

NEW WAVE HOLDINGS LTD.

SUSTAINABILITY REPORT 2023

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BOARD STATEMENT

The board of directors (the “Board”) of New Wave Holdings Ltd. (“New Wave” or the “Company”, and together with its subsidiaries, the “Group”) is pleased to present the annual Sustainability Report of the Company for our financial year ended 31 March 2023 (“FY2023”). This report is prepared by taking reference from the Sustainability Reporting Guide in Practice Note 7F of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist (“Catalist Rules”) and the requirements on sustainability reporting under Rule 711B of the Catalist Rules which includes the primary components on a 'comply or explain' basis. It is prepared with reference to the Global Reporting Initiative (GRI) Standards which represent the global best practices for reporting on a range of economic, environmental and social impacts. This report highlights the key economic, environmental, social and governance (“EESG”) related factors and initiatives carried throughout a 12-month period, from 1 April 2022 to 31 March 2023. The report covers all entities under the Group, except where otherwise specified.

Sustainability is a part of the Group’s wider strategy to create long-term value for all its stakeholders. As such, the key material EESG factors for the Group (“**Material EESG Factors**”) have been identified and cautiously reviewed by the management and approved by the Board. We have relied on internal data monitoring and verification to ensure accuracy of data and information. To further enhance the credibility of this Sustainability Report, the Group has subjected our sustainability reporting process to internal review by our internal auditors, as required by Rule 711B(3) of the Catalist Rules. The Board has overseen the management and monitoring of the Material EESG Factors and takes them into consideration in the determination of the Group’s strategic direction and policies.

Our Sustainability Steering Committee, which comprises representatives from various functional and geographic divisions in the Group, will continue to initiate and monitor the various aspects of our sustainability practices, ensuring that these practices are integrated into our business operations and aligned with the Group’s sustainability goals. For FY2023, climate-related disclosures is on a “comply or explain” basis for our Group but will subsequently be mandatory from FY2025. The Group currently lacks the resources to collect effectively and accurately the data needed to make such disclosures but we are taking steps to ensure that, over the next two years, we shall progressively include climate-related reporting in our Sustainability Report in accordance with the recommendations of the Taskforce for Climate-related Financial Disclosures (“**TCFD**”). The Group will aim to make a positive impact on the environment and create long-term value for our stakeholders.

In FY2023, we have adopted a Board diversity policy and set our goals. We have leveraged further on cloud computing technology to improve our digitalization goals and engaged a reputable service provider to handle the Group’s servers, storage, databases, networking, software and analytics over the cloud to offer faster innovation, flexible resources, and economies of scale. As in previous few years, we have achieved this year our zero-complaints target for all our regulatory compliance and ethical standards goals. All our Directors have attended sustainability training courses during FY2023 so that our Board stays updated with the latest sustainability trends and best practices.

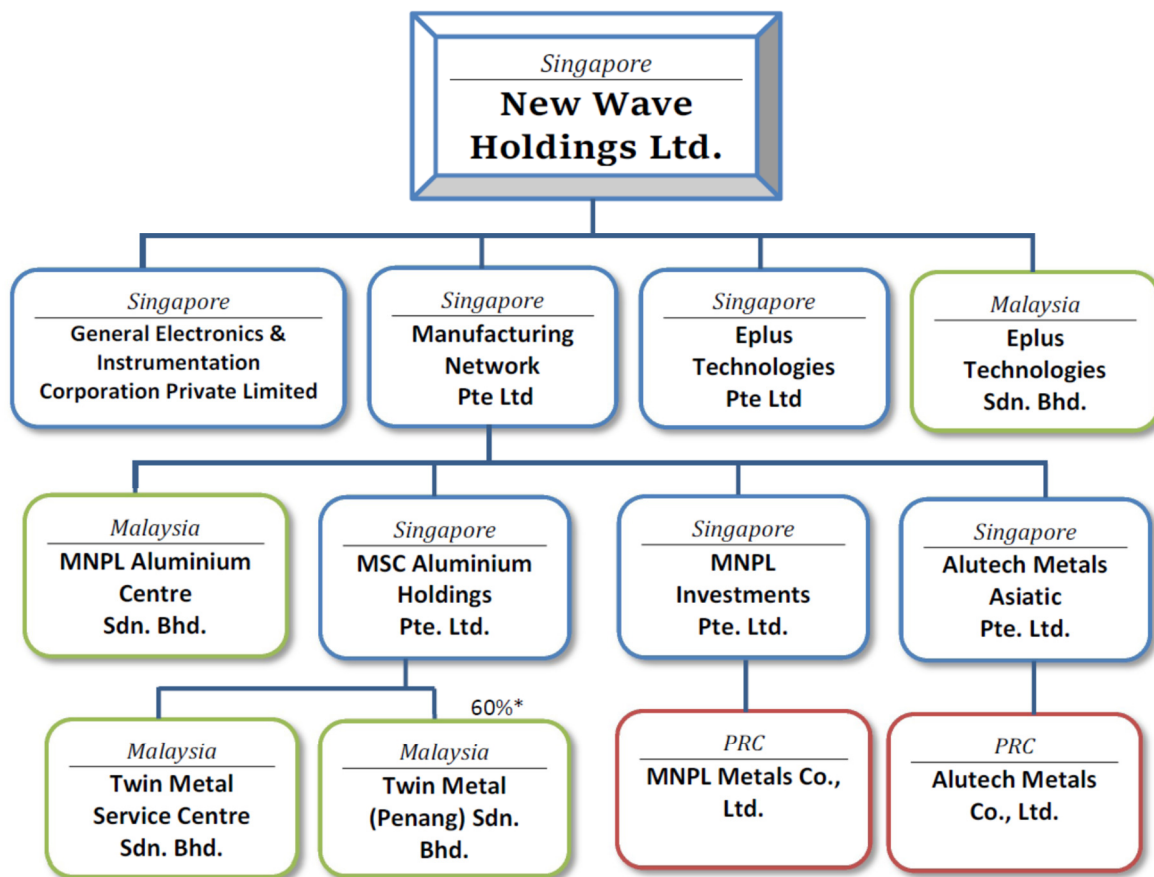
We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to consistently improve our policies, systems and results. Please send your comments and suggestions to NW_IR@newwave.com.sg.

26 July 2023

ORGANISATIONAL PROFILE

The Company was incorporated in Singapore on 4 November 1999 and has been listed on Catalist of the Singapore Exchange since 14 August 2000. Headquartered in Singapore at 101 Kitchener Road #02-17, Jalan Besar Plaza, Singapore 208511, the Company operates through several subsidiaries in Singapore, Malaysia and the People’s Republic of China (the “PRC”), and has two core business activities, namely the distribution of aluminium alloy products and the components distribution business. Our aluminium alloy products are sold to a wide spectrum of customers ranging from multi-international corporations to small and medium size local firms and are used in many industries including precision engineering, transport engineering, semiconductor equipment, electronics, and many others. The components distribution business encompasses the distribution of active and passive IT cabling system solutions, portable cabling testing and certification tools, monitoring and troubleshooting handheld tools and appliances, intelligent cabling system-based projects and includes professional consultancy, training services, software implementation, database integration and customer care services.

The table below shows the organizational structure of the Group:



* Other than as indicated, all other subsidiaries are wholly owned.

APPROACH TO SUSTAINABILITY

SUSTAINABILITY METHODOLOGY



SUSTAINABILITY GOVERNANCE

The Group has in place a Sustainability Steering Committee which is led by key management executives and supported by representatives from various functional and geographic divisions in the Group.



The Board of Directors and Chief Executive Officer (“CEO”) formulate the corporate sustainability strategies and guidelines and monitor overall performance.

The Sustainability Steering Committee comprise the General Managers of each division, the Financial Controller and representatives from each geographic segment and helps to organize and coordinate the sustainability initiatives.

New Wave’s employees support the Group’s sustainability programmes and policies and assist with the implementation and execution of the sustainability initiatives and the collection of data for monitoring performance.

STAKEHOLDERS ENGAGEMENT

An important starting point in our sustainability journey is to identify our stakeholders and material aspects relevant to our business. The interests and requirements of key stakeholders are also taken into account when formulating corporate strategies. These key stakeholders include, but are not limited to, customers, suppliers, shareholders, employees, and regulators. We adopt both formal and informal channels of communication to understand the needs of key stakeholders, and incorporate these into our corporate strategies to achieve mutually beneficial relationships.

Key Stakeholders	Engagement Platforms	Frequency of Engagement	Key Concerns Raised
Customers	Meetings, e-procurement platforms, phone calls, teleconferences and email communications	Daily	Quality control and on-time delivery, technical support, competitive pricing, suitable payment terms
Suppliers	Meetings, e-procurement platforms, phone calls, teleconferences, email communications and factory visits	Regular basis	Quality of products, smooth and timely delivery, competitive prices
Shareholders	Announcements on SGXNet, annual general meetings, annual reports, the Company's website (www.newwave.com.sg)	Half yearly for financial results announcements, general meetings are held annually, other communications on ad-hoc basis throughout the year	Profitability and returns, good corporate governance, timely and accurate information
Employees	Induction programme for new employees, team discussions, training sessions, meetings, feedback channels, emails, performance reviews	Regular basis	Career growth, training opportunities, benefits and incentives, pleasant and safe working environment, alignment of personal goals with Company's goals
Regulators	Seminars and consultation sessions with key regulatory bodies, meetings	On-going basis for reviews and updates, and whenever there are changes in regulations	Compliance with laws and regulations, safe environment, health and other social issues
Community/ Industry Associations	Phone calls and other communications with non-profit organisations, participation at trade exhibitions, seminars, social events	On-going basis	Corporate citizenship, update on industry trends

Membership of Associations

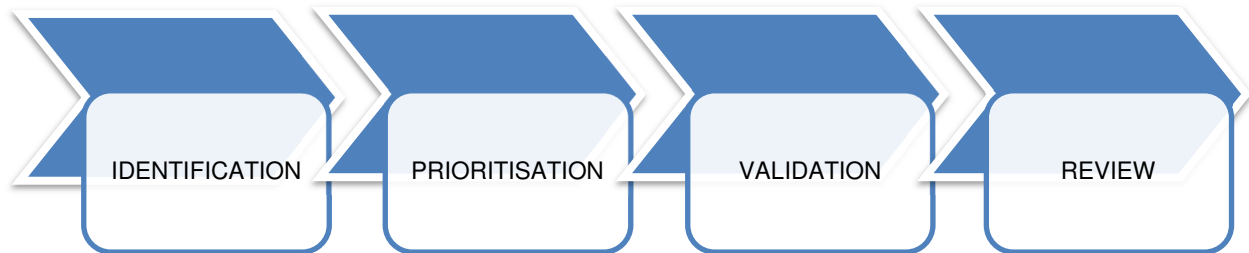
We engage with several industry associations through membership and participation at their activities and events in FY2023 and on an on-going basis:

- Singapore Business Federation
- Singapore Metal and Machinery Association
- Singapore Precision Engineering and Technology Association
- Infocomm Development Authority of Singapore

Networking with other companies in similar industries as ours enables us to be constantly updated on industry trends and help us locate new potential customers and suppliers.

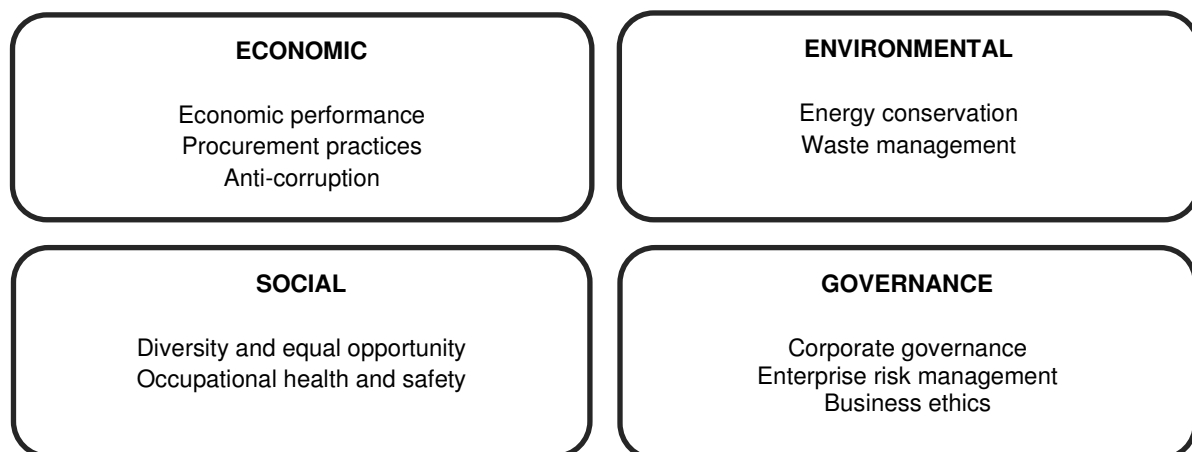
MATERIALITY ASSESSMENT

Our sustainability process begins with the identification of relevant topics. Members of the Sustainability Steering Committee worked with staff from the various Group entities to identify material factors and opportunities, which are then clustered and rated to assess their importance to the Group. Once the relevant topics are identified, they are then prioritised based on their likelihood and impact to the Group and are then subject to internal validation. The result of this process is a list of material factors disclosed in this Sustainability Report.



The Group has conducted a materiality assessment during FY2018 with the engagement of an external consultant, spearheaded by the Sustainability Steering Committee. We engaged our employees from different departments, seeking our internal stakeholders' feedback in the prioritisation of these topics. The Sustainability Steering Committee reviews the Group's materiality assessment on a yearly basis, and has done the review this year, using inputs gathered from the day-to-day engagements with our various stakeholders during the year.

In order to determine if a topic is material, we assessed its potential impact on the economy, environment and society and its influence on the stakeholders. Applying guidance from the GRI, we are of the view that the following factors identified as Material EESG Factors in the previous year are still relevant in this current period:



ECONOMIC

ECONOMIC PERFORMANCE

The Group believes that our financial growth is interconnected to our environmental, social and governance factors. We strive to maintain our financial growth to safeguard shareholders' interests and maximise long-term shareholder value through strategic planning to meet the challenges of our business environment and through proper management of our resources, which includes a diligent and experienced staff force and the long-established relationships with our customers and suppliers. We will strive to be a sustainable, socially responsible corporation and will maintain high standards of corporate governance, business integrity and professionalism in our dealings with all our stakeholders.

Through our operating activities, the Group has created value to various stakeholders – our customers, suppliers, employees, banks and others. We append below a table showing the direct economic value generated and distributed in FY2023:-

DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED - S\$'000		
Item	Stakeholder	FY2023
Direct economic value generated		23,660
Revenue from sales of goods	Customers and various other stakeholders	23,433
Revenue from financial investments		66
Revenue from sale of waste products		70
Other operating income		91
Economic value distributed		(24,165)
Payment to suppliers of goods and services	Suppliers and other contractors	(20,250)
Employment costs and other benefits	Employees	(3,086)
Payments to providers of capital	Banks and other finance institutions	(390)
Payments to government including taxes	Government	(439)
Economic value retained/(lost)		(505)

We are committed to generating and increasing economic value to our stakeholders. With the easing of the COVID-19 restrictions worldwide and the resumption and expansion of economic activities across various sectors, the Group had recorded increases in sales revenues in our previous financial year and over the first half of FY2023. However the uncertainties arising from geopolitical tensions and global inflationary trends caused sales, margins and profitability to decline rapidly over the second half of this financial year and resulted in a net loss in FY2023.

We expect that for FY2024 the market environment will continue to be challenging and that demand conditions will remain lacklustre as the pace of recovery has been slow. In the face of such challenges, the Group will focus on strengthening our market coverage and managing costs.

For more detailed information regarding our FY2023 financial results, please refer to the "Financial Review" section and the financial statements contained in our Annual Report 2023.

PROCUREMENT PRACTICES

Distribution of Aluminium Alloy Products

Our first core business is the distribution of aluminium alloy products. Lightweight and durable, aluminium is in itself a highly sustainable material, being abundant, highly recyclable and reusable. According to the Aluminium Association based in Virginia, United States, nearly 75% of all aluminium

ever produced is still in use today¹. Aluminium's unique properties therefore present to traders and users a future of infinite possibilities and opportunities.

Our major suppliers are from USA, South Africa, Europe and the PRC and we in turn distribute mainly to local customers. Our top suppliers are industrial leaders in their own locality and they employ workers on a large scale. Most of them have ISO14001 certification for environmental management and ISO9001 certification for quality management and are committed to sustainability development. Our South African supplier for instance, is B-BBEE (Broad-Based Black Economic Empowerment) certified for their efforts towards growing, on a sustainable basis, the economic involvement in mainstream businesses for the previously disadvantaged groups. We also buy from local suppliers, and our definition for "local" in this report is when the supplier is in the same geographic boundary as our subsidiary that buys from it. For instance, a PRC aluminium mill supplying to our PRC subsidiary directly is considered a local supplier. We purchase from local suppliers mostly for ready products, so the lead time for the supply is shortened and may, as in Singapore's case, be a matter of only hours to one or two days. This enables us to respond more flexibly to requests of urgent deliveries from our local customers.

Our purchasers choose the suppliers based on needs, quality, service, pricing, terms of payment and other relevant conditions and the decision made is in the best interest of the Company and not for any personal benefit or gain. We have been in the business since 2004 and have built up good business relationships with many of our suppliers on the basis of mutual respect and trust. We do not condone unfair business practices such as concealment or misrepresentation of material facts or acceptance of bribes. We also will not abuse confidential or privileged information obtained from our suppliers. We work closely with our suppliers to ensure their support, for instance, when we need deliveries on an urgent basis. In FY2023, we did not receive any reports of malfeasance from our employees or from our suppliers, and we target to maintain this zero complaints record for the next financial year ending 31 March 2024 ("FY2024").

Components Distributions and Cabling Systems Solutions

Our second core business is components distribution and cabling systems solutions. We are the appointed distributor for our cabling systems products and our electronic test tools. We buy mostly through the Singapore outlets of these principals and we consider such purchases as local purchases. One of our principals is an innovative industrial technology company that produces calibration and measurement tools for various applications including environmental, health and safety compliance, industrial condition monitoring, next-generation product design, and healthcare safety solutions. They produce meters that are used to track and reduce greenhouse gas emissions and software-enabled smart instruments to maintain temperature, humidity and ventilation levels for occupant health and comfort, and help regulate building health and manage energy costs. As for their electronic test tools which form the bulk of our purchases from them, the increasing need for companies to improve quality, comply with regulatory or industrial standards, and maintain a safe working environment, should further increase the demand for such products.

Other than from our principals, we also purchased from other local suppliers, who are mostly small and medium-sized enterprises. Maintaining close relationships with these local suppliers who have information on the local industry trends will benefit the Group, by enhancing our market awareness locally as well. Our procurement practices are similar to that of our aluminium products distribution business, as mentioned above.

Supporting local suppliers

As part of our continuous plan to support local suppliers, we had set the target of having an increase of 5% of local purchases in FY2023 as compared to FY2022. However we did not hit this target as local purchases decreased by 20% in FY2023 when compared to FY2022's total local purchases. As mentioned earlier in the report, sales volume fell sharply in the second half year of FY2023 which resulted in an overall decrease of revenue of 14% for FY2023. Purchases were curtailed to adjust for the decrease in sales, and total purchases fell 17%. As lead time for purchases from overseas suppliers is much longer, the local suppliers bore the brunt of the cut in purchase spending over the short term period.

¹ According to the Aluminium Association's website at <https://www.aluminum.org>

We hope to continue our goal of supporting local suppliers, so as to improve our response time in delivering to our customers as a whole and to enhance our local market presence. We will keep our target for the next financial year (i.e. FY2024) to have an increase of 5% of local purchases as compared to FY2023.

ANTI-CORRUPTION

As the Group's businesses are conducted in various countries, the Group expects its directors and staff to be apprised of the legal and regulatory requirements applicable to their business responsibilities and to conduct our businesses in accordance with these laws and regulations. In particular, the Group requires that its directors and staff carry out business transactions with integrity and avoid corruption or bribery in any form.

Our finance teams oversee the implementation of appropriate controls and procedures to monitor and prevent inappropriate forms of payment across all our subsidiaries. This includes, for example, duplicate or overpayments, and payment requests to third parties not associated with underlying transactions. We will take disciplinary action against any employee confirmed of bribery or corruption or may also refer the case to the relevant law enforcement authorities if appropriate.

In the context of Singapore, we are subject to the Prevention of Corruption Act, which covers employees, public servants and others who corruptly receive or give bribes as an inducement or reward for performing or not performing a transaction. The law also has extra-territorial effect, so Singaporeans who offer bribes or receives bribes overseas will be liable for punishment.

We have implemented a whistle blowing policy to provide a mechanism for employees as well as other external stakeholders to raise concerns in confidence and without fear of reprisals about possible improprieties in the areas of:

1. Fraudulent financial reporting
2. Misappropriation of assets
3. Improper or unauthorized expenditures including bribes
4. Violations of laws and regulations, for instance, securities frauds
5. Substantial and specific danger to public health or safety

Whistle-blowers may address their concerns via the email address auditcom@newwave.com.sg and the Audit Committee will carry out confidential investigations and withhold the identity of the complainant, as appropriate.

For the financial year under review, we have not received any report of any corruption (FY2022: Nil), as targeted in the previous sustainability report. There are also no reports of whistle blowing received (FY2022: Nil). Our target is to maintain zero corruption and zero violations of any laws and regulations for FY2024.

ENVIRONMENTAL

Although the direct impact of our business activities on the environment is relatively small, we would like to do our part to contribute to the global goals of mitigating climate change and conserving resources. Our environmental efforts focus on finding ways to reduce energy consumption and waste.

ENERGY CONSERVATION

We believe in investing our time and effort towards energy efficiency, as we not only help protect the environment but can also lower our operating costs. The Group's electricity consumption is from regular operations of the offices and factories in the various regions where our subsidiaries are situated and is consumed for operating machines and office equipment, lighting as well as cooling/heating systems. We monitored the total electricity usage for our metal service centers situated in Singapore, the PRC and in Johor and Penang in Malaysia but have not included usage at locations with only sales offices, as consumption at these locations are insignificant in comparison. Based on historical consumption patterns and taking into consideration the surge in business transactions after the relaxation of COVID-19 restrictions in FY2022, we had set a target of 270,000 kWh for FY2023. We have met the target as the recorded usage for FY2023 was 260,494 kWh. We shall keep the target for FY2024 at 270,000 kWh.

We have since FY2018 and as at the date of this report observed energy conservation efforts by adopting the following practices across the subsidiaries:

- Switching off lights, computers and air conditioning systems at the end of the work day.
- Regular maintenance of all our operations machines, as well as office equipment such as refrigerators, air-conditioners and heaters so as to maintain higher efficiency.
- Use energy saving equipment and lighting.
- Set temperature of air conditioners to 25°C for the Singapore and Malaysian subsidiaries.
- Raising awareness among employees and educating them about energy conservation and emission reductions.

We use fuels and diesel for operating our forklifts, vans and trucks. Regular maintenance and scheduled overhauls for our forklifts and transport vehicles are part of our asset management policy to improve fuel consumption and reduce emission of pollutants. Our logistics staff also plans the delivery route each day to cut wastage of fuels where possible.

We are also supportive of industry-wide initiatives undertaken by our business partners and especially our principals to mitigate the environmental impacts. The products we distribute under the Components Distribution division are designed to include operational energy efficiency and end-of-life and disposal considerations.

WASTE MANAGEMENT

We strive to be environmentally responsible with our commitment towards preserving the environment through efficient waste management such as reuse and recycling to allow us to operate in a sustainable environment.

Key initiatives that have been in place since FY2018 and as at the date of this report include the following:

- a. We remind our staff across the Group to reduce the consumption of paper through enhancements made to our daily operating routines. Such enhancements include the scanning of documents which are then stored digitally in computers and servers to avoid overprinting. In addition, electronic version of statement of accounts are issued to customers and suppliers. We also recycle used paper, using them for drafts and internal documentation.

- b. We refurbish and reuse equipment and tools to prolong their useful life wherever possible.
- c. The main waste materials generated from our aluminium products distribution operations are the aluminium shavings from the cutting and sawing of our materials. Our aluminium shavings from production are collected for outsource recycling.
- d. Used saw blades for cutting our aluminium products are re-sharpened for re-use to prolong their useful life.
- e. We are actively involved in the recycling of used packaging materials including cartons, plastic, strings, wraps, wooden pallets and paper.

We also do our part to protect the environment by proper disposal of waste, and especially toxic waste, through licensed contractors. We are committed to ensuring compliance with applicable environmental laws. There were no incidents of non-compliance with environmental rules or regulations in FY2023 as targeted in the previous year (FY2022: Nil) and we target to perform the same for FY2024.

DISCLOSURE RECOMMENDATIONS OF THE TCFD

For FY2023, climate-related disclosures is on a “comply or explain” basis for our Group but will subsequently be mandatory from FY2025. The TCFD recommended disclosures revolves around four core elements:

1. Governance - The organization’s governance around climate-related risks and opportunities
2. Strategy - The actual and potential impacts of climate-related risks and opportunities on the organization’s business, strategy and financial planning
3. Risk Management - The processes used by the organization to identify, assess and manage climate-related risks
4. Metrics & Targets - The metrics and targets used to assess and manage relevant climate-related risks and opportunities

The Group is working towards providing climate-related disclosures in line with TCFD recommendations progressively within the next two years. Our planned approach based on the four core elements are as described below.

1. Governance

Board Oversight	<u>Board of Directors</u>
	The Board considers the oversight and effective management of climate related risks as an essential component of the Company's overall business strategy to achieve long term sustainable growth. The Board and together with its various Board Committees will ensure active oversight of the Company's management of climate related risks. The Board will review updates from Management on the estimated financial impact of climate-related risks and opportunities identified during risk scenario analysis.
	<u>Board of Directors and Audit Committee</u>
	The Board and the Audit Committee will review and discuss with Management the Company's Enterprise Risk Management processes including its risk governance framework, risk management practices and risk factors. The Committee will facilitate the identification, measurement and mitigation of key risks across the Company, including material climate-related issues such as business disruptions from natural disasters.

Executive Leadership	<u>Chief Executive Officer (CEO)</u>
	The CEO is also a member of the Board of Directors and is accountable for reporting to the Board on all risks and opportunities. The CEO heads the Sustainability Steering Committee and is responsible for formulating the Company's strategies and goals. He will be responsible for setting targets for EESG goals for climate related sustainability initiatives.
	<u>Financial Controller, Heads of Operations, regional finance teams</u>
	Report to the CEO and will oversee the functions related to the governance of climate risks and opportunities. They will also report on the financial and non-financial impacts of material climate-related risks and co-ordinate data gathering and formulate the metrics to quantify the Company's carbon footprint.

2. Strategy

The Group will assess the impact that any identified climate-related risks and opportunities has on our businesses, strategies and financial planning and will integrate into our overall business strategy plans to mitigate risks and harness opportunities with the long-term goal of achieving resilient and sustainable operations. We will align our strategy to address climate change and expand our environmental commitments.

3. Risk Management

A key component of our present Enterprise Risk Management Framework is the identification and assessment of current and emerging risks that the Group faces. We shall include within our processes the assessment of climate-related risks which may include natural disasters and other weather-related risks.

4. Metrics and targets

The Group would ultimately need to quantify carbon emissions across our value chains – including business operations, supply chains and downstream products in use. For a start we shall be considering the measurement of Scope 1 and Scope 2 emissions.

SOCIAL

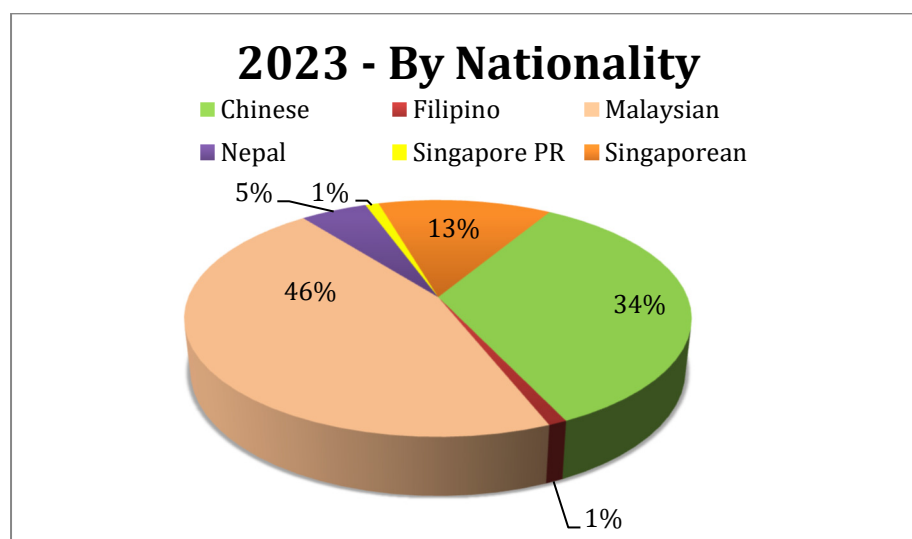
WORKFORCE METRICS

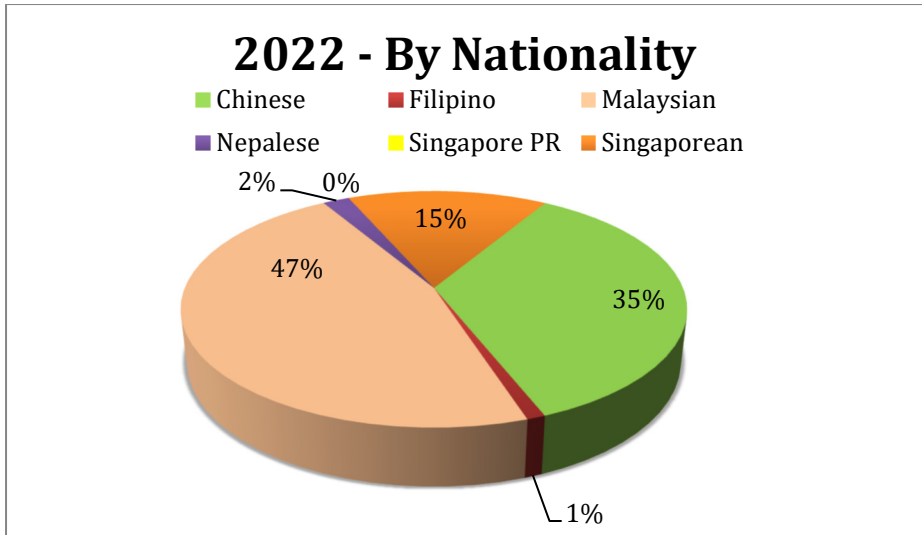
	FY2023	FY2022
Total employee headcount (all full-time)	99	99
- Female	41	41
- Male	58	58
Number of employees by region		
- Singapore	27	28
- Malaysia	41	40
- PRC	31	31

DIVERSITY AND EQUAL OPPORTUNITY

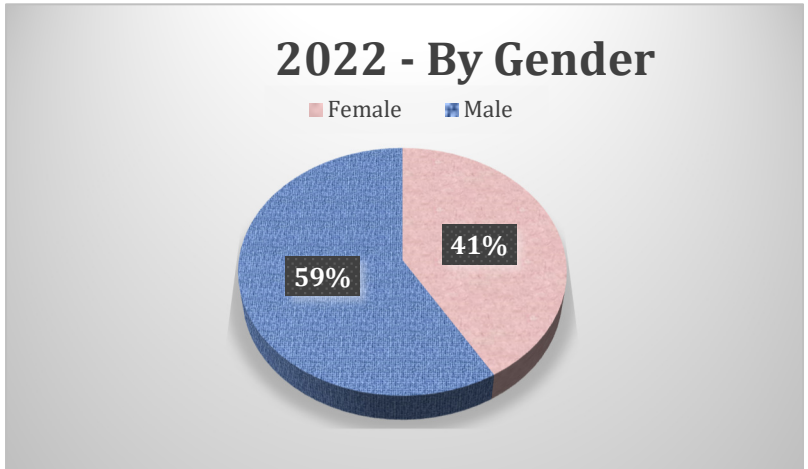
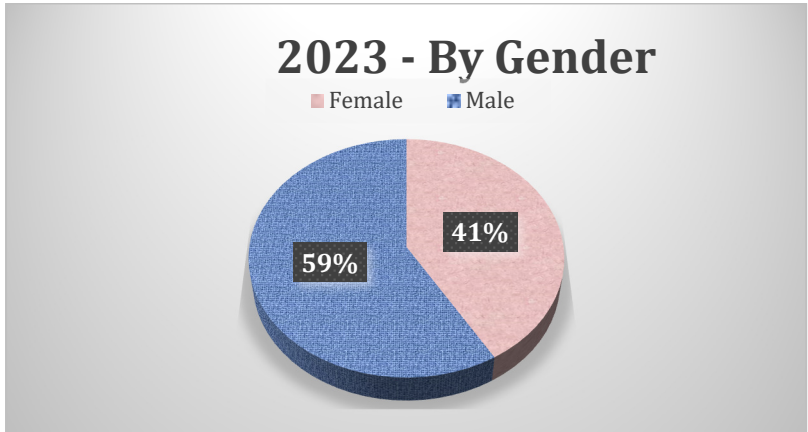
We are an equal opportunity employer and embrace the principles of equality and non-discrimination when hiring employees. Recruitment, remuneration, promotion and benefits are handled based on objective assessment, equal opportunity and non-discrimination basis, regardless of gender, race, religion, age or marital status.

We encourage diversity in our work force, as we believe that by bringing in people with different experiences, backgrounds and skills, we can encourage innovation and we are better able to meet various challenges. Our diversity strategy is facilitated by our physical locations in three geographic regions, and we employ individuals of several nationalities. The majority of our employees are Singaporeans, Malaysians and Chinese, which corresponds with the location of our factories in Singapore, Malaysia and the PRC. However, there are several Malaysians and Chinese employed in Singapore, while our Malaysian factories employed several Nepalese for the production teams. The composition by nationality has remained fairly consistent over the two years shown in the charts below, except that there is a slightly greater proportion of Nepalese for the production teams in Malaysia. After the relaxation of the COVID-19 restrictions, we were able to hire more foreign workers to ease the workload in the production area.



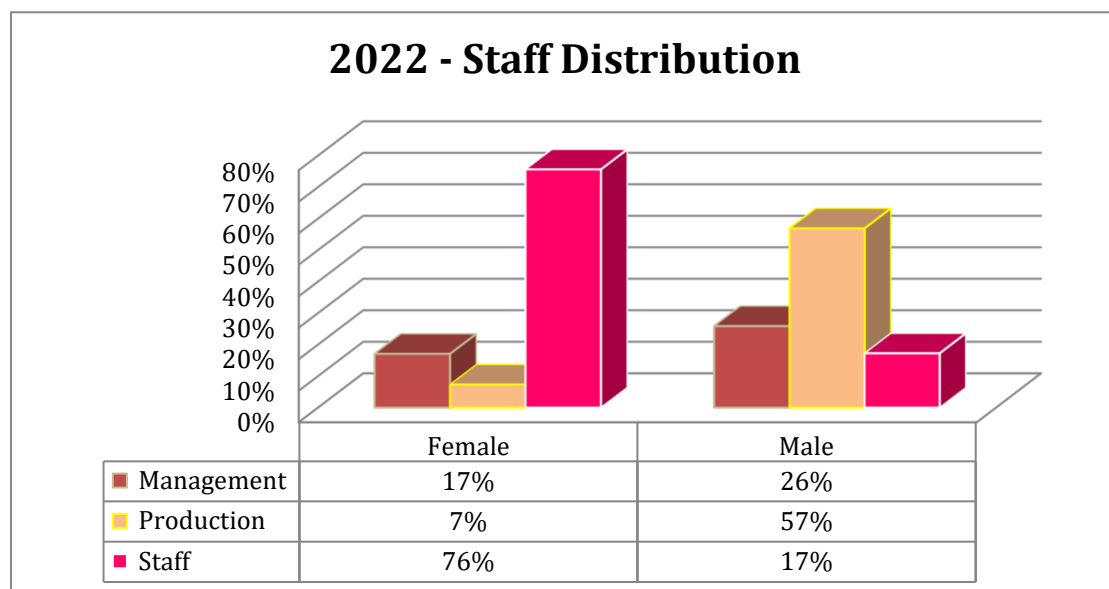
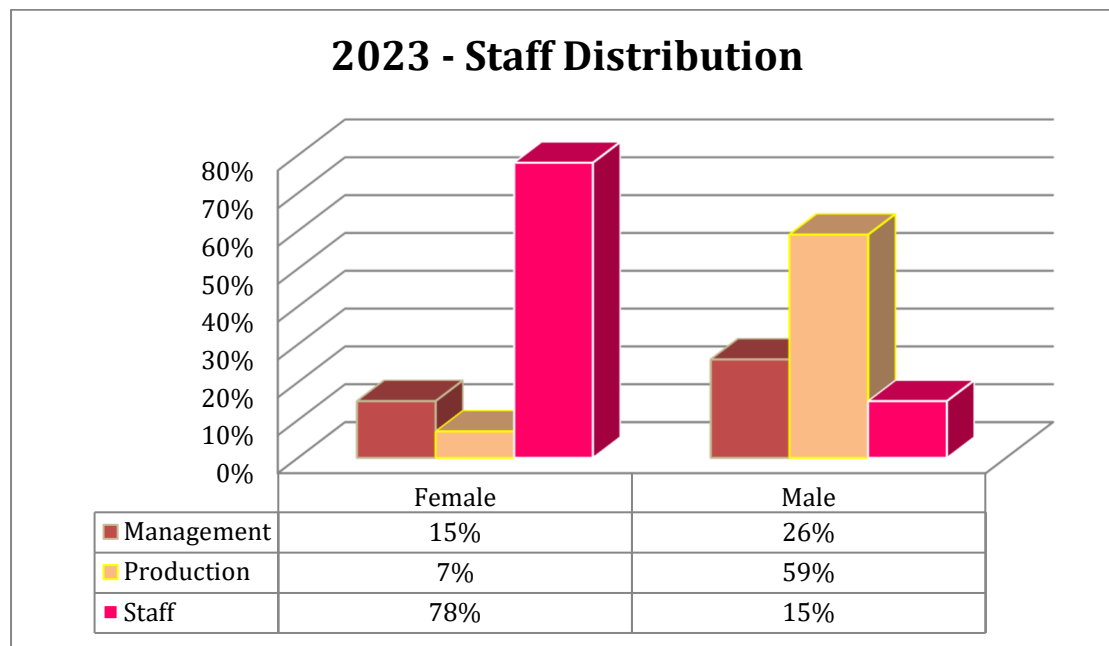


As for gender diversity, we actively address any unconscious bias for gender preference and promote gender balance. We aim to develop an inclusive culture that respects the contribution of all employees regardless of gender, race or age. The proportion of males as a percentage of the total workforce as at the end of FY2023 is 59% (FY2022 – 59%) denoting more men are hired to work on the production floor handling the machines as well as doing the deliveries to customers, as indicated in the pie charts below. The proportion has remained consistent over the two years period.



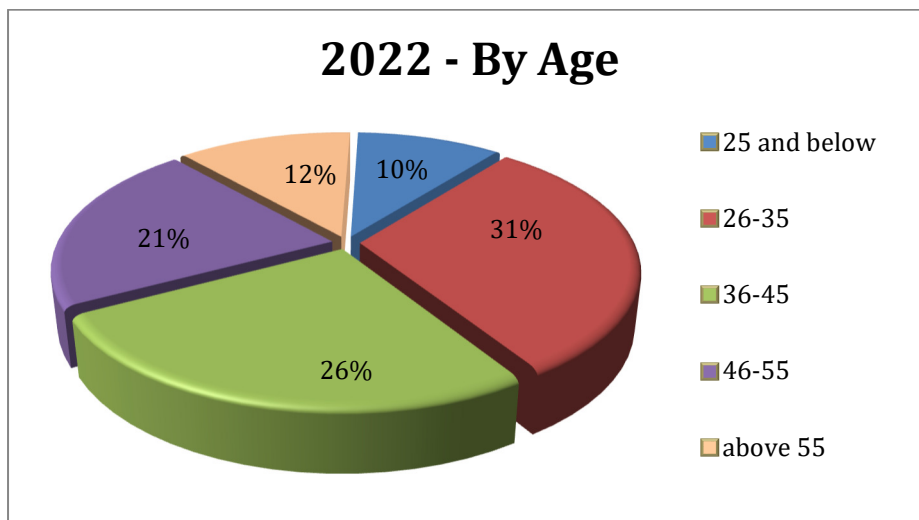
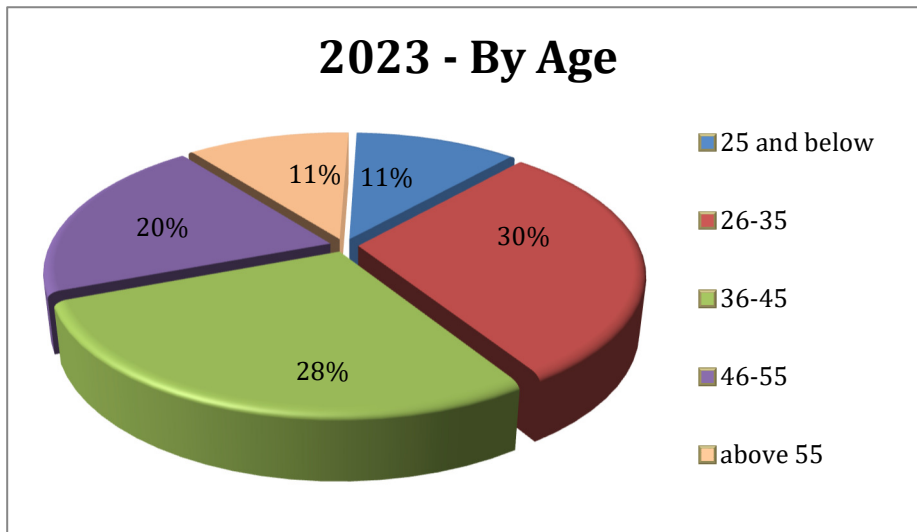
The total staff strength as at the end of FY2023 has not changed as compared to that for FY2022. We were constantly short of staff during the previous financial year due to the sudden surge of business activities and resultant increased sales and the situation then was further aggravated by hiring difficulties. The man-power shortage has eased this year as sales declined, so that our present staff strength is now at a comfortable level.

The overall distribution of men and women in our three major categories of employees has remained consistent over the two years. As in the previous year, there are more male managers than female managers; and more men are hired in the production departments due to the nature of the job, while the accounts and administrative jobs are staffed mostly by women, as indicated in the bar charts below.



As for age diversity, we value our matured workers for their experience, knowledge and skills, but recognize the need for succession planning and to employ younger workers to drive the Group's operations in the future. Notably, more than 10% of our workforce over the past few years are above 55 years of age. For FY2023, the percentage of our workforce below the age of 35 is at 41%, which is

the same percentage as for FY2022. The Company will continue in its attempt to attract more young and suitable candidates who are willing to learn on the job.



TRAINING AND STAFF DEVELOPMENT

We provide employees with equal opportunities for training and development based on their strengths and needs, to help them achieve their full potential. Suitable training is extended to employees to enable them to perform at optimal levels and include on-the-job training and mentoring, job rotation, product and technical updates conducted by principals and courses, seminars and webinars conducted by external trainers.

In Singapore, any new production staff that is required to handle forklifts will be sent for a week-long certificate course conducted by companies approved by the Ministry of Manpower. All production staff handling the cutting of metals are sent regularly to attend courses on safety in the handling of machines. In FY2023, for the aluminium products distribution business, we conducted in-house training to improve knowledge of our products for sales staff to enable them to communicate better with customers, as well as safety courses to constantly remind all employees (and in particular, those working within the factories) the importance of ensuring a safe environment for everyone. The safety courses emphasized safety on the production floor, but also covered other topics of general interest e.g. ensure the removal of fire hazards and health and safety measures pertaining to the current pandemic situation and the prevention of dengue. As for the components distribution business, our various principals conduct

seminars and workshops to update their distributors on their products. During FY2023, a Management staff from the components distribution business attended a two-days training course conducted by Fluke Networks in Bangkok, Thailand. Administrative and accounts staff are sent for courses relevant to the work they handle, for instance when there are changes in regulations that affect the Group, as in the case of changes in regulations under the Goods and Services Tax (GST), corporate income tax laws or changes in the financial reporting systems of their respective countries.

We target to increase gradually the level of training provided to our staff and had set the target at three hours of training per employee per year for FY2023. We have exceeded the target as the Group clocked in 5.26 hours per employee due in part to induction training for several new hires who joined the Group in replacement of resignations. For FY2024, we set our target at 5.0 hours training per employee.

Employees are appraised through inputs from the supervisors and managers, as well as periodic formal appraisals. Promotion is based on merit, competency and suitability. As we value our employees, we will typically consider promoting existing employees before hiring for new or vacant positions.

The Company and its subsidiaries will continue to abide by the local labour laws in the countries within which we operate to promote fair employment practices. In FY2023, we did not receive any complaints from our staff nor any reports of non-compliance from the authorities (FY2022: Nil) and we target to maintain this record for FY2024.

OCCUPATIONAL HEALTH AND SAFETY

Our employees are an integral part of our organization and we are committed to providing them a safe and pleasant environment to work in. Production sites will have safety risks, but we aim to create and sustain a safety focused, zero-accident culture. In addition, due to the COVID-19 pandemic and dengue outbreaks in the district where our Singapore factory is located, we are concerned not only with safety in terms of avoiding all accidents, but also the health and well-being of our employees.

At our production sites, the workers are required to operate the cutting machines, forklifts and to handle the heavy aluminium products. We must therefore maintain a safety-conscious culture amongst our workers to avoid any industrial accidents. We have a set of safety rules and regulations in place and all new employees are briefed on safety procedures during orientation. As targeted last year, the management held regular briefing sessions in FY2023 with the purpose of constantly reminding employees of the importance of maintaining a safety conscious culture and to emphasize to every employee that each is responsible for his own safety and the safety of his co-workers. To curb any spread of the COVID-19 infections within or from our premises, we have reminded the staff to self-monitor their own well-being and stay away when not feeling well, especially for those in frequent contact with external parties including our customers and suppliers. The employees on the production floor have always worked with their work gear on, which included appropriate uniform, hard boots, gloves and face masks to protect against the dust generated from cutting of the aluminium. Since the start of the pandemic, we have changed the face masks supplied to them with high quality surgical face masks that have good bacteria filtration efficiency to better protect them.

The house rules include:

- proper housekeeping to maintain tidy work areas to avoid falls from unexpected obstacles. Workers are to keep the aisles clear of products or debris for safe operation of the forklifts.
- cleaning and sweeping the production floor regularly and at the end of the day.
- turn over buckets and other containers and regular checks to ensure there is no collection of stagnant water due to blocked drains or gutters
- wearing the right protective gear when handling the machines which include gloves, face masks, and safety boots.
- be always alert when operating machines and not engage in any unsafe or negligent act that may endanger yourself or others working in the vicinity.
- report to the supervisor any possible health or safety hazards that have come to your attention.

Each location will have ready first-aid kits maintained on the premises to provide immediate first aid treatment to workers or others who sustain injuries at the location. The employees handling forklifts are

licenced to do so after attending proper training courses. In Singapore, all our workers have attended safety courses on metal working, as required by the Ministry of Manpower.

The Group recorded zero workplace accidents during FY2023 as targeted in the previous sustainability report (FY2022: Nil) and is targeting the same for FY2024.

We encourage our employees to live healthy lives with proper diets and regular exercise. The Company provides free medical consultations and medication, so workers who are unwell may visit the Company approved clinics situated near each of our offices, or any government run clinics. We believe in reducing workplace stress and encourage workers to relax during breaks and aim for a good work-life balance.

GIVING BACK TO THE COMMUNITY

The Group upholds the concept of corporate social responsibility and believes that community engagement is an integral part of our business sustainability. We encourage our staff to participate actively in events held by various social agencies. We organized a half-day visit for the Singapore employees to St Luke Eldercare Centre during the Chinese New Year to distribute “hong bao” and spend time with and attend to the elderly inmates. Many employees participated in the Yellow Ribbon race which was organized for the purpose of showing support and giving a second chance to ex-offenders and several staff participated in the October 2022 campaign organized by the Breast Cancer Foundation to raise awareness and funds for breast cancer survivors. The Group intends to incorporate this culture of social responsibility within the organization and will encourage all staff to participate actively to identify suitable and meaningful activities and to be personally involved in each event. The Group will organize annually at least one such event at which a majority of staff could participate.



GOVERNANCE

CORPORATE GOVERNANCE

Our Board and Management are committed to continually enhancing shareholder value by maintaining high standards of corporate governance, professionalism, integrity and commitment at all levels, underpinned by strong internal controls and risk management systems.

Our corporate governance practices are set out in the Group's 2023 annual report in the section entitled "Corporate Governance Report" (pages 9 to 26), with specific references to the principles and guidelines of the Code of Corporate Governance 2018 (the "Code"). Where the Group's practices differ from the principles and guidelines under the Code, the deviation from the recommended guidelines under the Code will be duly explained and set out under the Corporate Governance Report.

The Board of Directors sets the overall strategic directions for the Group, establishes goals for management and monitors the achievement of these goals. Specific functions are delegated to Board Committees. The Nominating Committee ensures the balance and diversity of the Board, assesses the performance of the Board and of each Board Committee, as well as the contribution each director made towards the Board's effectiveness. The Nominating Committee also conducts rigorous evaluations of the independence of the independent directors. The Audit Committee works with the external auditors and ensures the quality and integrity of the financial reports, audit procedures, risk management and internal controls. The Audit Committee also ensures that the internal audit function is independent, effective and adequately resourced. The Remuneration Committee ensures that the Directors and key management personnel are adequately but not excessively remunerated.

The Board's policy is to treat all shareholders fairly and equitably and to provide them with timely information on the Group's financial performance and material developments through public announcements via SGXNET, press publications where appropriate, circulars and annual reports.

The Group has in place an internal code of conduct to ensure that the Directors and key officers adhere to the provisions of the Companies Act and other relevant regulations with regard to their securities transactions, with particular attention to observe insider-trading laws and regulations.

In FY2023, there were no incidents of non-compliance with relevant laws and regulations (FY2022: Nil) and we target to maintain this record in FY2024.

ENTERPRISE RISK MANAGEMENT

The Group is subject to various risks inherent to the different countries, industries and markets in which it does business and to the activities it carries out in each location. Such risks may have negative impacts on its productivity and profitability, and work against achieving its objectives and implementing its strategies.

Aware of the significance of this issue, the Management undertakes to provide resources to adequately identify, measure, manage and control the significant risks to all the activities and businesses of the Group. It has established an enterprise-wide risk management framework which is embedded in the internal control systems of the Group so as to enhance its risk management capabilities. This included institutionalising a systematic risk assessment methodology for the identification, assessment, reporting and monitoring of risks on a consistent and reliable basis. The system is also constantly reviewed and refined, to ensure its relevance in a dynamic operating environment.

The risk management framework addresses financial, operational, compliance and information technology risks to safeguard the Group's assets. On an annual basis, the Audit Committee reviews the risk management policies and system implemented by the Group and examines the internal controls review report from the internal auditors.

BUSINESS ETHICS

We are committed to operating our businesses with integrity, accountability and high ethical standards.

We do not tolerate bribery and corrupt practices or any other behaviour that may bring disrepute to the Group. We expect honesty, integrity and respect to be exhibited in our dealings and interactions within and outside the Group. All business dealings should be transparently performed and accurately reflected in the Group's books and records.

The Group also ensures that measures are in place to safeguard access to personal data that are stored on its premises or servers. This applies to data obtained during recruitment of staff, personal data of existing staff, including their medical records and other confidential information relating to customers, suppliers and shareholders. Access to personal data is restricted to authorised persons on a strict need-to-know basis. The Group has appointed a Data Protection Officer and has ensured that he had received the relevant training by attending talks and seminars. He is also registered with the Personal Data Protection Commission so that he could keep abreast of related developments and help the organisation comply with the Personal Data Protection Act (PDPA). In FY2023, there were no incidents of non-compliance with the PDPA as targeted last year and we target to maintain this record for FY2024.

We protect all confidential data against cyber security risks in order to protect the confidential information of all stakeholders through constant monitoring of our information technology systems. We regularly remind all our computer users to stay vigilant to avoid falling prey to phishing or other threats. To further enhance data security and at the same time improve speed and efficiency of our IT systems, we have migrated during FY2022 our Enterprise Resource Planning (ERP) System for Singapore operations to cloud. During FY2023, the Malaysia ERP System as well as the Group's email system were migrated to cloud. The Group enlists the help of a reputable internet service provider to manage the data hosting, data backups, the firewall and overall cybersecurity to ensure first line protection against malware and infections. The service provider works closely with our own IT staff to ensure that regular updates are done and any potential cyber-attacks are discovered early and are disarmed before doing any harm to our systems.

We have provided a whistle blowing channel to all stakeholders including employees to raise concerns in confidence and without fear of reprisals about possible improprieties in any areas e.g. fraud, misappropriation of assets, bribes, violations of laws and regulations, and danger to public health or safety complaints. Whistle-blowers may address their concerns via the email address auditcom@newwave.com.sg and the Audit Committee will carry out confidential investigations and will withhold the identity of the complainant, as appropriate.

In FY2023, there were no reports of any leaks from our information systems and we did not suffer any loss of data through any attempted attacks on our systems. We target to maintain this performance in FY2024.

GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure	Location	
GENERAL DISCLOSURE			
GRI 2: General Disclosures 2021	2-1	Organizational details	Organisational Profile, page 3
	2-2	Entities included in the organization's sustainability reporting	Organisational Profile, page 3
	2-3	Reporting period, frequency and contact point	Board Statement, page 2
	2-4	Restatements of information	Not applicable
	2-5	External assurance	Board Statement, page 2
	2-6	Activities, value chain and other business relationships	Organisational Profile, page 3
	2-7	Employees	Social, pages 13 to 16
	2-8	Workers who are not employees	Not applicable
	2-9	Governance structure and composition	Annual report 2023, page 9 to 26
	2-10	Nomination and selection of the highest governance body	Annual report 2023, page 9 to 26
	2-11	Chair of the highest governance body	Annual report 2023, page 9 to 26
	2-12	Role of the highest governance body in overseeing the management of impacts	Annual report 2023, page 9 to 26
	2-13	Delegation of responsibility for managing impacts	Annual report 2023, page 9 to 26
	2-14	Role of the highest governance body in sustainability reporting	Board Statement, page 2 Sustainability Governance, page 4
	2-15	Conflicts of interest	Annual report 2023, page 28
	2-16	Communication of critical concerns	Anti-corruption, page 9
	2-17	Collective knowledge of the highest governance body	Board Statement, page 2
	2-18	Evaluation of the performance of the highest governance body	Annual report 2023, page 16 to 17
	2-19	Remuneration policies	Annual report 2023, page 17 to 19
	2-20	Process to determine remuneration	Annual report 2023, page 17 to 19
	2-21	Annual total compensation ratio	Annual report 2023, page 17 to 19
	2-22	Statement on sustainable development strategy	Board Statement, page 2
	2-23	Policy commitments	Board Statement, page 2 Anti-Corruption, page 9 Environmental, page 10 Governance, pages 19 to 20
	2-24	Embedding policy commitments	Board Statement, page 2 Sustainability Governance, page 4
2-25	Processes to remediate negative impacts	Anti-corruption, page 9	
2-26	Mechanisms for seeking advice and raising concerns	Anti-corruption, page 9 Governance, pages 19 - 20	
2-27	Compliance with laws and regulations	Governance, pages 19 - 20	
2-28	Membership associations	Stakeholders Engagement, page 5	
2-29	Approach to stakeholder engagement	Stakeholders Engagement, page 5	
2-30	Collective bargaining agreements	Not applicable	
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality Assessment, page 6
	3-2	List of material topics	Materiality Assessment, page 6
	3-3	Management of material topics	Sustainability Governance, page 4

GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure	Location
MATERIAL TOPICS		
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	Page 7
GRI 204: Procurement Practice 2016	204-1 Proportion of spending on local suppliers	Pages 7 to 8
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Page 9
GRI 302: Energy 2016	302-4 Reduction of energy consumption	Page 10
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	Pages 10 to 11
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety 403-9 Work related injuries	Pages 17 to 18
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Pages 16 to 17
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	Pages 13 to 16 Annual Report 2023, page 11 to 12