

# INNOTEK



## **Building Global Success with Precision**

SUSTAINABILITY REPORT 2024

## Contents

<b>1.</b>	<b>ABOUT THE REPORT</b> .....	<b>1</b>
<b>2.</b>	<b>FEEDBACK</b> .....	<b>1</b>
<b>3.</b>	<b>BOARD STATEMENT ON SUSTAINABILITY</b> .....	<b>2</b>
<b>4.</b>	<b>ABOUT THE GROUP</b> .....	<b>2</b>
<b>5.</b>	<b>SUSTAINABILITY REPORT GOVERNANCE STRUCTURE</b> .....	<b>4</b>
<b>6.</b>	<b>STRATEGIC APPROACH FOR SUSTAINABILITY</b> .....	<b>4</b>
<b>7.</b>	<b>STAKEHOLDER ENGAGEMENT</b> .....	<b>5</b>
<b>8.</b>	<b>MATERIALITY ASSESSMENT</b> .....	<b>6</b>
<b>9.</b>	<b>ESG PERFORMANCE OVERVIEW</b> .....	<b>7</b>
<b>10.</b>	<b>ENVIRONMENTAL</b> .....	<b>8</b>
10.1	ENERGY CONSUMPTION .....	8
10.2	CLIMATE CHANGE .....	9
10.3	WASTE .....	12
10.4	SUPPLIER ENVIRONMENTAL ASSESSMENT .....	13
<b>11.</b>	<b>SOCIAL</b> .....	<b>14</b>
11.1	EMPLOYMENT .....	14
11.2	TRAINING & EDUCATION .....	16
11.3	OCCUPATIONAL HEALTH & SAFETY .....	17
<b>12.</b>	<b>GOVERNANCE</b> .....	<b>19</b>
12.1	ANTI-CORRUPTION .....	19
12.2	PROCUREMENT PRACTICES .....	19
12.3	COMPLIANCE WITH LAWS AND REGULATIONS .....	20
<b>13.</b>	<b>GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX</b> .....	<b>21</b>

## 1. ABOUT THE REPORT

### Reporting Boundary

As a guide, this report covers operations and all subsidiaries of InnoTek Limited (“**InnoTek**” or together with its subsidiaries, the “**Group**”) unless otherwise stated. It provides an overview of our approach, practices, commitment, and performance of the Group’s material Environmental, Social and Governance (“**ESG**”) topics. The report covers the sustainability performance of our operations from 1 January 2024 to 31 December 2024 (“**FY’24**”), namely:

- Sun Mansfield Manufacturing (Dongguan) Co., Ltd. (“**SMW**”);
- Feng Chuan Tooling (Dongguan) Company Limited (“**FCT**”);
- Mansfield (Suzhou) Manufacturing Company Limited (“**SZM**”);
- Magix Mechatronics (Dongguan) Company Limited (“**MGX**”);
- Mansfield Manufacturing (Wuhan) Company Limited (“**WHM**”);
- Mansfield (Thailand) Co. Ltd (“**TLM**”); and
- Mansfield Vietnam Company Limited (“**VNM**”)

Hua Yuang Sheng Industrial Company Limited, located in Vietnam, is currently in its early stage of establishment, and its sustainability reporting mechanisms are not yet fully developed; thus, it has not been included in our sustainability report. We will align the boundary of our sustainability reporting with that of our financial reporting by including all entities within the consolidated group in the next reporting cycle.

### Reporting Period & Standard

The reporting period is the same as that of the financial year of the Group (1 January 2024 to 31 December 2024). This report was prepared with reference to the Global Reporting Initiative (“**GRI**”) Standards. The GRI Standards are the most widely used and internationally accepted sustainability reporting framework. A GRI Content Index at the end of the report specifies the location of the relevant disclosures.

Except for the FY’23 emission intensity figures on pages 7 and 11, which were updated to reflect a change in the computation currency from HKD to SGD, no other restatements were made to previously reported data.

### Independent Assurance

The ESG performance data presented in the report have mainly been extracted from internal information systems and original records. The Group has not sought external assurance for this sustainability report and has relied on internal verification to ensure data accuracy.

## 2. FEEDBACK

We are fully committed to our stakeholders, and we welcome feedback on any aspect of our sustainability policies, processes, and performance. Kindly address all feedback to [innotek@innotek.com.sg](mailto:innotek@innotek.com.sg). Your feedback is vital to us in achieving our goals to build a sustainable and thriving business. As an attempt to promote environmental conservation, there will be no hard copies of this report.

### 3. BOARD STATEMENT ON SUSTAINABILITY

InnoTek Limited (“**InnoTek**” or together with its subsidiaries, the “**Group**”) is pleased to issue its seventh sustainability report prepared with reference to the GRI Standards and in compliance with the Singapore Exchange Securities Trading limited (“**SGX-ST**”) guidelines on sustainability reporting, including climate related disclosures consistent with the recommendations of the Task Force on Climate Related Financial Disclosure (“**TCFD**”) where applicable on a comply or explain approach.

The Group endeavours and is committed to integrate material environmental, social and governance topics with our core business strategy. The report seeks to present an accurate and even account of our practices and performance in our quest to be a sustainable, responsible corporate citizen.

The Board of Directors (“**Board**”) and senior management (“**Management**”) remain committed to establish and maintain an effective Sustainability Management Framework, which is supported by underlying internal controls, risk management practices and clear accountability and reporting processes. The Board evaluates and considers ESG risks and opportunities relevant to the Group during the formulation of overall business strategy, objectives and performance measurements.

The Sustainability Reporting (“**SR**”) Committee supports the Management in identifying the type of ESG topics relevant to its day-to-day operations. Management then determines the materiality of the ESG topics based on the level of significance of impact, influence on stakeholder values, and the achievement of the Group’s strategic objectives. The Board supports and approves the identification and assessment parameters of material ESG topics.

In FY’24, the Group reviewed its ESG topics and introduced a new topic, GRI 302 – Energy, into the sustainability report, reflecting our increased focus on energy management and its relevance to our sustainability goals.

The ESG topics in this report reviewed by the Board and Management are assessed to be material and relevant. The Board and Management shall continue to dedicate leadership and maintain a high standard of sustainability governance to drive continuous and long-term growth for all stakeholders. The Group will continue to work towards a balanced disclosure on the management and monitoring of material ESG topics for continuous improvement.

### 4. ABOUT THE GROUP

#### Corporate Profile

InnoTek Limited is a precision manufacturing group serving global customers in Office automation, TV and display, Automotive, and GPU server industries. Through its wholly owned subsidiary, Mansfield Manufacturing Company Limited (“**MSF**”), the Group operates in the People’s Republic of China (“**PRC**”) and Southeast Asia, delivering high-quality precision metal components and engineering solutions.

With a strong foundation in advanced manufacturing, the Group is structured into three core business segments:

- Precision Components and Tooling – Specialises in the production of stamping components, tooling design and fabrication, and die-making services for diverse industrial applications.
- Precision Machining – Focuses on CNC machining, cold forging, and surface finishing of aluminium and other lightweight metal components, catering to the evolving needs of the TV, tablet, and mobile device sectors.
- Corporate and Others – Provides centralised corporate services and manages treasury functions at the Group level.

As of 31 December 2024, MSF has five manufacturing plants in China, one in Thailand, and two in Vietnam, with a total manufacturing space spanning over 300 thousand square meters. In addition, we are equipped with more than 750 stamping machines alongside an array of CNC machining centres, sheet metal equipment, specialised equipment, and automation devices and technologies. This setup enables us to offer a dynamic production capacity to our clients across various industries, including Office automation, TV and display, Automotive, and GPU server. Our robust infrastructure ensures that we consistently deliver high-quality products and services, effectively fulfilling the diverse needs of our customers.



### Mission

Our mission is to provide innovative products, technologies and business solutions to help customers achieve their operating and business goals.

We continuously invest in technology and develop an operational structure that enables our customers to meet their cost targets while assuring a good return for our shareholders. We always respect the value of our employees and invest in them, our most important asset, as they are the key drivers of organisation's growth.



### Vision

The Group aims to continuously seek business opportunities in line with our strategic growth and to deliver value to our customers and stakeholders as we continue to explore and expand our business operations. Within the industry, we have also built a reputation for quality and high standards in our operations, as well as excellence in the management of our operations.

### Awards & Certification

During FY'24, the Group and its subsidiaries continued to hold various valid certifications attained in previous years and also received several new awards. These include:

- Certification for ISO 9001:2015 Quality Management Systems.
- Certification for ISO 14001:2015 Environmental Management Systems.
- Certification for IATF 16949:2016 Quality Management Systems for Automotive Sector.
- Certified Authorised Economic Operator (AEO) – Globally recognised supply chain accreditation.
- Kyocera: QCC Excellence Award for 2024 (December 18, 2024).
- ZF Passive Safety Systems (Asia Pacific): Outstanding Delivery Award for 2024.
- Guangdong Top 500 Manufacturing Enterprises in 2024.
- Guangdong Province Department of Industry and Information Technology: Recognition as “Specialized, Refined, Distinctive, and Innovative Small and Medium Enterprise” (January 6, 2024 – January 5, 2027).
- Jiangsu Province Department of Industry and Information Technology: Recognition as “Specialized, Refined, Distinctive, and Innovative Small and Medium Enterprise” (December 2024 – 2027).

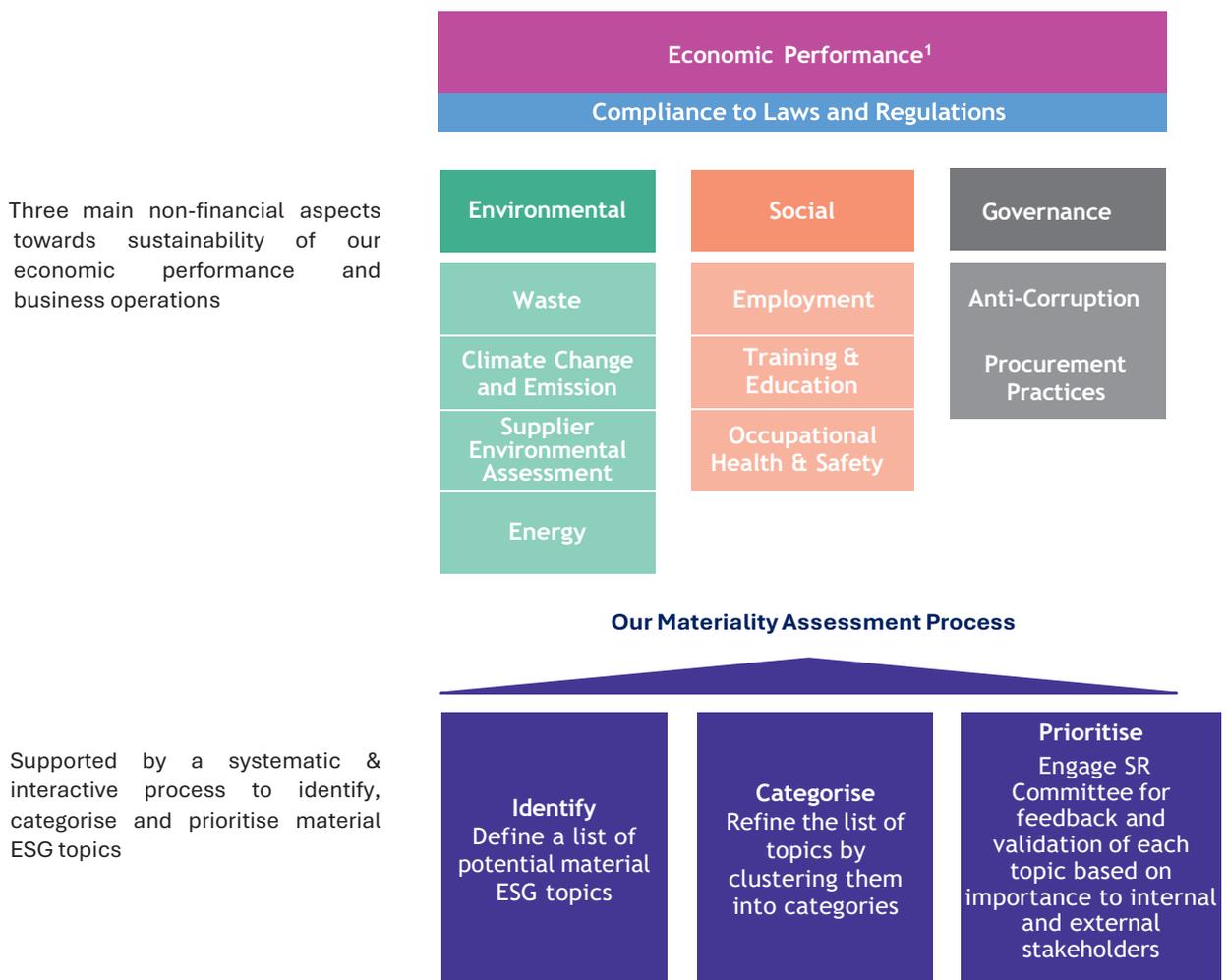
## 5. SUSTAINABILITY REPORT GOVERNANCE STRUCTURE

Sustainability is integrated into our business and embedded across various roles and functions. The SR Committee, chaired by our Chief Executive Officer (“CEO”), Mr Lou Yiliang, comprises senior management and board-level representatives from Innotek’s various business units, who execute strategies and report on material ESG aspects. The Board review and oversee the management and monitoring of the material ESG factors of the Group to ensure that sustainability matters are considered as part of its business strategy.

## 6. STRATEGIC APPROACH FOR SUSTAINABILITY

InnoTek firmly believes that sustainable business growth requires a balanced integration of economic performance, environmental stewardship, and social responsibility, ensuring our operations positively impact the environment and society while delivering long-term value to stakeholders. In FY’24, the Group has continued to adopt the similar approach in FY’23 towards sustainability management and concluded that these identified topics remains material to the sustainability of our economic performance and business operations in FY’24.

**Exhibit 1. An Overview of Our Approach to Sustainability Management**



<sup>1</sup>Please refer to Financial Statement of the annual report from page 42 onwards

## 7. STAKEHOLDER ENGAGEMENT

InnoTek recognises that understanding the demands and concerns of stakeholders are key to sustainable growth and regular engagement with stakeholders helps us better determine material focus areas. The Group operates and maintains multiple communication channels and platforms to understand stakeholders' requirements and feedback. In FY'24, the SR Committee has reviewed and ascertained employees, customers, shareholder, investors, business partners, and subcontractors are our key stakeholder groups (See Exhibit 2).

**Exhibit 2. Our Key Stakeholder Groups**



**Employees**

We recognise that our employees are fundamental to the Group's productivity and continuity. We aim to nurture them well to increase their engagement and contribution to the Group.

How We Engage	Main Concerns & Expectations	How We Respond
<ul style="list-style-type: none"> <li>Regular Meetings</li> <li>Open feedback platform</li> <li>Annual performance appraisals</li> <li>Teambuilding activities</li> </ul>	<ul style="list-style-type: none"> <li>Department updates</li> <li>Training &amp; career development opportunities</li> <li>Health &amp; Safety</li> <li>Job security</li> </ul>	By adopting sound HR policies and practices that promote fair treatment and safe working conditions, rewards and recognition.



**Customers**

We strive to maximise our customer satisfaction, to increase our sales and revenue. We ensure that we understand our customers' needs and expectations and we aim to build long-lasting relationships with our customers to win their support and confidence.

How We Engage	Main Concerns & Expectations	How We Respond
<ul style="list-style-type: none"> <li>Product sales channel</li> <li>Customer service feedback</li> <li>Regular direct engagement and active partnership.</li> </ul>	<ul style="list-style-type: none"> <li>Product and service quality</li> <li>Group's reputation in the market</li> <li>Competition</li> </ul>	By establishing policies for quality control and assurance that ensure our goods are of excellent quality and to promptly address customer complaints.



**Shareholders and Investors**

We aim to maintain profitability and maximise shareholders' return, as well as uphold a high standard of corporate governance and transparency.

How We Engage	Main Concerns & Expectations	How We Respond
<ul style="list-style-type: none"> <li>Company website, phone and email channels</li> <li>Annual General Meeting</li> <li>Analysts/ Investors meetings</li> <li>SGX announcement and media release</li> </ul>	<ul style="list-style-type: none"> <li>Group strategic development</li> <li>Current financial performance</li> <li>Future business outlook</li> </ul>	By being transparent and proactive in engaging. The Group retains an investor relations firm to assist in the timely dissemination of material information.



**Business Partners and Subcontractors**

We work closely with our business partners and subcontractors to ensure that all our operations that were carried out are in line with our sustainability efforts and industry practices.

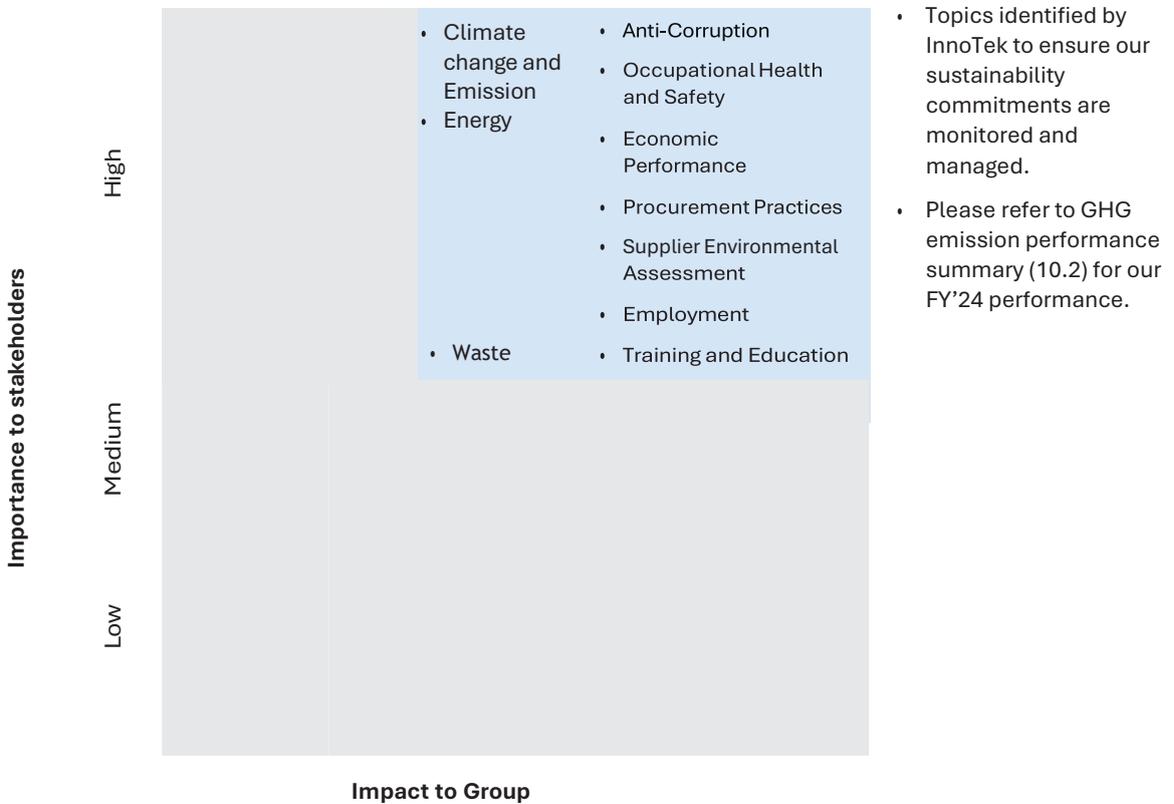
How We Engage	Main Concerns & Expectations	How We Respond
<ul style="list-style-type: none"> <li>Regular meetings and visits</li> <li>Phone and email channels</li> </ul>	<ul style="list-style-type: none"> <li>Integrity and effectiveness of the tender process</li> <li>Environmental, safety and health practices</li> <li>Product and technology updates</li> <li>Performance reviews</li> </ul>	By establishing policies and guidelines that ensure a fair selection and procurement process, and ethical business practices.

## 8. MATERIALITY ASSESSMENT

Materiality with respect to sustainability reporting, as outlined by the GRI Standards, includes topics and indicators that reflect the organisation’s significant economic, environmental, and social impacts; and would substantively influence the assessments and decisions of stakeholders.

Having considered key stakeholder’s topics of concern and expectations, the SR Committee together with the Management have assessed and prioritised the material topics to focus on for the Group, as well as targets and commitments. Based on the topics identified, Management has evaluated these topics with our business and geographies that we operate in and have evaluated the impact to our organization in accordance with the importance to key stakeholders and the Group, with the definition of high, medium, and low impact.

### InnoTek’s Group Materiality Matrix



## 9. ESG PERFORMANCE OVERVIEW

The material ESG topics below are reviewed by the Board of Directors and determined to be relevant, specific, and measurable to InnoTek's context in our current business environment. The Group adopted the recommendations of TCFD for climate related disclosures. Moving forward, to keep abreast of critical issues, the Management will review InnoTek's material ESG topics against the changing business environment, stakeholder opinions, and emerging global and local trends annually. The following data is an overall summary. For detailed reasons and context, please refer to the explanations from page 8 to page 20.

Material Topics and Indicators	Reporting Period	
	FY'24	FY'23
<b>Environmental</b>		
Scope 1 emissions (Mt CO <sub>2</sub> ) <sup>1</sup>	711.28	477.56
Scope 2 emissions (Mt CO <sub>2</sub> ) <sup>1</sup>	12,976.07	13,099.29
GHG emission intensity (Mt CO <sub>2</sub> /S\$ '000 revenue) <sup>1</sup>	0.058	0.066 <sup>2</sup>
Total non-hazardous waste generated (tonnes)	9,399	8,927
Total hazardous waste generated (tonnes)	258	126
<b>Fuel Consumption</b>		
• Gasoline (litres)	46,739.11	Note
• Diesel (litres)	42,247.76	
• Natural gas (m <sup>3</sup> )	89,933.29	
<b>Electricity Consumption</b>	26,720,678.38	
<b>Social</b>		
<b>Employees</b>		
• Male	1,161	1,239
• Female	774	799
• Full-time employees (number)	1,935	1,538
• New hires (number)	990	511
• Fatal accidents (number)	0	0
• Total turnover (number)	926	563
<b>Average training hours per employee</b>	12.9	7.4
<b>Annual performance appraisal completion rate (%)</b>	98	100
<b>Governance</b>		
Confirmed incidents of corruption or bribery	0	0
Incidents of non-compliance with regulations	0	0
Major safety issue and negative feedback	0	0
Number of new suppliers were screened which complies with environmental assessment requirement.	86	45
Percentage of materials purchased were from local suppliers	93	91

Note: This is the initial year disclosing energy consumption, hence, there is no comparative data available for FY'23.

<sup>1</sup>GHG emissions are derived in accordance with the requirements of the "GHG Protocol Corporate Accounting and Reporting Standard". The Global Warming Potential dataset is based on the 2014 IPCC Fifth Assessment Report.

<sup>2</sup>Emission intensity for FY'23 has been restated to reflect a change in the computation currency from HKD to SGD.

# SUSTAINABILITY REPORT

## 10. ENVIRONMENTAL

To address global issues of resource scarcity and a changing climate, we recognise the importance of integrating environmental considerations into the Group’s business decisions. We are committed to understanding, managing and minimising our environmental footprint across our value chain, including our business operations, suppliers and customers. Our environmental efforts are largely focused on maximising material utilisation and optimising energy consumption. We will continue to strengthen our expertise in the areas of environmental programs and be selective about the strategic initiatives that will yield a greater positive impact in the future.



### 10.1 ENERGY CONSUMPTION

Effective energy management plays a vital role in precision manufacturing, directly influencing operational efficiency, cost control, and overall production quality. The Group’s core production processes, such as metal stamping, precision machining, and surface treatment, are highly energy-intensive and rely on a stable and efficient energy supply to ensure consistent product quality, operational efficiency, and sustained customer satisfaction.

Recognizing importance of effective energy management, InnoTek has implemented several initiatives to optimize our energy consumption. These include upgrading to energy-efficient equipment, adopting advanced manufacturing technologies, expanding the use of renewable energy sources such as photovoltaic installations, and promoting energy conservation awareness among employees through behavioural change programs.

#### Our Performance and Target:

Energy Consumption	FY'24	FY'23
<b>Fuel Consumption</b>		Note
• Gasoline (litres)	46,739.11	
• Diesel (litres)	42,247.76	
• Natural gas (m <sup>3</sup> )	89,933.29	
<b>Electricity Consumption</b>	26,720,678.38	

Note: FY'24 is the initial year disclosing energy consumption, hence, there is no comparative data available for FY'23.

The Group will continue to prioritise and expand projects aimed at enhancing energy efficiency and decreasing energy intensity. We will expand the deployment of renewable energy solutions and continuously monitor and analyse energy consumption patterns to achieve reductions in overall energy intensity.

# SUSTAINABILITY REPORT



## 10.2 CLIMATE CHANGE

Recognizing the global challenges of resource scarcity and climate change, the Group acknowledges its responsibility to minimize environmental impacts within its operations and supply chain. It remains committed to environmental preservation by implementing green practices to reduce energy consumption and greenhouse gas (GHG) emissions.

In FY'24, a refresher workshop was conducted for Management to enhance awareness and reassess the impact of climate-related risks on the Group's operations.

The Board have reviewed the impact assessment, evaluating the potential impact on the Group as low, moderate, or high, across short-, medium-, and long-term horizon.

Risks	Description	Impact	Short Term (< 1 year)	Medium Term (1-3 years)	Long Term (> 3 years)
Physical (Acute)	Sudden and extreme climate events (e.g. hurricanes, floods, wildfires and severe storms) that caused immediate damage	Increase in operation costs and reduction in revenue	Low	Low	Moderate
Physical (Chronic)	Long-term shifts in climate patterns, like rising temperatures, sea levels, and changing precipitation, affecting ecosystems and infrastructure.	Increase in operation costs and reduction in revenue	Low	Low	Moderate
Transition (Policy and Legal)	Evolving climate regulations and carbon pricing	Increase in operation cost	Low	Moderate	Moderate
Transition (Technology)	Increased costs and challenges of adopting low-emission technologies, potentially leading to asset obsolescence and market shifts	Increase in operation cost	Low	Low	Moderate
Transition (Market)	Changing consumer preferences, increased costs of raw materials, and shifts in supply-demand dynamics due to climate concerns.	Increase in operation cost and reduction in revenue	Low	Moderate	Moderate
Transition (Reputation)	Changing stakeholder perceptions of a company's climate actions, potentially affecting consumer loyalty and brand value	Reduction in revenue	Low	Low	Moderate

# SUSTAINABILITY REPORT

To manage climate-related risks and opportunities, the Group has adopted a phased approach to climate-related disclosures, following TCFD’s recommendations across four key areas: Governance, Risk Management, Strategy, and Metrics. This approach has been in place since FY’22.

Governance	Risk Management
<ul style="list-style-type: none"> <li>The Board of Directors holds overall responsibility for sustainability, including ESG material topics and climate-related risks and opportunities. These topics, along with relevant metrics, are presented to the Board. Climate-related risks and opportunities are assessed in alignment with the Group’s business strategy and sustainability priorities.</li> <li>The SR Committee, led by the CEO and senior management, along with board-level representatives from Innotek’s various business units, is responsible for formulating, implementing, and reviewing the Group’s sustainability policies and processes.</li> </ul>	<ul style="list-style-type: none"> <li>Climate risks &amp; opportunities have been integrated as part of the Group’s overall risk management process.</li> <li>In FY’24, a refresher was conducted to reassess the impact of climate-related risks on the Group’s operations.</li> </ul>
Strategy	Metrics
<ul style="list-style-type: none"> <li>The Board of Directors reviews and approves climate-related risks and opportunities, assessing their impact on the Group across short-, medium-, and long-term horizons.</li> <li>The Group developed medium to long term plan for energy conservation and emission reduction within the Group.</li> </ul>	<ul style="list-style-type: none"> <li>Specific measures to reduce greenhouse gas emissions (Scope 1 and Scope 2) are in place to further reduce the intensity of greenhouse gas emissions.</li> <li>The Group will analyse the gaps between its current disclosures and the S2 climate-related disclosure requirements of the International Sustainability Standards Board (ISSB) and reviews its climate-related disclosure accordingly.</li> </ul>

This marks the third year of the Group's GRI 305: Emissions disclosures. With a clearer understanding of its emissions profile, the Group remains committed to tracking the carbon footprint and emission intensity of its subsidiaries. Building on the previously identified climate risks, the Group continues to enhance energy efficiency in its operations to further reduce environmental impact. Aligned with climate-related opportunities recommended by the TCFD, the Group has implemented the following initiatives:

Climate Related Opportunities	Initiatives
Resource Efficiency	<ul style="list-style-type: none"> <li>Explore opportunities to upgrade facilities and equipment, such as replacing non-inverter air compressors and stamping machines with energy-efficient inverter models, optimizing production processes, and introducing automated production equipment.</li> <li>The Group remains committed to optimizing resource utilization by implementing energy-saving solutions such as electric forklifts and automated production equipment. Measures to reduce energy consumption include expanding photovoltaic power generation, using high-efficiency LED lighting with voice-controlled intensity, and adopting air compressor waste heat reuse. Additionally, the Group continues to promote sustainability through packaging material and wastewater recycling to minimize waste.</li> <li>The Group collaborates with suppliers to enhance packaging recycling material and increase reuse frequency. Currently, environmental agreements and questionnaires are used to promote sustainability efforts, with planned supplier visits to further optimize resource efficiency across the value chain.</li> </ul>
Product and Services	<ul style="list-style-type: none"> <li>The Group is continuously exploring opportunities to implement new technologies and develop sustainable infrastructure to support business growth and meet customer low-carbon requirements.</li> </ul>
Markets	<ul style="list-style-type: none"> <li>Due to the increasing requirements on carbon emissions in Europe, the Group is exploring emerging technologies and infrastructure opportunities to better position itself in the market to meet these demands in Europe.</li> </ul>

# SUSTAINABILITY REPORT

Climate Related Opportunities	Initiatives
Energy Source	<ul style="list-style-type: none"> <li>Installing solar photovoltaic panels at multiple facilities at SMW, SZM and MGX, and setting up new energy vehicle charging points.</li> </ul>
Resilience	<ul style="list-style-type: none"> <li>Upgrading air compressors, adopting electric forklifts, recycling wastewater, and diversifying raw material suppliers enhance operational resilience and reduce reliance on single sources, mitigating climate-related risks</li> </ul>

The SR Committee will continue to assess climate-related opportunities on an ongoing basis, collaborating with external experts to enhance the Group's resilience and mitigate the financial impact of climate-related risks. This includes evaluating risks such as supply chain disruptions caused by extreme weather events and regulatory changes related to carbon emissions. Additionally, the Group will continue to assess the potential financial implications of these risks and incorporate the insights into its long-term financial and strategic planning.

## Our Performance and Target:

Refer to below table for the GHG emission performance summary.

GHG Emission	FY'24	FY'23
<b>Total carbon emission (Metric tonnes CO<sub>2</sub> equivalent)<sup>1</sup></b>	13,687.35	13,576.85
<b>Scope 1 emissions (Mt CO<sub>2</sub>)</b>	711.28	477.56
<b>Scope 2 emissions (Mt CO<sub>2</sub>)</b>	12,976.07	13,099.29
<b>GHG emission intensity (Mt CO<sub>2</sub>/Revenue SGD '000)</b>	0.058	0.066 <sup>1</sup>

<sup>1</sup> Emission intensity for FY'23 has been restated to reflect a change in the computation currency from HKD to SGD

Compared to FY'23, Scope 1 emissions increased by 48.94%, while Scope 2 emissions decreased by 0.94%. Total emissions rose by 0.81%, whereas total emission intensity decreased by 12.1%.

The increase in Scope 1 emissions from 477.56 tonnes in FY'23 to 711.28 tonnes in FY'24 is mainly attributed to a 15.8% growth in the Group's sales revenue and corresponding rise in production volumes. This growth has led to higher energy consumption from transportation vehicles within the factories, increased refrigeration usage, and greater industrial wastewater emissions. Additionally, energy consumption grew due to the addition of cleaning lines and welding processes.

The decrease in Scope 2 emissions is primarily due to two factors: first, the expanded use of solar photovoltaic power generation; and second, a reduction in the national average electricity carbon dioxide emission factor in China, updated by the government in 2024, from 0.5568 to 0.5366. The electricity emission factor refers to the amount of CO<sub>2</sub> emissions produced per unit of electricity generated; a lower emission factor indicates less carbon emitted during electricity production.

Going forward, the Group remains committed to continuously identifying and evaluating effective strategies for environmental impact reduction. It will actively pursue innovative technologies, optimize operational practices, and strengthen collaboration across the value chain to further enhance energy efficiency and progressively reduce GHG emission intensity.

# SUSTAINABILITY REPORT



## 10.3 WASTE

Effluents and waste management are critical for global sustainable development. The Group conscientiously monitors our discharges into the environment and seeks to reduce any environmental impact. It is thus vital to prioritise sustainable waste disposal methods, such as reusing, recycling and recovery that minimise residual effects. Proper treatment of our effluents is also crucial in ensuring that hazardous substances do not leak into ecosystems and undergo bio-amplification along the food chain.

The Group is committed to strengthening the management of waste generation, actively promoting reuse and recycling, and responsibly managing waste when reuse or recycling is not feasible. We have launched various initiatives to encourage the use of renewable materials in packaging. Hazardous waste is managed, stored, and disposed of in strict compliance with local regulations and by adopting industry best practices, thereby preventing environmental harm. The Group places particular emphasis on the safe disposal of waste to minimize potential risks of environmental contamination, especially from chemical waste, which poses significant threats to public health and the environment.

### Our Performance and Target

Total Waste Generated (Tonnes)	FY'24	FY'23
• Hazardous	258	126
• Non-hazardous	9,399	8,927

In FY'24, hazardous waste increased by 132 tons, and non-hazardous waste increased by 472 tons compared to FY'23. The increase was primarily due to TLM and VNM being newly included into the reporting scope this year. Specifically, VNM generated 125 tons of hazardous waste, while TLM contributed 6 tons. The high volume of hazardous waste generated by VNM was mainly because the facility is operating in leased premises without an on-site wastewater treatment system, necessitating wastewater treatment by a third party before disposal or discharge. All hazardous waste generated was disposed of by authorized waste contractors in strict compliance with local regulations.

Non-hazardous waste, which includes standard packaging and production materials like paper, plastic, and metal, was either recycled or reused by licensed collectors whenever possible. There were no incidents of environmental non-compliance.

To maintain the highest standard of environmental compliance, and to meet our target, Management will continue to ensure that waste treatment and disposal methods adhere to regulatory requirements and identify opportunities to minimize waste generation to reduce their carbon footprint in the environment.

# SUSTAINABILITY REPORT

## 10.4 SUPPLIER ENVIRONMENTAL ASSESSMENT

The Group has established a supplier selection process aimed at prioritising suppliers who demonstrate sound environmental management practices aligned with our sustainability objective:

- Raw materials
- Production accessories
- Tooling
- Subcontracting\*
- Transport and logistics
- Calibration\*

*The Group has allocated some specialised tasks, mainly in surface treatment (e.g. electroplating, acid cleaning, spray painting etc.) to external suppliers.*

During supplier onboarding, the Group assesses suppliers based on several criteria, including (i) Environmental Impact, (ii) Human Rights, (iii) Occupational Health and Safety, (iv) Ethical Business Practices, (v) Track Record, and (vi) Financial Stability. Suppliers must demonstrate a commitment to providing high-quality raw materials and services while adhering to health and safety standards. Additionally, key raw material suppliers are required to provide environmental certifications to confirm compliance with legal regulations.

### **Our Performance and Target:**

In FY'24, the Group onboarded 86 new suppliers. All new suppliers underwent an environmental assessment, and key suppliers of critical materials and surface treatment services also received on-site evaluations to assess their environmental management capabilities. Additionally, an ESG-related questionnaire was distributed to 28 existing key suppliers. Insights obtained were shared with these suppliers to highlight areas for improvement and support their efforts to enhance environmental performance, promoting alignment with InnoTek's standards.

In FY'25, in addition to achieving a 100% completion rate of the environmental assessment by all new suppliers prior to onboarding, the Group will strengthen the supplier evaluation by implementing on-site visits and investigations. These visits will enable the Group to identify additional ESG risks, and work collaboratively with suppliers to ensure continuous improvement in their ESG management practices.

# SUSTAINABILITY REPORT

## 11. SOCIAL



### 11.1 EMPLOYMENT

Our employees are among our most valuable assets, and the Group is committed to fair employment practices, upholding human rights principles, and investing in the development and training of our people. In FY'24, to improve data accuracy of employment figures, InnoTek defines full-time employees as those with a direct employment relationship with the company. Dispatched workers are not included in this definition, as they are employed by service agencies that act as contractors for the company. As of 31 December 2024, we have a total of 1,935 employees, details as follows:



Gender	Singapore	China	Vietnam	Thailand
Male	0	1,025	86	50
Female	3	582	124	65

		New Hires								
		FY'24			FY'23			FY'22		
Total No. of New Hires		990			511			925		
		FY'24			FY'23			FY'22		
Total No. of New Hire by Age Group		< 30	30 – 50	> 50	< 30	30 – 50	> 50	< 30	30 – 50	> 50
		429	525	36	52	403	56	299	492	134
% of New Hire by Age Group		43%	53%	4%	10%	79%	11%	32%	53%	15%

		Turnover								
		FY'24			FY'23			FY'22		
Total Turnover		926			563			963		
		FY'24			FY'23			FY'22		
Total No. of Turnover by Age Group		< 30	30 – 50	> 50	< 30	30 – 50	> 50	< 30	30 – 50	> 50
		399	492	35	57	444	62	297	503	163
% of Turnover by Age Group		43%	53%	4%	10%	79%	11%	31%	52%	17%

# SUSTAINABILITY REPORT

In FY'24, the reported employee headcount increased by 477 compared to FY'23, primarily due to the inclusion of employee data from VNM and TLM in this reporting cycle. Overall workforce stability was maintained; however, increased seasonal fluctuations in customer orders led the Group to hire a substantial number of short-term production line workers during peak periods. The subsequent decline in order volumes resulted in significant staff reductions, causing higher employee turnover rates and frequent recruitment activities.

We aim to cultivate a work environment that promotes inclusiveness and encourages high performance to attract, retain, and develop our workforce. As an equal opportunity employer, the Group has established a system to guarantee fair treatment and equal opportunities for all employees. We do not discriminate based on religion, age, ethnicity, physical disability, or gender. Employees are expected to comply with all relevant policies and practices.

The Group actively ensures diversity within middle management to foster creativity, innovation, and enhance organisational culture. There were no reported instances of discrimination raised by our employees in FY'24.

The Group maintains an open-door policy, urging employees to voice concerns or grievances directly to their immediate supervisor, department head, HR department, CEO, and/or independent directors. This underscores our dedication to ensuring a workplace that is healthy, safe, and secure for our employees. There were no reported workplace grievance cases across our business segments in FY'24.

## Employee Remuneration and Benefit

The Group values the contributions of all employees and prioritizes fair and competitive salary packages that are sufficient to attract, retain, and motivate staff. When establishing these packages, the Group considers regulatory requirements and benchmarks against industry standards. Additionally, alongside the competitive remuneration provided in FY'24, the Group maintains a list of employee benefits, including but not limited to:

Employment Benefits	Descriptions
<b>Medical Insurance</b>	Employees are reimbursed for outpatient treatments, surgery or hospitalization expenses covered under medical insurance.
<b>Disability Insurance</b>	All our employees are covered under personal accident insurance and work-related injury. For instance, the organisation will reimburse any rehabilitation costs or monthly pay-outs for each case of disability.
<b>Parental Leave</b>	Both female and male employees are entitled to maternity leave and paternity leave where applicable. We provide other leave benefits catering to our employees' children, during the stages of infant care and childcare.
<b>Retirement Provision</b>	The Group and the employees make monthly contribution to social insurance in accordance with local labour law. With the contribution made, employees who are qualified for pension on the retirement age will receive monthly financial support from the government.
<b>Accommodation and Staff Canteen</b>	Workers are granted free accommodation, coupled with necessities such as proper sanitation and water. We also provide a large variety of food in the staff canteen.
<b>Year-end Performance Bonus</b>	In the event of outstanding results, either the financial performance of the Group or individual performance judged by appraisal matrices, our employees are entitled to these bonuses.
<b>Paid Leave</b>	Our employees are entitled to various types of paid leave, including marriage leave, compassionate leave, and sick leave. In addition to these, employees receive annual leave, guaranteed at a minimum of 10 days, which increases with their service duration.
<b>Annual Appreciation Events and Festival Celebrations</b>	We organise company events annually to celebrate and recognise the efforts of our employees. In line with our spirit of embracing diversity and honouring our rich heritage and culture, we celebrate traditional festivals as a Group.

# SUSTAINABILITY REPORT

The Group remains committed to fostering a diverse and inclusive workforce and continues to strive for a 100% return-to-work rate among female employees returning from maternity leave. In FY'24, five female employees returned to work after completing maternity leave during the reporting period.

The Group is in full compliance with local labour regulations across our operations, as well as minimum wage laws, where such laws exist. We are dedicated to constantly reviewing our employment policies, benefits and remuneration practices to ensure compliance with the updated employment laws and keep up with the best industry practices to provide the optimal working conditions for our people.

The Group strives to continuously cultivate a transparent and inclusive environment for all employees, as well as ensure a top-down approach to promote fair and ethical business dealings. We maintain our zero-tolerance stance on unethical labour practices such as child labour, forced labour, slavery, and human trafficking throughout our entire organisation.



## 11.2 TRAINING & EDUCATION

The Group recognizes the need for employees to stay informed and continuously update their skill sets in an ever-changing work environment. To encourage and support our employees in honing their skills and developing a fulfilling career, both on-the-job and ad-hoc training is made available to our employees. Employees are encouraged to attend courses which are relevant to their respective job scopes.

### Our Performance and Target



In FY'24, the average training hours per employee increased. This increase was mainly due to enhanced training programs for front-line operators, aimed at improving safety awareness and production efficiency. Additionally, the introduction of new management systems, such as ERP (Enterprise Resource Planning) and HRIS (Human Resource Information System), led to increased system-related training. Furthermore, intensified compliance training provided to managerial staff also contributed significantly to the overall rise in training hours.

In FY'25, the Group will continue to increase its investment in employee training and develop more comprehensive skill enhancement programs. Through targeted training plans informed by future business requirements and employee feedback, the Group aims to improve the professional skills of front-line employees and enhance the expertise of managerial staff. We firmly believe that investing in employee development not only promotes the effective utilization of the Group's human capital but also improves employee satisfaction, ultimately driving overall performance improvement.

### Our Performance and Career Development Review

Performance and career development review of employees are performed during the performance appraisal process. This process is conducted annually whereby there will be two-way communication and engagement between supervisors and subordinates to assess the performance of our employees. Upon completion of the appraisal process, consideration of career advancements such as promotion; quantum of salary increments, and an annual variable bonus will be determined based on the performance appraisal results.

In FY'24, the Group conducted employee evaluations in accordance with the appraisal policy, ensuring fair assessment and remuneration based on their work experience, qualifications, and performance.

# SUSTAINABILITY REPORT



## 11.3 OCCUPATIONAL HEALTH & SAFETY

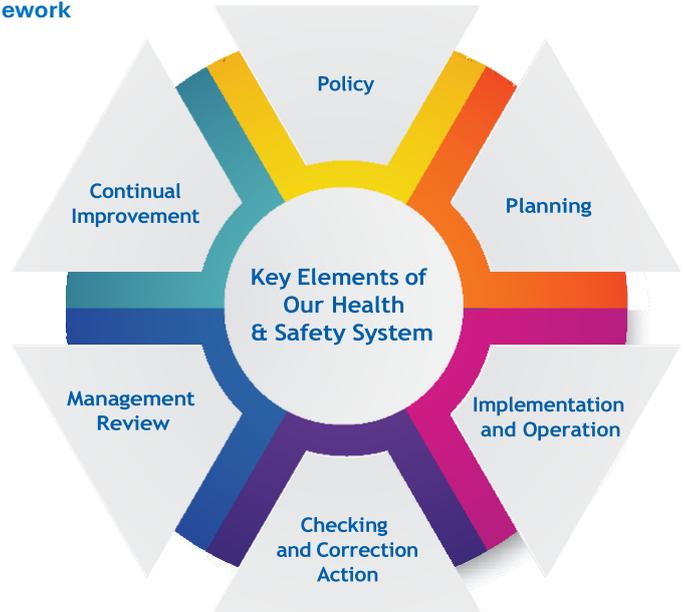
Safety is an integral part of our business and a key focus area for both our Board and Management. The Group recognises that it is the company’s responsibility to ensure that our employees’ safety is top priority. We firmly believe that all employees deserve a safe and healthy workplace, and providing such an environment boosts workforce morale, productivity, and efficiency.

### Occupational Health & Safety Management Framework

As a group, we assessed the risk of specific occupational injuries and diseases that may occur due to workplace conditions. After extensive research and feedback from our employees, we consider the following diseases as high-risk, coupled with the methods we undertake to combat these risks:

- Impairment in hearing (Stamping);
- Visual impairment (Welding); and
- Respiratory damage (Painting and surface treatment)

Processes are in place to identify, mitigate and report risks and communicate best practices across the Group, and we work with our employees and stakeholders to ensure that they understand our requirements and expectations.



We have established a Safety Committee to facilitate the physical supervision of workplace safety, and the relaying of Workplace Safety and Health (“WSH”) related messages. Each entity has its own Safety Committee, which comprises both employee and employer representatives. The Safety Committee oversees subsidiaries’ operations to ensure that safety standards are always upheld and in line with industry-leading practices. In addition, the role and responsibilities of the Safety Committee include reviewing, implementing and reinforcing safety standards and regulations to ensure all safety risks are adequately mitigated. The Safety Committee members meet regularly to review safety inspection results, infrastructure and incidents, as well as to coordinate and organise workplace safety-related activities.

The Group seeks to learn from past mistakes and strives to prevent similar incidents from recurring. All near-miss incidents and accidents are promptly reported to the Safety Committee, which will provide timely incident analysis briefings to employees. These safety briefings aim to strengthen the safety awareness of employees and to remind them of established safety measures and precautions, as well as safety protocols in the event of similar incidents.

We also ensure each worker is well protected before the start of each assignment by updating personal protective equipment records to ensure that each worker is sufficiently equipped with protective gear. We have also developed a list of protocols and precautions for workers to ensure safety in the workplace.

# SUSTAINABILITY REPORT

## Our Performance and Target

Category	FY'24 Total	FY'23 Total	FY'22 Total
Minor Injury	32	14	25
Injury requiring medical attention	0	0	0
Injury resulting in temporary disabilities	0	0	2 <sup>1</sup>
Death or Total Permanent Disabilities	0	0	0
Occupational Injury and Disease	0	0	0

<sup>1</sup>The two temporarily disabled employees have fully recovered after treatment and have returned to normal work.

In FY'24, there were no incidents of work-related fatalities or cases of permanent disabilities across the Group's business operations. There was an increase in minor injuries in FY'24 which is mainly due to 2 factors:

1. Addition of Mansfield Vietnam and Mansfield Thailand which led to an increase of 5 cases.
2. Refinement of workplace injuries definitions:
  - Minor work-related injuries: injuries that require treatment either within the company (such as by a company nurse or first aid) or at external medical facilities (like a doctor's office or urgent care).
  - High-consequence work-related injuries are those that require external treatment, cause an absence of more than one day, result in workers' compensation claims, or lead to temporary disability.

The refinement and tightening of the workplace injury definition aims to provide clarity and standardize data collection across all subsidiaries, ensuring consistent data reporting in the future. At the same time, this stricter refinement expanded the scope of what constitutes a workplace injury, resulting in an increase in reportable work-related injuries in FY'24.

The Group will strive to continue to maintain its health & safety standards and continuous improvement in its Operational Health and Safety processes and performance.

# SUSTAINABILITY REPORT

## 12. GOVERNANCE



### 12.1 ANTI-CORRUPTION

The Group is committed to upholding the highest standards of corporate governance and business integrity across its business activities, which are essential for the long-term viability of the Group's operations and the enhancement of shareholder value. The Board undertakes to investigate complaints of suspected fraud in an objective manner and has put in place a whistle-blowing policy and procedures which provide employees with well-defined and accessible channels within the Group. Suspected bribery, corruption, dishonest practice, or other similar matters will be reported directly to the Audit and Risk Management Committee.

The policy aims to encourage the reporting of such matters in good faith, with the confidence that employees making such reports will be treated fairly and, to the extent possible, protected from reprisal. The policy and its effectiveness will be reviewed and updated by the Audit and Risk Management Committee periodically, as and when it is deemed necessary.

Additionally, when dealing with external counterparties, the Group engages in various practices to ensure ethical conduct. This includes signing supplier commitment letters and incorporating anti-commercial corruption clauses into contracts. Furthermore, employees in supervisory roles and higher (including employees in the purchasing and sales department) are required to sign the "Conflict of Interest Statement and Integrity Commitment".

#### **Our Performance and Target:**

In FY'24, there were no incidents of regulatory non-compliance across InnoTek's group of businesses. There were also no reported incidents pertaining to corruption via the whistleblowing channel for this reporting period under review. The Group strives to continue maintaining a zero-target approach and reinforcing a culture of full compliance.



### 12.2 PROCUREMENT PRACTICES

The Group firmly believes that its suppliers and subcontractors as key business partners which create a positive economic impact, thus enhancing stakeholder's return. In this respect, the Group maintains a stringent vendor selection process, which is based on the vendors past track records and adherence to occupational health and safety standards.

We have also developed procurement policies and guidelines to guide our process, such as:

- Guidelines and procedures on selection and evaluation of new suppliers and/or subcontractors; and
- Guidelines and procedures on monitoring over suppliers and/or subcontractors.

In addition, we have carried out a list of supplier assessment as stated in 10.4 Supplier Environmental Assessment. Partners and suppliers are encouraged to continuously improve sustainable practices to reduce potential negative impact to the environment. We consider potential new suppliers' sustainability performance and practices as one of the main components in our supplier evaluation process.

#### **Our Performance and Target:**

The Group purchases a range of raw materials from its suppliers, with aluminium and steel being our main raw materials. Purchases from local material suppliers have increased to 93% in FY'24 from 91% in FY'23. During the reporting period, the Group's purchases amounted to RMB 488.9 million (FY'23: RMB464.6 million).

We remain fully committed to prioritising suppliers with sustainable practices while contributing to positive economic and social impacts in the local communities where we operate. The Group will continue to identify risks, self-assess

# SUSTAINABILITY REPORT

the adequacy and effectiveness of mitigating measures, and manage risks related to finance, operations, information technology, compliance, and reputation.

*Please refer to the Corporate Governance section of the annual report for more information.*



## 12.3 COMPLIANCE WITH LAWS AND REGULATIONS

The Group is committed to maintaining high standards of corporate governance and business conduct to uphold market integrity and safeguard the interests of our stakeholders for the long-term success of the Group. We aim to foster an organisational culture that promotes integrity and ethical business practices, including compliance with laws and regulations, respect for human rights, and environmental conservation.

The Group maintains zero tolerance for non-compliance and encourages our stakeholders to report any incidences via our established whistle-blowing channels. All employees of Innotek are encouraged to be proactive and forthcoming in managing and reporting compliance-related issues and complaints.

### **Our Performance and Target:**

<b>FY'23 Performance</b>	<b>FY'24 Target</b>	<b>FY'24 Performance</b>	<b>FY'25 Target</b>
Zero incidents of non-compliance and penalties	Maintain zero incidents of non-compliance and penalties	Zero incidents of non-compliance and penalties	Maintain zero incidents of non-compliance and penalties

# SUSTAINABILITY REPORT

## 13. GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

<b>Statement of use</b>	The Group 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.
<b>GRI 1 Used</b>	GRI 1: Foundation 2021

Category	Disclosure	Description	Page Reference
GRI 2: General Disclosure 2021	2-1	Organisational details	Annual Report (“AR”) (Pages 4, 16, 17)
	2-2	Entities included in the organisation’s sustainability reporting	Sustainability Report (“SR”) (Page 1)
	2-3	Reporting period, frequency and contact point	SR (Page 1)
	2-4	Restatements of information	SR (Page 1)
	2-5	External Assurance	SR (Page 1)
	2-6	Activities, value chain and other business relationships	SR (Pages 2 – 3) AR (Pages 8 – 9)
	2-7	Employees	SR (Page 15)
	2-8	Workers who are not employees	Not Applicable
	2-9	Governance structure and composition	AR (Pages 24 – 25)
	2-10	Nomination and selection of the highest governance body	AR (Pages 26 – 29)
	2-11	Chair of the highest governance body	AR (Page 26)
	2-12	Role of the highest governance body in overseeing the management of impacts	AR (Page 21 – 23) SR (Pages 2, 4)
	2-13	Delegation of responsibility for managing impacts	AR (Pages 21 – 23)
	2-14	Role of the highest governance body in sustainability reporting	SR (Pages 2, 4)
	2-15	Conflicts of interest	AR (Page 36 – 37, 40 - 41) SR (Page 19 – 20)
	2-16	Communication of critical concerns	AR (Pages 40 – 41) SR (Page 19)
	2-17	Collective knowledge of the highest governance body	AR (Page 23 – 25)
	2-18	Evaluation of the performance of the highest governance body	AR (Page 29)
	2-19	Remuneration policies	AR (Pages 30 - 31)
	2-20	Process to determine remuneration	AR (Pages 30 - 31)
	2-21	Annual total compensation ratio	AR (Page 32)
	2-22	Statement on sustainable development strategy	SR (Page 2)
	2-23	Policy commitments	SR (Pages 2 – 4)
	2-24	Embedding policy commitments	SR (Pages 2 – 4)
	2-25	Processes to remediate negative impacts	AR (Pages 33 – 41)
	2-26	Mechanisms for seeking advice and raising concerns	AR (Pages 40 – 41)
	2-27	Compliance with laws and regulations	SR (Page 20)
	2-28	Membership associations	Not Applicable
	2-29	Approach to stakeholder engagement	SR (Page 5)
	2-30	Collective bargaining agreements	Not Applicable

# SUSTAINABILITY REPORT

GRI 3: Material Topics 2021	3-1	Process to determine material topics	SR (Page 6)
	3-2	List of material topics	SR (Page 6)
	3-3	Management of Material Topics	SR (Pages 8 – 20)
GRI 204: Procurement Practices	204-1	Proportion of spending on local suppliers	SR (Page 19)
GRI 205: Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	SR (Pages 19 – 20)
GRI 302: Energy	302-1	Energy consumption within the organisation	SR (Page 8)
GRI 305: Emissions	305-1	Direct (Scope 1) Emission	SR (Page 11)
	305-2	Energy Indirect (Scope 2) GHG Emission	SR (Page 11)
	305-4	GHG Emission Intensity	SR (Page 11)
GRI 306: Waste 2020	306-3	Waste generated	SR (Page 12)
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	SR (Page 13)
GRI 401: Employment	401-1	New employee hires and employee turnover	SR (Page 14)
	401-3	Parental leave	SR (Page 15)
GRI 403: Occupational Health and Safety	403-1	Occupational health and safety management system	SR (Page 17)
	403-9	Work-related injuries	SR (Page 18)
GRI 404: Training and Education	404-1	Average hours of training per year per employee	SR (Page 16)
	404-2	Programs for upgrading employee skills and transition assistance programmes	SR (Page 16)
	404-3	Percentage of employees receiving regular performance and career development reviews	SR (Page 16)

**SUSTAINABILITY**  
**REPORT**

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