SUSTAINABILITY REPORT 2017

Excelpoint™

EXCELPOINT TECHNOLOGY LTD.

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ABOUT EXCELPOINT TECHNOLOGY LTD.

Excelpoint™

(COMPANY REGISTRATION NO. 200103280C)

Excelpoint Technology Ltd. (the "Company") and its subsidiaries ("Excelpoint" or the "Group") are one of the leading regional business-to-business platforms providing quality electronic components, engineering design services and supply chain management to original equipment manufacturers ("OEMs"), original design manufacturers ("ODMs") and electronics manufacturing services ("EMS") in the Asia Pacific region. EBN, a premier online community for global supply chain professionals, recognised Excelpoint Technology Ltd. as one of its Top 25 Global Electronics Distributors in 2017.

Excelpoint works closely with its principals to create innovative solutions to complement its customers' products and solutions. Aimed at improving its customers' operational efficiency and cost competitiveness, the Group has set up research and development centres in Singapore and China that are helmed by its dedicated team of professional engineers.

Established in 1987 and headquartered in Singapore, Excelpoint's business presence spans over 10 countries across Asia Pacific with a workforce of more than 650 people from different nationalities and cultural backgrounds.

OUR VISION

To be the leading value-added partner to electronics manufacturers and industrial companies in the Asia Pacific region.

OUR MISSION

To be the key link between our suppliers and customers as the leading total solutions provider and continuously creating value for our stakeholders through:

Innovation
Drive innovation across our entire organisation and supply chain to create and enhance solutions to support the current and future demands of our customers.

Sustainability Planning
Maintain strong business controls and effective risk management policies to drive good performance for long-term sustainability of the business and shareholder value.

Nurturing Human Capital
Nurture a company of talents and leaders with strong values and professionalism.

OUR CORE VALUES

Passion
We believe that passion is the key to the success of our business.

Trust
We strive to build trust in all our relationships with our principals and customers, and exceed expectations with our excellent services.

Integrity
We demonstrate honest, ethical and professional conduct in everything that we do.

Commitment
We are committed to excelling in our core competencies and services to stay competitive and bringing value to our stakeholders.

MESSAGE FROM OUR CHAIRMAN AND GROUP CEO

2017 was a milestone year for Excelpoint, as we celebrated our 30th anniversary with a record revenue crossing US$1 billion. This marks our presence as one of Asia Pacific's leading electronic components distributor and technology solutions provider.

I am happy to present you with our Sustainability Report 2017, which will touch on material factors contributing to our business sustainability.

With the significant growth in the electronics and semiconductor industry, we see rising opportunities in 2018 and beyond, with a distinct spotlight on the next wave of technology, Internet of Things ("IoT"). Excelpoint has always focused on investing in our in-depth research and development teams and technical capabilities that combine cutting-edge technologies from our suppliers into advanced and useful applications for our customers. We believe IoT will become a ubiquitous presence everywhere, making life easier, smarter and more efficient and sustainable for everyone.

Excelpoint believes in nurturing our human capital. Our employees are the cornerstone of our success. When employees are happy and engaged, they work harder, smarter, and better. We engage our staff and boost their morale and job satisfaction through practising clear and open communication and positive reinforcements, and providing upskilling programmes, career growth opportunities, employee benefits, tier-based working hours, and recreational activities. It is a culture we continuously build, and we believe it will impact our business positively and sustainably.

Another pillar of our sustainability strategy is to empower the future of our nation by giving back to our society. We have extended our financial support to the following tertiary institutions and their programmes: (1) Singapore Management University through our Excelpoint Bursary, (2) National University of Singapore's *Innovation & Design Centric Programme*, and (3) Hong Kong University of Science and Technology's *iSTEAM Robotics Programme 2017*, and also participated in Halogen Foundation's *Network for Teaching Entrepreneurship* programme. We believe that the spirit of innovation, entrepreneurship and leadership should be inculcated from young.

We are also constantly looking at ways in which we can transform our business sustainably at the corporate level while caring for the environment and the people around us, in order to achieve optimal environment, social and governance ("ESG") performance. We believe all these three aspects are interdependent. Hence, we established a Sustainability Management Council and embarked on sustainability analyses to fine-tune our policies and processes, drive innovation, understand and mitigate potential business risks and challenges, identify and implement best practices and opportunities, and enhance resource and waste management. By incorporating such sustainable strategies into our business model, this will boost our growth, efficiency, value creation and corporate reputation, and build trust and confidence among all our stakeholders.

ALBERT PHUAY YONG HEN
Chairman and Group CEO

ABOUT THIS REPORT

This is Excelpoint Technology Ltd. (the "Company")'s and its subsidiaries ("Excelpoint" or the "Group")' first Global Reporting Initiative ("GRI")-based sustainability report.

The environmental, social and governance ("ESG") performance presented in this report covers a three-year period starting from 1 January 2015 and ending on 31 December 2017 unless specified otherwise.

For the purpose of this report, each financial year ("FY") is from 1 January to 31 December.

The report contains consolidated environmental and social performance data from the Excelpoint Group of Companies. The data provided in this report has been extracted from official records to ensure accuracy.

This report does not evaluate performance against established targets, as this is the first full set of sustainability reporting. However, we have set targets and goals for future sustainability reporting.

Reporting Framework

The report has been prepared in accordance with the GRI Standards: Core Option. This report complies with the Singapore Exchange ("SGX")'s Listing Rules 711A and 711B and the SGX Sustainability Reporting Guide.

Report Content and Quality

The content of this report has been determined on the basis of stakeholder expectations and materiality assessments. Analyses of Excelpoint's material impacts on the environment, society and economy have been considered. We have also reviewed potential sustainability risks and opportunities when prioritising material topics for reporting.

To ensure content quality, we have applied GRI's principles that include the principles of accuracy, balance, clarity, comparability, reliability, and timeliness.

All the data presented in the report use internationally accepted measurement units. Financial figures are in United States (US) dollars unless stated otherwise.

Assurance

We did not seek external assurance for this report. However, an internal verification mechanism to ensure the accuracy of data reported has been put in place.

Restatements

As this is our first sustainability report, restatements do not apply.

Availability

This report is released in PDF format, and is available for download via our website at **www.excelpoint.com**

Contact

We welcome stakeholders' feedback and suggestions. If you have any questions about this report, please contact us at **sustainability@excelpoint.com**

SUSTAINABILITY PERFORMANCE HIGHLIGHTS

ESG FACTORS	FY2017	FY2016	FY2015
ENVIRONMENTAL			
Total electricity used (kWh)	894,600	740,802	672,832
Electricity used per employee (kWh)	1,289	1,152	1,098
Energy consumption (GJ)	3,780	3,297	3,358
Energy intensity (GJ/Employee)	5.4	5.1	5.5
Carbon dioxide (CO_2) emissions (tCO_2)	559	483	467
CO_2 emission intensity (tCO_2/Employee)	0.81	0.75	0.76
SOCIAL			
Employees			
Total number of employees	694	643	613
Number of new hires	200	156	151
Female employees (%)	37.3	38.4	38.7
Female managers and supervisors (%)	28.1	30.4	29.2
Employee annual attrition rate (%)	18.7	20.8	19.7
Community			
Community investment and donations to charities (US$)	142,287	69,132	64,524
FINANCIAL			
Revenue (US$'000)	1,146,394	988,240	828,283
Cost of sales (US$'000)	1,085,487	933,128	780,541
Income tax expenses (US$'000)	2,125	1,452	1,144
Profit after tax (US$'000)	8,098	7,053	4,355
Employee benefits expenses (US$'000)	31,947	30,641	25,469
Dividends declared (US$'000)	3,376	1,906	3,081

STAKEHOLDERS

Our approach is to engage with our stakeholders proactively on an ongoing basis to understand their expectations and concerns, and to build long-term trusted relationships.

Our primary stakeholders are those groups or individuals who may be potentially impacted by our business operations or who have the potential to affect our business through their opinions or actions.

We use both formal as well as informal engagement methods to interact with a range of stakeholders. Our significant stakeholders and how we engage with them are summarised below:

OUR STAKEHOLDERS	STAKEHOLDER EXPECTATIONS	HOW WE ENGAGE	HOW WE RESPOND
CUSTOMERS	• Prompt customer service • Rebates and material planning programme • Reasonable payment terms • Competitive pricing • On-time delivery and services • Technical support • Quality control	• Trade exhibitions • Sales calls • Telemarketing • Websites and online presence • Regular meetings • Quarterly / half-yearly business reviews	• Manage our key accounts • Do active telemarketing • Build stronger relationships with our customers • Expand product lines • Conduct regular internal management reviews to ensure we are fulfilling the needs of our customers • Provide timely feedback
EMPLOYEES	• Career growth • Training opportunities • Competitive salaries and incentives • A pleasant and safe working environment • Welfare • Flexible working hours	• Regular internal communications through an intranet platform • Annual performance appraisal • Half-yearly internal reviews • Welfare and social activities • Quarterly newsletters	• Ensure effective human resource policies and staff welfare • Provide performance bonus, sales incentives, and long service awards • Offer an employee share programme, a performance management system, and training and development opportunities • Establish a recreation club • Provide tier-based working hours
SHAREHOLDERS AND INVESTORS	• Business growth • Consistent dividends • Profitability • Transparency • Risk management • Corporate governance	• Annual General Meeting • Announcement of quarterly financial results • SGX filings • Annual reports	• Practise good corporate governance • Manage risks and opportunities • Ensure sustainable business growth
SUPPLIERS	• Good credibility and image to suppliers • Good product quality at all times • On-time payments • Value-added products • Good regulation of business practices	• Frequent product promotion • Sufficient stocks • Joint visits for customer engagement	• Meet sales targets and promotional goals • Set quarterly reviews on key suppliers • Manage the expectations of suppliers and customers
GOVERNMENT AND REGULATORS	• Regulatory compliance	• Seminars • Meetings • Relevant government association memberships • Frequent communication with relevant parties	• Ensure compliance with applicable laws • Participate in consultations, surveys, forums, and roundtables • Participate in networking sessions and talks held by the government to understand industry regulations and share our perspectives

STAKEHOLDERS

OUR STAKEHOLDERS	STAKEHOLDER EXPECTATIONS	HOW WE ENGAGE	HOW WE RESPOND
COMMUNITY	• Responsible business practices • Support community projects	• Meetings with different non-profit organisations to learn about areas in which the company can assist • Participation in corporate social responsibility activities	• Support community programmes aimed at the welfare of children and youth • Collaborations with different community groups
INDUSTRY ASSOCIATIONS	• Participation through memberships, seminars, conferences, and dialogues organised by the associations	• Meetings with industry bodies • Participation in trade exhibitions in different countries, such as China and India	• Join trade associations as a member • Participate actively in industry initiatives
MEDIA	• Timely information about company affairs that are of public interest • Prompt response to media enquiries	• Regular press releases and briefings	• Provide updates on company's financial performance and other important events

MEMBERSHIP OF ASSOCIATIONS

We engage with several industry associations through membership, and participate in industry dialogues. Our industry memberships include:

- Singapore Business Federation
- Singapore National Employers Federation

AWARDS AND RECOGNITIONS

Over the years, we have received several accolades for our business excellence from our stakeholders and other organisations. A list of our recent awards is presented below:

FY2017

2017 marked the 30th anniversary of Excelpoint Technology Ltd. Since our founding in 1987, we have evolved to become one of the region's leading electronic components distributors, creating sustainable and innovative solutions to complement all our customers' products and solutions in order to maximise their operational efficiency and cost-effectiveness.

In FY2017, we were honoured to be awarded the following accolades:

AWARD TITLES	PRESENTED BY
Entrepreneur of the Year 2017 (Electrical and Electronics Industry category) -Awarded to our Chairman and Group CEO, Mr. Albert Phuay Yong Hen	Asia Pacific Entrepreneurship Awards
11th place in the 2017 Top 25 Global Electronics Distributors List	EBN (a premier online community for global supply chain professionals)
FY2016 Distributor Best Demand Creation Award	Epson Singapore Pte Ltd
2016 Best Distributor Award	Samsung Asia Pte. Ltd.

STAKEHOLDERS

Mr. Albert Phuay Yong Hen (centre), Chairman and Group CEO, Excelpoint Technology Ltd., receiving the Entrepreneur of the Year (Electrical and Electronics Industry) award from Mr. Seah Kian Peng (left), Member of Parliament, and Dato' William Ng, President, Enterprise Asia, at the Asia Pacific Entrepreneurship Awards 2017.

Our acclaimed standing in the electronics industry would not have been possible without the unwavering trust of our employees, principals, customers, bankers, business associates, and shareholders. Hence, with this confidence, we are determined to grow our business sustainably and provide our stakeholders with more value-added products, services, and solutions.

We commemorated this momentous milestone with numerous celebrations with our local and regional employees and through a series of corporate social responsibility activities. For more information on the events, please refer to the *Employee Engagement* part in the *People* section, and the *Community* section of this report.

FY2016

AWARD TITLES	PRESENTED BY
13th place in the 2016 Top 25 Global Franchised Distributors List	EBN (a premier online community for global supply chain professionals)
Singapore 1000 Company 2016	DP Information Group
2016 Most Preferred Overseas Franchised Distributors Award	Electronics Supply & Manufacturing – China (a leading electronics management magazine in China)
FY2016 Appreciation Award	Analog Devices, Inc.
Distributor Award of Excellence 2016	Qualcomm Technologies International, Ltd.
Top Distributor of the Year 2015	Samsung Asia Pte. Ltd.
Best Distributor Partner 2015 Award	SIMCom Wireless Solutions Co., Ltd.
Sales Progress Award 2015	Epson Singapore Pte Ltd

FY2015

AWARD TITLES	PRESENTED BY
13th place in the 2015 Top 25 Global Franchised Distributors List	EBN (a premier online community for global supply chain professionals)
Singapore 1000 Company 2015	DP Information Group
2015 Most Preferred Overseas Franchised Distributors Award	Electronics Supply & Manufacturing – China (a leading electronics management magazine in China)
Highest Demand Creation & Dar Distributor FY2015	Analog Devices, Inc.
2015 Top Sales Award	Everlight Electronics Co., Ltd.

SUSTAINABILITY STRATEGY

Our sustainability strategy is to create long-term value for our stakeholders and shareholders by managing the economic, environmental and social impacts, risks, and opportunities.

MATERIAL ESG FACTORS

Our core approach to sustainability and business strategies is to identify, prioritise and manage the material aspects of our business that impact the environment, society and economy most.

Our senior management team attended a materiality assessment workshop facilitated by an external sustainability consultant to identify the most material economic, environmental and social impacts of our business operations. While assessing our sustainability impacts, risks and opportunities, we considered the expectations and concerns of our critical stakeholders. We also examined sustainability trends in the electronics sector and reporting practices of peer companies. Through this exercise, we identified and prioritised most significant material topics to be included in this report.

Our material topics have been reviewed and approved by our Sustainability Management Council and our Board (please refer to Page 11 for the Sustainability Management Council chart).

SUSTAINABILITY STRATEGY

Material Topics and Their Boundaries

A summary of Excelpoint's material environmental, social and economic impacts (where they occur and the nature of our involvement) is presented in the table below. Direct involvement refers to those impacts that may be directly caused by our operations, while indirect involvement relates to the impacts potentially produced by our business relationships, such as our supply chain.

A summary of our material sustainability impacts and their boundaries is presented below.

MATERIAL FACTORS		
MATERIAL TOPICS	**ORGANISATION'S INVOLVEMENT**	**MATERIAL FOR EXCELPOINT SUBSIDIARIES**
ENVIRONMENT		
Energy consumption	Direct	All
Greenhouse Gas ("GHG") emissions	Direct and indirect	All
Environmental compliance	Direct	All
PEOPLE		
Employment	Direct	All
Training and education	Direct	All
Diversity and equal opportunity	Direct	All
Occupational health and safety	Direct	All
Human rights	Direct and indirect	All
CUSTOMERS		
Marketing and labelling	Indirect	All
COMMUNITY		
Local communities	Indirect	All
ECONOMIC		
Economic performance	Direct	All
Anti-corruption	Direct and indirect	All

SUSTAINABILITY STRATEGY

SUSTAINABILITY GOVERNANCE

At Excelpoint, our Board has the ultimate responsibility for devising sustainability strategies. They provide strategic direction and guidance to the management for developing and implementing sustainability strategies, policies and key performance indicators, as well as determine the ESG factors that reflect the organisation's significant ESG impacts, risks and opportunities, and the concerns of its stakeholders.

Our top management, headed by our Group Chairman and Chief Executive Officer ("CEO"), is responsible for developing, implementing, and monitoring sustainability policies, targets and initiatives. To effectively drive sustainability strategies across the Group, we have established a Sustainability Management Council. The Council is chaired by our CEO, and comprises senior management representatives from critical functions and departments. The Council oversees the preparation of the sustainability report, and provides our Board with regular updates.

Our Sustainability Reporting Project Team assists the Council by collecting, verifying and providing sustainability performance data for reporting. The Project Team includes representatives from various business units and functions.

Our Senior Manager of Corporate Development, who is also a member of this Council, oversees the development of the sustainability report.

BOARD OF DIRECTORS

SUSTAINABILITY MANAGEMENT COUNCIL
(chaired by Chairman and Group CEO)

COUNCIL MEMBERS

Executive Directors
Group Chief Financial Officer
Senior Vice President, Operations
Senior Manager, Corporate Development

SUSTAINABILITY REPORTING PROJECT TEAM

Director, Business Development
Director, Field Applications
Director, Product Marketing
Director, Research and Development
Deputy Director, Sales
Senior Manager, Logistics
Manager, Human Resources and Administration
Manager, Management Information System

BOARD STATEMENT

The Excelpoint Group is committed to conducting business with responsibility by maintaining the highest standards of ethics and integrity. The Group's core values of passion, integrity, commitment and trust have driven sustainable business growth for over three decades. Strong commitment to innovation, risk management, sustainability planning and nurturing human capital continue to be integral to the Group's value creation strategy. The Group's sustainability strategy builds on our well-established value-based management approach, and focuses on the most significant ESG drivers for creating long-term value.

The Board considers sustainability issues as part of developing business strategy. The Board has determined the ESG factors presented in this report, and provided oversight for the management and monitoring of these material ESG factors through periodic review of the key performance indicators.

MARKETPLACE

Excelpoint works closely with its principals to create innovative solutions to complement its customers' products and solutions, and helps customers improve operational efficiency and cost-effectiveness.

As one of the leading regional electronic components distributors providing quality components, engineering design services and supply chain management, we focus on developing trusted relationships with original equipment manufacturers ("OEMs"), original design manufacturers ("ODMs"), and electronics manufacturing services ("EMS").

Our Solutions

Backed by deep experience, expertise, research and development, we offer multiple solutions alongside our partners in the consumer and industrial categories. Our main solutions include wireless audio, wearable devices and accessories, automotive, smart homes, and power distribution and transmission.

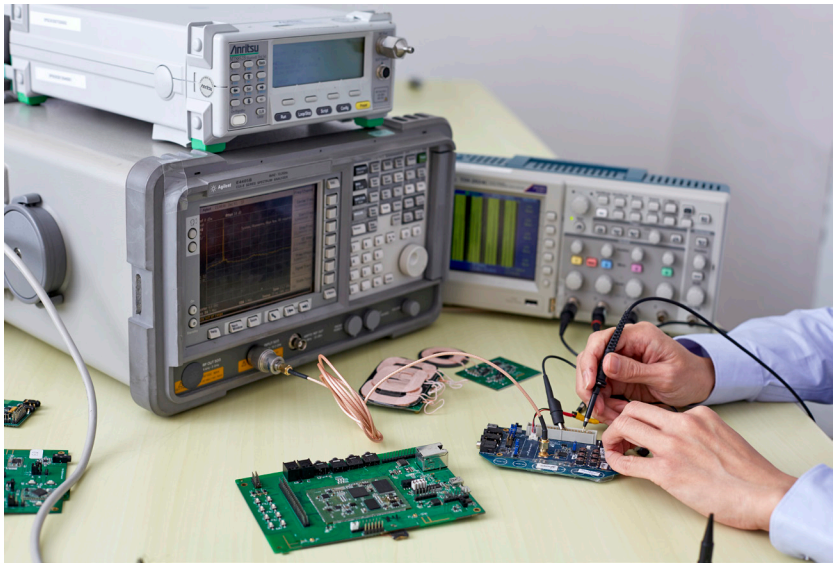
PRODUCT CATEGORY	OUR SOLUTIONS
WIRELESS AUDIO Examples of applications: • Portable wireless speaker • Wireless music headphone • Mini combo • Sound bar and wireless subwoofer • Audio transmitter dongle 	• Wireless solutions • Consumer wireless audio solutions Examples of applications: • Bluetooth Low Energy ("BLE") remote control for TV and audio devices • TWS wireless headset with sensors • Smart speakers with voice assistance • Wireless headset with voice assistance
WEARABLE DEVICES AND ACCESSORIES 	• Wearables and smart accessories for iPhones and iPads • Solutions for Bluetooth-enabled massage chairs and lost-and-found tags • Entry-level and mid-tier platforms for wearables and smart accessories applications
AUTOMOTIVE 	• Reference car infotainment system and core board • Qi-compliant wireless charging solutions
SMART HOMES • Wireless sensors • Wireless controls • BLE mesh network platforms 	Connectivity solutions for smart homes: • BLE module • Bluetooth module • BLE/Bluetooth combo module • Embedded Wi-Fi module • Sub-GHz module
POWER DISTRIBUTION AND TRANSMISSION 	• Distribution automation control • Motor control • Photovoltaic inverter control • Other embedded control applications

MARKETPLACE

Promoting Quality Culture

We strive to set and achieve highest quality standards to serve our principals and customers. Building and supporting a quality culture is at the core of our quality policy. We have established a formal quality system in compliance with ISO 9001 standards. The quality management system allows us to maintain and make continuous improvements in our processes.

In addition, we invest in ongoing training and education of our employees to ensure high quality of our products and services.



Investing in Research and Development ("R&D")

We differentiate ourselves by providing our principals and customers with a wide range of innovative technological services to shorten the entry-to-market time at a more competitive cost. We leverage on new technologies from our principals, and also integrate the strengths of different principals to create new and innovative applications and solutions.

We continuously invest in building up our R&D capabilities to drive innovation and to create cost-effective solutions for our customers. We have established R&D centres in Singapore and China, which are supported by our dedicated team of professional engineers. One of our key R&D goals is to add value to our suppliers and customers through creating reference designs.

Equipped with extensive experience in the connectivity segment, our R&D team focuses on innovating new technologies that solve our customers' problems. By keeping abreast with market trends, our R&D experts are able to develop required technology solutions, working closely with our suppliers. Over the years, we have excelled in communication technologies such as Bluetooth, BLE, Wi-Fi, near field communication, wireless charging and wireless audio, which prepares us for the next wave of technology – the world of Internet of Things ("IoT").

Embracing this exciting wave of technology, we built an IoT demonstration facility to feature our in-depth R&D and technical capabilities that combine cutting-edge technologies from our strategic suppliers into advanced and useful applications. This facility is a platform for us to showcase our competitive strengths in sensors, wireless connectivity and gateway modules, which can be implemented in applications for smart buildings, agriculture and infrastructure. We are still improving on the total experience to allow our partners to experience the functionality, efficiency and user-friendliness of the applications in simulated settings. With this experience, it will reinforce customers' confidence in us as their partner of choice in this new arena of technology.

MARKETPLACE

Providing Excellent Customer Service

We are committed to providing our customers with swift service and exceeding their expectations. In line with our quality management system, we have implemented standard operating procedures to address our customers' needs promptly and professionally. We maintain close relationships with our customers to provide them with intensive frontline technical support.

Ensuring Customer Satisfaction

To understand the expectations of our customers, we conduct quarterly surveys to obtain feedback from them. After which, we organise internal meetings to analyse the data, identify the areas we do well, and strategise how best we can rectify any processes to enhance our customer relations and experiences.

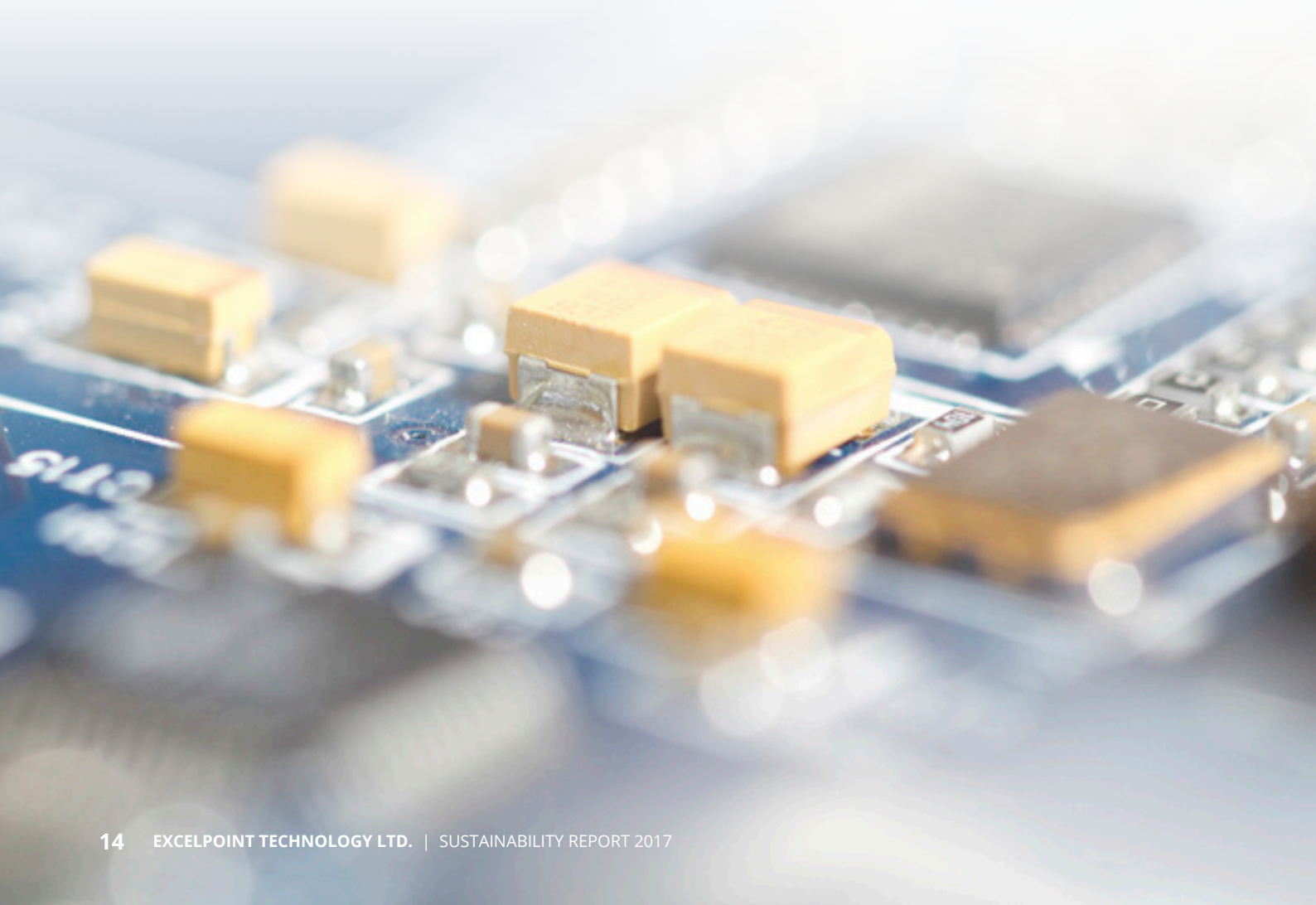
Safeguarding Personal Data

We respect the privacy of our employees, suppliers, and customers, and take necessary steps to protect their personal data. We have implemented a Personal Data Protection Policy with a stringent process in place to ensure that data is accessed only by authorised personnel.

We comply with applicable laws relating to personal data protection in countries where we operate. In Singapore, we abide by the Personal Data Protection Act. Our Personal Data Protection Policy governs the collection, use, disclosure and care of personal data.

Protecting Intellectual Property

We require our employees to agree and sign our Non-Disclosure Agreement before they commence work. Employees are obligated to abide by the terms and conditions in the Agreement, such as confidentiality of Excelpoint's information and software programmes, confidential third-party information, and ownership of post-employment inventions.



PEOPLE

Our approach is to attract, retain and develop the best talent to serve our customers professionally.

Our goal is to be an employer of choice in our industry. We strive to provide an excellent learning platform, and offer career growth opportunities to our employees. Our human resource policies ensure an inclusive and vibrant workplace built on mutual trust and respect. We aim to hire the best talent to maintain high standards of our services. Through training and learning opportunities, we develop the expertise to stay at the forefront of technological advancements in our sector.

Employment

As of FY2017, we had a total staff strength of 694, with 200 new employees hired. Permanent employees represent 62.7% of our workforce, while the remaining are fixed-term contract and temporary staff. 61.7% of our employees are based in Hong Kong and China, followed by Singapore at 22.8%. About 97.0% of our employees are locals. On average, we have a relatively young workforce with male and female employees aged 37.5 years and 36 years respectively.

Supporting Diversity

We are committed to nurturing a workplace that advocates fairness, justice, respect and inclusiveness regardless of race, religion or nationality, as our diverse workforce reflects the diversity of markets and customers we serve.

Women represent 37.3% of our employees. The proportion of female supervisors and managers is 28.1%, while women hold 20.3% of senior management positions. In FY2017, women accounted for 32.5% of new hires.

Managing Performance

We have implemented a comprehensive and transparent performance management system that covers all our employees, who participate in an annual formal performance appraisal exercise. The appraisal assessment includes assessment of an employee's job performance, growth and development, and potential and unique skills and talents useful for the organisation. The performance management process includes self-appraisal by the employees followed by assessment and feedback by their supervisors. In addition to the annual performance appraisal, managers hold development discussions with their staff throughout the year.

Advocating Human Rights

We support internationally accepted norms for protecting human rights. Our policies ban child labour, forced or compulsory labour, and discrimination. We respect our employees' right to freedom of association and collective bargaining.

There were no reported incidents of child labour, forced or compulsory labour and discrimination in the reporting year.

Providing Training

We operate in a sector that is known for rapid technological advancements and continuous emergence of new technologies. Regular upgrading of skills is a crucial area for our business success. Therefore, we invest in ongoing training and education of our employees. In addition to formal training programmes, our employees receive in-house or on-the-job trainings.

In FY2017, we provided a total of 956 hours of training to our employees.

Employees gathering as a team to work on testing equipment. Our company strongly believes in nurturing team players and encouraging interactions.

PEOPLE

Providing Employee Benefits

Our full-time employees receive competitive benefits in line with market practices. These include paid annual leave, insurance coverage, an employee share option scheme for our long-serving staff, medical, dental and specialist outpatient benefits, staggered work schedules for our support team, and recreational facilities.

Engaging Employees

Excelpoint believes that happy, engaged employees work harder, smarter, and better, which will maximise business productivity and efficiency.

Employees having fun bowling together.

To engage our staff and boost their morale and job satisfaction, we practise clear and open communication and positive reinforcements, and provide upskilling programmes, career growth opportunities, tier-based working hours, and recreational activities such as festival celebrations (e.g. Chinese New Year and Christmas), bowling, futsal, movie screenings, and local and overseas bonding trips.

In celebration of our 30th anniversary in 2017, we mapped out activities for our local and regional staff. We held dinner celebrations for our employees from Singapore, Hong Kong, China, Malaysia, Thailand, Vietnam, the Philippines, and Australia, while our employees from India, China and Indonesia enjoyed domestic bonding trips.

Mr. Albert Phuay Yong Hen, Chairman and Group CEO, Excelpoint Technology Ltd., speaking about the company's milestones, achievements and future prospects during Excelpoint's 30th anniversary dinner celebration in Singapore in 2017.

Practising Occupational Health and Safety

Our employees' safety and health at the workplace is one of our top priorities, and our ultimate goal is to have a zero accident workplace. We are committed to managing and reducing safety and health risks through effective risk management.

In Singapore, we have obtained BizSafe Level 3 certification awarded by the Workplace Safety and Health Council, based on an audit conducted by an approved third-party assessor.

We conduct a risk assessment to identify potential workplace safety and health risks to take preventive measures. We have implemented safety measures in our warehouse operations where tasks involve handling of bulky items, and established a safety committee consisting of representatives from all departments and our senior management. The committee reviews safety standards, systems and performances periodically.

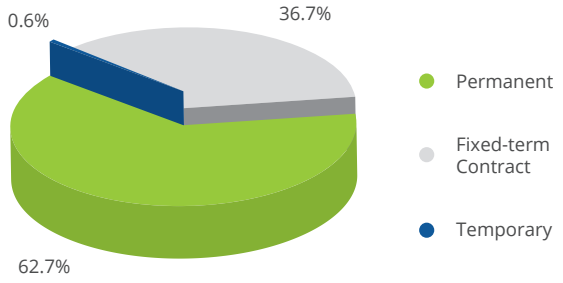
There were no incidents of severe or fatal workplace injuries in FY2017.

Employees enjoying themselves immensely during Excelpoint's 30th anniversary dinner celebration in Singapore in 2017.

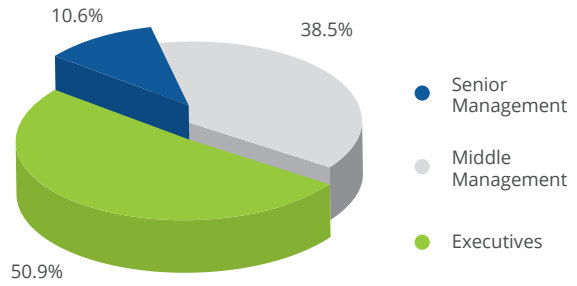
PEOPLE

Our Workplace Performance

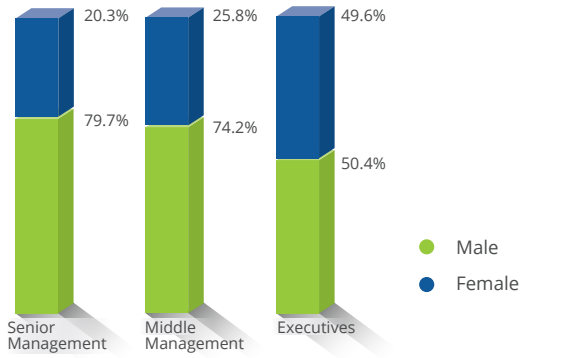
Workforce by Employment Type - FY2017



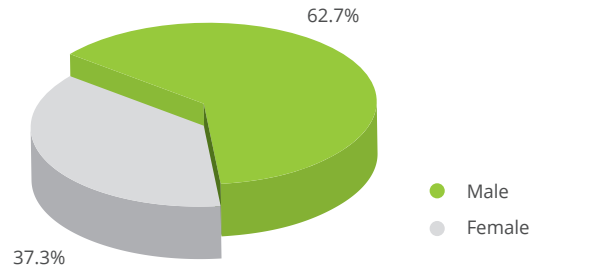
Workforce by Employment Category - FY2017



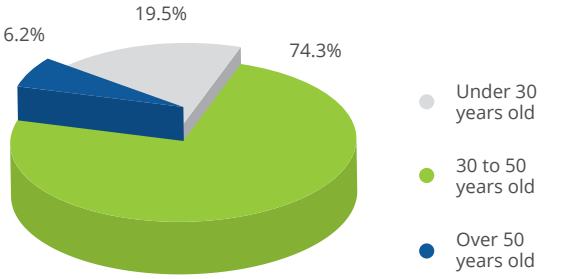
Gender Diversity by Employment Category - FY2017



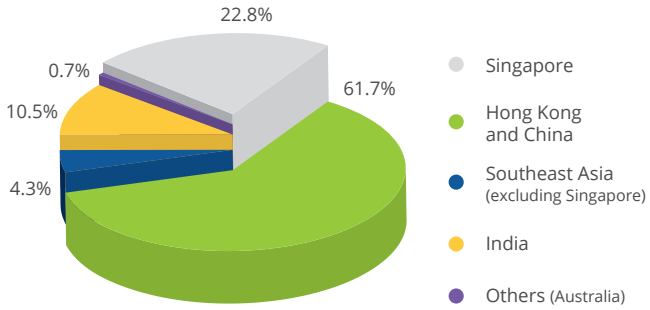
Gender Diversity - FY2017



Age Diversity - FY2017

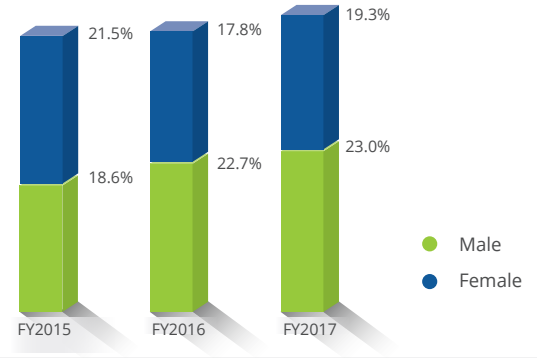


Employees by Region - FY2017

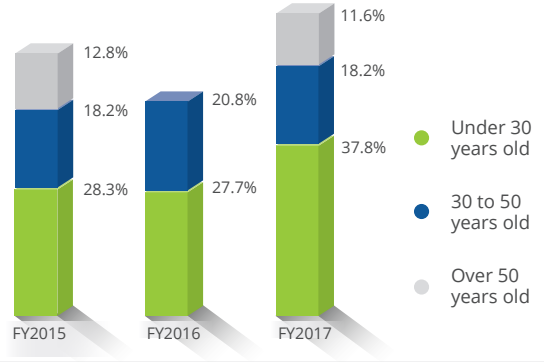


PEOPLE

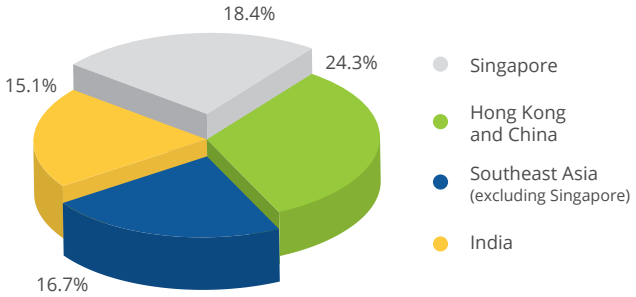
Annual Employee Attrition Rate



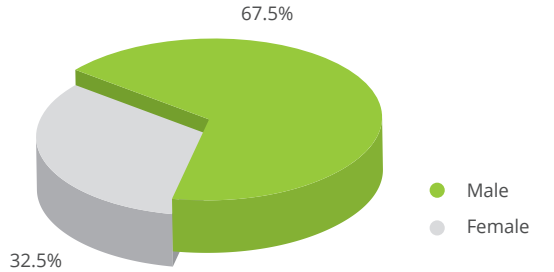
Annual Employee Attrition Rate by Age



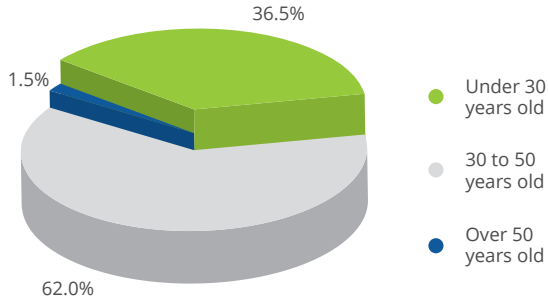
Attrition Rate by Region - FY2017



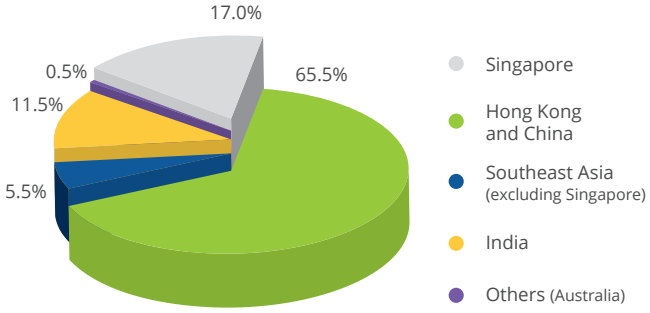
New Hires - FY2017



New Hires by Age Group - FY2017



New Hires by Region/Country - FY2017



ENVIRONMENT

We are committed to minimising the environmental impact of our business operations through efficient use and conservation of our resources.

As a company engaged mainly in electronics distribution, our direct environmental impact consists of the use of electricity in our offices and warehouses, the use of fuel in transportation for deliveries, packaging materials, and general waste generated from the re-packaging of goods in our warehouses. Even though our direct environmental footprint is relatively small, we believe we can contribute to global goals of climate change mitigation and resource conservation.

Our environmental policy is to reduce the impacts of our business activities on the environment. Our environmental efforts focus on finding ways to reduce energy consumption and waste. We monitor our energy use, resulting carbon emissions and the waste generated to review our performance regularly.

We are also supportive of industry-wide initiatives undertaken by electronics manufacturers (many of them are our principals or customers) to mitigate the environmental impacts.

Our R&D applications include working with our principals and suppliers to develop technologies that are more energy-efficient, such as smart lighting and smart energy.

Energy

Our approach to energy management involves monitoring and reducing consumption. We have employee awareness initiatives to encourage them to turn off lights and air-conditioning in offices when they are not in use.

Our energy data in the report includes purchased electricity, diesel, and fuel. In FY2017, our electricity consumption and electricity used per employee were 894,600 kWh and 1,289 kWh respectively. Our offices in Singapore, Hong Kong and China accounted for 95.4% of the total electricity used.

Our energy intensity per employee was 5.4 GJ in FY2017, as compared to 5.1 GJ in the previous year.

Carbon Emissions

Reducing carbon emissions is crucial for achieving reduction targets set by the Paris Agreement to limit rising global temperatures to under 2 degree Celsius above pre-industrial levels.

Our carbon emissions originate from electricity consumption within our facilities and the combustion of fuels in our vehicles. We measure, monitor, and report our carbon dioxide (CO_2) emissions using the GHG Protocol guidelines. We report our Scope 1 and Scope 2 carbon dioxide emissions, and exclude fugitive emissions from refrigerant gases that are not material.

In FY2017, our carbon dioxide emissions from the use of electricity, diesel and petrol amounted to 559 tCO_2. Our emission intensity per employee was 0.81 tCO_2, as compared to 0.75 tCO_2 in the preceding year.

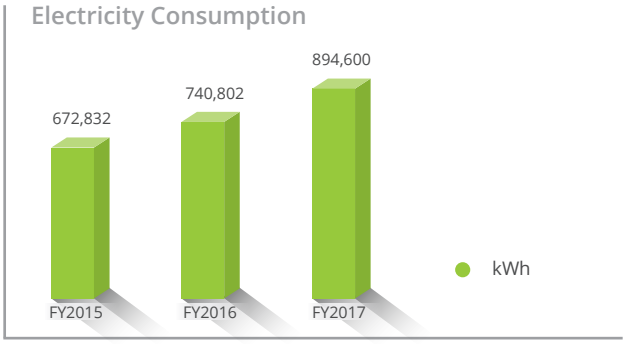
General Waste

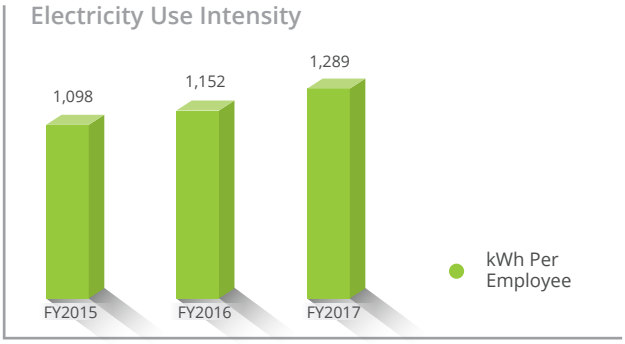
As a trading operation, our waste is limited to mainly packaging materials, which include cartons, plastic, strings, plastic wraps, wooden pallets, and paper. Our policy is to minimise and reuse waste where possible. We dispose our waste through licensed contractors.

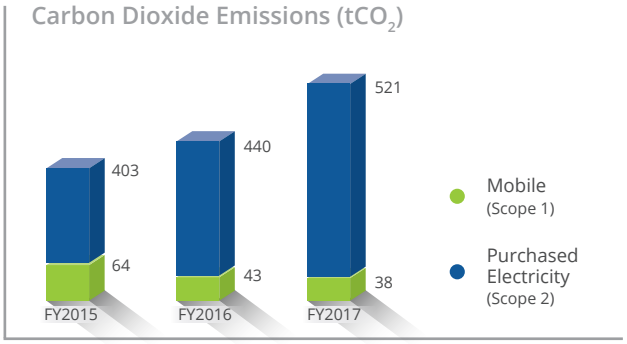
Compliance

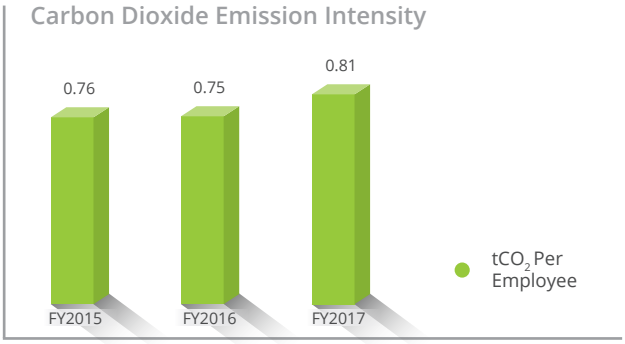
We are committed to ensuring compliance with applicable environmental laws. There were no incidents of non-compliance with environmental rules or regulations in the reporting year.

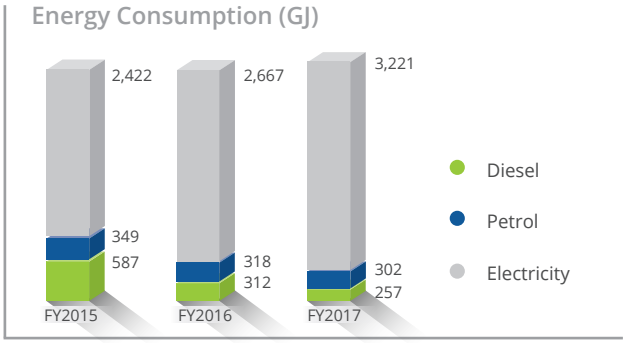
ENVIRONMENT

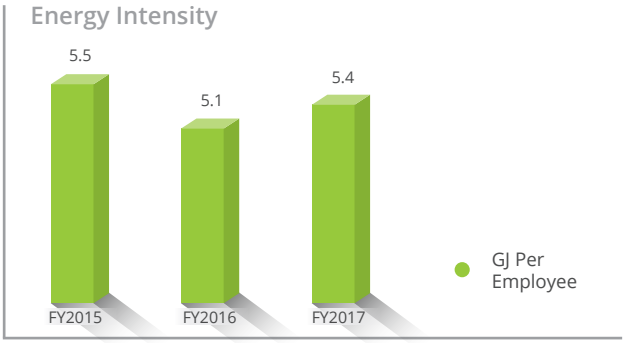












COMMUNITY

Our approach is to build trusted relationships with local communities through contributions and employee volunteering.

Our community initiatives focus on helping children and youths, and building the next generation of leaders.

Some of our community programmes over the past three years are listed here:

FY2017

- In collaboration with Singapore Management University since 2014, our Excelpoint Bursary has continued into its fourth year, dispersing a total of S$52,000 annually for five years for underprivileged students who could thus pursue their education and passion without having to worry about their financial issues.

- As we strongly believe that the spirit of innovation and enterprise starts from young, we were pleased to extend our inaugural support to two reputable tertiary institutions:

  – National University of Singapore's *Innovation & Design Centric Programme (iDCP)*, where we began funding students' projects through a sponsorship of S$300,000 (to be dispersed over five years). With this sponsorship, students would be able to engineer and market new ideas, products and technologies that could improve lives, enhance productivity, and create opportunities and a better future for Singapore.

Students from the National University of Singapore's Innovation & Design Centric Programme (iDCP) presenting their creation, EcoCar, at the Shell Eco-marathon Asia 2018 in Singapore. The EcoCar project is one of many student projects funded by Excelpoint Technology Ltd. through iDCP.

  – Hong Kong University of Science and Technology's *iSTEAM Robotics Programme 2017* with a sponsorship of S$16,800 (HK$100,000). Students would be able to develop experiential learning for various disciplines, such as science, technology, engineering, and design, through robotics.

- We sponsored S$10,000 to Halogen Foundation's Charity Golf Challenge 2017 event in Singapore, in support of the latter's efforts to help youths in need. Like Halogen Foundation, we also believe in investing in and empowering the future of our nation. Hence, we participated in one of the foundation's core programmes, Network for Teaching Entrepreneurship, to educate underprivileged children aged between 15 and 19 about leadership and entrepreneurship. In addition, as part of our staff engagement initiatives, we organised a movie night for all our staff, and extended a sponsorship of S$10,000 to Halogen Foundation to arrange for a similar event for its staff.

- We donated S$5,000 to the UOB Heartbeat Run/Walk event, which is one of UOB Singapore's key annual charity programmes to help raise funds for the needy.

COMMUNITY

FY2016

- The Excelpoint Bursary, in collaboration with Singapore Management University since 2014, continued into its third year with a total of S$52,000 dispersed annually for five years for underprivileged students.

- We extended a sponsorship of S$10,000 to Halogen Foundation for its Charity Golf Challenge 2016 event in Singapore, in support of its programmes to help youths in need. We worked closely with Halogen Foundation to play a part in one of its core programmes, Network for Teaching Entrepreneurship, to educate underprivileged children aged between 15 and 19 about leadership and entrepreneurship.

- We donated S$5,000 to the UOB Heartbeat Run/Walk event, which is one of UOB Singapore's key annual charity programmes to help raise funds for the needy.

- In China, Excelpoint continued to collaborate with Sowers Action on their Sending Love programme, following last year's participation. We donated approximately S$6,574 (HKD$36,000) to distribute 300 jackets to disadvantaged children in rural regions of China.

Excelpoint Technology Ltd. donated S$6,574 to support Sowers Action's Sending Love programme in 2016, to distribute jackets to school children who face harsh winter conditions in Yunnan, China.

COMMUNITY

FY2015

- Into its second year, the Excelpoint Bursary dispersed a total of S$52,000 annually for five years to help underprivileged students from Singapore Management University.

Proud Singapore Management University recipients of the Excelpoint Bursary with Excelpoint Technology Ltd.'s management, Ms. Phuay Li Ying (third from left in front row), Senior Manager, Corporate Development and Mr. Albert Phuay Yong Hen (fourth from left in front row), Chairman and Group CEO, in 2015.

- We sponsored S$10,000 to support Halogen Foundation's movie screening event in Singapore, where our employees got the opportunity to catch an early preview of the movie, Avengers: Age of Ultron. This donation helped to fund the foundation's Network for Teaching Entrepreneurship programme, to educate underprivileged children aged between 15 and 19 about leadership and entrepreneurship.

- We were honoured as a Bronze Supporter at Singapore Children's Society's Walk for Our Children 2015 event for our donation of S$10,000. It was a meaningful event for all our employees as well, as they were not only able to help underprivileged children, but also participated in the fun walk and games with their families and enjoyed quality time together.

- Excelpoint worked closely with Sowers Action on their Sending Love programme through the donation of S$6,670 to distribute 300 jackets to disadvantaged children in rural areas of China. The jackets were distributed to several schools in Yunnan to shelter children from harsh winter conditions, where temperatures can dip as low as -13 degree Celsius.

ECONOMIC PERFORMANCE

We are committed to creating long-term value for our shareholders and stakeholders by pursuing sustainable business growth.

As a company listed on SGX, we publish a detailed annual report comprising our risk management, corporate governance, and financial performance. A summary of our economic performance is provided below, in line with the GRI Standards. For detailed information, please refer to financial statements in our Annual Report 2017.

ECONOMIC PERFORMANCE INDICATORS (US$'000)	FY2017	FY2016	FY2015
Revenue	1,146,394	988,240	828,283
Cost of sales	1,085,487	933,128	780,541
Income tax expenses	2,125	1,452	1,144
Profit after tax	8,098	7,053	4,355

Anti-corruption

Our Anti-bribery and Anti-corruption Policy requires all employees, officers and directors to conduct business worldwide with integrity, transparency, and in compliance with applicable legal requirements relating to bribery and corruption. The Policy prohibits the giving or taking of bribes, the making of facilitation payments, or the giving or receiving of favours.

This Policy is communicated to all employees at the time of hiring. Our Employee Code of Conduct also includes the Anti-corruption Policy to reinforce the importance of conducting business with integrity and transparency.

There were no confirmed incidents of corruption during the reporting period.

Compliance

We ensure compliance with applicable laws and regulations. There were no incidents of confirmed non-compliance with socio-economic rules in the reporting period.

Corporate Governance

We review our corporate governance structure frequently to ensure that we comply with regulations. For more details, please refer to our Corporate Governance report, which is available in our Annual Report 2017.

GRI CONTENT INDEX

'In accordance' - Core

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)
GRI 101: Foundation 2016 (GRI 101 does not include any standards)		
GENERAL STANDARD DISCLOSURES		
GRI102: General Disclosures 2016	ORGANISATIONAL PROFILE	
	102-1 Name of the organisation	Excelpoint Technology Ltd.
	102-2 Activities, brands, products, and services	SR 1, 12
	102-3 Location of headquarters	Singapore
	102-4 Location of operations	AR 8, 15
	102-5 Ownership and legal form	AR 18, 88-89
	102-6 Markets served	AR 6-7, 8, 15
	102-7 Scale of the organisation	SR 5, 17, 18 AR 8
	102-8 Information on employees and other workers	SR 5, 17, 18
	102-9 Supply chain	SR 6
	102-10 Significant changes to the organisation and its supply chain	None
	102-11 Precautionary principle or approach	SR 19
	102-12 External initiatives	SR 4, 13
	102-13 Membership of associations	SR 7
	STRATEGY	
	102-14 Statement from senior decision-maker	SR 3 AR 3-5
	ETHICS AND INTEGRITY	
	102-16 Values, principles, standards, and norms of behaviour	SR 2, 4
	GOVERNANCE	
	102-18 Governance structure	AR 18-33
	STAKEHOLDER ENGAGEMENT	
	102-40 List of stakeholder groups	SR 6-7
	102-41 Collective bargaining agreements	SR 15
	102-42 Identifying and selecting stakeholders	SR 6-7
	102-43 Approach to stakeholder engagement	SR 6-7
	102-44 Key topics and concerns raised	SR 6-7
	REPORTING PRACTICE	
	102-45 Entities included in the consolidated financial statements	AR 14
	102-46 Defining report content and topic boundaries	SR 4, 9-10
	102-47 List of material topics	SR 9-10
	102-48 Restatements of information	SR 4
	102-49 Changes in reporting	Not applicable
	102-50 Reporting period	SR 4

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	102-51 Date of most recent report	SR 4
	102-52 Reporting cycle	SR 4
	102-53 Contact point for questions regarding the report	SR 4
	102-54 Claims of reporting in accordance with the GRI Standards	SR 4
	102-55 GRI content index	SR 25-28
	102-56 External assurance	SR 4
MATERIAL TOPICS		
ECONOMIC PERFORMANCE		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	SR 10, 24
	103-2 The management approach and its components	SR 24
	103-3 Evaluation of the management approach	SR 24
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	SR 24
ANTI-CORRUPTION		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	SR 10, 24
	103-2 The management approach and its components	SR 24
	103-3 Evaluation of the management approach	SR 24
GRI 205: Anti-Corruption 2016	205-3 Confirmed incidents of corruption and actions taken	SR 24
ENERGY		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	SR 10, 19
	103-2 The management approach and its components	SR 19
	103-3 Evaluation of the management approach	SR 19
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	SR 5, 19, 20
	302-3 Energy intensity	SR 5, 19, 20
EMISSIONS		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	SR 10, 19
	103-2 The management approach and its components	SR 19
	103-3 Evaluation of the management approach	SR 19
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	SR 5, 19, 20
	305-2 Energy indirect (Scope 2) GHG emissions	SR 5, 19, 20
	305-4 GHG emissions intensity	SR 5, 19, 20
ENVIRONMENTAL COMPLIANCE		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	SR 10, 19
	103-2 The management approach and its components	SR 10, 19
	103-3 Evaluation of the management approach	SR 10, 19
GRI 307: Environmental Compliance 2016	GRI 307-1 Non-compliance with environmental laws and regulations	SR 10, 19

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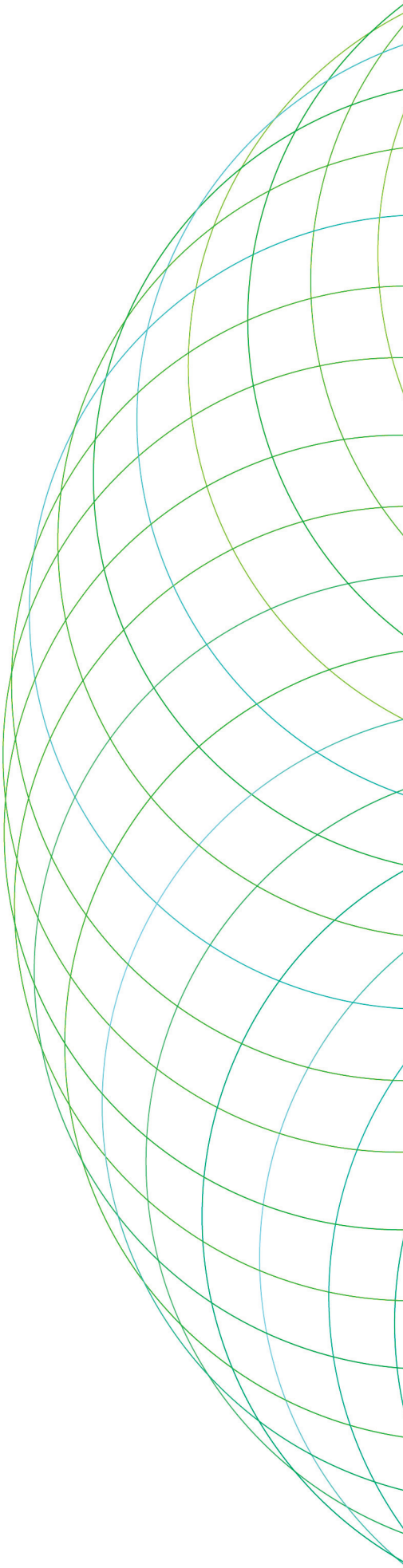
EMPLOYMENT		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	SR 10, 15-17
	103-2 The management approach and its components	SR 15-17
	103-3 Evaluation of the management approach	SR 15-17
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	SR 5, 15, 18
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR 16
OCCUPATIONAL HEALTH AND SAFETY		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	SR 10, 16
	103-2 The management approach and its components	SR 16
	103-3 Evaluation of the management approach	SR 16
GRI 403: Occupational Health and Safety 2016	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	SR 16
TRAINING AND EDUCATION		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	SR 10, 15
	103-2 The management approach and its components	SR 15
	103-3 Evaluation of the management approach	SR 15
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	SR 15
	404-3 Percentage of employees receiving regular performance and career development reviews	SR 15
DIVERSITY AND EQUAL OPPORTUNITY		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	SR 10, 15
	103-2 The management approach and its components	SR 15
	103-3 Evaluation of the management approach	SR 15
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	SR 15, 16-18
NON-DISCRIMINATION		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	SR 10
	103-2 The management approach and its components	SR 15
	103-3 Evaluation of the management approach	SR 15
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	SR 15
CHILD LABOUR		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	SR 10, 15
	103-2 The management approach and its components	SR 15
	103-3 Evaluation of the management approach	SR 15
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labour	SR 15

GRI CONTENT INDEX

FORCED OR COMPULSORY LABOUR		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	SR 10, 15
	103-2 The management approach and its components	SR 15
	103-3 Evaluation of the management approach	SR 15
GRI 409: Forced or Compulsory Labour 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	SR 15
LOCAL COMMUNITIES		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	SR 10, 21
	103-2 The management approach and its components	SR 21-23
	103-3 Evaluation of the management approach	SR 21-23
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	SR 21-23
SOCIO-ECONOMIC COMPLIANCE		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	SR 24
	103-2 The management approach and its components	SR 24
	103-3 Evaluation of the management approach	SR 24
GRI 419: Socio-economic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic areas	SR 24



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