated. Apart from maintaining our high ethical standards, Addvalue is committed to building a culture of risk awareness that promotes good corporate governance and a sound system of internal controls.

The Group also take measures to guard against cyber security risks in order to protect confidential information for both our internal and external stakeholders. The Group has regular seminars on the importance of the Personal Data Protection Act (“**PDPA**”) compliance to ensure all our employees are fully aware as part of maintaining high ethical standards of our Group.

ENTERPRISE RISK MANAGEMENT

The Group has put in place an Enterprise Risk Management (“**ERM**”) Framework which assists Addvalue in managing inherent risks arising across the Group’s business, at a macro level. An annual ERM is also conducted to identify and assess key risks.

The framework is a structured and discipline approach to identifying and assessing key risks and their potential impact on the achievement of the Group’s key objectives. Control measures are put in place to mitigate the risks with Addvalue’s risk appetite at a holistic level rather than in silos or isolation within areas or functions. This improves the organisation’s agility to respond to risk events.

CONFLICT OF INTEREST

All employees are required to complete a Conflict of Interest Declaration Form upon joining and update Human Resources as and when circumstances change. Since FY2021, all employees are required to declare their Conflict of Interest on an annual basis.

This ensures that employees’ decision making and professional judgement are not influenced by undue personal interests that creates a conflict of interest to the Group.

BUSINESS ETHICS AND EXCELLENCE

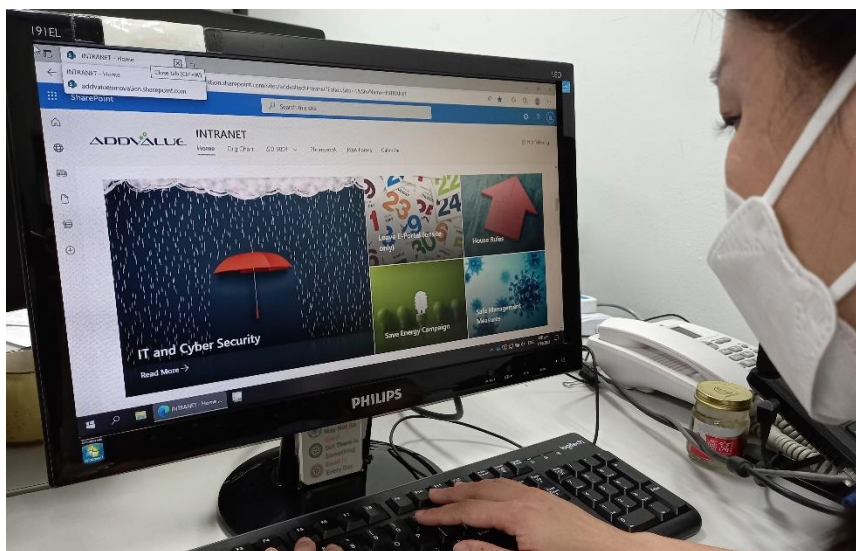
GRI 102-11, 102-16, 205-2 to 3

BRIBERY AND ANTI-CORRUPTION

Addvalue has zero tolerance policy on bribery and corruption. As such, the Group has put in place a whistle-blowing policy for employees to raise concerns on any possible misconduct or improprieties within the Group. Addvalue has also reviewed and updated its whistle-blowing policy for greater effectiveness this year. The “Whistleblower Reporting Form” may be used for reporting purposes and it is available on Addvalue’s Intranet. This platform encourages employees to raise concerns or disclose any improprieties, without the fear of reprisals. In order to protect the identity of the whistle blower, all reports will be submitted to the Audit Committee directly for their appropriate actions, which may include independent investigations and any appropriate follow-up actions. We have achieved our target of sustaining our zero-corruption record. There was no bribery or corruption incident reported this year (FY2021: Nil, FY2020: Nil). We aim to sustain our zero-corruption record in the long run through pertinent actions to ensure that our employees, governance body members, and business partners are aware of our anti-corruption and whistle-blowing policies and abide by all applicable laws and regulations. This is aligned with our overall strategy to increase investor confidence and achieve business excellence.

COMMUNICATION TO EMPLOYEES

Addvalue’s Human Resource department has achieved 100% (FY2021: 100%, FY2020: 92%) communication of our anti-corruption policies to all our employees this year. This target is consistent with management’s KPI and we will continue to ensure that these policies are



communicated to all our employees on a periodic basis. Details of the whistleblowing policies, code of conduct, and anti-corruption policies are made available to all Singapore employees on the intranet. For all newly joined staff (local and overseas), Addvalue’s clear stance against corruption is communicated through a detailed briefing of the

corporate policies and the consequences of violation of any policies, which may include severe penalties, disciplinary measures, or even dismissal. This ultimate goal is to promote the highest standards of trust in all of our actions and relationships.

BUSINESS ETHICS AND EXCELLENCE

GRI 102-11, 102-16, 205-2 to 3

COMMUNICATION TO GOVERNANCE BODY MEMBERS

All newly appointed Directors will be informed on the details of our anti-corruption policies. They are required to read them thoroughly to familiarise themselves with the policies and understand the key principles of fairness, honesty, openness, decency, integrity, and respect. Addvalue expects the governance body members to hold their integrity, and act in the best interest of Addvalue on behalf of their stakeholders.

ECONOMIC FACTORS

GRI 102-9 to 10, 201-4

FINANCIAL GRANTS

The Group receives a relatively substantial amount of financial grants from the Singapore Government. In FY2022, we received US\$1,970,450.23 (FY2021: US\$1,198,102, FY2020: US\$1,297,373) from the Singapore Government, of which none were present in the shareholding structure of Addvalue. These grants include subsidies for development activities to build our base of proprietary products as well as applications and processes to improve our operations and productivity. With the government's support, Addvalue is on track for further expansion of our competencies and our technological innovation.

SUPPLY CHAIN

The Group strives to establish a diverse and sustainable supply chain to support Addvalue's value creation in the long term. The management of our supply chain is an integral part of our operations to reduce risk of disruptions, increase efficiency, and protect our brand reputation. Our supply chain consists of vendors based in stable countries such as Singapore, Malaysia, United States, South Korea, Denmark, China, Hong Kong and Taiwan, where risks of operational disruption is minimal.

Due to the COVID-19 situation, operational and shipment delays are unavoidable. We have communicated to our customers that there will be a longer delivery lead time due to worldwide components shortages. To deal with supply chain disruptions, we plan to diversify our sources and secure supplies early. In the short term, we aim to reduce lead times by ensuring that all our inventory is within reach and outside of impacted areas. Addvalue will continue to maintain our active sourcing activities to minimise the risk of shipment disruptions. During the year, we have expanded our supply chain by obtaining alternate source of suppliers² in case of severe shortages. As a long-term measure, we will implement supply chain risk management assessments and practices to mitigate potential risks and improve our resilience and responsiveness to disruptions. One of the measures implemented was to perform materials planning with forward forecasting of our stable products to ensure we have enough materials for the future production build.

As part of our supply chain operations, we strive to maintain the quality of materials used for production. Our vendors must meet the prerequisites set out in Addvalue's product quality requirements. We conduct our Vendor evaluation and Qualification procedure annually to determine whether the minimum requirements set have been met. We aim to continue this annual assessment to ensure that quality is maintained.

² Suppliers refer to Electronic Manufacturing Services ("EMS") providers, vendors, and manufacturers.

ENVIRONMENTAL FACTORS

GRI 308-1

Environmental problems continue to threaten our sustainability in the future, making the need for environmental preservation increasingly crucial among businesses and communities. In our commitment to the environment, we recognise our responsibility to mitigate climate change and reduce our negative impact on the environment with our conservation efforts. During the reporting period (FY2021: Nil, FY2020: Nil), the Group did not identify any non-compliance with environmental laws and/or regulations. We seek to maintain and uphold our strong compliance record and manage our efforts to preserve the environment. We believe that our strong compliance record aligns with our business strategy and will attract like-minded vendors who also advocate for high sustainability standards.

PRODUCT DEVELOPMENT AND PRODUCTION

We take a holistic approach to product development sustainability by ensuring every opportunity is provided to review the types and quantities of materials used and processes applied to the production of our products for commercial purposes. Our goal is to minimise materials waste and obsolescence by utilising eco-friendly materials.



We believe the sustainability of our supply chain is an integral part to our sustainability performance. Our existing vendors and contract manufacturers are evaluated on their environmental impact through our annual Vendor evaluation and Qualification procedure. Factors we consider include their efforts towards recycling, incorporation of environmentally friendly materials, energy conservation, environmental certifications, and their use of toxic or hazardous substance materials. From the

feedback of such assessment, 92% (FY2021: 91%, FY2020: 75%) of our selected key suppliers has met with our minimum requirements set. We will continue this effort to evaluate our suppliers on their environmental preservation to ensure minimum adverse impact on the environment in FY2023.

ENVIRONMENTAL FACTORS

GRI 308-1

GREENHOUSE GAS EMISSIONS

In our effort to conserve energy, we have begun tracking our Greenhouse Gas (“**GHG**”) emissions³ in FY2022. Our Scope 2 indirect emissions via purchased electricity amounts to approximately 89 metric tons of CO₂. There are no Scope 1 emissions this year. The Group has plans to monitor and report our Scope 1 and Scope 2 emissions moving forward. This is in line with the Task Force on Climate-related Financial Disclosures (“**TCFD**”) recommendations.

For all our new vendors and contract manufacturers, we conduct a review assessment which includes an onsite assessment of their factory premises and a quality assurance audit. Addvalue recognises the importance of assessing any negative environmental impacts caused by our supply chain. We have incorporated the environmental criteria as part of our screening procedures for all new suppliers and have ensured that they comply accordingly. We have onboarded two new suppliers (100%) this year and screened them using our environmental criteria. This further reinforces our stance towards environmental sustainability, playing our part in making sure that all our engagements are environmentally friendly.

WASTE MANAGEMENT AND RECYCLING

The Group strives to create a paperless culture in the office by implementing the 3Rs – Reduce, Reuse, Recycle. Addvalue contributes by reducing our paper usage through double-sided printing, reusing single sided prints for internal documents, and recycling used paper.

As part of the Group’s sustainability commitment, hazardous waste will be disposed of responsibly in compliance with relevant local and international environmental, safety, and health regulations, as well as in line with industry standards.

We work closely with our landlord, Panasonic on its Waste and Resource Management System (“**WRMS**”) Program which is in line with the National Environment Agency’s (“**NEA**”) mandatory reporting procedures. We consolidate our general waste in centralised waste bins which will be collected by Panasonic’s appointed waste collector. Recyclable waste items such as paper and cartons are collected in a similar fashion through the centralised bins. Addvalue’s paper and cartons waste is not considered material, as such, we are exempted from the reporting requirements. Being a registered producer under the Resource Sustainability Act (“**RSA**”), we

³ <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>

ENVIRONMENTAL FACTORS

GRI 308-1

directly report to NEA on an annual basis our Electrical and Electronic Equipment (“**EEE**”) Supply Declaration. This is mandated by NEA where Addvalue is required to declare the amount (i.e., weight) of regulated products supplied in Singapore for electronic-waste management.

Apart from the above, our employees are also encouraged to conserve energy through the switching off of power for equipment that are not in use, and the switching off of lights during lunch hours and when not in use. Addvalue had also started reducing the usage of air-conditioner units within the office premises.

SOCIAL FACTORS

As a technology developer and innovator, we place importance on our workforce capabilities, resourcefulness, experience, skills and knowhow. We recognise the key role our employees play in contributing to our business success and growth. To value and show appreciation for our employees' effort, we had awarded 74,300,000 new ordinary shares to 37 employees in February 2021 as the Group had met certain key performance indicators within a limited period prescribed by the Remuneration Committee of the Company, which, among others, include the successful commissioning of the Inter-Satellite Data Relay System ("IDRS") service of the Group on a commercial Low Earth Orbit ("LEO") satellite in space. We wish to continually align our employee goals with our organisation goals. This is imperative to our continued success.

Another important sustainability focus will be the development and social well-being of every community in which we operate in, especially to our very own employees, with emphasis on providing them with sustainable and inclusive labour practices. There were no incidents of non-compliance with socioeconomic laws this year (FY2021: Nil, FY2020: Nil), and we seek to maintain Addvalue's strong compliance record through relevant policies and initiatives.

SUSTAINABLE LABOUR PRACTICES

Our sustainable labour practices include providing equal opportunity, non-discrimination policy, effective communications between management and employees, providing work life balance, and sufficient attention to occupational health and safety hazards. The Group believes in having a diverse and inclusive culture, where all employees are welcomed and treated fairly. Having these policies will help to ensure employees to not only lead a well-balanced work life, but also to incorporate a sustained positive attitude for continuous improvement towards their work, customers and other stakeholders of the Group.

WORK LIFE BALANCE

Addvalue always wants to support its employees in striking a balance between their career goals, own objectives and personal lifestyle. We adopted a work life balance policy to enable flexible work hours arrangements with employees. All employees are allowed to adopt a flexi-time arrangement while the managers and above are additionally permitted to practice flexi-place arrangement outside the office.

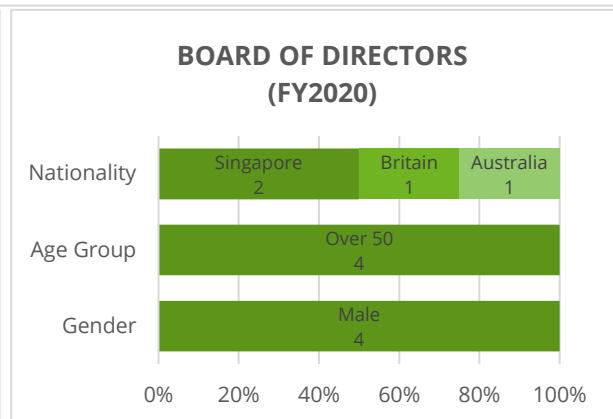
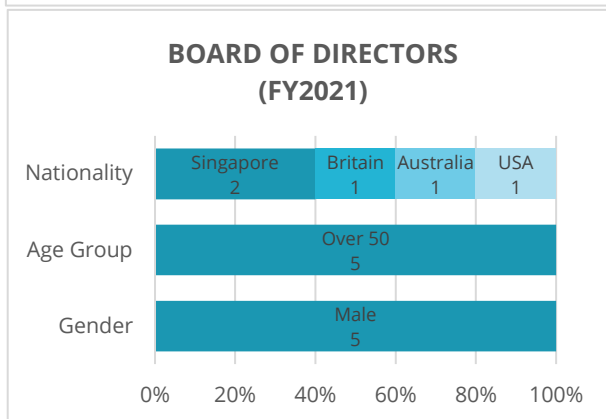
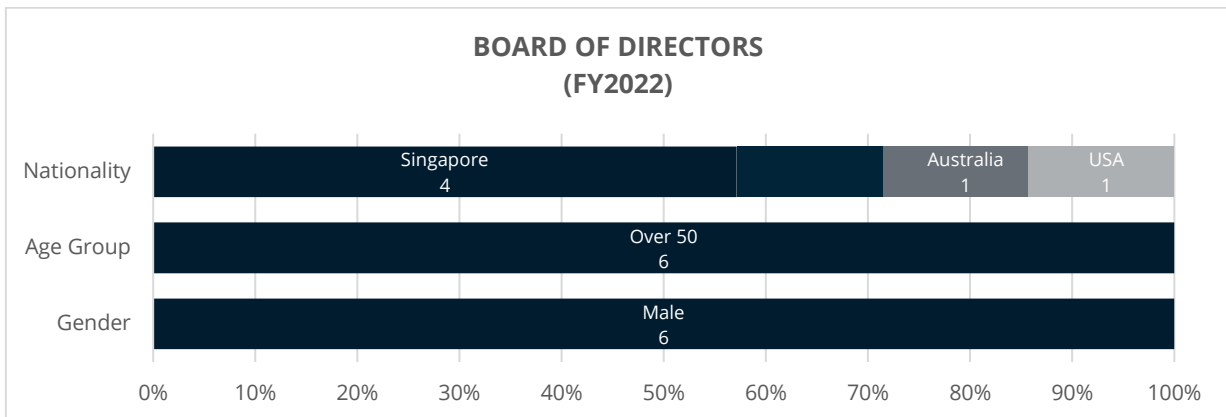
SOCIAL FACTORS

GRI 405-1

DIVERSITY AND EQUAL OPPORTUNITY

The Group believes in respecting and valuing diversity in race, cultures, religion, gender identity, sexual orientation, nationality, genetics, disability, age or any other factors unrelated to Addvalue’s legitimate business interest. Our equal opportunity practices are necessary to create an open mindedness, productive and creative community that the Group needs to drive its growth and sustainability. We seek to create an inclusive and fair working environment by providing our people with equal opportunities and adopting merit-based practices for recruitment, selection, and promotion. It is very important to us that - irrespective of gender, age, background or any other aspects – all employees are valued and can devote their individual strengths, experience and potential to the Group.

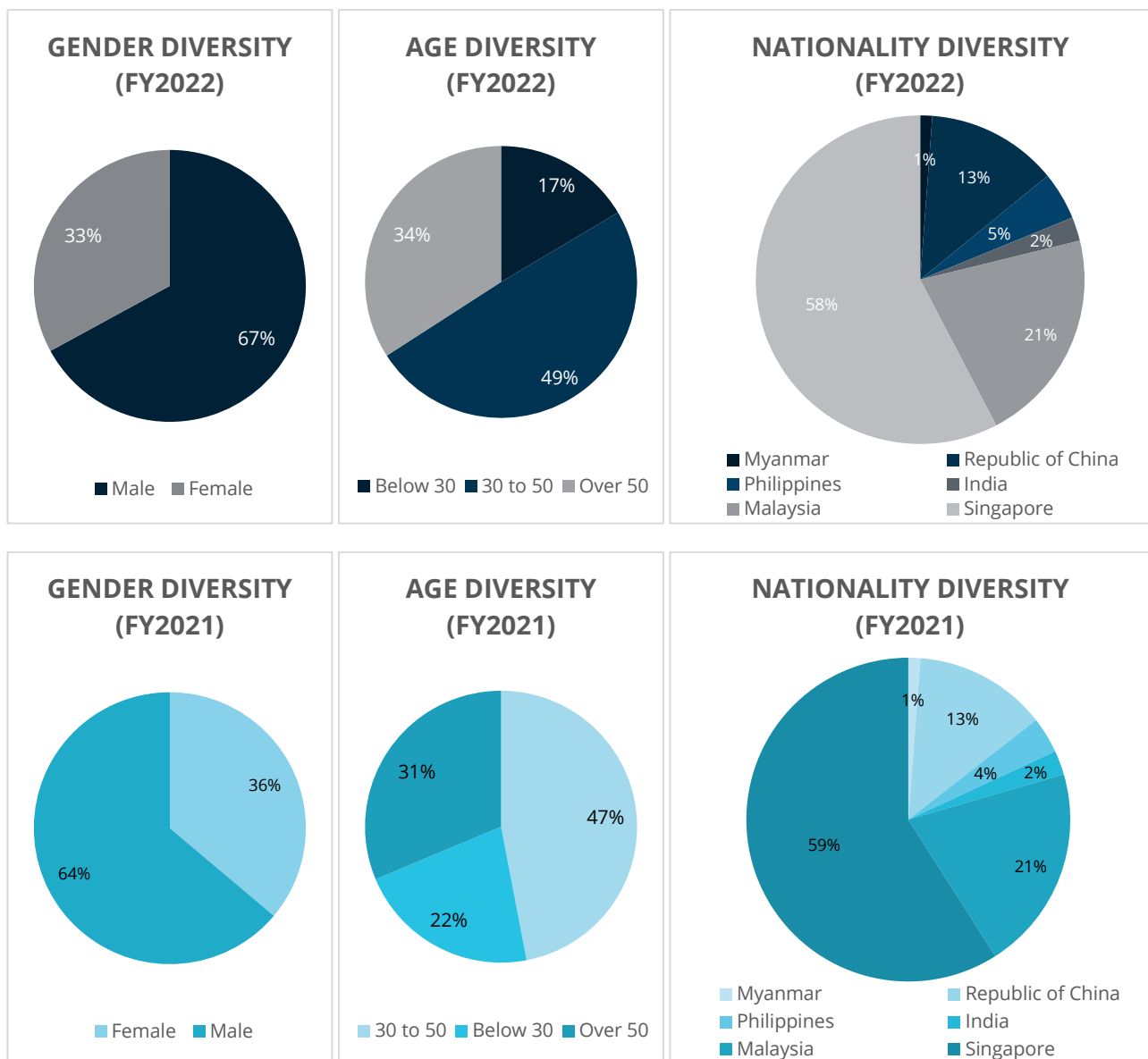
We value inclusiveness not only in our employees but also in our board composition. The Group’s Board Diversity Policy sets out that diversity at the Board level is an essential element to ensuring the achievement of its strategic objectives. All Board appointments will be made based on merit, taking into account the skills, experience, independence and knowledge that the particular director can bring to the Board and without compromising on the diversity of the Board. Although there is currently no female director or director from a younger age group appointed in the Board, the Board does not rule out the possibility of appointing such director if a suitable candidate is nominated for the Board’s consideration.



SOCIAL FACTORS

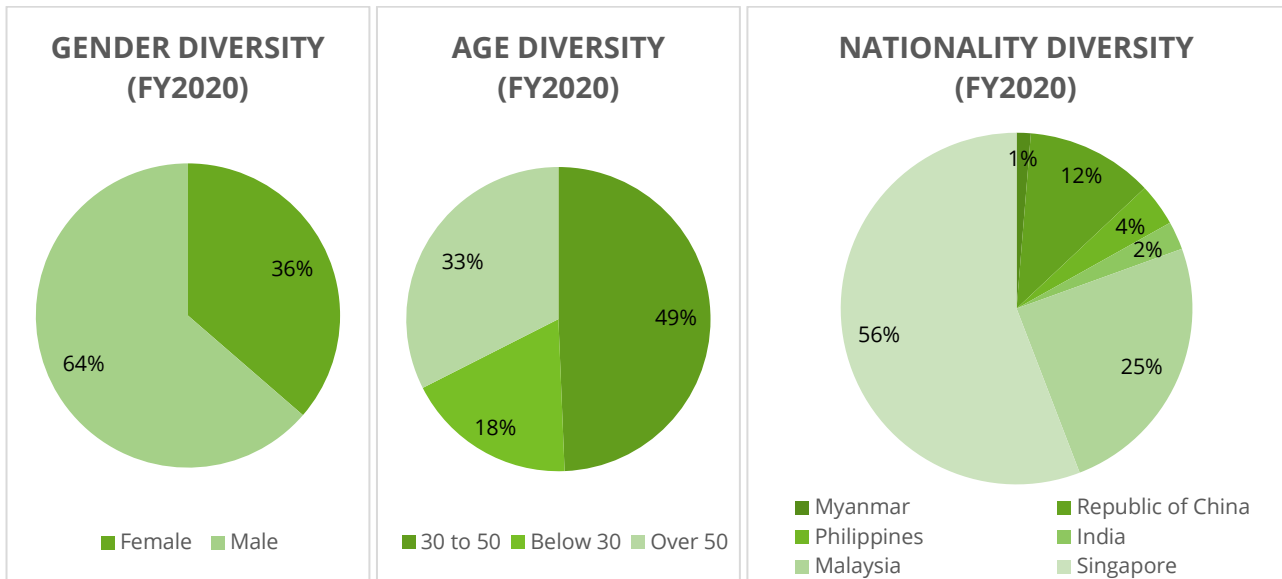
GRI 102-7 to 8, 405-1

Our workforce comprises of employees from different age groups and background. We have a total work force of 68 (FY2021: 83, FY2020: 77) full time employees as at 31 March 2022. None (FY2021: 5, FY2020: 5) of the employees are temporary trainees while the rest of the employees are permanent where 61 (FY2021: 76, FY2020: 72) of them are stationed in Singapore and 7 (FY2021: 7, FY2020: 5) in our Beijing office. The diversity of the Group by gender, age and nationality are presented as follows:



SOCIAL FACTORS

GRI 102-7 to 8, 401-1, 405-1, 406-1



NON-DISCRIMINATION POLICY AND EFFECTIVE COMMUNICATION

The Group promotes freedom of expression and open communication. Regular meetings are held within the Group to discuss openly its goals and visions. It also conducts team building and team bonding activities biennially, if not annually. During these meetings, all employees are encouraged to have open discussion with management and provide feedback. Our Group also conducts regular gatherings for festive lunches and occasional team bonding sessions.

During the reporting period, due to the COVID-19 situation, company meetings were held virtually. Further, Festive celebrations were replaced with distribution of gifts and mini giveaways to foster bonding and to show appreciation to our staff working in office during the COVID-19 period.

The Group provides monthly internal sharing sessions with employees on product updates and knowledge; regular meetings with management on status updates of relevant key matters; and monthly in-house newsletters to update and inform our employees on key happenings, be it business-related or otherwise. Our Group practices an open-door policy, and all employees are welcomed to approach the head of their respective departments or the Human Resource department or the CEO Office for any grievances and/or issue that they may encounter, whether it is work-related or otherwise. We also provide feedback boxes for employees who would like to feedback or suggest to management for any improvement measure concerning our work office environment or on any staff matter. There were no incidents of discrimination reported this year (FY2021: Nil, FY2020: Nil). In the long run, we aim to maintain zero discrimination and foster an inclusive culture where all employees are treated with respect. We respect and protect the personal dignity of each individual, tolerating neither discrimination nor harassment of our employees.

SOCIAL FACTORS

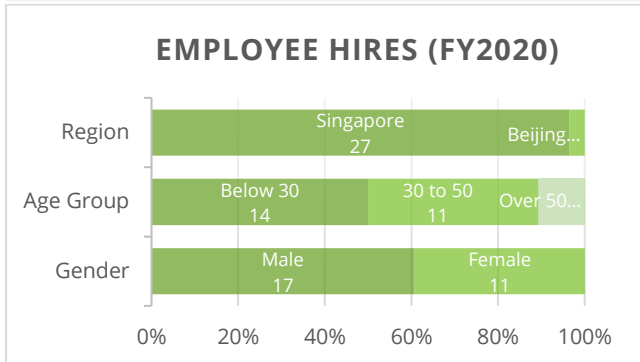
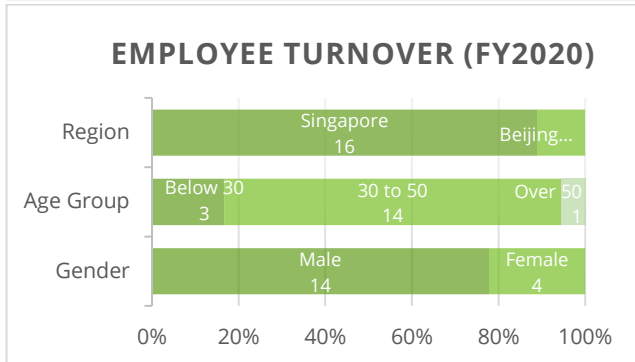
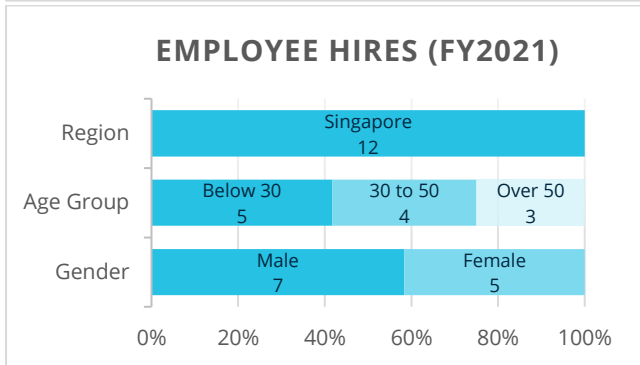
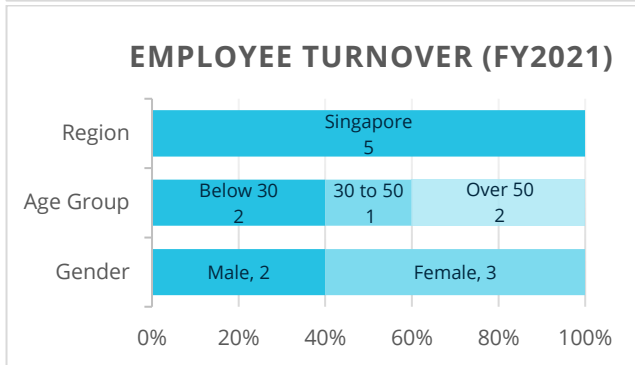
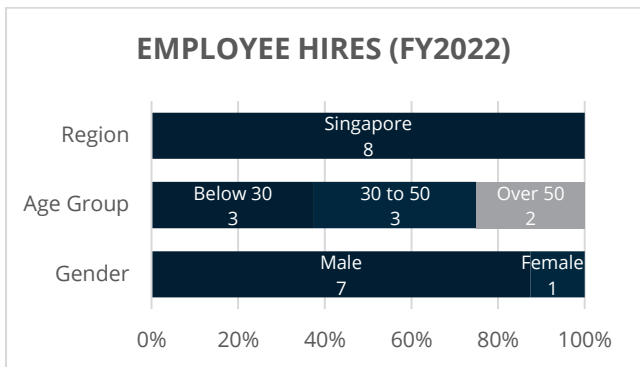
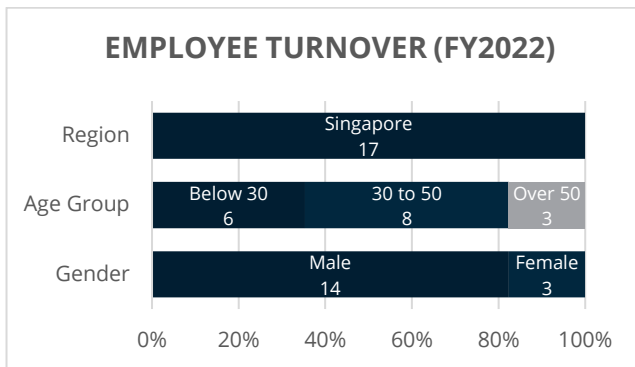
GRI 401-1

WORKFORCE RETENTION RATE

The Group strives to keep our employee turnover rate low by prioritising the well-being of our employees and having in place certain employee benefits to increase employee happiness and job satisfaction.

Our hiring and turnover rates during the reporting period are as follows:

Area of Focus ⁴	FY2020 Performance	FY2021 Performance	Target for FY2022	FY2022 Performance	Target for FY2023	Long term Target
Hiring rate	37%	15%	< 15%	11%	< 15%	< 15%
Turnover rate	24%	9%	< 15%	23%	< 15%	< 15%



⁴ Computation for hiring and turnover rates are based on the average number of employees.

SOCIAL FACTORS

GRI 401-1

We noted that while we have managed to remain consistent in our hiring rates and have managed to maintain it to be under 15%, we are aware that the turnover rate has increased for FY2022. This is due to Addvalue being involved in research and development projects and additional manpower was required at the point in time. As most of these projects ended during FY2022, there is a spike observed in the turnover rates. We also do not foresee any plans in the short term to hire staff for research and development related areas. Nonetheless, the Group recognises the importance of keeping our employee turnover rate low and allowing us to retain key skills and knowledge without affecting our recruitment budget, team balance, and employees' morale. We will continue to strive to keep our hiring and turnover rates below 15%.

In 2021, the Ministry of Manpower reported a recruitment rate and resignation rate of 2.8% (2021: 2.1%, 2020: 2.2) and 2.0% (2021: 1.7%, 2020: 1.5) respectively in the Information and Communications industry. While we acknowledged there is a room for improvement, given our lean structure, we believe that our rates are within the reasonable range.

EMPLOYEE HEALTH AND SAFETY

Our Group regards workplace safety as an essential part of office admin operation. We comply with Workplace Safety and Health regulatory procedures. Safety committee is put in place and safety inspections are performed regularly. Our Group sends employees to first-aid courses on a regular basis to ensure that our team is equipped to provide first-aid help promptly when there is a need. We target to have at least one certified first-aid employee to be allocated at each department. In addition, safety manuals are made accessible through the intranet and communicated to our staff via email and orientation program. There were no (FY2021: one, FY2020: two) health and safety incidents in FY2022. We will continue to promote safety in the workplace and have emphasised the importance of vigilance to our employees.

As the well-being of our staff is critical to the Group, we strive to actively promote healthy work practices. Accordingly, in order to encourage all our employees to do a yearly health check, we have extended the additional relevant allowance to all employees this year, instead of only employees above 40 years of age in the prior years. Regular health talks and annual health screening programs are organised for our employees. In order to inculcate healthy eating habits, the Group also organised a 'Fruit Day' once a month, whereby each employee will be given a healthy fruit on 'Fruit Day'.

SOCIAL FACTORS

GRI 404-1

The Group have also placed additional health and safety measures to safeguard our staff amidst the COVID-19 pandemic. This includes allowing our staff to telecommute where possible, specifically staff who are at higher risk of getting the virus or those who fall under the vulnerable group. For staff who are working in office, masks are provided and disinfectant agents are placed at high touchpoint areas. Periodic disinfection is also performed within the office premises. We promote and encourage good personal hygiene and workplace cleanliness.

We continue to comply with the MOH guidelines during the year, including the provision of Antigen Rapid Test (“**ART**”) kits. All employees are required to provide confirmation on a negative result on weekly basis prior to returning to the office. This is so as to minimise the spread of the virus. For the safety of our employees, we require all visitors to fill out a declaration form and to wear a mask while at our work premises in an effort to prevent the spread of COVID-19.

TRAINING AND PROFESSIONAL DEVELOPMENT

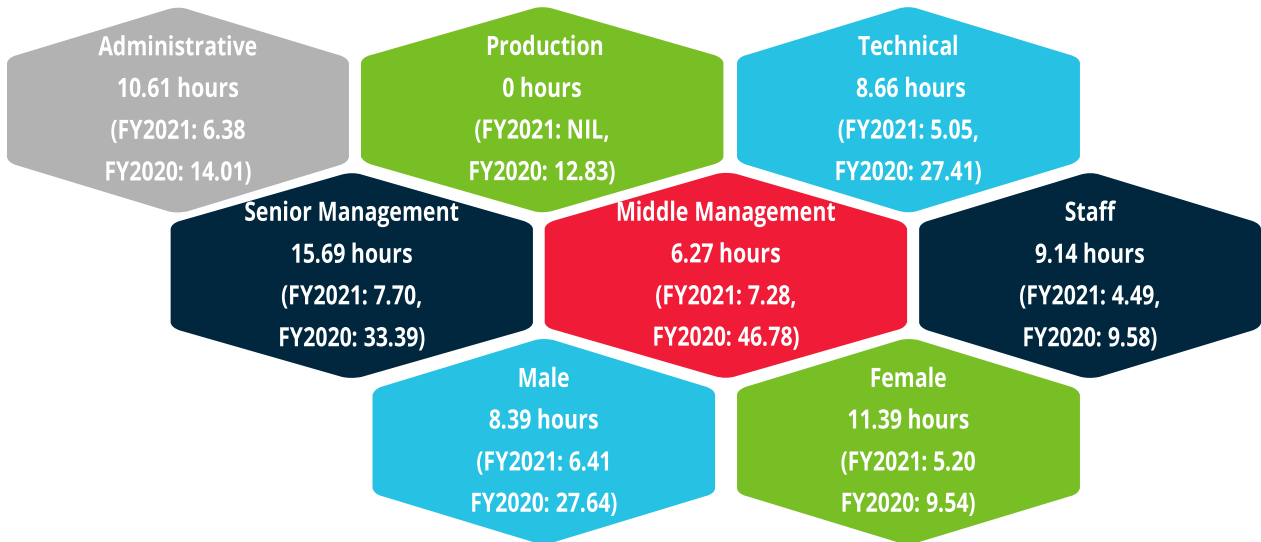
Addvalue believes that our people are our greatest assets. In order to adapt to the rapid changes in the environment and ride the waves of technological advancements smoothly, it is important to ensure that our employees keep abreast with technology trends and are well equipped with the necessary skills and knowledge. Hence, the Group provides in-house training on product and technology competency and sends the relevant staff for external courses to upgrade their skills as and when necessary. The professional courses cover both technical skills such as design technologies and aviation product design, as well as business skills such as corporate branding and strategic training. The trainees are required to conduct a sharing session to their team members to share the knowledge and insights gained. This boosts the productivity level and performance at both individual and organisational levels.

The Board will also comply with SGX’s new requirement for all Directors to undergo mandatory sustainability training. As at the date of this report, most of our Directors have already signed up for the relevant sustainability training courses on ESG Essentials offered by the Singapore Institute of Directors.

SOCIAL FACTORS

GRI 404-1, 404-3

The average hours of training that our employees have undertaken in FY2022 is 9.3 hours (FY2021: 5.7 hours, FY2020: 21.2). This was an increase of 3.6 hours (FY2021: 15.5 hours) which is an approximate rise of 63%. The average training hours per employee category is as follows:



The disparity between the average training hours for Administrative, Production and Technical Staff is due to the focus on in-house training for newer employees on product knowledge and on-the-job training. The internal trainings include but is not limited to Printed Circuit Boards Assembly (“PCBA”) Process, Box Build and Process Flows.

Due to the COVID-19 pandemic, employees had to attend webinars with shorter training hours instead. We expect greater work productivity and efficiency from employees working remotely since they are more familiar with it. Employees should expect webinars to be the default mode for trainings in the years to come, except certain skill-based practical trainings.

Although we did not manage to meet our training target this year, we would like to continue to target an achievement of an average of 20 hours per staff in the short term, and 40 hours per staff in the long term. Addvalue’s training requirements are as per ISO’s requirement which is also linked to management’s KPI.

CAREER DEVELOPMENT

In addition, the Group review our employees’ performance regularly to recognise their achievements at work, identify their training needs, and set personal targets for the next review period to further stretch their potential. This aids our employees’ personal development and enhances employee satisfaction, which correlates with improved organisational performance. In FY2022, all of our employees, including the senior management, received their annual performance and career development reviews (FY2021: 100%, FY2020: 100%). We will continue our regular career development reviews for all our employees in the future.

SOCIAL FACTORS

GRI 102-11 to 12, 414-1, 416-2

PRODUCT RESPONSIBILITY

Our vision is to be widely recognised as a world leading global mobile satellite service (“MSS”) player in the satellite communications industry. While we have been successful in adopting new technological advancements for new product development, we are also scaling up our compliance for product safety and reliability. During the Design and Development Phase, our experienced engineers design and maintain test plans based on the product requirements. The testing conducted include Regulatory Compliance test and Product Reliability test, and the test reports are used to follow up with the design team to resolve any issues faced before embarking onto mass production and commercialisation of the product. With the test plans in place, we aim to verify and evaluate the product performance, stability, functionality, and application and mobility of our technology. We also ensure that our products are delivered in a responsible manner through a framework designed to manage issues relating to heat and radiation emissions of product when operating. Our products, bearing the “**Addvalue enabled**” label, are certified for compliance with relevant safety standards. Our customers’ experience as well as their health and safety are of utmost importance to us. Our products and services are regularly assessed based on the requirements for Regulatory Compliance and Country Type Approval. This may include compliance necessary for certification to CE, FCC, IC, and Safety (IEC 60950) regulations. Our reliability and quality control engineers conduct visual and functional inspections to identify areas of improvement to be made or replacements required. With our strong commitment to maintaining high quality and reliability of our solutions, there has been no incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of our products this year (FY2021: Nil, FY2020: Nil).

“We shall develop products and solutions that fit the aspirations of every conceivable end user. Our products and solutions will be so pervasive in the market that we become the de facto brand synonymous with innovation, user experience and performance.”

SUPPLIER SOCIAL ASSESSMENT

Being a committed and responsible business requires us to integrate sustainable and socially responsible practices into our supply chain management as well. We understand the importance of considering social factors in the choice of our suppliers, such as ISO 45001 - Occupation Health and Safety certification, promotion of safe and cohesive working environment, compliance with safety regulations and the supplier’s efforts to respect the human rights. We have incorporated the social criteria in our screening procedure for new

SOCIAL FACTORS

GRI 102-11 to 12, 414-1, 416-2

suppliers⁵ since 1 September 2021 and we aim to maintain such assessment. We have onboarded two new suppliers (100%) this year and screened them using our social criteria. This allows us to mitigate or prevent any negative impacts to the society at the early stage of structuring contracts of other agreements.

⁵ Suppliers refer to Electronic Manufacturing Services (“EMS”) providers, vendors, and manufacturers.

GRI CONTENT INDEX

GRI 102-55

Disclosure Number	Disclosure Title	Comments	Page References AR: Annual Report 2022 SR: Sustainability Report 2022	Section References
GRI 102: Organisational profile				
102-1	Name of organisation	-	SR 1	About This Report
102-2	Activities, brands, products, and services	-	SR 1 SR 3	About This Report About Us
102-3	Location of headquarters	-	SR 3	About Us
102-4	Location of operations	-	SR 3	About Us
102-5	Ownership and legal form	-	SR 3	About Us
102-6	Markets served	-	SR 3	About Us
102-7	Scale of the organisation	-	SR 3 SR 17 AR 58 - 59	About Us Social Factors
102-8	Information on employees and other workers	-	SR 17 - 18	Social Factors
102-9	Supply chain	-	SR 11	Economic Factors
102-10	Significant changes to the organisation and its supply chain	-	SR 11	Economic Factors
102-11	Precautionary principle or approach	-	SR 8 - 10 SR 23 - 24	Business Ethics and Excellence Social Factors
102-12	External initiatives	-	SR 2 SR 3 - 4 SR 23 - 24	Board's Statement About Us Social Factors
102-13	Membership of associations	Association of Aerospace Industries (Singapore), Singapore Space and Technology Associations	-	-
GRI 102: Strategy				
102-14	Statement from senior decision-maker	-	SR 2	Board's Statement
GRI 102: Ethics and integrity				
102-16	Values, principles, standards, and norms of behaviour	-	SR 4 SR 8 - 10	About Us Business Ethics and Excellence
GRI 102: Governance				
102-18	Governance structure	-	SR 5	Sustainability Approach
GRI 102: Stakeholder engagement				
102-40	List of stakeholder groups	-	SR 6	Stakeholders

Disclosure Number	Disclosure Title	Comments	Page References	Section References
			AR: Annual Report 2022 SR: Sustainability Report 2022	
102-41	Collective bargaining agreements	No employees covered under collective bargaining agreements	-	-
102-42	Identifying and selecting stakeholders	-	SR 6	Stakeholders
102-43	Approach to stakeholder engagement	-	SR 6	Stakeholders
102-44	Key topics and concerns raised	-	SR 6	Stakeholders
GRI 102: Reporting practice				
102-45	Entities included in the consolidated financial statements	-	AR 96	-
102-46	Defining report content and topic Boundaries	-	SR 5 SR 7	Sustainability Approach Material EESG Factors
102-47	List of material topics	-	SR 7	Material EESG Factors
102-48	Restatements of information	None	-	-
102-49	Changes in reporting	-	SR 7	Material EESG Factors
102-50	Reporting period	-	SR 1	About This Report
102-51	Date of most recent report	30 August 2021	-	-
102-52	Reporting cycle	Annual	-	-
102-53	Contact point for questions regarding the report	-	SR 1	About This Report
102-54	Claims of reporting in accordance with the GRI standards	-	SR 1	About This Report
102-55	GRI content index	-	SR 25 - 28	GRI Content Index
102-56	External assurance	No external assurance	-	-
GRI 201: Economic performance				
103-1	Explanation of the material topic and its Boundary	-	SR 11	Economic Factors
103-2	The management approach and its components	-	SR 11	Economic Factors
103-3	Evaluation of the management approach	-	SR 11	Economic Factors
201-1	Direct economic value generated and distributed	-	AR 119 - 121	-
201-4	Financial grants received from government	-	SR 11	Economic Factors
GRI 205: Anti-corruption				
103-1	Explanation of the material topic and its Boundary	-	SR 8 - 10	Business Ethics and Excellence

Disclosure Number	Disclosure Title	Comments	Page References AR: Annual Report 2022 SR: Sustainability Report 2022	Section References
103-2	The management approach and its components	-	SR 8 - 10	Business Ethics and Excellence
103-3	Evaluation of the management approach	-	SR 8 - 10	Business Ethics and Excellence
205-2	Communication and training about anti-corruption policies and procedures	-	SR 9 - 10	Business Ethics and Excellence
205-3	Confirmed incidents of corruption and actions taken	-	SR 9 - 10	Business Ethics and Excellence
GRI 308: Supplier environmental assessment				
103-1	Explanation of the material topic and its Boundary	-	SR 12 - 14	Environmental Factors
103-2	The management approach and its components	-	SR 12 - 14	Environmental Factors
103-3	Evaluation of the management approach	-	SR 12 - 14	Environmental Factors
308-1	New suppliers that were screened using environmental criteria	-	SR 12 - 14	Environmental Factors
GRI 401: Employment				
103-1	Explanation of the material topic and its Boundary	-	SR 19 - 20	Social Factors
103-2	The management approach and its components	-	SR 19 - 20	Social Factors
103-3	Evaluation of the management approach	-	SR 19 - 20	Social Factors
401-1	New employee hires and employee turnover	-	SR 19 - 20	Social Factors
GRI 404: Training and education				
103-1	Explanation of the material topic and its Boundary	-	SR 21 - 22	Social Factors
103-2	The management approach and its components	-	SR 21 - 22	Social Factors
103-3	Evaluation of the management approach	-	SR 21 - 22	Social Factors
404-1	Average hours of training per year per employee	-	SR 21 - 22	Social Factors
404-3	Percentage of employees receiving regular performance and career development reviews	-	SR 22	Social Factors
GRI 405: Diversity and equal opportunity				
103-1	Explanation of the material topic and its Boundary	-	SR 16 - 18	Social Factors
103-2	The management approach and its components	-	SR 16 - 18	Social Factors
103-3	Evaluation of the management approach	-	SR 16 - 18	Social Factors

Disclosure Number	Disclosure Title	Comments	Page References AR: Annual Report 2022 SR: Sustainability Report 2022	Section References
405-1	Diversity of governance bodies and employees	-	SR 16 – 18	Social Factors
GRI 406: Non-discrimination				
103-1	Explanation of the material topic and its Boundary	-	SR 18	Social Factors
103-2	The management approach and its components	-	SR 18	Social Factors
103-3	Evaluation of the management approach	-	SR 18	Social Factors
406-1	Incidents of discrimination and corrective actions taken	-	SR 18	Social Factors
GRI 414: Supplier social assessment				
103-1	Explanation of the material topic and its Boundary	-	SR 23 - 24	Social Factors
103-2	The management approach and its components	-	SR 23 - 24	Social Factors
103-3	Evaluation of the management approach	-	SR 23 - 24	Social Factors
414-1	New suppliers that were screened using social criteria	-	SR 23 - 24	Social Factors
GRI 416: Customer health and safety				
103-1	Explanation of the material topic and its Boundary	-	SR 23 - 24	Social Factors
103-2	The management approach and its components	-	SR 23 - 24	Social Factors
103-3	Evaluation of the management approach	-	SR 23 - 24	Social Factors
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	-	SR 23 - 24	Social Factors



ADDVALUE
BOUNDLESS CONNECTIVITY

ADDVALUE TECHNOLOGIES LTD
Company Registration No.199603037H

202 Bedok South Ave 1, #01-11, Singapore 469332
Tel : +65 6509 5700 / Fax: +65 6509 5701

ADDVALUETECH.COM