



EXCELPOINT TECHNOLOGY LTD.

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SUSTAINABILITY REPORT 2018



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ABOUT EXCELPOINT TECHNOLOGY LTD.



(COMPANY REGISTRATION NO. 200103280C)

Excelpoint Technology Ltd. (the “Company”) and its subsidiaries (“Excelpoint” or the “Group”) are one of the leading regional business-to-business (“B2B”) platforms providing quality electronic components, engineering design services and supply chain management to original equipment manufacturers (“OEMs”), original design manufacturers (“ODMs”) and electronics manufacturing services (“EMS”) in the Asia Pacific region. Excelpoint Technology Ltd. has been recognised in the Top 25 Global Electronics Distributors and Top Global Distributors lists by EBN (a premier online community for global supply chain professionals) and EPSNews (a US premier news, information and data portal and resource centre for electronics and supply chain industries) respectively.

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

Established in 1987 and headquartered in Singapore, Excelpoint’s business presence spans over 40 cities in more than 10 countries with a workforce of more than 750 people from different nationalities and cultural backgrounds.

OUR VISION

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

OUR MISSION

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

Innovation

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

Sustainability Planning

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

Nurturing Human Capital

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

OUR CORE VALUES

Passion

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

Integrity

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

Commitment

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

Trust

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

MESSAGE FROM OUR CHAIRMAN AND GROUP CEO

Sustainability is more than just caring for and protecting the environment. It applies to businesses as well, and is essential to their long-term growth.

With a better understanding and management of environmental, social and governance (“ESG”) factors, companies will stand in good stead to grow exponentially and sustainably for generations to come.

At Excelpoint, we consider sustainability an integral part of our core business objectives, and we have put in place strategies to fine-tune our policies and processes, drive innovation, understand and mitigate potential business risks and challenges, identify and implement best practices and opportunities, and enhance resource and waste management.

In our Sustainability Report 2018, I am pleased to share that we have achieved good outcomes:

- **INNOVATION**

We made great strides towards new innovations such as Internet of Things (“IoT”) and far-field voice technology (“FFVT”) in 2018.

We set up an IoT demonstration facility at our Singapore headquarters to feature our technical capabilities alongside our principals’ cutting-edge technologies in three promising IoT areas – smart buildings, smart agriculture and smart infrastructure, showcasing our ability to develop advanced and applicable solutions for our partners. These three areas have a strong focus on sustainability, helping to make life easier, smarter and more efficient for everyone.

We also established a strategic investment arm housed under PlanetSpark Pte. Ltd. The investment arm focuses on investing in promising innovative hardware start-ups with good technology and unique market positioning in the IoT ecosystem which require help to adapt their products more practically with design improvements to scale up and cater to their target market segments. Through these investments, we could collaborate with these technologies to enhance our value-added services and product offerings.

In collaboration with our partners, we began spearheading an extensive far-field voice technology (“FFVT”) project through the establishment of a far-field audio tuning laboratory (the first in Singapore) and the development of viable FFVT products with local and global partners. The lab will serve as a standards-based facility for local and global companies to enable their products with FFVT interfaces, and for FFVT



product development and collaboration purposes. We believe FFVT will bring convenience and efficiency to the masses.

- **GENDER AND AGE DIVERSITY**

34.5% of our new hires in 2018 were female staff, up from 32.5% in 2017. There was an increase in females holding senior management positions from 20.3% in 2017 to 22.2% in 2018. Females holding middle management positions also increased from 25.8% in 2017 to 29.6% in 2018.

More workers aged 50 and above were hired in 2018 (from 1.5% in 2017 to 3.1% in 2018).

- **COMMUNITY**

We invested over S\$140,000 to support educational and social programmes in our communities. Please refer to Page 21 to learn more about our community initiatives.

Moving forward, we will continue to drive sustainability measures at Excelpoint and deliver sustainable value to all our valued stakeholders. We will also continue to invest in new innovations and make positive contributions to our environment and community.

Thank you for your continued support.

ALBERT PHUAY YONG HEN

Chairman and Group CEO

ABOUT THIS REPORT

This is Excelpoint Technology Ltd. (the “Company”)’s and its subsidiaries (“Excelpoint” or the “Group”)’ second Group Reporting Initiative (“GRI”)-based sustainability report.

The environmental, social and governance (“ESG”) performance presented in this report covers a three-year period starting from 1 January 2016 and ending on 31 December 2018 unless specified otherwise.

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

Reporting Framework

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

Report Content and Quality

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

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

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

Assurance

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

Availability

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

Contact

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

SUSTAINABILITY PERFORMANCE HIGHLIGHTS

ESG FACTORS	FY2018	FY2017	FY2016
ENVIRONMENTAL			
Total electricity used (kWh)	964,375	894,600	740,802
Electricity used per employee (kWh)	1,282	1,289	1,152
Energy consumption (GJ)	4,258	3,780	3,297
Energy intensity (GJ/Employee)	5.7	5.4	5.1
Carbon dioxide (CO ₂) emissions (tCO ₂)	619	559	483
CO ₂ emission intensity (tCO ₂ /Employee)	0.82	0.81	0.75
SOCIAL			
Employees			
Total number of employees	752	694	643
Number of new hires	223	200	156
Female employees (%)	38.4	37.3	38.4
Female managers and supervisors (%)	31.9	28.1	30.4
Employee annual attrition rate (%)	21.4	18.7	20.8
Community			
Community investment and donations to charities (US\$)	84,923	142,287	69,132
FINANCIAL			
Revenue (US\$'000)	1,255,975	1,146,394	988,240
Cost of sales (US\$'000)	1,188,142	1,085,487	933,128
Income tax expenses (US\$'000)	293	2,125	1,452
Profit after tax (US\$'000)	8,103	8,098	7,053
Employee benefits expenses (US\$'000)	34,639	31,947	30,641
Dividends declared (US\$'000)	4,028	3,376	1,906

STAKEHOLDERS

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

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

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

OUR STAKEHOLDERS	STAKEHOLDER EXPECTATIONS	HOW WE ENGAGE	HOW WE RESPOND
CUSTOMERS	<ul style="list-style-type: none"> Prompt customer service Rebates and material planning programme Reasonable payment terms Competitive pricing On-time delivery and services Technical support Quality control 	<ul style="list-style-type: none"> Trade exhibitions Sales calls Telemarketing Website and online presence Regular meetings Quarterly/half-yearly business reviews 	<ul style="list-style-type: none"> Manage our key accounts Do active telemarketing Build stronger relationships with our customers Expand product lines Conduct regular internal management reviews to ensure we are fulfilling the needs of our customers Provide timely feedback
EMPLOYEES	<ul style="list-style-type: none"> Career growth Training opportunities Competitive salaries and incentives A pleasant and safe working environment Welfare Flexible working hours 	<ul style="list-style-type: none"> Regular internal communications through an intranet platform Annual performance appraisal Half-yearly internal reviews Welfare and social activities Monthly newsletter 	<ul style="list-style-type: none"> Ensure effective human resource policies and staff welfare Provide performance bonus, sales incentives, and long service awards Offer an employee share programme, a performance management system, and training and development opportunities Establish a recreation club Provide tier-based working hours
SHAREHOLDERS AND INVESTORS	<ul style="list-style-type: none"> Business growth Consistent dividends Profitability Transparency Risk management Corporate governance 	<ul style="list-style-type: none"> Annual General Meeting Announcement of quarterly financial results SGX filings Annual report Sustainability report 	<ul style="list-style-type: none"> Practise good corporate governance Manage risks and opportunities Ensure sustainable business growth Establish channels to obtain reports
PRINCIPALS	<ul style="list-style-type: none"> Good credibility and image to principals Good product quality at all times On-time payments Value-added products Good regulation of business practices 	<ul style="list-style-type: none"> Frequent product promotions Sufficient stocks Joint visits for customer engagement Meetings to understand the needs of principals and customers 	<ul style="list-style-type: none"> Meet sales targets and promotional goals Set quarterly reviews on key principals Manage the expectations of principals and customers

STAKEHOLDERS

OUR STAKEHOLDERS	STAKEHOLDER EXPECTATIONS	HOW WE ENGAGE	HOW WE RESPOND
GOVERNMENT AND REGULATORS	<ul style="list-style-type: none"> Regulatory compliance 	<ul style="list-style-type: none"> Seminars Meetings Relevant government association memberships Frequent communication with relevant parties 	<ul style="list-style-type: none"> Ensure compliance with applicable laws Participate in consultations, surveys, forums, and roundtables Participate in networking sessions and talks held by the government to understand industry regulations and share our perspectives
COMMUNITY	<ul style="list-style-type: none"> Responsible business practices Community projects 	<ul style="list-style-type: none"> Meetings with different non-profit organisations to learn about areas in which we can assist Participation in corporate social responsibility activities 	<ul style="list-style-type: none"> Support community programmes aimed at the welfare of children and youth Collaborate with different community groups
INDUSTRY ASSOCIATIONS	<ul style="list-style-type: none"> Participation through memberships, seminars, conferences, and dialogues organised by the associations 	<ul style="list-style-type: none"> Meetings with industry bodies Participation in trade exhibitions in different countries, such as China and India 	<ul style="list-style-type: none"> Join trade associations as a member Participate actively in industry initiatives
MEDIA	<ul style="list-style-type: none"> Timely information about company affairs that is of public interest Prompt response to media enquiries 	<ul style="list-style-type: none"> Regular press releases and briefings 	<ul style="list-style-type: none"> Provide updates on our financial performance and other important events

MEMBERSHIP OF ASSOCIATIONS

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

- Singapore Business Federation
- Singapore National Employers Federation

AWARDS AND RECOGNITIONS

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

FY2018

AWARD TITLES	PRESENTED BY
13 th on the Top Global Distributors 2018 list	EPSNews (a US premier news, information and data portal and resource centre for electronics and supply chain industries)
Best Business Growth Partner 2018	TE Connectivity Sensor Solutions
Best Marketing Effort Partner 2018	TE Connectivity Sensor Solutions
2018 Top 10 International Branded Distributor	Electronics Supply & Manufacturing – China (a leading electronics management magazine in China)

STAKEHOLDERS

FY2018 (CONT'D)

AWARD TITLES	PRESENTED BY
2018 Excellent Innovative Franchised Semiconductor Distributor in China	China Electronics Distributor Association
2018 Excellent Supplier Award	Siglent Technologies Co., Ltd
2018 Excellent Supplier Award	CYG Sunri Co., Ltd
FT1000 High-Growth Companies Asia-Pacific 2018	Financial Times
Distributor Award of Excellence 2017	Qualcomm Technologies International, Ltd.
2018 Spirit of Microchip Award	Microchip Technology (India) Pvt Ltd
2017 Partnership in Excellence Award	Bourns
Supplier Excellence Award 2017	Sunitec Enterprise Co., Ltd
Singapore 1000 Company 2018	DP Information Group
Singapore 1000 Company – Public-listed Company 2018	DP Information Group
2017 Excellent Distributor Award	Samsung Asia Pte. Ltd.
2017 Excellent Sales Partner Award	Samsung Electro-Mechanics Pte. Ltd.

FY2017

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

FY2016

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

SUSTAINABILITY STRATEGY

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

MATERIAL ESG FACTORS

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

Our Sustainability Management Council (see page 11 for the Council chart) reviewed the material ESG factors of our business operations. The focus of our Council is our stakeholders, and while we assess our sustainability impacts, risks and opportunities, we also regard their expectations and concerns very importantly. Our Council also looked at sustainability trends in our sector and reporting practices of peer companies. We then identified and prioritised the most significant material topics, and included them in this report.

After the review, the material topics were approved by our Board.



SUSTAINABILITY STRATEGY

Material Topics and Their Boundaries

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

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

SUSTAINABILITY STRATEGY

SUSTAINABILITY GOVERNANCE

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

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

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

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

BOARD OF DIRECTORS

SUSTAINABILITY MANAGEMENT COUNCIL (chaired by Chairman and Group CEO)

COUNCIL MEMBERS

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

SUSTAINABILITY REPORTING PROJECT TEAM

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



BOARD STATEMENT

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

For this report, our Board has provided oversight of the management and monitoring of the material ESG factors presented in this report through periodic review of the key performance indicators.

MARKETPLACE

We work closely with our principals to create innovative solutions to complement our customers' products and solutions, and help customers improve operational efficiency and cost-effectiveness.

The marketplace remains a core sustainability aspect for Excelpoint. We seek to improve our value-added services in the year ahead through more investments in good innovations and technologies, which we actively did in 2018. In addition, we review the quality of our workplace on a regular basis to ensure a better and more conducive working environment. Through surveys with partners, we hope that moving forward, we are able to further engage them through the provision of better services, and ensure customer satisfaction in every transaction we do.

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

Our Solutions

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

PRODUCT CATEGORY	OUR SOLUTIONS
<p>IOT, ARTIFICIAL INTELLIGENCE AND FAR-FIELD VOICE TECHNOLOGY</p> 	<p>System-on-module for:</p> <ul style="list-style-type: none"> • Smart speaker • Smart speaker development kit • Voice assistant headset
<p>WIRELESS AUDIO</p> <p>Examples of applications:</p> <ul style="list-style-type: none"> • Portable wireless speaker • Wireless music headphone • Mini combo • Sound bar and wireless subwoofer • Audio transmitter dongle 	<ul style="list-style-type: none"> • Wireless solutions • Consumer wireless audio solutions <p>Examples of applications:</p> <ul style="list-style-type: none"> • Bluetooth Low Energy ("BLE") remote control for TV and audio devices • TWS wireless headset with sensors • Smart speakers with voice assistance • Wireless headset with voice assistance
<p>WEARABLE DEVICES AND ACCESSORIES</p> 	<ul style="list-style-type: none"> • Wearables and smart accessories for iPhones and iPads • Solutions for Bluetooth-enabled massage chairs and lost-and-found tags • Entry-level and mid-tier platforms for wearables and smart accessories applications
<p>AUTOMOTIVE</p> 	<ul style="list-style-type: none"> • Reference car infotainment system and core board • Qi-compliant wireless charging solutions
<p>SMART HOMES</p> <ul style="list-style-type: none"> • Wireless sensors • Wireless controls • BLE mesh network platforms 	<p>Connectivity solutions for smart homes:</p> <ul style="list-style-type: none"> • BLE module • Bluetooth module • BLE/Bluetooth combo module • Embedded Wi-Fi module • Sub-GHz module

MARKETPLACE

PRODUCT CATEGORY	OUR SOLUTIONS
<p>POWER DISTRIBUTION AND TRANSMISSION</p> 	<ul style="list-style-type: none">• Distribution automation control• Motor control• Photovoltaic inverter control• Power quality analysis• Other embedded control applications

Promoting Quality Culture

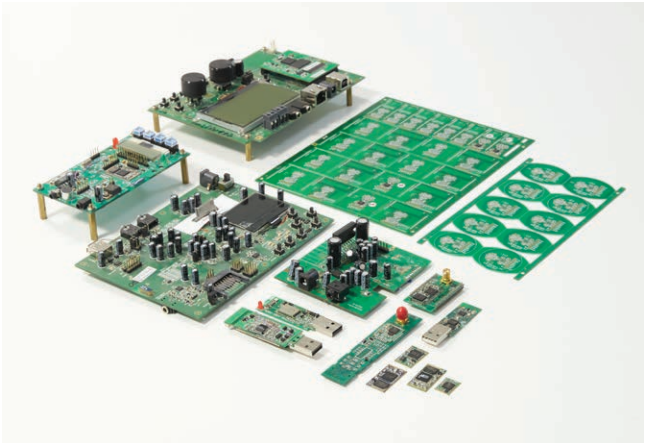
We strive to set and achieve highest quality standards to serve our principals and customers. Building and supporting a quality culture is at the core of our quality policy. We have established a formal quality system in compliance with ISO 9001 standards. The quality management system allows us to maintain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

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

Investing in Research and Development (“R&D”)

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

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



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

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



Our IoT demonstration facility in Singapore.

We have also established a strategic investment arm housed under PlanetSpark Pte. Ltd., a subsidiary of Excelpoint. Our investment arm focuses on investing in

MARKETPLACE

new hardware innovations and high potential start-ups that have commercially viable technologies and products relating to IoT.

In collaboration with our partners, we have also set up a far-field audio tuning laboratory within our Singapore headquarters to focus on far-field voice technology ("FFVT"). This is the first such lab in Singapore that will serve as a standards-based facility for local and global companies to enable their products with FFVT interfaces, and for FFVT product development and collaboration purposes.

Providing Excellent Customer Service

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

Ensuring Customer Satisfaction

To understand the expectations of our customers, we conduct quarterly surveys to obtain feedback from them. After which, we organise internal meetings to analyse

the data, identify the areas we do well, and strategise how best we can rectify any processes to enhance our customer relations and experiences.

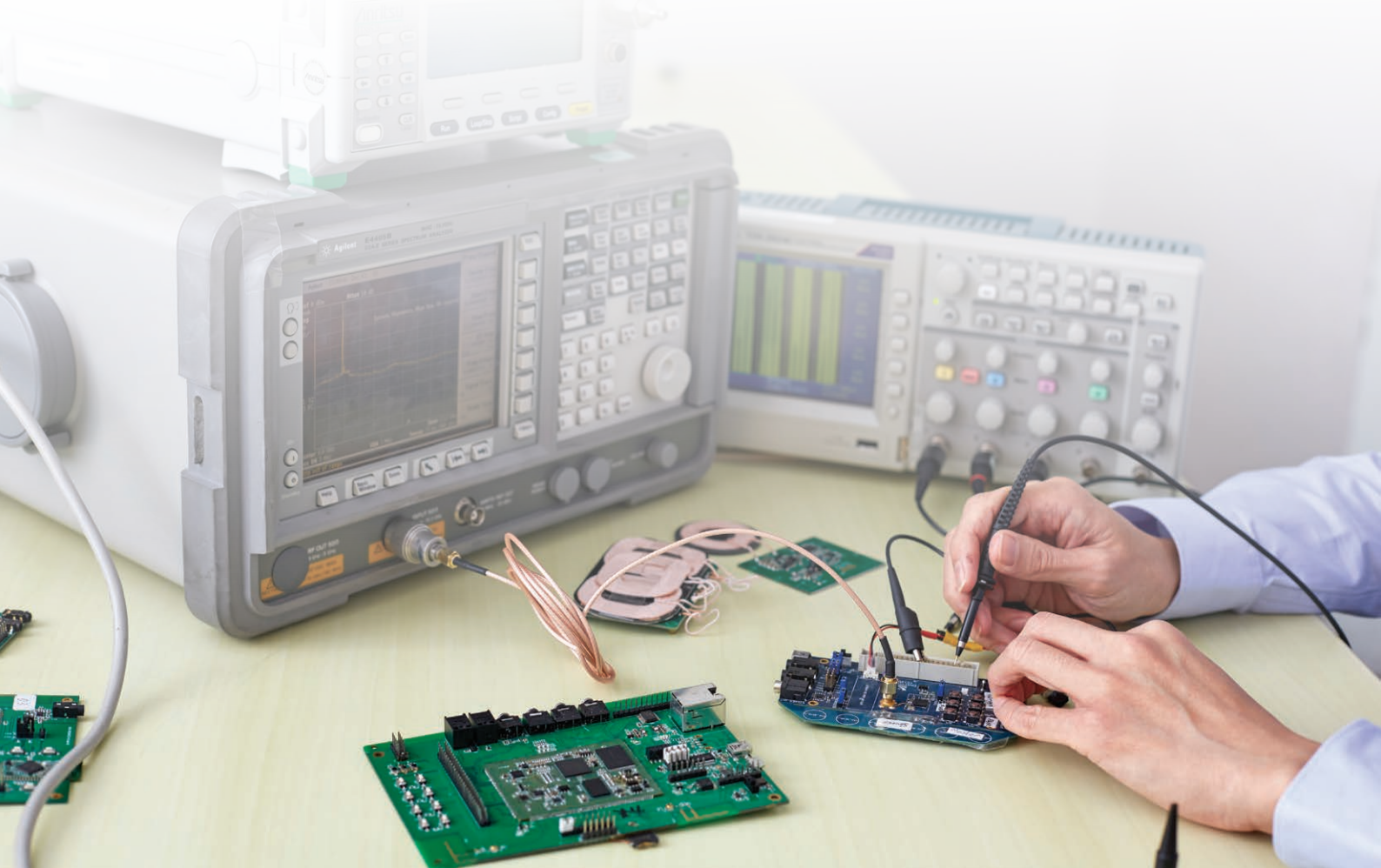
Safeguarding Personal Data

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

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

Protecting Intellectual Property

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



PEOPLE

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

People will always be the focus of Excelpoint, as they play a very important role in the business. Throughout 2018, we reviewed our human resource strategies and policies to retain and provide better welfare to our employees, which included the assessment of our employee incentive and performance schemes, welfare benefits and also our engagement activities. We prioritise feedback from our employees and strive to improve. We also continue to encourage the focus on skill sets and attitudes when nurturing employees over gender and age. These can be seen from the increase in our gender and age diversities year on year. Moving forward, we will continuously evaluate these strategies, in order to achieve a more holistic approach to staff retention and to improve our attrition rate.

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

Employment

As of 2018, we had a total staff strength of 752, with 223 new employees hired. Permanent employees represent 60.9% of our workforce, while the remaining are fixed-term contract and temporary staff. 62.2% of our employees are based in Hong Kong and China, followed by Singapore at 21.7%. About 97.0% of our employees are locals. On average, we have a relatively young workforce with male and female employees aged 37.5 years and 37 years respectively.

Supporting Diversity

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

Women represent 38.4% of our employees. The proportion of female supervisors and managers is 31.9%, while women hold 22.2% of senior management positions. In 2018, women accounted for 34.5% of new hires.

Managing Performance

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

Advocating Human Rights

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

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

Providing Training

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

In 2018, we provided a total of 1,036 hours of training to our employees.

Providing Employee Benefits

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

Engaging Employees

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

PEOPLE



Employees celebrating festivals in the office.



Staff having fun during overseas trips.



Employees enjoying team sports and activities together.

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

Practising Occupational Health and Safety

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

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

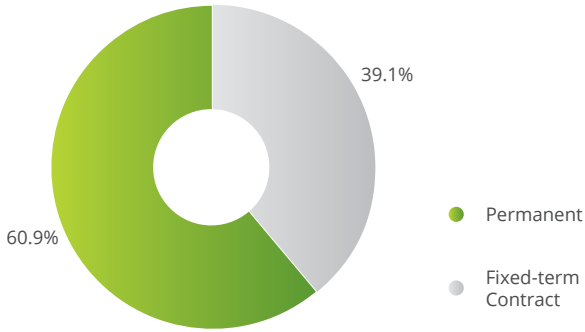
We conduct a risk assessment to identify potential workplace safety and health risks to take preventive measures. We have implemented safety measures in our warehouse operations where tasks involve handling of bulky items, and established a safety committee consisting of representatives from all departments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

There were no incidents of severe or fatal workplace injuries in 2018.

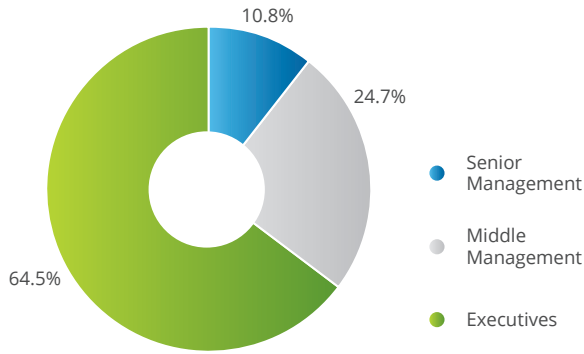
PEOPLE

Our Workplace Performance

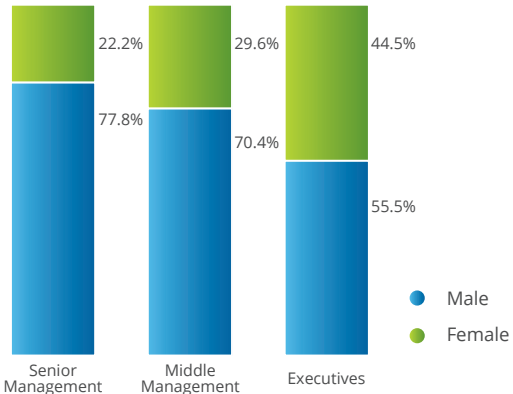
Workforce by Employment Type - FY2018



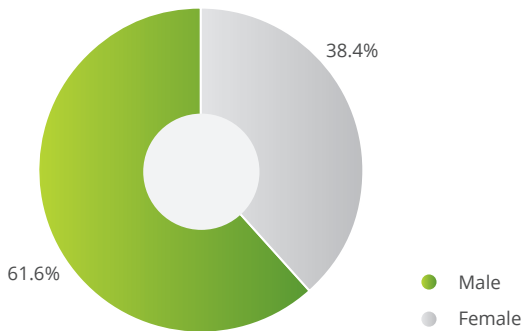
Workforce by Employment Category - FY2018



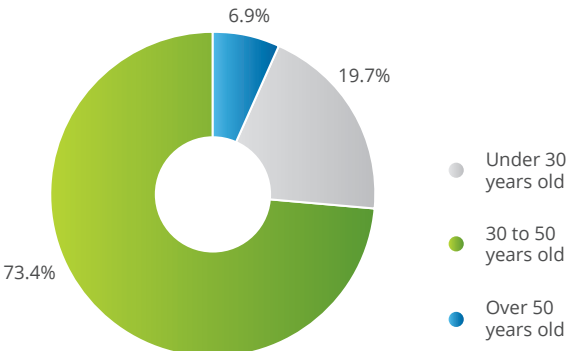
Gender Diversity by Employment Category - FY2018



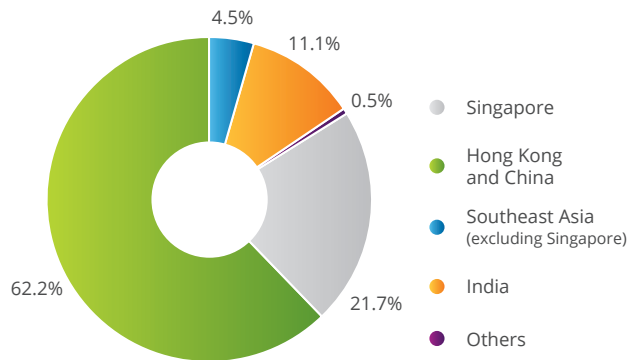
Gender Diversity - FY2018



Age Diversity - FY2018

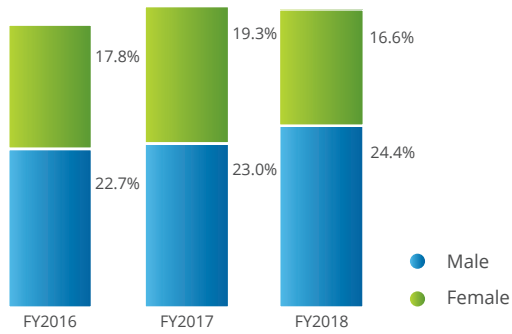


Employees by Region - FY2018

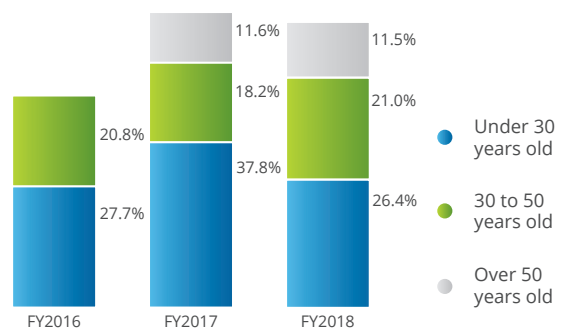


PEOPLE

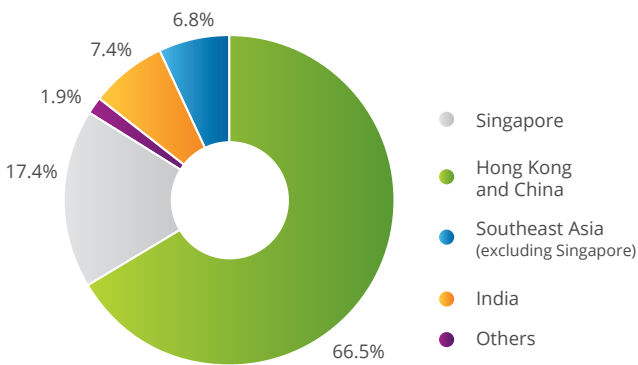
Annual Employee Attrition Rate



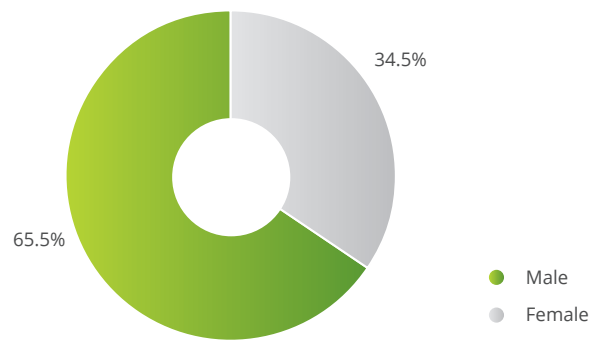
Annual Employee Attrition Rate by Age



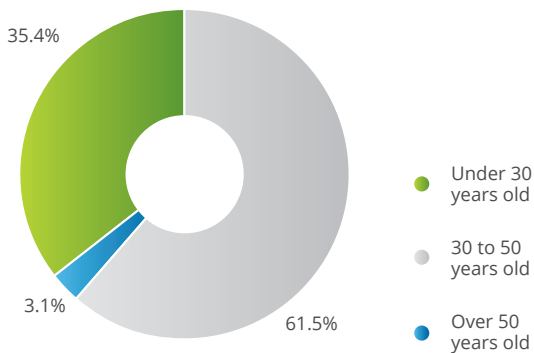
Attrition Rate by Region - FY2018



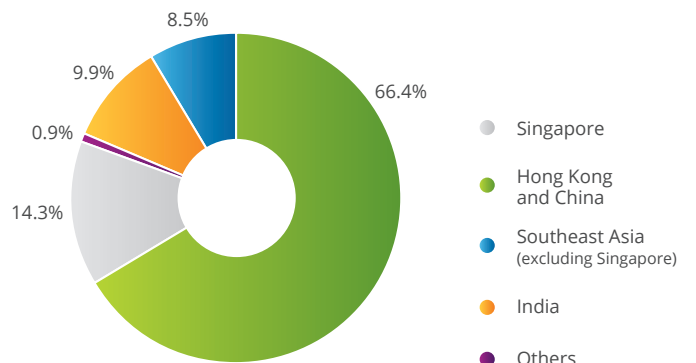
New Hires - FY2018



New Hires by Age Group - FY2018



New Hires by Region/Country - FY2018



ENVIRONMENT

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

We always ensure that we use our electricity and energy efficiently and more effectively. We believe that every company can play a role in the ecosystem to save the environment. We continue to track our usage to ensure that it is within a reasonable range, as well as work with relevant parties to come up with initiatives throughout the year so that we can encourage our employees to recycle, use water wisely and be more energy efficient.

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

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

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

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

Energy

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

Our energy data in the report includes purchased electricity, diesel, and fuel. In 2018, our electricity consumption and electricity used per employee were 964,375 kWh and 1,282 kWh respectively. Our offices in Singapore, Hong Kong and China accounted for 92.7% of the total electricity used.

Our energy intensity per employee was 5.7 GJ in 2018, as compared to 5.4 GJ in the previous year.

Carbon Emissions

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

Our carbon emissions originate from electricity consumption within our facilities and the combustion of fuels in our vehicles. We measure, monitor, and report our carbon dioxide (CO₂) emissions using the GHG Protocol guidelines. We report our Scope 1 and Scope 2 carbon dioxide emissions, and exclude fugitive emissions from refrigerant gases that are not material.

In 2018, our CO₂ emissions from the use of electricity, diesel and petrol amounted to 619 tCO₂. In 2018, our CO₂ emission intensity per employee was 0.82 tCO₂, as compared to 0.81 tCO₂ in the preceding year.

General Waste

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

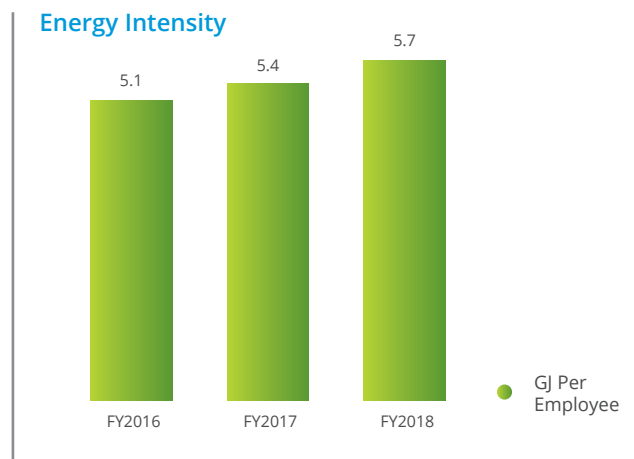
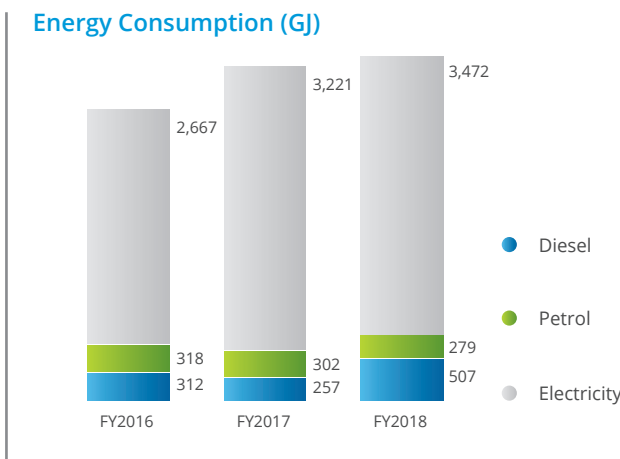
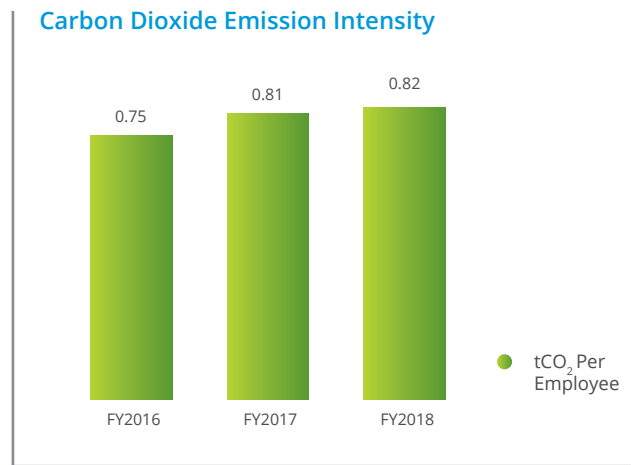
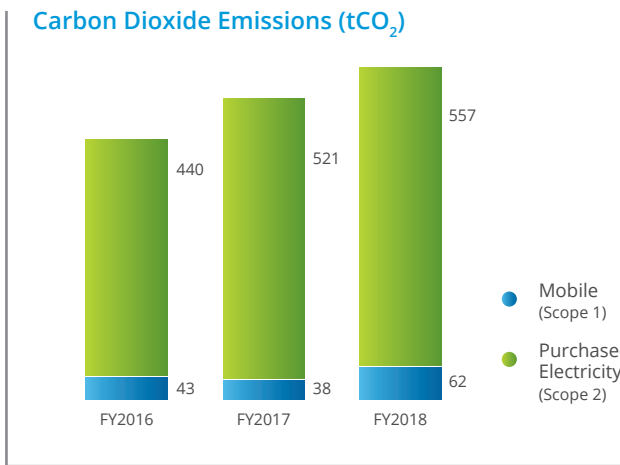
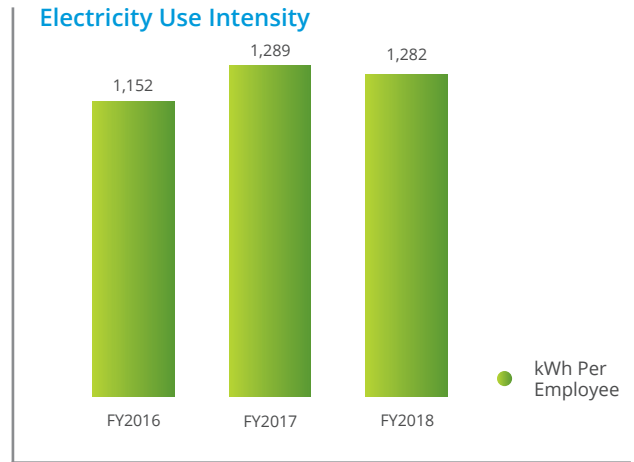
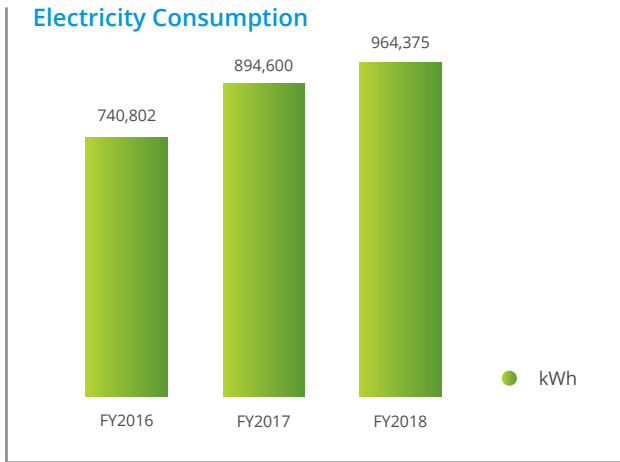
Compliance

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



ENVIRONMENT

Our Environmental Performance



COMMUNITY

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

We put aside an amount every year as part of our efforts to help the community. The three core pillars of our corporate social responsibility activities are Supporting Education, Forging Collaborative Partnerships, and Providing Opportunities for Employee Volunteering. We continue to extend our support in these three areas, as we strongly believe in “We Share, We Care”.

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

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

FY2018

- Supporting Singapore Management University since 2014, our Excelpoint Bursary has continued into its fifth and final year, disbursing S\$260,000 over five years for disadvantaged students to pursue their studies without financial worries.
- Since 2017, we have been funding National University of Singapore (“NUS”)’s *Innovation & Design Programme (“iDP”)* (formerly known as *Innovation & Design Centric Programme*) to support students’ engineering and technological projects through a sponsorship of S\$300,000 (to be disbursed over five years).
- We supported UOB Singapore’s Chinese New Year 2018 Donation Drive through a donation of S\$20,888, where the event proceeds benefited Central Singapore Community Development Council, The Business Times Budding Artists Fund, The Straits Times School Pocket Money Fund, and The Red Pencil Singapore.
- We extended our support to Sowers Action in China through the following two programmes:
 - Sowers Action *Challenging 12 Hours Charity Marathon*, where we donated approximately S\$2,320 (HK\$13,500) and actively participated in the 12km and 26km marathons.
 - Sowers Action *Sending Love Programme*, where we donated approximately S\$6,185 (HK\$36,000) to purchase 432 jackets for needy school children in Yunnan, China.



Rising to the marathon challenge, all in the name of charity!



School children in Yunnan, China, keeping warm with jackets that were purchased for them using our donation.

COMMUNITY

FY2017

- In collaboration with Singapore Management University since 2014, our Excelpoint Bursary has continued into its fourth year, disbursing a total of S\$52,000 annually for five years for underprivileged students who could thus pursue their education and passion without having to worry about their financial issues.
- As we strongly believe that the spirit of innovation and enterprise starts from young, we were pleased to extend our inaugural support to two reputable tertiary institutions:
 - NUS's *Innovation & Design Centric Programme ("iDCP")*, where we began funding students' projects through a sponsorship of S\$300,000 (to be disbursed over five years). With this sponsorship, students would be able to engineer and market new ideas, products and technologies that could improve lives, enhance productivity, and create opportunities and a better future for Singapore.
- Hong Kong University of Science and Technology's *iSTEAM Robotics Programme 2017* with a sponsorship of S\$16,800 (HK\$100,000). Students would be able to develop experiential learning for various disciplines, such as science, technology, engineering, and design, through robotics.
- We sponsored S\$10,000 to Halogen Foundation's *Charity Golf Challenge 2017* event in Singapore, in support of the latter's efforts to help youths in need. Like Halogen Foundation, we also believe in investing in and empowering the future of our nation. Hence, we participated in one of the foundation's core programmes, *Network for Teaching Entrepreneurship*, to educate underprivileged children aged between 15 and 19 about leadership and entrepreneurship. In addition, as part of our staff engagement initiatives, we organised a movie night for all our staff, and extended a sponsorship of S\$10,000 to Halogen Foundation to arrange for a similar event for its staff.



Students from NUS's iDCP presenting their creation, EcoCar, at the Shell Eco-marathon Asia 2018 in Singapore. The EcoCar project is one of many student projects funded by our company through iDCP.

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

COMMUNITY

FY2016

- The Excelpoint Bursary, in collaboration with Singapore Management University since 2014, has continued into its third year with a total of S\$52,000 dispersed annually for five years for underprivileged students.
- We extended a sponsorship of S\$10,000 to Halogen Foundation for its *Charity Golf Challenge 2016* event in Singapore, in support of its programmes to help youths in need. We worked closely with Halogen Foundation to play a part in one of its core programmes, *Network for Teaching Entrepreneurship*, to educate underprivileged children aged between 15 and 19 about leadership and entrepreneurship.
- We donated S\$5,000 to the *UOB Heartbeat Run/Walk* event, which is one of UOB Singapore's key annual charity programmes to help raise funds for the needy.
- In China, Excelpoint continued to collaborate with Sowers Action on their *Sending Love* programme, following last year's participation. We donated approximately S\$6,574 (HK\$36,000) to distribute 300 jackets to disadvantaged school children who face harsh winter conditions in Yunnan, China.



School children in Yunnan, China, donning the jackets that were purchased for them using our donation.

ECONOMIC PERFORMANCE

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

We believe that economic performance is the ultimate foundation of business sustainability. We continue to strive to grow our business, so as to provide value to our stakeholders. As we execute plans and strategies every year to expand our business, we work with relevant parties to ensure transparency in our governance and to be in compliance. We believe that good governance can build an ethical culture that will drive sustainable business growth.

As a company listed on SGX, we publish a detailed annual report comprising our risk management, corporate governance, and financial performance. A summary of our economic performance is provided below, in line with the GRI Standards. For detailed information, please refer to financial statements in our Annual Report 2018.

ECONOMIC PERFORMANCE INDICATORS (US\$'000)	FY2018	FY2017	FY2016
Revenue	1,255,975	1,146,394	988,240
Cost of sales	1,188,142	1,085,487	933,128
Income tax expenses	293	2,125	1,452
Profit after tax	8,103	8,098	7,053

Anti-corruption

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

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

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

Compliance

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

Corporate Governance

We review our corporate governance structure frequently to ensure that we comply with regulations. For more details, please refer to our Corporate Governance report, which is available in our Annual Report 2018.

GRI CONTENT INDEX

'In accordance' - Core

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S) AND/OR URL(S)	
GRI 101: Foundation 2016 (GRI 101 does not include any standards)			
GENERAL STANDARD DISCLOSURES			
GRI 102: General Disclosures 2016	ORGANISATIONAL PROFILE		
	102-1	Name of the organisation	Excelpoint Technology Ltd.
	102-2	Activities, brands, products, and services	SR 1, 12
	102-3	Location of headquarters	Singapore
	102-4	Location of operations	AR 8, 14-15
	102-5	Ownership and legal form	AR 19, 104-105
	102-6	Markets served	AR 6-8, 14-15
	102-7	Scale of the organisation	SR 5, 17-18, AR 8
	102-8	Information on employees and other workers	SR 5, 17-18
	102-9	Supply chain	SR 6
	102-10	Significant changes to the organisation and its supply chain	None
	102-11	Precautionary principle or approach	SR 19
	102-12	External initiatives	SR 4, 13
	102-13	Membership of associations	SR 7
	STRATEGY		
	102-14	Statement from senior decision-maker	SR 3, AR 2-5
	ETHICS AND INTEGRITY		
	102-16	Values, principles, standards, and norms of behaviour	SR 2, 4
	GOVERNANCE		
	102-18	Governance structure	AR 19-40
	STAKEHOLDER ENGAGEMENT		
	102-40	List of stakeholder groups	SR 6-7
	102-41	Collective bargaining agreements	SR 15
	102-42	Identifying and selecting stakeholders	SR 6-7
	102-43	Approach to stakeholder engagement	SR 6-7
102-44	Key topics and concerns raised	SR 6-7	
REPORTING PRACTICE			
102-45	Entities included in the consolidated financial statements	AR 16	
102-46	Defining report content and topic boundaries	SR 4, 9-10	
102-47	List of material topics	SR 9-10	
102-48	Restatements of information	Not applicable	
102-49	Changes in reporting	Not applicable	
102-50	Reporting period	SR 4	

GRI CONTENT INDEX

	102-51	Date of most recent report	SR 4
	102-52	Reporting cycle	SR 4
	102-53	Contact point for questions regarding the report	SR 4
	102-54	Claims of reporting in accordance with the GRI Standards	SR 4
	102-55	GRI content index	SR 25-28
	102-56	External assurance	SR 4

MATERIAL TOPICS

ECONOMIC PERFORMANCE

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	SR 10, 24
	103-2	The management approach and its components	SR 24
	103-3	Evaluation of the management approach	SR 24
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	SR 24

ANTI-CORRUPTION

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	SR 10, 24
	103-2	The management approach and its components	SR 24
	103-3	Evaluation of the management approach	SR 24
GRI 205: Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	SR 24

ENERGY

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	SR 10, 19
	103-2	The management approach and its components	SR 19
	103-3	Evaluation of the management approach	SR 19
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	SR 5, 19-20
	302-3	Energy intensity	SR 5, 19-20

EMISSIONS

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	SR 10, 19
	103-2	The management approach and its components	SR 19
	103-3	Evaluation of the management approach	SR 19
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	SR 5, 19-20
	305-2	Energy indirect (Scope 2) GHG emissions	SR 5, 19-20
	305-4	GHG emissions intensity	SR 5, 19-20

ENVIRONMENTAL COMPLIANCE

GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	SR 10, 19
	103-2	The management approach and its components	SR 10, 19
	103-3	Evaluation of the management approach	SR 10, 19
GRI 307: Environmental Compliance 2016	307-1	Non-compliance with environmental laws and regulations	SR 10, 19

GRI CONTENT INDEX

EMPLOYMENT			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	SR 10, 15-17
	103-2	The management approach and its components	SR 15-17
	103-3	Evaluation of the management approach	SR 15-17
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	SR 5, 15, 18
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR 15
OCCUPATIONAL HEALTH AND SAFETY			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	SR 10, 16
	103-2	The management approach and its components	SR 16
	103-3	Evaluation of the management approach	SR 16
GRI 403: Occupational Health and Safety 2018	403-2	Hazard identification, risk assessment, and incident investigation	SR 16
TRAINING AND EDUCATION			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	SR 10, 15
	103-2	The management approach and its components	SR 15
	103-3	Evaluation of the management approach	SR 15
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	SR 15
	404-3	Percentage of employees receiving regular performance and career development reviews	SR 15
DIVERSITY AND EQUAL OPPORTUNITY			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	SR 10, 15
	103-2	The management approach and its components	SR 15
	103-3	Evaluation of the management approach	SR 15
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	SR 15-18
NON-DISCRIMINATION			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	SR 10
	103-2	The management approach and its components	SR 15
	103-3	Evaluation of the management approach	SR 15
GRI 406: Non-discrimination 2016	406-1	Incidents of discrimination and corrective actions taken	SR 15
CHILD LABOUR			
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its boundary	SR 10, 15
	103-2	The management approach and its components	SR 15
	103-3	Evaluation of the management approach	SR 15
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	SR 15

GRI CONTENT INDEX

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