

CONSOLIDATION



SUSTAINABILITY REPORT 2020



ASTI HOLDINGS LIMITED

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1. Board Statement

We are pleased to present our fourth Sustainability Report for the financial year ended 31 December 2020 (“FY2020”). As with previous years, we are committed to the topic of sustainability and would like to share our progress pertaining to sustainability over the year, as well as our approach, practices and performance around relevant material factors.

ASTI provides an integrated range of services with regards to the semiconductor industry. With the growing expectations and concerns with regards to sustainability from various stakeholders, we believe our business goes beyond simply providing these services and understand that the consideration of sustainability cannot be left out in strategic decisions.

As such, we endeavour to maintain and improve current sustainability practices and are committed to have sustainability as a key consideration in all strategic decisions. By engaging with our stakeholders and assessing material factors, we have updated our material factors and identified 13 material factors for FY2020 which helped shaped our sustainability strategy and set time-based targets.

Since the start of the coronavirus (“COVID-19”) outbreak, we have continued implementing a series of measures to ensure the well-being of our stakeholders. We are monitoring the pandemic situation and its impacts on our business closely as well as maintaining ongoing communications on COVID-19 updates with our staff, customers and visitors. We have implemented precautionary measures to minimise the risk of spread of COVID-19, such as daily temperature-taking, mandatory health declarations for employees and customers and safe distancing measures. During this COVID-19 period, we have also facilitated the smooth transition of our employees to work from home and conducted our trainings online. We strive to continue safeguarding the well-being of our staff and customers and deliver products and services to our valued customers, with minimal disruptions to our operations.

We seek to grow our role in sustainability and are sure that this will help enhance our quality of life while protecting our planet. We look forward to working with you and welcome you on our journey to sustainability.

2. About this Report

2.1. Reporting Scope and Period

This report, published annually, covers the company’s policies, practices, initiatives, performance and goals in relation to material Environmental, Social and Governance (“ESG”) factors for the period of 1 January to 31 December 2020 and includes data and information from said period relating to ASTI, its subsidiaries and their services and products.

Our operations are located in Southeast Asia, Greater China, the United States of America and the United Kingdom. However, we have decided to focus our scope of this report on Telford's business operations in Singapore as they are currently the most material to ASTI due to being headquartered in Singapore and we believe that Telford has the highest impact on sustainability with 8 factory locations collectively with a headcount of over 3,500.

2.2. Framework

This report is written in compliance with the requirements of SGX-ST Listing Rules 711A and 711B and has been prepared with reference to the Global Reporting Initiative (“GRI”) Standards.



This report references the following topic-specific disclosures:

GRI Standards	Topic-Specific Disclosure
201 Economic Performance	201-1
205 Anti-corruption	205-3
302 Energy	302-1, 302-3
305 Emissions	305-2, 305-4
307 Environmental Compliance	307-1
401 Employment	401-1, 401-2
403 Occupational Health and Safety	403-8, 403-9
404 Training and Education	404-1
405 Diversity and Equal Opportunity	405-1
414 Supplier Social Assessment	414-1
416 Customer Health and Safety	416-2
418 Customer Privacy	418-1
419 Socioeconomic Compliance	419-1

2.3. Feedback

For any enquires, comments or feedback regarding both our sustainability performance and inaugural sustainability report, please send them to enquiries@astigp.com.

3. Sustainability Governance

3.1. Sustainability Strategy

ASTI strives to continually deliver world-class services to our customers to help them optimise their resource utilisation. As such, it is important that sustainability is considered in our strategic decisions as expectations for sustainable development is growing.

3.2. Sustainability Governance Structure



Sustainability Steering Committee ("SSC")

Our sustainability strategy is headed by our Sustainability Steering Committee ("SSC"). The SSC provides strong direction coupled with an effective sustainability governance framework to identify, assess and manage the ESG issues that are important to us and our stakeholders.

The SSC is represented by senior members of the Administration, Finance, Human Resources and Information Technology divisions at ASTI. They provide advice and assistance to the Board in ensuring that policies and procedures related to ESG issues are aligned with ASTI's business strategy.

Sustainability Task Force ("STF")

The SSC is supported by the STF, which is responsible for driving sustainability initiatives and programmes across ASTI.

Board of Directors (the "Board")

The Board monitors and evaluates sustainability performance against peer companies in order to improve performance and to identify areas of improvement. The Board also conducts reviews of the company's approach to sustainability from the identified gaps as compared to peer companies so that ASTI will be in a better position to execute targeted actions to address the gaps.



3.3. Stakeholder Engagement

We strongly believe that stakeholders are an integral part of our sustainability efforts, as such; it is of utmost importance that we engage with our stakeholders to gain valuable insights and understand the ESG issues that they are most concerned with, helping to shape our sustainability strategy and grow our business sustainably. Our approach to stakeholder engagement is as follows:

Key Stakeholders	Key Topics of Concern	Mode of Engagement	Frequency of Engagement and FY2020 Highlights
Investors and Shareholders	<ul style="list-style-type: none"> ▪ Financial Results ▪ Business performance and outlook ▪ Corporate governance 	Media releases	Ad-hoc
		SGX's announcements	Semi-Annually
		Annual general meeting ("AGM") for Shareholders	Annually
		During COVID-19: AGM convened virtually	
		Annual report	Annually
Employees	<ul style="list-style-type: none"> ▪ Career development ▪ Employee engagement ▪ Staff bonding ▪ Health and safety 	Company handbook	Employees are briefed on the handbook during on boarding. Softcopy of handbook is available on a hard disk drive for employees when requested. An acknowledgement form is signed when employees read the handbook.
		New employee Orientation	First week of work
		During COVID-19: Adjourned due to safety restrictions	
		Trainings	Employees are given an average of 3 training hours per year
		During COVID-19: Trainings conducted online	
		Whistle blowing policy	Ad-hoc



Key Stakeholders	Key Topics of Concern	Mode of Engagement	Frequency of Engagement and FY2020 Highlights
Customers	<ul style="list-style-type: none"> ▪ Customer satisfaction ▪ Quality of facilities and services ▪ Health and safety ▪ Impacts on the environment and society 	Customer visits During COVID-19: Adjourned due to safety restrictions	Ad-hoc tour of premises for customers
		Factory visits by Customers During COVID-19: Adjourned due to safety restrictions	Ad-hoc tour of factories for customers
		Customer satisfaction survey	Surveys conducted and customer engagement for customers throughout the year
Suppliers	<ul style="list-style-type: none"> ▪ Ability to make prompt payments ▪ Business performance and outlook 	Supplier selection process	Prior to supplier selection
		Supplier assessment	Annually
		Meeting with suppliers to discuss better ways of production/distribution During COVID-19: Meetings conducted online and via phone calls	Ad-hoc

4. Materiality Assessment

















Annually, the Board conducts an exercise, involving members of ASTI’s senior management team, to review the relevance of ASTI’s material factors in order to identify if there has been any shift in priorities among stakeholders and examine any emerging areas of concern. This was especially important this year as there were many changes in the organisation. As such, we have engaged an external consultant to assist management with the development of the sustainability report.











The identification of material issues involved conducting research on global and local trends in our industry and material topics identified by our peers and industry best practices. In FY2020, we have identified 13 material topics reflective of our business directions as compared to the 11 reported material topics in FY2019, there is also an increase in the number of GRI standards reported. This is due to a combination of the sustainability practices in ASTI maturing and our desire to put sustainability at the forefront of our strategic decision making.

We will continue to assess these material topics on regular basis to ensure their relevance and importance to our business.

4.1. Overview of Material Factors

For each material topic, table below shows the corresponding topic specific GRI standards and relevant United Nations Sustainable Development Goals (“UN SDG”s).

	Material Factors	Relevant Topic-specific GRI Standards	Relevant UN SDGs
Environmental	Energy and Emissions	GRI 302: Energy 2016 GRI 305: Emissions 2016	      
Economic	Economic Performance	GRI 201: Economic Performance 2016	 
Social	Talent Attraction and Retention	GRI 401: Employment 2016	 
	Training and Education	GRI 404: Training and Education 2016	 
	Occupational Health and Safety	GRI 403: Occupational Health and Safety 2018	  

	Material Factors	Relevant Topic-specific GRI Standards	Relevant UN SDGs
Social	Customer Health and Safety	GRI 416: Customer Health and Safety 2016	
	Supplier Assessment	GRI 414: Supplier Social Assessment 2016	 
	Compliance with Laws and Regulations	GRI 419: Socioeconomic Compliance 2016	
	Environmental Compliance	GRI 307: Environmental Compliance 2016	
	Cyber security	GRI 418: Customer Privacy 2016	
	Diversity and Equal Opportunities	GRI 102: General Disclosures 2016 GRI 405: Diversity and Equal Opportunity 2016	  
Governance	Anti-corruption	GRI 205: Anti-corruption 2016	
	Corporate Governance		

Impact of COVID-19 on Material Factors

Globally, manufacturing industries have taken a major hit from the COVID-19 outbreak. The disruptions posed by the outbreak could affect the achievement of the ESG targets for FY2021. We will continue to assess the uncertainties of COVID-19 on our operations, and the targets for FY2021 will be closely monitored against this assessment and adjusted, if necessary, to reflect the latest developments of the pandemic.



4.2. Environmental

4.2.1. Energy and Emissions

A large portion of our operation costs are attributed to electricity usage in the manufacturing process. We recognise that an increase in electricity usage also leads to an increase in greenhouse gas (“GHG”) emissions. As such, there is a focus on tracking both energy and emissions consumption and intensity.

It is also to our belief that improving our energy and emissions performance will lead to benefits for our organisation by maximising the usage of energy sources, and therefore, reducing both consumption and cost.

We acknowledge our responsibility to reduce the environmental impacts of our business operations and commit to minimise our environmental footprints through sustainable practices and initiatives.

Management Approach

ASTI places great emphasis on improving energy and emissions performance through energy reduction initiatives, for example, by increasing the usage of shared office spaces and increasing the awareness among employees on the importance of environmental sustainability.

Regular monitoring of our energy consumption is conducted in areas such as equipment manufacturing, heating, ventilation and air conditioning by implementing a robust monitoring system. With implementation of energy monitoring initiatives, we have seen a reduction in operational costs.

Performance Data

		Actual Performance			% change from FY2019 to FY2020	FY2020 Target
		FY2018	FY2019	FY2020		
Energy	Energy Consumption (kWh)	269,379	293,222	282,749	-3.6%	To maintain intensity within 10% of FY2019 levels
	Energy Intensity kWh/m ²	281.00	305.76	294.84	-3.6%	
Emissions	GHG Emissions – Scope 2 (tCO ₂ e)	112.86 ¹	122.08 ¹	115.50 ²	-5.4%	
	GHG Emissions Intensity (tCO ₂ e/m ²)	0.118	0.127	0.120	-5.4%	

¹ This is calculated based on the 2018 emissions factor (0.4188 kg CO₂/ kWh) published in the Singapore Energy Statistics 2019 by the Energy Market Authority.

² This is calculated based on the 2020 emissions factor (0.4085 kg CO₂/ kWh) published in the Singapore Energy Statistics 2020 by the Energy Market Authority.

Chart 1a: Annual energy consumption and year-on-year percentage change of energy consumption

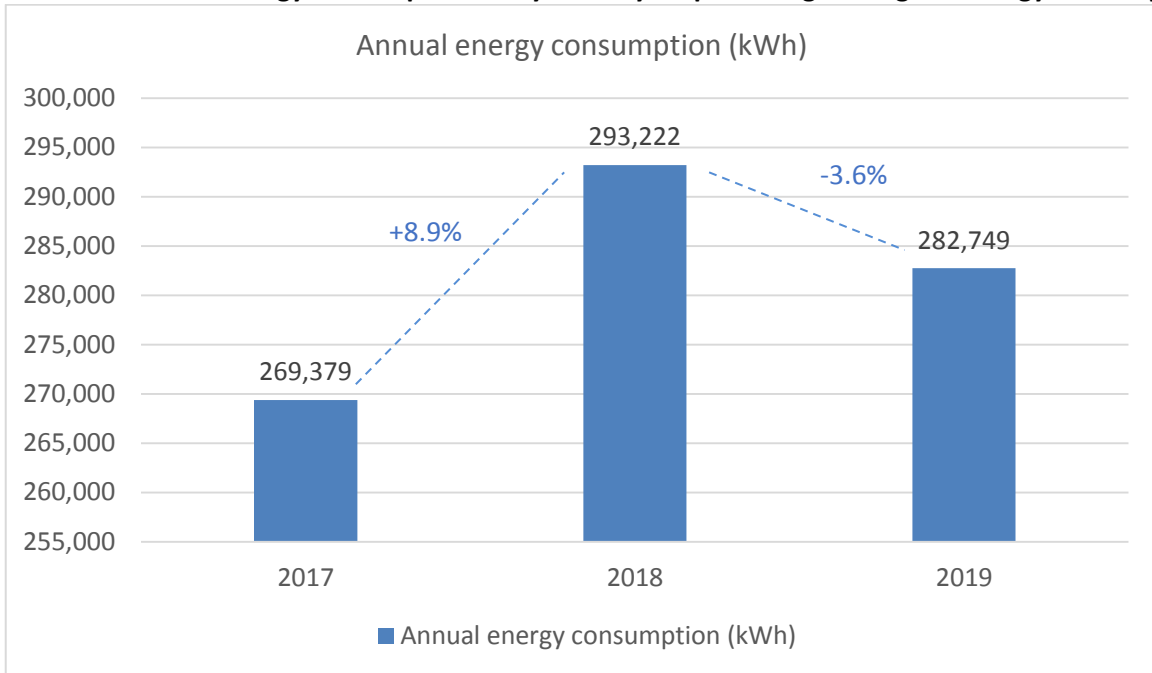
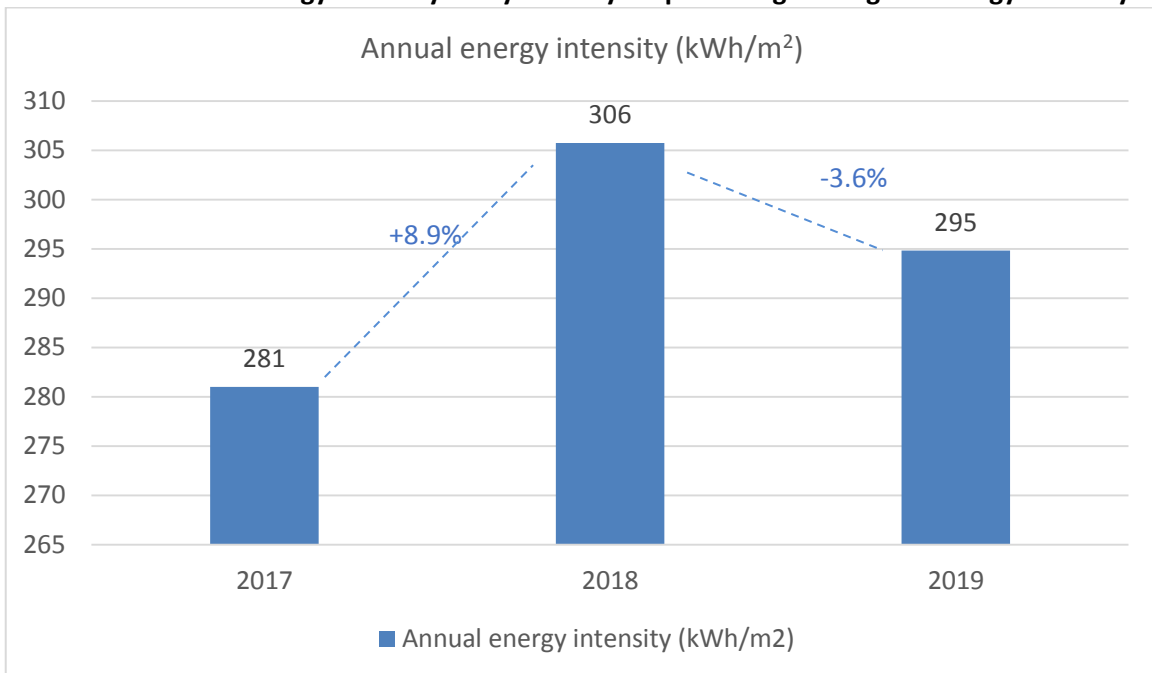


Chart 1b: Annual energy intensity and year-on-year percentage change of energy intensity



Both energy intensity and GHG emissions intensity have decreased in FY2019 to FY2020 by approximately 3.6% and 5.4% respectively due to a decrease in office utilization as part of safety procedures in tackling the pandemic. This decrease is within target of maintaining intensity within 10% of FY2019 levels.



Targets

Maintain energy and GHG intensity within 10% of FY2020's levels.

4.3. Economic

4.3.1. Economic Performance

It is our belief that in order to deliver value for all our stakeholders, particularly our shareholders, we have to focus on maintaining a strong financial position. ASTI carries out our operations in a responsible manner and builds resilience throughout our business operations for long-term sustainable growth.

Our financial performance for FY2020 can be found in the Financial Highlights section and Appendix 2 – Audited Financial Statements of the Annual Report, to be released in due course.

4.4. Social

4.4.1. Talent Attraction and Retention

We pride ourselves on our highly motivated and engaged workforce. Our success depends on the commitment of our workforce. We are committed to providing equal and fair employment opportunities as we believe in employing diverse talent which is required for growth and innovation in our business.

Management Approach

All our employees are dedicated to deliver the best customer experience, products and services to our stakeholders. We collect, track and monitor our human resources (“HR”) data, including overtime, vacation balances and the number of training days on a regular basis. We believe in a transparent talent acquisition system. We offer our employees a competitive compensation and a range of other benefits.

We also learn from the employees who leave the company through the exit interviews where we gather feedback and comments. It gives us some key insights on improvement in our recruitment and talent retention system. Our career development initiatives focus on providing all our employees with a clear line of sight of their career growth in ASTI.

We strive to promote a culture of continuous performance appraisal for all job grades, encouraging constructive and open communication between managers and their staff. Although the pandemic has limited physical interaction between employees, we have also adapted through the usage of technology to ascertain that transparent and open virtual communication channels remain accessible to all employees.

These initiatives provide clear insight to our employees to take ownership of their careers and progress with acquired skill sets. Our employee annual appraisals are based on the career development framework. We believe in a more engaging appraisal system where a discussion with employee is initiated on their personal development and long-term goals. Our full-time employees are provided with benefits which include health care coverage, parental leave and retirement plans. There were no part-time employees at ASTI Holdings in FY2020.



Performance Data

Year	FY2018	FY2019	FY2020
New employees hired, during the year	9	6	3
By gender:			
▪ Female	5 (56%)	2 (33%)	2 (67%)
▪ Male	4 (44%)	4 (67%)	1 (33%)
By age			
▪ Below 30 years old	3 (33%)	2 (33%)	0 (0%)
▪ Between 30 to 50 years old	6 (67%)	3 (50%)	2 (67%)
▪ Above 50 years old	0	1 (17%)	1 (33%)
Employee turnover, during the year	0	3 (6.7% ³)	2 (4.7%)

Year	FY2018	FY2019	FY2020
Total employees, by year end*	52	45	43
By gender:			
▪ Female	31 (60%)	25 (63%)	21 (49%)
▪ Male	21 (40%)	20 (37%)	22 (51%)
By age:			
▪ Below 30 years old	6 (12%)	3 (6%)	3 (7%)
▪ Between 30 to 50 years old	24 (46%)	21 (47%)	19 (44%)
▪ Above 50 years old	22 (42%)	21 (47%)	21 (49%)

*Included transferring out of employees due to divesture of STI Group during the year.

ASTI's turnover rate (4.7%) for FY2020 is above industry average of 1.3%⁴; however, this has been an improvement from the turnover rate (6.7%) for FY2019.

Targets

For FY2021, ASTI will continue to target to have a turnover rate lower than the industry average of that year.

By reviewing our employee retention strategies ASTI hopes to increase the retention rates therefore decrease the turnover rate in 2021.

³ Restatement due to change in calculation for FY2019 (total employees that left / total number of employees). FY2019 was 6.25%.

⁴ 1.3% is based on an average from 2020 Q1-Q4 manufacturing industry turnover rate, Ministry of Manpower



4.4.2. Diversity and Equal Opportunities

Management Approach

ASTI is renowned as a world-class manufacturer and persistently places emphasis on diversity to allow for generation of creativity and innovation as we believe that diversity promotes growth. Diversity and the provision of equal opportunity form the foundations of our human resource policies. These policies help us to conserve a transparent and inclusive environment for our employees and nurture job satisfaction. We do not discriminate during our recruitment process and ensure to adopt fair practices for all the deserving candidates, including persons with disabilities, and offer remuneration as per market standards. ASTI aims to achieve dual fronts of diversity in both age and gender, as disclosed in the tables below.

Performance Data

Year	2019		2020	
Employees	Headcount	Percentage	Headcount	Percentage
Within BOD - by age group				
< 30 years old	0	0%	0	0%
30 - 50 years old	0	0%	0	0%
> 50 years old	6	100%	4	100%
Total	6	100%	4	100%
Within BOD - by gender				
Male	6	100%	4	100%
Female	0	0%	0	0%
Total	6	100%	4	100%

Year	2020	
Employees	Headcount	Percentage
Number of individuals within employees - by age group		
< 30 years old	3	7%
30 - 50 years	19	44%
> 50 years old	21	49%
Total	43	100%
Number of individuals within employees - by gender		
Male	21	49%
Female	22	51%
Total	43	100%

Chart 2a. Percentage of individuals within the employees by age group

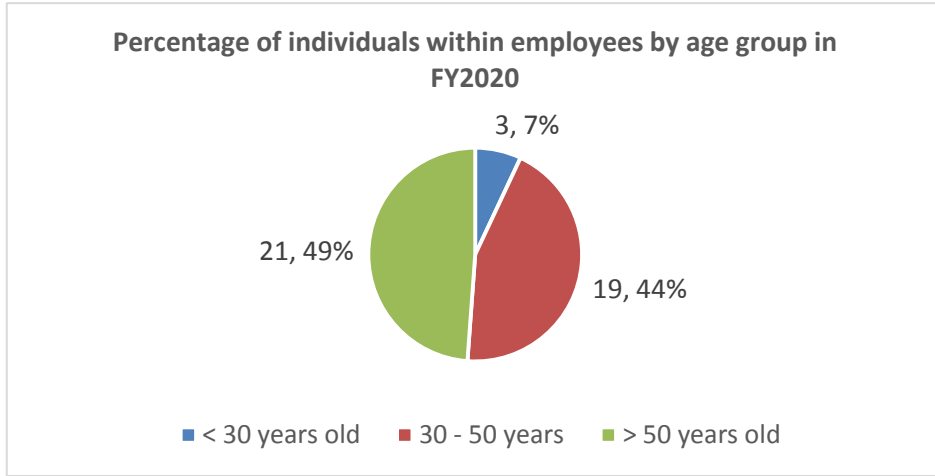
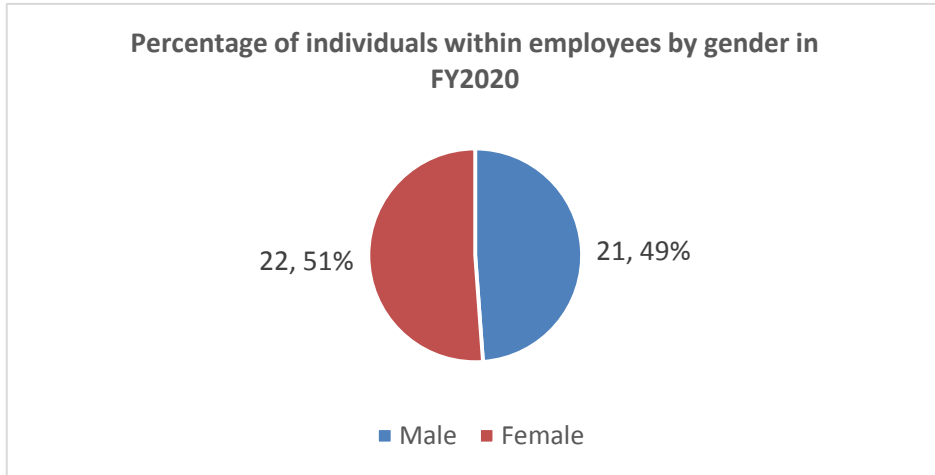


Chart 2b. Percentage of individuals within the employees by gender



Within the organization, there is gender diversity present for FY2020 with 21 (49%) males and 22 (51%) females.

Targets

In FY2021, we aim to continue to provide fair and competitive remuneration based on merit.

4.4.3. Training and Education

Our success depends on the right pool of talent in the organisation, as such, we believe that constantly upgrading and refreshing the skills of our employees keeps us in the forefront of the industry.



Management Approach

Our HR department assesses the current and future skills requirements for our business operations and designs learning and development programmes to meet these requirements. These programmes are tailored to meet the needs of employees and enhance their personal and professional development.

There are special training programmes for the Senior Management to identify and groom promising individuals as part of our succession planning. During COVID-19, instead of conventional physical trainings, ASTI has leveraged on technology and utilized webinar training sessions on imperative topics, such as financial reporting. These online trainings allow the company to remain in the forefront of the industry while staying physically safe. In addition, online trainings were consistently conducted individually by employees.

We continue to monitor the training needs and progress of our employees on a regular basis; this helps them to take ownership of their career development.

Performance Data

In FY2020, the employees were given an average of 1 on-site training hour each compared to 2 hours in FY2019. In addition, employees completed a total of 61.25 hours of online training sessions in FY2020.

Targets

For FY2021, we will set our target to provide an average of 3 hours of training, both online and on-site, to our employees.



4.4.4. Occupational Health and Safety

Keeping our employees safe is our top priority as we believe that our employees deserve a safe workplace environment. We are in adherence to global and industrial standards and guidelines while providing a safe and positive working environment to our employees.

Management Approach

ASTI has a workplace health and safety committee to promote health and safety initiatives and programmes. The committee comprises of management and employee representatives who work together to identify any health and safety issues in the workplace and develop and implement corrective and preventive action plans accordingly. The committee also holds meetings on a regular basis and provides recommendations to improve health, safety and working conditions at ASTI.

There are also established processes to measure and monitor our occupational health and safety performance. We maintain standard operating procedures via a safety handbook which all our employees and contractors comply with to ensure safe work practices. We also provide emergency response training and regular health & safety training to our employees. This helps our employees identify health and safety hazards and respond to incidents such as accidents, injuries and health hazards.

Fire drills are conducted twice a year to ensure that our employees are familiar with emergency procedures during a fire. During our fire drills, all employees and contractors are trained to identify and operate fire extinguishers placed in various locations within our premises. Regular inspections on fire extinguishers are conducted and signed off. We display emergency evacuation plans in our premises which are visible to all our employees and occupants. They are instructed to follow the evacuation plan during an emergency.

Regular maintenance and quality checks are carried out on our machines, equipment and work areas within our premises for any health and safety risks. Our health & safety team conducts safety drills to identify any potential hazards and monitor the effectiveness of local risk controls implemented.

In addition, we put in place measures to reduce noise and air pollution within and outside our manufacturing plants. For example, compressed air guns in our manufacturing plants are used in short intervals and regular maintenance and inspections of the compressors are carried out in order to cut noise and air pollution. We display signage to use Personal Protective Equipment (PPEs) to prevent noise pollution in local languages at high noise areas.

With the emergence of COVID-19, we have put on hold on-site fire drills and safety drills as employees mainly work from home. However, if employees are required to come to the office, we have implemented a series of measures to maintain a safe working environment for our employees. Some of the measures include travel restrictions to countries of operations, on-going communications between management and staff on safety measures, temperature taking, provision of face masks on premises, and safe distancing among employees.

To safeguard the health of our employees during the COVID-19 pandemic, our HR department has been vigilant in providing advisories for employees to adhere to safe management measures. We received guidance from the Ministry of Health (“MOH”) and Ministry of Manpower (“MOM”)’s COVID-19 advisories and safe management measures, particularly those relevant for workplaces.



Mandated requirements by the government have also been implemented and compliance was ensured through safe management officers that conduct inspections. Social distancing and temperature taking are priorities and we also highly encourage hygiene practices by placing hand sanitisers at high touch points. For common meeting spaces such as the pantry and board rooms, advisories are placed at the entrance to indicate the maximum number of people allowed at each time.

In addition, a split working operation for employees is arranged when it was necessary for work to take place in the office. Staffs are rotated to come to office on different days based on assigned teams and on staggered working hours to ensure that the safety regulations are complied with. HR is also required to be informed if any employees hold third-party meetings.

Performance Data

With zero reported workplace fatalities and zero major accidents among our employees in FY2020, we have hereby achieved our target set for zero workplace fatalities/ injuries for FY2020.

Targets

ASTI enjoys a good track record of zero workplace injuries and fatalities and would like to continue having it in the future. As such, ASTI's FY2021 goal will be to continue achieve zero workplace fatalities and injuries.

4.4.5. Customer Health and Safety

Management Approach

Since the beginning of its conception, ASTI has always emphasized a customer-centric culture which propels us to achieve world-class recognition. Trust and customer loyalty are twin objectives that ASTI constantly seeks to achieve with our clients. By fervently improving ourselves, we strive to be responsive to changing customer demands. In addition, we always view our customers' health and safety as our responsibility and implement stringent checks on the quality and safety of our products and services.

Performance Data

In FY2020, we had zero incidents of non-compliance concerning the health and safety impacts of products and services.

Targets

Our FY2021 goal is to achieve zero incidents of non-compliance concerning the health and safety impacts of products and services.

4.4.6. Supplier Assessment

Our suppliers form an important part of our value chain as they contribute to our sustainability goals and business success. Sustainable procurement is important to ASTI for us to continue adding value to our stakeholders by maintaining transparency in our value chain and ensuring smooth sailing, high quality and on-time production and delivery of our products.



Management Approach

We carry out due diligence of all our suppliers based on our strict requirements on social criteria in terms of sustainable practices, quality and pricing where we ensure that our suppliers deliver top-quality raw materials and products.

During COVID-19, we continuously monitor and update our supplier selection process online and ensure that only the best raw materials are used in the production process. Our current suppliers of raw materials for our production of equipment are monitored on a regular basis based on their performance. Any supplier that fails to meet the expected quality and delivery requirement is removed from the list of raw material suppliers.

Performance Data

There were no new suppliers engaged in FY2020. As per the target set for FY2020, ASTI ensured that all our suppliers complied with the requirements of the Quality Management System ISO 9001:2015 and monitors their performance in yearly basis with regards to product quality, delivery and response to complaints.

Targets

For FY2021, our target would be to ensure that all suppliers comply with the applicable ISO standards (e.g. ISO9001:2015).

4.4.7. Compliance with Laws and Regulations

Compliance with the applicable laws and regulations forms one of the most important pillars for sustainable growth and is an essential component of corporate governance in any organisation. Our reputation is what it is today because we strive to comply with relevant laws.

Management Approach

ASTI constantly keeps abreast with changes in the evolving regulatory landscape and has various procedures and risk management standards in place. We ensure that all our employees adhere to company's values to act with integrity and conduct business in accordance with the highest ethical standards.

Performance Data

There were zero incidents of non-compliance with laws and regulations in FY2020, as such, the FY2020 target was met.

Targets

With zero incidents of non-compliance with laws and regulations in FY2020, we have achieved our goal set for FY2020 and would like to continue achieving zero incidents of non-compliance with laws and regulations for FY2021.

4.4.8. Environmental Compliance

Environmental laws in Singapore manage externalities caused by air, water, land and noise pollution. ASTI strives for full legal and regulatory compliance, which includes not only socioeconomic regulations, but also environmental laws to maintain our licence to operate in all our locations.



Management Approach

Our sites in Singapore are subjected to environmental laws and regulations set by the National Environmental Agency (“NEA”), the Public Utilities Board (“PUB”) and the Singapore Civil Defence Force (“SCDF”). We keep ourselves updated with any new regulations on environmental compliance which is applicable to our business, so that we identify and manage our regulatory risks beforehand.

Performance Data

There were zero incidents of non-compliance with environmental compliance in FY2020, as such; the target for FY2020 was met.

Targets

With zero incidents of non-compliance with environmental laws and regulations in FY2020, we have achieved our goal set for FY2020 and would like to continue achieving zero incidents of non-compliance with environmental laws and regulations for FY2021.

4.4.9. Cyber security

Cyber security is a key emerging threat in Singapore, as such; we strive to ensure our defences against such breaches are sufficient in order to protect our and our stakeholders' interests.

Management Approach

Cyber security is handled by ASTI’s IT department which has routinely updated ASTI’s Active Antivirus Server to protect all of ASTI’s clients’ personal computers and servers. They also handle an annual health check for IT Infrastructure including Servers and Devices (Firewall, VPN Device and Wireless Router). During this session, the IT department will update the relevant firmware and related important patches. These updates and checks reduce the risk for the devices and servers to have loopholes or weaknesses in security. Moreover, ASTI has a good and reputable firewall which is constantly updated. There is a daily back up in place in any case of any breaches such as ransom-ware and we can easily reinstall the data from our backup tape.

In ASTI, other controls include assigning data access rights to authorised users for particular data folders in the data server. Users are also made to reset their password annually to reduce the possibility of their account being accessed by unauthorised people.

Employees have limited access to the server so that in the case of any malware, there will a lower chance of disrupting the data and operating system (“OS”) of the server. Furthermore, the company website is hosted by an external party and not ASTI’s own server, reducing the possibility of hacking into ASTI’s office server. Lastly, ASTI outsourced email services to Microsoft who possesses an advanced scanning system to scan all emails for possible virus and malware. These controls reduce ASTI’s cyber security risk significantly.

Performance Data

There were zero incidents of cyber security breaches in FY2020.

Targets

There were no cyber security breaches in FY2020 and we continue to target for zero cyber security breaches in FY2021.



4.5. Governance

4.5.1. Anti-corruption

In ASTI, we do not condone financial crime and are constantly on the looking out for any tell-tale signs of corruption which leads to dishonest business practices such as conflict of interests, accepting gifts, insider information.

Management Approach

ASTI maintains robust policies around anti-corruption. All employees are required to abide by the Code of Conduct and policies on corruption within the Group. During employee orientation, all employees go through a mandatory induction programme, where they are briefed on the Code of Conduct, which includes information on workplace ethics and our whistle-blowing policy. We encourage our employees to raise their concerns regarding suspected fraud, corruption, dishonest practices or other similar matters in a very secured and responsible manner. Any suspicious practices or inappropriate activities in the workplace are reported immediately by our workforce to the Head of HR and/or any member of the Executive Committee in a fair, respectful and timely manner. ASTI takes disciplinary action on the employee who is found guilty of fraud, dishonesty or criminal conduct.

Performance Data

There were zero incidents of corruption in FY2020, as such; the target for FY2020 was met. **Targets**

With zero incidents of non-compliance with anti-corruption in FY2020, we have achieved our goal set for FY2020 and would like to continue achieving zero incidents of non-compliance with anti- corruption for FY2021.

4.5.2. Corporate Governance

We strive to have good corporate governance to ensure transparency and accountability at all levels of our company to protect and enhance value for our stakeholders. We recognise that good corporate governance processes are essential for enhancing corporate sustainability. To promote ethical behaviour, employees are always required to adhere to the Group's policies and procedures. Our corporate governance practices are set out in Appendix 1 - Corporate Governance Report of the Annual Report for FY2020, to be released in due course.



Management Approach

We perform periodic review of our overall corporate governance in order to progressively strengthen our structure and practices. The most recent review was performed in 2019 and we have identified the following plans, such as further enhancements to:

- Existing governance practices involving conduct and culture
- Delegations of authority
- Director independence and board composition
- Corporate governance related disclosures in the annual report

In addition, by the end of FY2021, we aim to further enhance the transparency and accountability to our stakeholders by updating governance policies and documentation such as:

- Code of Conduct (for Board)
- Director Conflict of Interest Policy
- Board Diversity Policy

Any deviation from the recommended guidelines under the Code of Corporate Governance will be disclosed in our Annual Report for FY2020, to be released in due course.

Performance Data

In FY2020, there were no incidents of non-compliance with relevant laws and regulations or conflicts of interest.

Targets

We will continue to strive for zero incidents of non-compliance with relevant laws and regulations or conflicts of interest for the upcoming year.