



CONTENTS

1.	<u>INTRODUCTION</u>	Page
1.1	A-Sonic Group Profile	1
1.2	Board Statement	2-3
2.	<u>OUR SUSTAINABILITY APPROACH</u>	
2.1	Sustainability Governance	4
2.2	Stakeholders	5
2.3	Our Material Issues	6
2.4	Sustainability Reporting Framework	7
2.5	Report Period and Scope	7-8
2.6	Internal Review	8
3.	<u>ECONOMIC PERFORMANCE</u>	
3.1	Management Approach To Economic Performance	9
3.2	Economic Performance	9-11
3.3	Direct Economic Value	11
3.4	Understanding Climate Change on Our Business	12-24
4.	<u>ETHICAL CONDUCT</u>	
4.1	Management Approach To Ethical Conduct	25-26
4.2	Combating Anti-Corruption	26
4.3	Whistleblowing Policy	26-27
5.	<u>EMPLOYEE HEALTH, SAFETY & WELLNESS</u>	
5.1	Management Approach To Employees	28-29
5.2	Workforce Diversity & Inclusion	29-30
5.3	Employee Health, Safety & Well Being	30-33
5.4	Recruitment, Training & Development	33-34
	<i>Mapping To TCFD Recommendations</i>	35
	<i>GRI Content Index</i>	36-37

INTRODUCTION

1.1 A-Sonic Group Profile

A-Sonic Aerospace Limited (“A-Sonic”) and its Group of subsidiaries (“A-Sonic Group”) are engaged in two areas of businesses, aviation and logistics. We currently operate in 28 cities in 15 countries, spanning four (4) continents in Asia, North America, Europe, and Sub-Continent India. Our headquarters is in Singapore. [\[2-1\]](#)
[\[2-6\]](#)

Aviation Business

We are engaged in the sale and purchase of aircraft components. Our customers are mainly airlines. [\[2-6\]](#)

Logistics Business

We are engaged in providing supply chain management services. We specialize in various aspects of logistic solutions, including international and domestic multi-modal transportation, warehousing, distribution, customs clearance, and air cargo handling services. Our customers are corporates and business enterprises. [\[2-6\]](#)

More detailed information on the A-Sonic Group are set out in our Annual Report 2024. [\[2-1\]](#)

Profile of our employees as at 31 December 2024, 2023, and 2022 are as follows : [\[2-7\]](#)

Number of employees by gender	Permanent			Temporary		
	2024	2023	2022	2024	2023	2022
Female	207	217	262	7	11	4
Male	339	356	383	0	1	0
Total	546	573	645	7	12	4

Number of employees by gender	Full time			Part time		
	2024	2023	2022	2024	2023	2022
Female	207	222	259	7	6	7
Male	339	357	383	0	0	0
Total	546	579	642	7	6	7

Number of employees by country/region	Permanent			Temporary		
	2024	2023	2022	2024	2023	2022
The People's Republic of China	167	175	233	4	9	2
Singapore	250	253	257	0	0	0
Other countries	129	145	155	3	3	2
Total	546	573	645	7	12	4

Number of employees by country/region	Full-time			Part-time		
	2024	2023	2022	2024	2023	2022
The People's Republic of China	167	178	228	4	6	7
Singapore	250	253	257	0	0	0
Other countries	129	145	155	3	3	2
Total	546	576	640	7	9	9

None of the employees are covered by collective bargaining agreements. [\[2-30\]](#)

1.2 Board Statement [\[2-22\]](#)

Dear Stakeholders

The United Nations adopted its Sustainable Development Goals (“**SDGs**”), officially known as “Transforming our world: the 2030 Agenda for Sustainable Development”. These bold moves cover four broad dimensions as part of a global vision for sustainable development:

- (i) Inclusive Economic Development;
- (ii) Inclusive Social Development;
- (iii) Environmental Sustainability; and
- (iv) Peace and Security.

Reflecting on 2024 year, A-Sonic Group has navigated subdued global economic growth and multiple headwinds, including:

- adverse trade policy shifts and policy uncertainty;
- escalating conflicts and geopolitical tensions;
- more extreme weather events related to climate change;
- supply chain disruptions; and
- weaker growth in major economies.

These challenges have not only led to short-term shifts in demand, but have also brought about lasting changes. Despite this, our business must continue to adapt. With the accelerated pace of changes, it is imperative to reassess:

- (i) Our Business: Re-evaluate our business domain with a fresh perspective to identify opportunities for improvement;
- (ii) Our Blind Spots: Comb through to identify our blind spots and evaluate alternative perspectives to enhance productivity;
- (iii) Adaption: Our business to align with the new norm, to create and deliver value to partners and customers; and
- (iv) Strategic Investments: Allocate investments strategically, not only to survive the disruptions, but to thrive onwards and beyond them.

We believe that sustainability is the foundation of good management practices, and serves to guide us:

- (i) to achieve long-term economic value for our business;
- (ii) to conduct our business ethically; and
- (iii) how our actions and solutions help people - our employees, customers, suppliers, and the community.

While we operate an ongoing, pragmatic basis, we commit, albeit in our small way, to make the world a better place for all.

The three pillars that motivate and inspire us in our sustainability efforts are:

- (i) Performance – Provide solutions to our customers and leverage on innovative technology to develop sustainable long-term economic value for our business;
- (ii) Ethical Conduct – Integrity of our employees; and
- (iii) People – Cultivate inclusion and holistic wellness of our staff members, their families and the community.

You can find more information on the A-Sonic sustainability efforts in this report.

On behalf of the Board of Directors

Janet Tan
Chief Executive Officer

OUR SUSTAINABILITY APPROACH

2.1 Sustainability Governance [2-9] [2-24]

The A-Sonic Board of Directors (the “**Board**”) has overall and ultimate responsibility for A-Sonic Group’s sustainability reporting and integrates “Environmental, Social and Governance” (“**ESG**”) in the A-Sonic Group’s business. Each of our Directors has attended approved external courses on sustainability matters as prescribed by the Exchange.

The Board’s role includes setting strategic objectives, and determining the ESG factors as material to the business. The Board also sees to it that these are monitored and managed.

The Board delegates authority for day-to-day management of economic performance, people and environmental topics to the Chief Executive Officer (“**CEO**”). The CEO leads the Executive Directors.

With guidance from the Board, the CEO, supported by the other Executive Directors (collectively the CEO and Executive Directors, referred to as the “**Management**”) are responsible to ensure that the Board’s selected ESG factors are monitored on an on-going basis and properly managed. The Management is responsible to drive the ESG compliance and progress company-wide.

The Management also has the role in assessing and managing climate-related risks and opportunities. Under the guidance from the Board, the Management has full oversight and accountability for our “Climate Steering Committee” (“**CSC**”). The CSC oversees the analyses, and implementation of disclosures to align with the “Task Force on Climate-related Financial Disclosures” (“**TCFD**”).

The Management further delegates our relevant sustainability commitments relating to economic, people and ethics, to each business unit head (“**BU Heads**”) to embed these into our business activities and operations.

The above structure outlines how our sustainability governance operates across the Board, the Management, and our respective BU Heads, to provide the interface to our business segments.

Our Board meets annually to consider the sustainability issues in our business, the strategy moving forward, and to evaluate the on-going relevance of the material ESG factors. The Board also oversees and reviews the effectiveness of our sustainability strategy, and seeks areas for further improvement.

2.2 Stakeholders [\[2-29\]](#) [\[3-3\]](#)

Within this sustainability approach, A-Sonic takes broader economic, governance and social aspects into account. Our focus is to deliver long-term value for all our stakeholders: employees, customers, suppliers, investors and community in which we operate on an on-going, pragmatic basis.

Stakeholders	Impact	Interaction/Frequency/ Material Outcome
Employees	Our staff members constitute our human capital to drive our business. We aim to foster holistic well-beingness of staff.	<p>We communicate with our employees via multiple channels, including regular periodic events, one-on-one feedback sessions and surveys.</p> <p>The material outcome includes our effort to improve the well-beingness of each staff.</p>
Customers	We aim to provide solutions to address the needs of our customers, and followed through with our actions to provide quality service.	<p>We interact with our customers to better understand and support their sustainability effort. Our meet-the-customer sessions are at least on a quarterly basis.</p> <p>The material outcome includes our effort for joint effort to go “green” on our operations and services, for example, streamlining workflow and process to achieve digitalisation. This in turn increases efficiency and productivity.</p>
Suppliers	We work closely with our service providers to act responsibly in line with international and industry standards, including security and safety.	<p>We interact with vendors to earn their support for our sustainability effort. We communicate with our vendors regularly.</p> <p>The material outcome includes streamlining our business processes to increase efficiency and productivity.</p>
Investors	We strive to improve our economic performance, maintain good corporate governance, and comply with all regulatory requirements.	We provide our investors with communication channel via emails, and feedback sessions during the annual and extraordinary general meetings to voice their perspectives, including sustainability matters.
Community	While we operate on an ongoing commercial entity, we conduct our business responsibly, and to support the community.	We make available an open-channel of communication via emails, and telecommunication for any member of the public to provide any feedback, including sustainability matters.

2.3 Our Material Issues [\[2-29\]](#) [\[3-1\]](#) [\[3-2\]](#) [\[3-3\]](#)

Our stakeholders provide us with valuable insights for improving our business and sustainability strategy through a range of engagement activities – including collaboration on industry initiatives, customer and supplier site visits as well as updates, supplier audits and assessment, international conference participation, employee sessions and feedbacks, annual and extraordinary general meetings with investors, and more.

Resulting from the interactions and communications with various stakeholders, we identify and shape material issues that affect our business, and emerging trends in sustainability.

Based on relative importance to sustainable development and to A-Sonic's business success, the following issues have been identified to be material for the purpose of this report.

A-SONIC MATERIALITY CONTENT TABLE			
Key Material Issues for A-Sonic	Topics Under GRI Standards	Impact and Boundaries	Addressed in this Report
Economic	<ul style="list-style-type: none"> • Economic Performance • Direct Economic Value • Understanding Climate Change on Our Business 	All stakeholders across our value chain.	Page 9 to 24
Ethical Conduct	<ul style="list-style-type: none"> • Anti-Corruption 	All stakeholders across our value chain.	Page 25 to 27
Employees Health, Safety & Wellness	<ul style="list-style-type: none"> • Workforce Diversity & Inclusion • Employee Health, Safety & Well Being • Recruitment, Training & Development 	Employees, government and regulators.	Page 28 to 34

Topics below the materiality threshold have less significant impact on our sustainability, and are not covered in this report. Disclosure is made in the GRI Content Index.

2.4 Sustainability Reporting Framework

- 2.4.1 Our Sustainability Report was approved by the Board and prepared in accordance with, and taking reference to, the following regulations, standards, and guidelines:
- (i) Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Rules 711A and 711B on Sustainability Report, and Practice Note 7.6 Sustainability Reporting Guide (updated 1 January 2022).
 - (ii) The Global Reporting Initiative (“**GRI**”) Standards 2021 (updated July 2021); and
 - (iii) The Task Force on Climate-related Financial Disclosures (“**TCFD**”) recommendations by the Financial Stability Board (updated October 2021).
- 2.4.2 Being a public listed company on the SGX-ST, compliance with the Listing Manual is mandatory.
- 2.4.3 The Board had adopted the GRI framework to embed ESG principles into our business strategy and practices. Apart from offering aviation business and logistics business to our customers, we had translated these to business solutions to support our customers. For example, we assimilated these ESG principles to digitalise our workflow. Our journey had resulted in improvements to productivity and efficiency. These are further elaborated on pages 36 to 37 of this report.
- 2.4.4 On the climate-related disclosures, the Board had based this report on the TCFD recommendations. TCFD is most appropriate and suited for our logistics industry and business model. The TCFD recommendations provide guidelines in identifying the risks and opportunities in our business which translated into productivity and efficiency gains. This in turn translated into our economic performance. Additionally, the TCFD metrics guidance are relevant to our logistics industry as elaborated on page 35 of this report.

2.5 Report Period and Scope

- 2.5.1 This report contains a full year’s data from 1 January to 31 December 2024. It focuses on the business owned by A-Sonic, including our subsidiaries, but not our associated companies. We are a publicly listed limited company in Singapore. [2-1] [2-2] [2-3]
- 2.5.2 The scope covers our two areas of businesses activities: aviation and logistics. Monetary values in this report are presented in United States Dollars, which is A-Sonic’s functional currency. We have provided the historical data for the years 2022, 2023 and 2024.
- 2.5.3 In each reporting cycle, the Board reviews the content of this Report to determine its relevance to our business.
- 2.5.4 The information in this Report is current as of the date of its publication. This Report has not been updated to reflect any changes that may have occurred after such date, including any changes to A-Sonic business or strategy. A-Sonic assumes no obligation and does not intend to update this Report to reflect any such changes, until the next annual review. [2-3]

- 2.5.5 This report is to be read in conjunction with our Annual Report 2024.
- 2.5.6 As part of environmental conservation efforts, our current edition of the Report is available at www.asonic-aerospace.com.
- 2.5.7 We welcome any feedback on this report. Please address any feedback to corporate@asonic-aerospace.com. [2-3]

2.6 Internal Review

While we have not obtained external independent assurance for this reporting period, we have relied on internal checks over sustainability disclosures, similar to our existing internal reviews framework. We have relied on data monitoring and verification for accuracy of this report. Our Audit and Risk Management Committee evaluates the execution and effectiveness of our compliance.

ECONOMIC PERFORMANCE

3.1 Management Approach to Economic Performance [3-3]

Economic performance is defined as our most material aspect because, like most companies, our economic success enables the execution of our sustainability strategies.

Our primary role in society is to build an integrated team in diverse markets working to provide seamless aviation and logistics solutions. We currently operate in 28 cities in 15 countries, spanning four (4) continents in Asia, North America, Europe, and Sub-Continent India. We provide employment to over 553 staff as at 31 December 2024. [2-6]

3.2 Economic Performance [3-3]

3.2.1 Aviation Business

Our aviation business recorded “Loss Attributable to Equity Holders of the Company” of US\$0.334 million in financial year (“FY”) 2024. Turnover increased by US\$0.003 million from US\$0.014 million in FY 2023 to US\$0.017 million in FY 2024. We will continue to pursue the purchase and sale of aircraft and aircraft engines.

Our aviation business deals with purchase and sale of aircraft components. We deal with owners of aircraft and aircraft engines around the world (“**Suppliers**”). We engage with the Suppliers through emails and tele-communication. [2-6]

Our aviation business contributes to sustainability by adopting the following:

- Verifying that the suppliers we deal with adopt anti-corruption and anti-bribery practices;
- We select aircraft component suppliers based on the safety certification for each aircraft or aircraft engine, including the parts or components in compliance with Federal Aviation Administration (“FAA”) and/or European Aviation Safety Agency (“EASA”) standard;
- We repair or maintain our aircraft components at third-party maintenance organizations that possess FAA and/or EASA compliance certification(s); and
- We ensure that aircraft components are prepared for sale to customers.

3.2.2 Logistics Business

Our logistics business recorded “Profit Attributable to Equity Holder of the Company” of US\$3.268 million in financial year (“FY”) 2024. We know there is still a lot of work to be done and we will continue to challenge ourselves further. We shall relentlessly continue to execute with clear strategy and consistent focus across the logistics business unit.

Our logistics business contributes to sustainability by making our logistics-related activities as resource-efficient as possible. To do so, we: [\[2-23\]](#)

- Provide customers with solutions to meet their needs. We utilize a wide range of transportation modes, including aircraft, ocean carriers, trucks and rail, to reduce our impact on the environment;
- Aim to achieve optimal routing for the motor vehicles that we own to maximize cargo on board and minimize the fuel utilized and emission;
- Participate in government-led initiatives to adopt reduced-emission technology. We upgrade our trucks to reduce our impact on the environment;
- Minimize material use at our work place, such as shrink wraps, pallets, and paper. We educate our staff to reuse and recycle these materials for cost saving objectives, and to reduce our impact on the environment;
- We also conduct ourselves responsibly to dispose end-of-service pallets, and other hazardous waste such as motor-vehicle batteries; and
- Compliance with international and national standards promulgated in the countries that we operate in. These include: [\[2-28\]](#)
 - (i) International Air Transport Association (“**IATA**”), a trade association for the world’s airlines, representing some 320 airlines or 83% of total air traffic;
 - (ii) The Federal Maritime Commission of The United States;
 - (iii) The Customs-Trade Partnership Against Terrorism of The United States;
 - (iv) Transportation Security Administration of The United States; and
 - (v) The various logistics associations at national levels, for example, Singapore Logistics Association, British International Freight Association.

We report on the structure of our group, changes in structure, and financial performance primarily through our Annual Report. In this Report, we focus on economic performance as it relates to sustainability. The organizational entities covered in this Report are those presented in our Annual Report. [\[201-1\]](#)

A-Sonic Group's Financial Highlights* (US\$'000)			
	<u>FY 2024</u>	<u>FY 2023</u>	<u>FY 2022</u>
Revenue⁽¹⁾	278,418	\$218,524	\$380,031
Expenses	\$(249,872)	\$(217,717)	\$(373,952)
Staff costs	\$(17,900)	\$(19,505)	\$(21,263)
Taxation	\$(390)	\$(437)	\$(791)

Note:

1. Our "Revenue" comprises "Turnover" and "Other income".

* Details of A-Sonic's financial information is described in our Annual Report 2024

We target to attain sustainable economic growth annually.

3.3 Direct Economic Value

We are committed to create jobs and career path for employees, and offer competitive remuneration. As at 31 December 2024, A-Sonic Group employed 553 (2023: 585) people. We paid US\$17,900 million (2023: US\$19.505 million) in compensation and benefit for full-time and part-time employees. Of the US\$17,900 million (2023: US\$19.505 million), US\$1.596 million (2023: US\$1.821 million) relate to retirement plans. [201-3]

In addition, we pay taxes to local and national government in certain countries that help fund community infrastructure and public services.

We received a total of approximately US\$0.195 million (2023: US\$0.219 million) of financial assistance from various government, interims largely for incentive and development grants. [201-4]

3.4 Understanding Climate Change on Our Business [201-2]

3.4.1 Our Business

3.4.1.1 A-Sonic Group is engaged substantially in providing logistics supply chain management services. Approximately 99.9% of our Group's turnover was generated from our logistics business unit in FY 2024 (FY 2023: 99.9%), and the remaining 0.1% (FY 2023: 0.1%) was generated from our aviation business unit.

3.4.1.2 In the course of providing our logistics services to customers, we purchase: (i) air freight space from airlines; (ii) ocean freight space from ocean liners; (iii) rail freight space from rail operators; or (iv) road transportation from land transportation or truckers. In addition, we may purchase warehousing services in cities that we do not have our own warehouse. These logistics business activities constituted: (i) 99.9% of our Group's turnover in FY 2024 (FY 2023: 99.9%); and (ii) 89.9% of our Group's total assets related to our logistics business unit in FY 2024 (FY 2023: 89.8%). These are shown at Table I (item ii) and Table II (item ii) at paragraph 3.4.1.4 below.

3.4.1.3 Notwithstanding the purchase of third-party products and services, the A-Sonic Group, in particular, our subsidiary in Singapore, has a land transportation business unit. This logistics business segment owns and operates motor vehicles to provide island wide land transportation logistics to our multi-national and/or local customers in Singapore. The land transportation business generated from our own motor vehicles constituted only: (i) 2.0% of our Group's turnover in FY 2024 (FY 2023: 2.9%); and (ii) 1.1% of our Group's total assets in FY 2024 (FY 2023: 1.3%). These are shown at Table I (item (ii)(b)), and Table II (item (ii)(b)) at paragraph 3.4.1.4 below.

3.4.1.4

Table I: A-Sonic Group's Turnover Generated from Third-Party Assets
[See below item (ii)(a)]
Versus
Our Own and/or Operated Motor Vehicles
[See below item (ii)(b)]

A-Sonic Group's Business Activities/ Services	Services Provided By Third Party Operators vs Our Own Operators	Turnover FY 2024		Turnover FY 2023		Turnover FY 2022	
		US\$m	%	US\$m	%	US\$m	%
(i) Aviation business	Purchase and sale of aircraft and aircraft engines	0.017	0.1%	0.014	0.1	1.301	0.3
(ii) Logistics business							
(a) Logistic solutions, including air / sea / rail / road freight; customs clearance; warehousing and cross-docking	Third-Party Service Providers: Airlines carriers, Ocean carriers, Rail operators, and truckers	270.317	97.9	209.766	97.0	370.834	97.9
(b) A-Sonic Logistics own land transportation business	We own and operate the motor vehicles	5,610	2.0	6.247	2.9	6.646	1.8
Total Group's Turnover		275.944	100.0	216.027	100.0	378.781	100.0

Table II: A-Sonic Group's Assets Related to Our Logistics Business
[See below item (ii)(a)]
versus
Engaged in Land Transportation in Singapore
[See below item (ii)(b)]

A-Sonic Group's Business Activities/Services	Services Provided By Third Party Operators vs Our Own Operators	Assets FY 2024		Assets FY 2023		Assets FY 2022	
		US\$m	%	US\$m	%	US\$m	US\$m
(i) Aviation business	Purchase and sale of aircraft and aircraft engines	8.926	10.1	8.918	10.2	8.770	9.1
(ii) Logistics business							
(a) Logistic solutions, including air / sea / rail / road freight; customs clearance; warehousing and cross-docking	Third-Party Service Providers' Assets: Airlines carriers, Ocean carriers, Rail operators, and truckers	78.096	88.8	77.373	88.5	85.780	89.2
(b) A-Sonic Group's own land transportation business	We own and operate the motor vehicles	976	1.1	1.140	1.3	1.669	1.7
Total Group's Assets		87.998	100.0	87.431	100.0	96.219	100.0

3.4.1.5 Table I (item (ii)(b)) and Table II (item (ii)(b)) above, indicate that we can actively and directly manage carbon emission from motor vehicles that we own. In contrast, we are unable to actively or directly influence or manage the aircraft, ocean vessels, or trucks operated by third parties. Where practicable, we are mindful in the selection of our service providers that adopt ESG recommendations.

3.4.2 Task Force on Climate-related Financial Disclosures ("TCFD")

3.4.2.1 Governance

1a. Describe the Board's over-sight of Climate-related Risk and Opportunities.

The Board oversees ESG matters (including climate) pertaining to our business. Climate-related risks and opportunities affect the way we operate our business, and how these can have significant influence in our short, medium and long term investments. This is in line with our "Sustainability Governance" elaborated at paragraph 2.1 at page 4.

1b. Describe Management's role in Assessing and Managing Climate-related Risks and Opportunities.

The Management leads the A-Sonic Group's execution of its overall sustainability strategy. They are in turn supported by each BU Heads, as elaborated at paragraph 2.1 at page 4. Our sustainability strategy includes:

- (i) Assessing and managing climate-related risks and opportunities;
- (ii) Introducing new environmentally responsible products to own or operate our business. For example: Where and when feasible to use bio-fuel to operate our motor vehicles; transit to electric vehicles; and consider using alternative energies; and

- (iii) Implement IT systems into our Transport Management System (“TMS”) to optimize: (a) shortest and fastest route for each of our own motor vehicles when making island wide deliveries to our customers; (b) cargo loading into our vehicles; and (c) reduce waiting and idle time of our motor vehicles.

In addition, our TMS has a billing module to increase productivity and reduce operating costs for ourselves and our customers. This digitalised system also reduces the usage of paper and printing, which is in line with environmental conservation efforts.

3.4.2.2 **Strategy**

- 2a. **Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term.**

(i) Strategic Approach

Climate-related risks and opportunities, directly and indirectly, affect the way we conduct our business. Equally important it also affects the way we make our short, medium and long term investing and financing decisions.

We focus on priority areas relating to our Group’s logistics business segment that owns and operates motor vehicles in Singapore to provide island wide land transportation logistics to our multinational and/or local customers in Singapore as elaborated in sub-sections 3.4.1.2 to 3.4.1.5 at pages 12 to 13.

(ii) Principles

To align our business activities and manage climate-related risks and opportunities, we adopt a guiding principle for our strategic approach in the short, medium, and long term. Our over-arching strategic principles are:

(a) *Reduce Carbonisation*

- (i) We plan to **reduce** our carbon emissions as much as possible through cost-effective technology and efficiency improvements;
- (ii) ***Fleet replacement*** over time with electric vehicles, subject to technology development and availability of reliable, affordable, and commercially sustainable option that meets our operational requirements; and
- (iii) ***Alternative fuels*** which are bio-degradable or alternative fuel vehicle, provided it is commercially viable and suits our operational requirements.

(b) Innovate

We drive towards **innovation for products and operational solutions deploying** technology. Our internal “Information Technology” team continuously enhances and upgrades our operating systems, including “Transport Management System” and “Transit Warehouse System”, which encompass several other sub-modules as elaborated in sub-section 1(b)(iii) at page 14.

Digitalisation of our business processes as much as feasible over time also supports the transition of the transportation and logistics industry. Our digitalised systems also reduce the usage of paper, printing, electricity, and waste.

Our innovative operational solutions and digitalisation drive us towards optimising the deployment of resources. This in turn results in cost savings not only in our own operations, but also to support the transition of the transport and logistics industry towards a more digitalised mode of operations.

(c) Co-create and Collaborate with Purpose

- (i) We work with our stakeholders, particularly, customers, service providers, and staff to continue to assess, identify, and manage climate-related risks and opportunities. **Collectively, we resolve our operational issues by undertaking environmental strategies for mutual benefits.**
- (ii) Working with our stakeholders to scale future solutions, require us to introduce e-documents, including invoicing, permit clearance, e-proof-of-delivery, streamlining and re-organising cross docking warehouses, automating information, and cargo flows.
- (iii) To encourage our staff to adopt digitalisation and to highlight behavioural awareness of climate-related risks, we have introduced monetary incentive awards, example for fuel conservation, reduce our carbon emission, and to accelerate the adoption of innovative technology that we have implemented.
- (iv) To align our business activities, the material ESG factors which are most applicable and relevant to our business are elaborated at page 6. We may have to incur additional resources to acquire assets to reduce our carbon footprint to meet our goals in the short, medium and long term.

- (v) There is no assurance of the extent to which our efforts would be adequate to meet investors' expectations, or standards regarding sustainability performance owing to rapid and significant technology advancements. For example, the development and availability of reliable, affordable and sustainable electric vehicles, solar vehicles, bio-degradable fuels, or alternative fuel vehicles.
- (vi) While we may encounter a significant increase in our operational cost as elaborated above, we see new opportunities may be gained. For example, through our drive to reduce carbonisation, innovate, and co-create and collaboration with purpose principles, we become more productive and efficient, thereby reducing our operating cost. In addition, we will be better positioned to support our clients in their logistic solutions, particularly land transportation services in Singapore, in their decarbonisation journey.

2b. Describe the impact of climate-related risks and opportunities on the organization's business, strategy and financial planning.

- (i) The reasons for and the process of selection of our material ESG factors, taking into consideration their relevance or impact to the business strategy, financial planning, business model and key stakeholders are as outlined at pages 4 and 5. Each of our material ESG factors are also outlined at page 6.
- (ii) Our logistics business, particularly, is an integral part of the global supply chain for goods. The transportation of cargo from one point to another, will inevitably be subject to climate-related risks.
- (iii) Global climate change, severe weather conditions, or other natural disaster, including storm, typhoons, flood, fires, earthquakes, epidemics, pandemics; or volcano eruptions, are potential disruptors to our business.
- (iv) Climate-related disruptions are likely to affect global trade. Shipments of cargo are likely to contract, and our transportation costs will likely increase, either of which may have a material adverse impact on our operating performances, and/or financial results.

2c. Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including 2 degrees Celsius or lower scenario.

- (i) Climate change has potential impact on our customers' business activities, financial performance, as well as the financial stability of the broader economy. This is also true of our service providers. Therefore, one of our priorities under our climate change strategy is to integrate climate considerations into our risk management process to ensure the short, medium, and long term resiliency of our business and economic performance.

- (ii) We have prioritised and strengthened our climate and ESG risk management capabilities through creating a data repository relating to our fleet of vehicles. Our “Transport Management System” captures pertinent data in the deployment of our assets. The data allows us to conduct more effective and efficient data and analytics.
- (iii) To strengthen the resiliency of our strategies relating to climate-related risks and opportunities we take into consideration:

(a) Transition risk analysis

In our logistics and transportation industry, transition risks encompasses effects of policy and regulatory changes, technology development, and changes in our customers’ preference to align to their internal climate policy as well.

To date, we have conducted transition risk scenario analyses on our logistics and transportation business, in particular, relating to the fleet of vehicles that we operate. This is based on its economic significance within our Singapore head quarter operations, and carbon emission; and

(b) Physical risk analysis

The physical effect of climate change affects our logistics and transportation business, and our customers, as well as global trade. Climate change affects business and operations over the short, medium, and long term. In our climate change scenarios, we also consider:

- (i) Acute risks such as transient weather situations encompass extreme weather events, including cyclones, droughts, floods, and volcano eruptions. These extreme weather conditions often disrupt various transportation modes at varying times of the year, at different geographic locations; and
 - (ii) Chronic risks relate to long-term structural changes, such as precipitation and temperature, increased variability in weather patterns, or rise in sea levels.
- (iv) Climate changes, including “Transition Risks” and “Physical Risks”, affect our business decision-making in the various modes of transportation when the global supply chain is disrupted. This in turn affects key financial drivers of our business and operations, and that of our customers.

The financial impact includes:

- the cargo volume transported;
- the unit cost to transport the cargo;
- the prices quoted to our customers;
- capital expenditure that may be required; or

- the value of our assets may be impacted, resulting in adverse financial impact.

The extent and degree of each of these key financial drivers in turn affects our “Income Statement”, “Balance Sheet”, and “Cash Flow Statement”. As a result, our economic performance will be impacted.

- (v) To mitigate the risks associated with climate change, we have:
 - (a) Diversified our logistics and transportation business to be multi-modal. For example, we are engaged in air, ocean, and rail, to mitigate the varying climate changes arising from “transition risks” or “chronic risks”;
 - (b) Extended our geo-location and network for operations, including back-up geo-location data coverage to manage our business; and
 - (c) Expanded our climate “Physical risk” assessment to include more hazards, continuous monitoring, and be more mindful of our preferences and choices in our business decision-making, to mitigate the climate-related risks.

3.4.2.3 Risk Management

3a. Describe the organization’s process for identifying and assessing climate-related risks.

- (i) We document identifiable risks through multiple avenues, including internal expertise, employee feedbacks and surveys, consultative feedbacks, and external benchmarking.
- (ii) Based on the above consultative frameworks, we identify and classify risks into five categories;
 - (a) Strategic;
 - (b) Operational;
 - (c) Financial;
 - (d) Compliance; and
 - (e) External
- (iii) We complete a risk assessment of the potential impact of a risk by measuring or assessing with the likelihood and impact of the occurrence.
- (iv) The Management evaluates and finalises identified risks and shares key risk with the Board. The Board undertakes a risk rating exercise that includes a review of current risks, and an evaluation of new or other potential emerging risk areas. We also perform external industry benchmarking where feasible.

3b. Describe the organization’s processes for managing climate-related risks.

- (i) Risks, including climate change, are assessed based on: (a) relative likelihood; and (b) potential operational impact.

- (ii) “Risk Planning” is conducted to evaluate potential disruptions to our business from a variety of risk sources, including climate changes issues related to weather and/or natural disasters and change in governmental policies.
- (iii) Our business continuity plan takes into consideration alternative plans for deployment in the event a disruption was to occur.
- (iv) In our organization, the Board delegates “Risk Ownership” to team leaders identified by the business units.
- (v) “Risk Controls” and mitigation activities are maintained and owned by the respective team leaders of varying business units. Each of them has to comply with an escalating process of risk monitoring. Each risk owner is responsible to monitor the day-to-day activities and corresponding risk mitigation strategy.
- (vi) Each risk owner is also required to comply with our “Risk Reporting” procedure. This is an essential risk management process. A risk owner is required to report, communicate, and escalate issues to the top management.
- (vii) Inherently high risk impact to our organization will be escalated to the Board. These potential risks, including climate changes, include the substantive financial impact on our business operations, revenue, expenditures, or our brand name.
- (viii) To measure how successful we are in servicing our key stakeholders and executing our long-term strategy, we use key performance indicators (“KPIs”). Sustainability and climate-related targets are incorporated into the KPIs used to evaluate the overall performance of our business unit head, or other executing staff who are accountable to reduce carbon emission.

Business unit heads, particularly, for our logistics and transportation segment, KPIs include the progress of carbon emission from our fleet of vehicles, introducing and implementing sustainable, and green solutions and services, digitalisation via deploying technology, and upgrading our technology stacks.

Executive staffs are awarded monetary incentives to adapt digitalisation and technology to reduce carbon emission by optimising and increasing efficiency in the selection of road routes, where applicable. This is elaborated at page 15.

3c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organization’s overall risk management.

- (i) We employ an Enterprise Risk Management (“ERM”) programme that provides a common framework for identifying and evaluating significant risks across our business operations. This includes ESG topics, including climate-related risks and opportunities, which could create short, medium, and long term risks for us.

- (ii) We have strengthened our ERM programme with climate strategy as one of our priorities. This is elaborated on pages 4 to 6. The ERM programme involves assessing, reporting, and monitoring risks that involve team leaders of various business units, the Management, and the Board.

3.4.2.4 Targets and Metrics

4a. **Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.**

- (i) Our path to carbon neutral operations is phased. Our goal to be carbon neutral across our operations, particularly, the land transportation logistics business segment in Singapore, by 2050.
- (ii) Our proactive and multi-faceted approach focuses on minimising negative environmental impact by adopting:

(a) Reduction In Consumption of Resources

For example, we work towards reducing:

- direct energy/diesel consumption (**Scope 1**) in operating our vehicles deployed for our land transportation logistics business in Singapore. We have innovated and deployed technology and digitalisation to optimize our routing, loading, and consolidation of cargo to increase efficiency, to reduce fuel/diesel consumption;
- direct CO₂ emission from our vehicles (**Scope 1**) as a result of consuming fuel/diesel for our fleet or vehicles relating to our land transportation logistics business in Singapore. By reducing diesel consumption as elaborated above, we have started our path to decarbonisation;
- indirect energy consumption (**Scope 2**) electricity usage at all of our leased facilities. We conserve electricity by turning off our lights, air-conditioning, and fans when a facility is unoccupied.

(b) Increase Deployment of Sustainable Alternatives or Renewal Energy

- Whenever feasible, our leased offices and facilities are installed with solar panels and LED lights to conserve energy/electricity consumption. This is aimed to reduce energy consumption, and replacing with sustainable alternatives;
- We will transit to vehicle electrification, when such vehicles are available, economical, with readily available charging infrastructure, and suit our operational requirements; and

- As elaborated at page 15, we have also digitalised our documents where feasible, and migrated to e-documents, and e-filing to reduce our consumption of paper, to be more environmentally friendly.

(c) Actively engage in re-cycling or re-using resources or assets, where feasible

In our logistics business, such examples include using recycled pallets, packaging materials for cargo, and reused or recycled paper in our office.

4b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas emissions and the related risks.

See table entitled “**DATA: GHG EMISSION – SCOPE 1, 2 AND 3**” exhibited at paragraph 4(c) at page 22.

4c. Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

- (i) To monitor our progress towards our path to carbon neutral operations, we have disclosed the metrics used as shown in the table below:

METRIC USED

(A) DATA: ENERGY CONSUMPTION

Direct and Indirect Energy Consumption (terajoules)	FY 2024
(i) <u>Direct Energy Consumption</u> <ul style="list-style-type: none"> • Vehicle Fuel <ul style="list-style-type: none"> - Diesel (terajoules) 	20.221
(ii) <u>Indirect Energy Consumption</u> <ul style="list-style-type: none"> • Facility / Office Purchased Energy / Electricity (terajoules) 	0.132
Total Direct and Indirect Energy Consumption	20.353
(iii) <u>Other Indirect Energy Consumption</u> <ul style="list-style-type: none"> • Contracted transportation (terajoules) 	N/A ⁽¹⁾
Total Direct and Indirect Energy Consumed (terajoules)	20.353

Note:

(1) Information not available due to limitation of scope from contracted transporters.

Our Scope 1 and Scope 2 GHG emissions are elaborated at paragraph above, and the emissions metrics are shown in the table below:

(B) DATA: GHG EMISSION - SCOPE 1, 2 AND 3

Direct and Indirect GHG Emissions (metric tonnes CO ₂ e)	FY 2024
(i) <u>Direct Energy Consumption (Scope 1)</u> ⁽¹⁾ <ul style="list-style-type: none"> Vehicle Fuel 	1,404.930
(ii) <u>Indirect Energy Consumption (Scope 2)</u> <ul style="list-style-type: none"> Facility / Office Purchased Energy / Electricity usage 	17.271
Total Direct and Indirect Energy (Scope 1 and 2)	1,422.201
(iii) <u>Other Indirect Energy Consumption (Scope 3)</u> <ul style="list-style-type: none"> Contracted transportation 	N/A ⁽²⁾
Total GHG Emissions (metric tonnes CO₂e) (Scope 1, 2 and 3)	1,422.201

Note:

(1) Vehicles that we own and operate.

(2) Information for Scope 3 not available due to limitation of scope from contracted transporters.

(C) DATA: ENERGY AND EMISSION INTENSITY

Energy and GHG Emission Intensity	FY 2024
(i) Consolidated revenue ⁽¹⁾ (US\$'million)	275.944
(ii) Total Energy Intensity (terajoules/US\$'million revenue)	0.074
(iii) Total GHG Emission Intensity (Scope 1 and 2) (metric tonne CO ₂ e/ US\$'million revenue)	5.154
(iv) Total GHG Emission Intensity (Scope 1, 2 and 3) (metric tonne CO ₂ e/ US\$'million revenue)	5.154 ⁽²⁾

Note:

(1) Consolidated Group's revenue.

(2) Information for Scope 3 not available due to limitation of scope from contracted transporters.

(D) DATA: MATERIAL CONSUMPTION

Material Consumption	FY 2024
(i) Packaging Materials (metric tonnes) ⁽¹⁾	105.669
(ii) Office printing paper (metric tonnes)	1.910
Total Material Consumption (metric tonnes)	107.579

Note:

(1) Includes shrink wraps, polyfoam boards, and wooden pallets, converted into metric tonnes.

- (ii) We aim to operate an efficient and sustainable fleet that meets our operational needs. Our approach considers regulatory requirements, availability of the model that meets our operations, vehicle usage, operating and maintenance costs, and other factors when selecting an appropriate vehicle for our transportation business in Singapore.
- (iii) Vehicle electrification will serve as one of the critical elements in our journey towards carbon neutral in relation to our transportation business in Singapore. This will largely depend on the commercial availability, economical viability for our operations, and the accessibility of adequate public charging infrastructure.

Whenever practical and feasible, we operate motorised vehicles for our trucks, forklifts, and electric pallet jacks.

- (iv) Our target and performance in our path to carbon neutral operations by 2050 is summarised in the table below:

	Targets Used To Manage Climate-related Risks and Opportunities	Target	Performance FY 2024
(a)	<u>Fuel Conservation</u> Reducing the environmental impact of our fleet by modernising our vehicles and saving fuel	<u>2050</u> Convert 100% of our vehicles to electric vehicles	<ul style="list-style-type: none"> (i) Purchase three (3) new vehicles which are more fuel efficient. (ii) Started digitalising the operations of our fleet. We have implemented our proprietary "Transport Management System" to optimise road routing, for greater efficiency, hence reducing the consumption of fuel.
(b)	<u>Sustainable Fuels</u> Pursue lower-carbon alternative fuels	<u>2040</u> 30% of our energy utilisation from alternative fuels	Started sourcing for biodiesel blends, where feasible and able to meet our operational requirement and the accessibility of such pumps.

	Targets Used To Manage Climate-related Risks and Opportunities	Target	Performance FY 2024
(c)	<u>Vehicle Electrification</u> Identifying the right vehicle solutions to electric vehicles (“EVs”)	<u>2050</u> Convert 100% of vehicles to electric vehicles	These EVs trucks are not commercially available on the Singapore market yet.
(d)	<u>Facilities</u> ⁽¹⁾ Undertake energy efficient initiatives to conserve energy	<u>2030</u> To reduce our energy consumption by 30%	Started to highlight staff awareness and mindfulness to conserve energy and reduce wastage. Reminder signages are placed at appropriate office sites.
(e)	<u>Sustainable Customer Solutions</u> <ul style="list-style-type: none"> Collaborate with customers to offer sustainable solutions for recycled material for packaging, such as card box packaging, shrink wraps, and pallets. Collaborate with customers to transform our operations to a paperless working environment. 	<u>2030</u> 80% of material consumption from vendors with responsible sustainable management practices. Reduce 50% of paper usage.	Started collaborating with our customers, especially the larger global multinational customers to be mindful to source more sustainable packaging solutions. Started to have direct electronically data interchange with customers to achieve digitalisation and reduce paper usage to be more environmentally friendly. Example, e-billing to customers.

Note:

(1) Our facilities are leased premises. The landlords are responsible for the water and waste disposals.

3.4.2.5 Mapping to TCFD Recommendations

Compliance with the TCFD Recommendations are shown in the table “Mapping to TCFD Recommendations” at page 35.

ETHICAL CONDUCT

Fundamental to our sustainability is to conduct our business with integrity and protect our reputation. We strive daily to earn our trust from our employees, customers and suppliers. We adopt strong measures to prevent corruption and comply with applicable laws and regulations.

4.1 Management Approach to Ethical Conduct [2-15] [2-23] [2-27] [3-3]

(a) Governance

Our management approach to ethical conduct is to adhere to our corporate governance structures, policies and processes in a transparent manner. The senior management of A-Sonic executives set a tone of compliance and ethical conduct from the top. A-Sonic is committed to comply with the applicable law and regulation wherever we operate.

A-Sonic has in place an internal code of conduct applicable to all employees. The code of conduct embraces principles on integrity, responsibility and accountability at all levels of the group in the conduct of the group's business activities when dealing with other colleagues customers and suppliers.

The code provides guidance on issues such as:

- Conflicts of interest and appropriate discussion to be made;
- Our policies against corruption and bribery;
- Our policies and procedures, including internal controls and accounting;
- Safeguarding and proper use of our assets and confidential information; and
- Internal code on dealings in securities by all employees and directors.

(b) Reporting ethic concerns

We maintain open communication and transparency. Anyone with a concern is encouraged to speak up without fear of retaliation. Our employees and other stakeholders such as business partners, or customers, may raise any query or report a concern. These options include email, in-person meeting, or tele-communication. We will provide prompt follow up and responses.

(c) Review Concerns

We take alleged violations seriously and respond quickly, with disciplinary or remedial actions where appropriate. A senior representative from an office in a country that we operate in, and a senior representative from our head office, including a legal counsel may be engaged, to participate in the review.

4.2 Combating Anti-Corruption [\[2-23\]](#) [\[2-27\]](#) [\[205-1\]](#)

A-Sonic's policy is to comply with applicable laws, rules and regulations in countries where we operate. Corruption is a business risk that undermines our values. A-Sonic has zero tolerance for corruption behaviors, including bribery and kickbacks. Our Code of Conduct includes policies and procedures that prohibit employees, and people acting on our behalf, from engaging in corruption or any unlawful activities, including violations of the Corruption Act in Singapore, U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, and other applicable anti-bribery laws, rules and regulations.

In conducting our business in 15 countries, we work through numerous third parties. In order to mitigate the risk of corruption from third parties, we employ a due diligence process to review their background. We adopt the policy of "know our customers and suppliers". The process starts with identifying and taking ownership of risks, then documenting the information, and verifying the information with independent third parties such as credit agencies, authorities, where feasible.

Periodically, we analyze 100% (2023: 100%) of our business units for compliance risks. One of our primary tool is to rely on internal audit to seek methodically for specific evidence of fraud, corruption, and other operational or process deficiencies. As part of our internal audit process, we also pay particular attention to significant changes in an A-Sonic business entity or its regulatory environment that is likely to increase the risk of unethical practices or inadequate controls.

In addition, we conduct annual surprise special external audit on A-Sonic entity which we have identified to be more susceptible to multiple internal and external factors in any given year. In FY2024, there were zero incidents of non-compliance with relevant laws and regulations, including anti-corruption. We target to maintain this trend for the forthcoming year.

4.3 Whistleblowing Policy [\[2-23\]](#)

A-Sonic Aerospace Limited and its subsidiaries ("A-Sonic" or the "A-Sonic Group") give employees of the Group, customers, service providers, vendors, or third parties, the opportunity to speak up on improprieties, misconduct and/or wrong doings relating to its employees; or the business, financial, or corporate affairs of the A-Sonic Group.

A-Sonic Group has a Whistleblowing Policy and Procedure ("Whistleblowing") which sets out:

- (i) The purpose of A-Sonic's Whistleblowing policy;
- (ii) The reportable malpractices, unethical, or illegal conducts;

- (iii) A-Sonic's designated independent function to investigate whistleblowing reports made in good faith;
- (iv) A-Sonic's policy to ensure the identity of a whistleblower(s) is kept confidential;
- (v) A-Sonic's commitment to ensure protection of the whistleblower(s) against unfair treatment; and
- (vi) The responsibility of A-Sonic's independent Audit Committee to oversee and monitor the whistleblowing policy.

To report any improprieties, misconduct and/or doing relating to the business, financial, or corporate affairs of the A-Sonic Group, the relevant party may email or mail directly to the A-Sonic independent Audit Committee Chairman at corporate@asonic-aerospace.com, or 10 Anson Road, #24-07 International Plaza, Singapore 079903, respectively.

EMPLOYEE HEALTH, SAFETY & WELLNESS

5.1 Management Approach to Employees [3-3]

The value that continues to guide us as we grow A-Sonic enterprise is the corporate culture that we build together. Our culture aspires us to make lives better, and at the same time, be pragmatic, to be profitable. While we work hard, push ourselves, we must enjoy our work and have fun. We look to each and every employee to incorporate our sustainability principles into their work.

Our priority is to promote from within the group as a means of engaging and retaining our people, as well as bringing valuable external experience and continuity to our business. We aim to promote from within means that we emphasize on developing our people within their current positions of greater responsibility. However, we may have to bring in outside specialists to expand our skill set and meet new challenges.

We continually evaluate how we work, how we engage our people, how we provide development opportunities, and how we define and deliver rewards.

We face a few issues in reality. These include:

- (i) The rapidly transforming industry trends relating to the logistics industry, particularly in the sphere relating to e-commerce and e-fulfilment;
- (ii) Growth in new geographic and new emerging market trends in various industries. The evolving and changing global market place means that we must develop a more diverse, global workforce that is aligned to the dynamic industry trends in the logistics industry;
- (iii) We strive to offer attractive and holistic experiences and opportunities to continually enhance our employee retention and engagement strategies;
- (iv) While we promote internally, we are mindful of the need to acquire specialized skill sets. New technologies and innovations are emerging daily, and faster, and we strive to develop the skills needed for the next-generation logistic solutions. Hence, we may recruit externally, to reinvigorate our talent pool.

We strive to align our human capital strategy with our business strategy, and to continue to evolve to address the rapidly changing marketplace realities.

We focus on two (2) strategic initiatives, as well as the transformation of the HR function and its on-going support required to run the business:

- (a) First initiative - build a strong global talent pool, which is vital to our ability to grow and create value. Our management team is directly involved in this initiative; and

- (b) Second initiative - align our remuneration to incentivize and drive our employee engagement and business outcomes. We adopt a holistic remuneration approach, including compensation, healthcare, retirement, voluntary benefits, insurance, and various staff benefits.

Our human capital strategy also emphasizes on effective two-way communication with employees to:

- (a) help us define and execute our strategies;
- (b) identify and address issues as they may arise; and
- (c) measure the effectiveness of the policies and practices.

We often use employee feedbacks to better understand the changing needs of our workforce, improve operational processes, and match the rewards and recognition programmes. Our top management is directly involved in such meet-the-employee sessions. [2-29]

5.2 Workforce Diversity & Inclusion [3-3] [405-1]

Cultivating a diverse workforce and inclusive work environment can help increase talent engagement, foster innovation, and offer different perspectives to an issue, or problem-solving approaches.

We operate in 15 countries, and we recognize that diversity is defined differently in varying countries. We believe that the process of building a diverse workforce begins with recruiting talented people regardless of their race, religion, gender identity, nationality or age. We reward base on merits and performance.

STATISTICAL SNAPSHOT OF A-SONIC DIVERSITY

Employee Categories	Age Group (Global)								
	< 30 yrs			30 – 50 yrs			> 50 yrs		
	2024	2023	2022	2024	2023	2022	2024	2023	2022
	%	%	%	%	%	%	%	%	%
Senior Management	0%	0%	0%	2.6%	2.6%	3.1%	2.7%	2.7%	2.3%
Middle Management	0.2%	0.2%	0%	6.2%	6.1%	7.9%	4.1%	4.1%	3.1%
Admin / Technical	3.4%	3.4%	2.9%	7.2%	7.2%	6.0%	2.7%	2.8%	2.6%
Operations / Business Development / Sales / Customer Service	7.2%	7.2%	12.0%	41.3%	41.3%	43.1%	22.4%	22.4%	17.0%
Total	10.8%	10.8%	14.9%	57.3%	57.2%	60.1%	31.9%	32.0%	25.0%

Employee Categories	Gender					
	Male			Female		
	2024	2023	2022	2024	2023	2022
	%	%	%	%	%	%
Senior Management	2.7%	2.7%	3.0%	2.6%	2.6%	2.3%
Middle Management	6.2%	6.2%	5.4%	4.3%	4.3%	5.6%
Admin / Technical	3.3%	3.3%	2.0%	10.1%	10.1%	8.8%
Operations / Business Development / Sales / Customer Service	49.0%	49.0%	50.9%	21.8%	21.8%	22.0%
Total	61.2%	61.2%	61.3%	38.8%	38.8%	38.7%

We believe that diversity and inclusion supports the economic sustainability of our business by helping us to better understand and meet the needs of our customers, as well as strengthening our workplace environment. Each employee is free to bring their ideas to the table, and is not constrained to hold back in any way.

While we target diversity, in terms of talented staff, and varied skill sets, gender equality and balance, we must connect, integrate and align our shared corporate vision. Hence, our corporate culture is inclusion to further strengthen the engagement of our workforce.

5.3 Employee Health, Safety & Well Being [\[401-1\]](#) [\[401-2\]](#)

Our corporate culture aspire us to make lives better, and at the same time, be pragmatic, to be profitable. We adopt a holistic wellness approach for our employees. Our holistic programme focuses on three critical aspects:

- (i) physical health and safety;
- (ii) work-life balance; and
- (iii) financial wellness.

During the year ended 31 December 2024, 2023 and 2022, the data on the new employee hires and turnover is as follows : [\[401-1\]](#)

Number and Rate of Employee Hires by Age Group

Age Group	Number of new hires			% of new hires		
	2024	2023	2022	2024	2023	2022
Under 30 years old	24	35	55	4.3%	6.0%	8.5%
30 -50 years old	34	43	69	6.2%	7.3%	10.6%
Over 50 years old	19	22	23	3.4%	3.8%	3.5%
Total	77	100	147	13.9%	17.1%	22.6%

Number and Rate of Employee Hires by Gender

Gender	Number of new hires			% of new hires		
	2024	2023	2022	2024	2023	2022
Male	64	77	97	11.6%	13.2%	14.9%
Female	13	23	50	2.4%	3.9%	7.7%
Total	77	100	147	14.0%	17.1%	22.6%

Number and Rate of Employee Hires by Region

Countries	Number of new hires			% of new hires		
	2024	2023	2022	2024	2023	2022
Singapore	49	55	76	8.9%	9.4%	11.7%
China	14	27	49	2.5%	4.6%	7.5%
Other countries	14	18	22	2.5%	3.1%	3.4%
Total	77	100	147	13.9%	17.1%	22.6%

Number and Rate of Employee Turnover by Age Group

Age Group	Number of employee turnover			% of employee turnover		
	2024	2023	2022	2024	2023	2022
Under 30 years old	23	46	44	4.2%	7.9%	6.8%
30 -50 years old	39	88	82	7.1%	15.0%	12.6%
Over 50 years old	24	23	51	4.3%	3.9%	7.9%
Total	86	157	177	15.6%	26.8%	27.3%

Number and Rate of Employee Turnover by Gender

Gender	Number of employee turnover			% of employee turnover		
	2024	2023	2022	2024	2023	2022
Male	60	99	134	10.9%	16.9%	20.7%
Female	26	58	43	4.7%	9.9%	6.6%
Total	86	157	177	15.6%	26.8%	27.3%

Number and Rate of Employee Turnover by Region

Countries	Number of employee turnover			% of employee turnover		
	2024	2023	2022	2024	2023	2022
Singapore	47	63	94	8.5%	10.8%	14.5%
China	25	79	64	4.5%	13.5%	9.9%
Other countries	14	15	19	2.5%	2.5%	2.9%
Total	86	157	177	15.5%	26.8%	27.3%

We target to maintain our employee turnover rate and provide them with opportunities to learn and grow in the forthcoming year as follows:

(i) **Physical Health and Safety**

In 2024, A-Sonic Group provided health benefits for 553 (2023: 585) employees. We participate in several employee benefit plans to meet the health and wellness needs of our employees. In addition, we make contributions on behalf of employees in statutory provident funds. While there are variations in each country, the following is an overview of A-Sonic employee benefits:

- Medical care, including hospitalization and surgery
- Term life insurance
- Workmen injury compensation
- Supplemental group life insurance
- Business travel accident insurance
- Parental leave

In many countries that we operate, we contribute to the social security systems that generally provide health, unemployment, disability, and retirement benefits for employees in that country.

At A-Sonic, safety begins with a healthy individual who takes safety precautions at home and at work. We are mindful to focus on fitness, adequate rest, and stress management, when assigning work schedules for our employees. In certain countries that we operate, we allow certain flexibility in working hours to better manage their stress owing to extenuating personal circumstances.

An on-going focus is to enforce stringent internal policies governing working hours, rest hours, rest facilities, for employees who drive and operate vehicles. These policies are tailored to different types of work we do, as well as to the law and regulations in the countries and states that we operate.

(ii) Work-life balance

We target for work-life balance to help our employees better manage daily stress. Apart from striving to automate routine work schedules, we work towards more flexible and shorter work-week by increasing productivity.

Our Human Resource Department also provides counseling to employees that require help to manage stress. We empower managers to support troubled employees during times of personal or professional upheaval.

(iii) Financial Wellness

Financial issues can be a major source of stress. To support employees, our Human Resource Department provides counseling.

5.4 Recruitment, Training & Development [3-3] [404-2]

We target to recruit good people and retain them with us for the long-term. Our management approach includes:

- Promoting from within;
- Offering a range of on-the-job training and development opportunities; and
- Identifying an employee's potential early to accelerate career development.

We adopt an unwritten policy to promote from within before considering a new hire, transferring employees into equivalent positions, job-rotation to train them for higher positions, or new assignments. We encourage continuous learning and on-the-job training by job rotation where feasible.

We target to recruit people with the requisite skill sets and attributes regardless of their race, nationality, gender identity, age or religion. We strive to recruit people from within the local community in the country that we operate.

We leverage on technology to improve our recruitment process. For example, a candidate from anywhere in the world may access our website to submit an employment application. We also engage in advertising, social media, recruitment events, and other communication modes.

Our approach to training and development is one of shared responsibility among the company, individual employees, and their managers. To prepare our employees for their tasks and assignments, we combine training and development opportunities with exposure and on-the-job training.

We are targeting to evolve towards a more self-directed development model in which our employees and their managers collaborate to determine beneficial training programmes and development opportunities. Training and development include constructive feedback, coaching, and counseling from managers and co-workers.

We encourage management employees to continue their career development and job-related education. We also offer interns from higher learning institutions on-the-job programmes.

MAPPING TO TCFD RECOMMENDATIONS

Recommended Disclosures	Response & Reference	Source
1. Governance		
1a. Describe the organisation's governance around climate related risks and opportunities	<ul style="list-style-type: none"> Refer to "Governance" in "TCFD" 	Sustainability Report, page 4 and 13
1b. Describe management's role in assessing and managing climate-related risks and opportunities	<ul style="list-style-type: none"> Refer to "Governance" in "TCFD" 	Sustainability Report, page 13-14
2. Strategy		
2a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	<ul style="list-style-type: none"> Refer to "Strategy" in "TCFD" 	Sustainability Report, page 14-16
2b. Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning	<ul style="list-style-type: none"> Refer to "Strategy" in "TCFD" 	Sustainability Report, page 16
2c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	<ul style="list-style-type: none"> Refer to "Strategy" in "TCFD" 	Sustainability Report, page 16-18
3. Risk Management		
3a. Describe the organisation's process for identifying and accessing climate-related risk	<ul style="list-style-type: none"> Refer to "Risk Management" in "TCFD" 	Sustainability Report, page 18
3b. Describe the organisation's process for managing climate-related risks	<ul style="list-style-type: none"> Refer to "Risk Management" in "TCFD" 	Sustainability Report, page 18-19
3c. Describe how the process for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	<ul style="list-style-type: none"> Refer to "Risk Management" in "TCFD" Refer to "Risk Management and Internal Controls" in Annual Report 	Sustainability Report, page 19-20 Annual Report, page 23
4. Metrics and Targets		
4a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with strategy and risk management process	<ul style="list-style-type: none"> Refer to "Targets and Metrics" in "TCFD" 	Sustainability Report, page 20-21
4b. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 GHG emissions and related risks	<ul style="list-style-type: none"> Refer to "Targets and Metrics" in "TCFD" 	Sustainability Report, page 21
4c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	<ul style="list-style-type: none"> Refer to "Targets and Metrics" in "TCFD" 	Sustainability Report, page 21-24

GRI Content Index				
GRI Standard	Disclosure Number	Disclosure Title	Page reference and reasons for omissions, if applicable	Externally Assured (Y/N)
GRI 2: General Disclosures 2021	The organization and its reporting practices			
	2-1	Organizational details	1.1, page 1, 2.4, page 7	N
	2-2	Entities included in the organization's sustainability reporting	2.4, page 7	N
	2-3	Reporting period, frequency and contact point	2.5, page 7-8	N
	2-4	Restatements of information	There was no restatement of information.	N
	2-5	External assurance	2.6, page 8	N
	Activities and workers			
	2-6	Activities, value chain and other business relationships	1.1, page 1, 3.1, page 9, 3.2.1, page 9	N
	2-7	Employees	1.1, page 1	N
	2-8	Workers who are not employees	Not applicable	N
	Governance			
	2-9	Governance structure and composition	2.1, page 4	N
	2-10	Nomination and selection of the highest governance body	Corporate governance, Annual Report page 16-17	N
	2-11	Chair of the highest governance body	Corporate governance, Annual Report page 17	N
	2-12	Role of the highest governance body in overseeing the management of impacts	Corporate governance, Annual Report page 13	N
	2-13	Delegation of responsibility for managing impacts	2.1, page 4	N
	2-14	Role of the highest governance body in sustainability reporting	2.1, page 4	N
	2-15	Conflicts of interest	4.1, page 25-26	N
	2-16	Communication of critical concerns	2.3, page 6	N
	2-17	Collective knowledge of the highest governance body	Corporate governance, Annual Report page 13	N
	2-18	Evaluation of the performance of the highest governance body	Corporate governance, Annual Report page 19	N
	2-19	Remuneration policies	Corporate governance, Annual Report page 20	N
	2-20	Process to determine remuneration	Corporate governance, Annual Report page 20	N
	2-21	Annual total compensation ratio	We do not disclose against this metric due to confidentiality constraints.	N
	Strategy, policies and practices			
	2-22	Statement on sustainable development strategy	1.2, page 2-3	N
	2-23	Policy commitments	4.1, page 25-26, 4.2, page 26, 4.3, page 26-27	N
	2-24	Embedding policy commitments	2.1, page 4	N
	2-25	Processes to remediate negative impacts	4.1, page 25-26	N
	2-26	Mechanisms for seeking advice and raising concerns	4.1, page 25-26	N
	2-27	Compliance with laws and regulations	4.1, page 25-26, 4.2, page 26	N
	2-28	Membership associations	3.2.2, page 10-11	N
	Stakeholder engagement			
	2-29	Approach to stakeholder engagement	2.2, page 5, 2.3 page 6, 5.1, page 28-29	N
	2-30	Collective bargaining agreements	1.1, page 1	N
GRI 3: Material Topics 2021	3-1	Process to determine material topics	2.3, page 6	N
	3-2	List of material topics	2.3, page 6	N
	3-3	Management of material topics	2.3, page 6	N

GRI Standard	Disclosure Number	Disclosure Title	Page reference and reasons for omissions, if applicable	Externally Assured (Y/N)
Economic Performance				
GRI 3: Material Topics 2021	3-3	Management of material topics	2.2, page 5, 2.3, page 6, 3.1, page 9, 3.2, page 9-11, 3.3, page 11	N
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	3.2.2, page 10	N
	201-2	Financial implications and other risks and opportunities due to climate change	3.4, page 12-24	N
	201-3	Defined benefit plan obligations and other retirement plans	3.3, page 11	N
	201-4	Financial assistance received from government	3.3, page 11	N
Anti-corruption				
GRI 3: Material Topics 2021	3-3	Management of material topics	2.2, page 5, 2.3, page 6, 4.1, page 25-26, 4.2, page 26	N
GRI 205 : Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	4.2, page 26	N
Employment				
GRI 3: Material Topics 2021	3-3	Management of material topics	2.2, page 5, 2.3, page 6, 5.1, page 28-29	N
GRI 401 : Employment 2016	401-1	New employee hires and employee turnover	5.3, page 30-33	N
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	5.3, page 30-33	N
Training and education				
GRI 3: Material Topics 2021	3-3	Management of material topics	2.2, page 5, 2.3, page 6, 5.4, page 33-34	N
GRI 404 : Training and Education 2016	404-2	Programs for upgrading employee skills and transition assistance programs	5.4, page 33-34	N
Diversity and Equal opportunity				
GRI 3: Material Topics 2021	3-3	Management of material topics	2.2, page 5, 2.3, page 6, 5.2, page 29-39	N
GRI 405: Diversity and Equal opportunity 2016	405-1	Diversity of governance bodies and employees	5.2, page 29-30	N



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