



Nico Steel Solutions
Think Innovation

GEARING TOWARDS SUSTAINABLE FUTURE



2023
SUSTAINABILITY
REPORT

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ABOUT **THIS REPORT**

Nico Steel Holdings Limited 尼爾金屬控股有限公司 (“**Nico Steel**” and together with its subsidiaries, the “**Group**”) are proud to present our sixth annual sustainability report, which outlines Nico Steel’s approach in Environmental, Social and Governance (“**ESG**”) factors into its management policies, and operations.

At Nico Steel, we are committed to promoting accountability and transparency of sustainability reporting as we reflect on our progress in the sustainability journey while working on our future targets. Through this report, we hope to provide assurance and create a stronger relationship with stakeholders as we demonstrate our commitment to sustainability.

Scope of the Report

This report covers our sustainability performance in the financial year ending 28 February 2023. We are pleased to report our strategies, initiatives, and performance in relation to our material ESG topics. In addition, this report also highlights areas that required further effort to be addressed in the future. The information provided in this report covers operations consisting of Nico Steel’s manufacturing facilities and office located in China, Thailand and Singapore.

Reporting Framework

This report has been prepared in accordance with the sustainability reporting requirements of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Rule 711A. It has also been developed while referencing the primary components stated in SGX-ST Listing Rule 711B on the “comply or explain” basis. Besides, the report is adhering to the Global Reporting Initiative (“**GRI**”) Standards: **Core Option**. GRI principles have been adopted for defining report content and reporting quality. Our GRI content index, which specifies each GRI Standards disclosure in this report, can be found on pages 27 to 30. The disclosure of climate change references TCFD Recommendations as referred by SGX-ST on climate change reporting.

External Assurance

This report has not gone through an assurance process by an independent third party. However, we rely on internal verification mechanisms to ensure the accuracy of the information.

Feedback

We value your feedback, which will help us to improve our report and sustainability practices. You may reach out to Nico Steel’s Sustainability Committee at info@nico.com.sg. A copy of the Group’s FY2023 Annual Report (“**AR2023**”) can be downloaded at <http://www.nicosteel.com>.

BOARD STATEMENT

The Board of Directors of Nico Steel (the “**Board**”) is pleased to present our Sustainability Report (“**Report**”), our on-going commitment to share our sustainability journey with all our stakeholders in a transparent manner. Our commitment to sustainability begins with our Board of Directors and senior management and is reinforced at every level of our organisation.

Together with the Board’s leadership, Management is committed to manage and communicate ESG practices and economic performance. As we continue our sustainability journey, metrics and targets that are material to our business will be progressively added, which will provide more insights in our subsequent reports. As a group, we are committed to creating and delivering long-term and sustainable value to our stakeholders through responsible practices in the countries where we operate.

This Report does not evaluate performance against any established targets yet, but the Group remains committed to setting targets and goals in terms of sustainability reporting as we mature in this connection.



CORPORATE PROFILE

About Nico Steel

Nico Steel is a specialist in ferrous and non-ferrous metal alloys with a focus on customising technologically innovative metal materials under its proprietary “NICO” brand.

The Group’s proprietary patented production technology allows it to customise metallurgical solutions to meet the evolving requirements of its broad base of customers, particularly in the mobile communications, consumer electronics, industrial and automotive sectors.

Well-established in the upstream metal material industry, the Group drives through (i) providing customised solutions as value-added services to components and contract manufacturers to meet their metal fabrication requirements, and (ii) cultivating demand from brand owners and leaders of mobile communications, consumer electronics, industrial and automotive sectors for its proprietary “NICO” brand of specialised metal alloy materials that will meet the evolving and stringent requirements of new digital devices.

Headquartered in Singapore, the Group owns and operates processing and production facilities in China and Thailand, while the production facility in Singapore acts as its Research & Development (“**R&D**”) centre.

Nico Steel is listed on the SGX-XT on 7 April 2005 and was upgraded to the Mainboard on 5 January 2009 under the stock code 5GF. On 16 November 2020, Nico Steel’s shares were suspended from trading and continue to be suspended pursuant to the delisting notification from the SGX-ST.

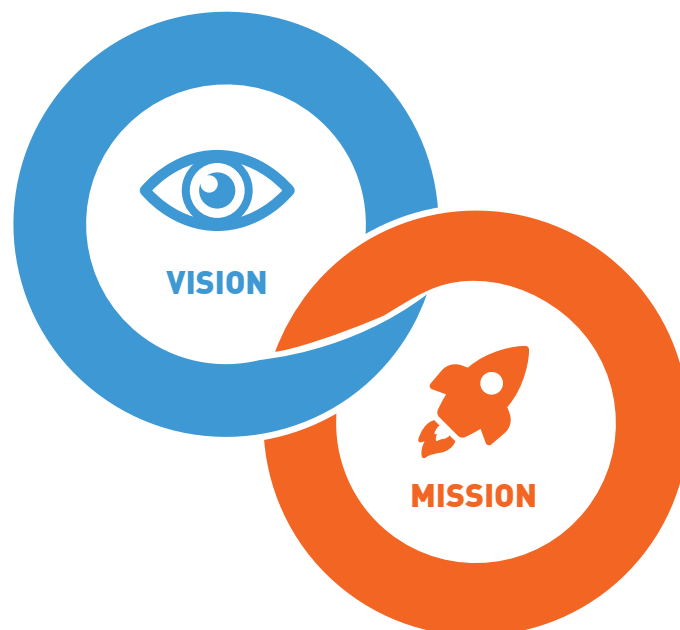
Our Philosophy

Vision

Nico Steel’s vision is to be Asia’s most innovative metallurgical solutions provider in the mobile communications, high-tech electronics and automotive industries.

Mission

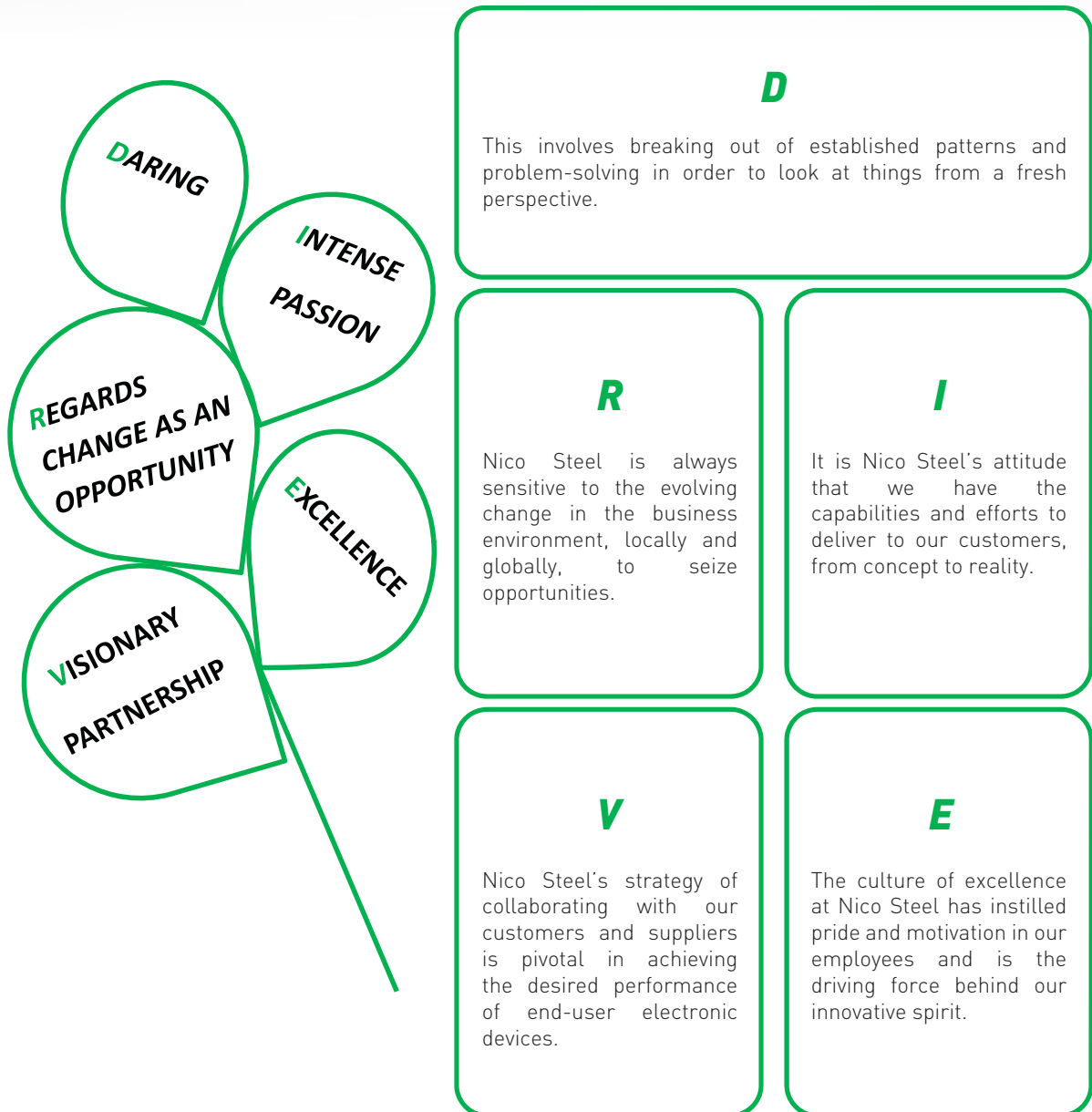
Nico Steel will meet our customers’ demands for innovative and state-of-the art solutions through unique partnerships with them and their suppliers in the value chain.



CORPORATE PROFILE

Our Corporate Value

Nico Steel's **DRIVE** distinguishes Nico Steel and its employees. At Nico Steel, we embrace and live by these values throughout our organisation and also with our customers and suppliers. We call this 'Inside – Out Branding'.

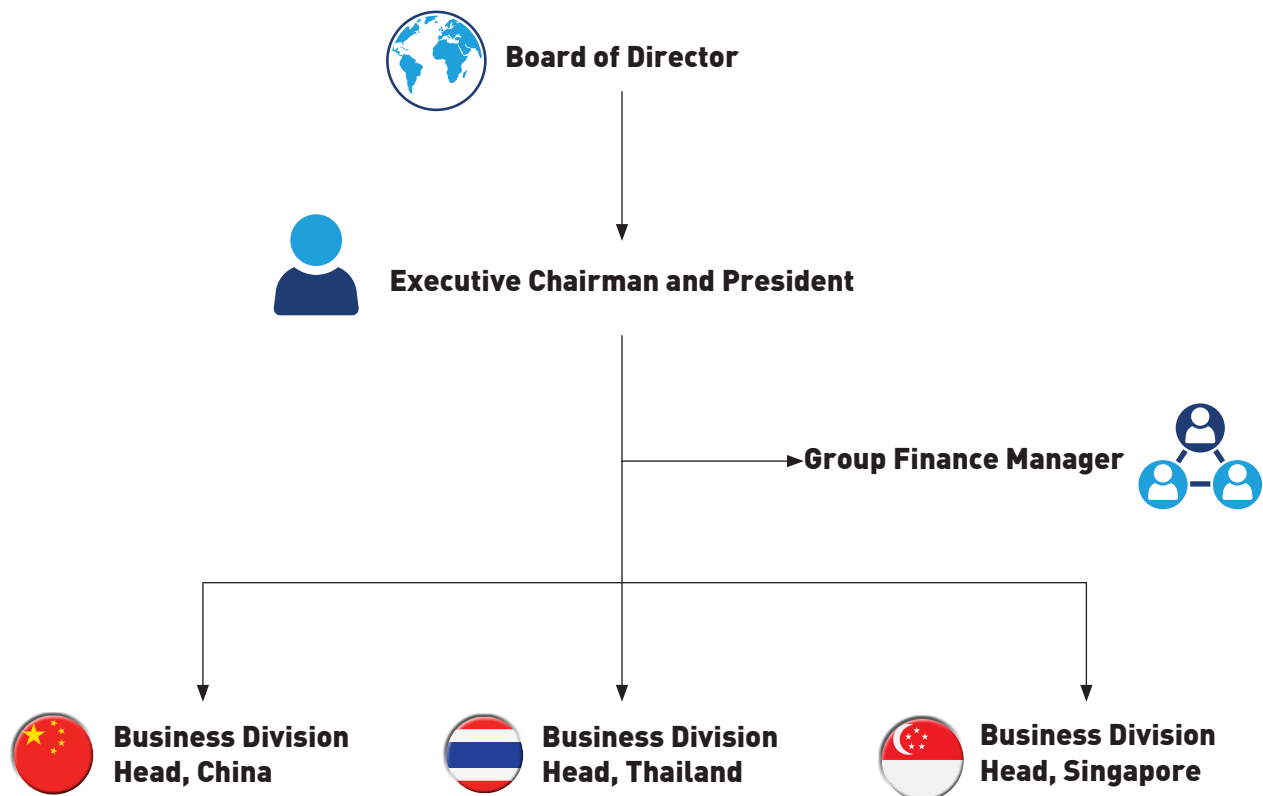


SUSTAINABILITY COMMITTEE

Nico Steel's sustainability agenda is developed and directed by senior management with guidance from the Board. Our sustainability approach is focused on providing superior services and products to our customers and developing good sustainable relationships with our suppliers which we believe will in turn generate stable and sustainable value for our shareholders. We used our best endeavours to identify and manage foreseeable economic, environmental and social risks that may have an adverse impact on our business. Through market research and knowledge, we seize opportunities present in the business section we operate in.

The Group's Sustainability Committee includes senior management executives, led by the Executive Chairman & President and Group Finance Manager who report to the Board. The Sustainability Committee is responsible for reviewing the Group's sustainability performance, material topics, stakeholder concerns, setting targets and goals that will enhance and sustain our performance both economically and socially and establishing systems to collect, verify, monitor and report information required for our sustainability reporting.

The Sustainability Committee meets at least once a year proposes, coordinates, and promotes the Group's main sustainability initiatives. The Sustainability Committee is also regularly updated on the progress of the Group's sustainability efforts.



ENGAGING OUR STAKEHOLDERS

Communication With Stakeholders

The Group is committed to continually strengthening our relationship with our shareholders and stakeholders.

Financial results and price-sensitive announcements are releasing in a timely manner through announcements via SGXNet. The Group's website <http://www.nicosteel.com> is also another important source of information for our shareholders and stakeholders.

A detailed report on our governance disclosures can be found on pages 13 to 43 as set out in our AR2023.

Stakeholders Engagement

Nico Steel embraces stakeholder inclusiveness in decision making which sets a basis for us to determine our focus area. Nico Steel defines our stakeholders as individuals or groups that Nico Steel's business has a significant impact on, and those who can influence the Nico Steel's ability to pursue its business objectives.

In line with being transparent, we actively engage with internal and external stakeholders in deciding relevant material topics. Regular engagement helps us to understand what stakeholders think are the most important, anticipate what risks and opportunities might arise and be responsive to our stakeholders. Stakeholders' feedback is fundamental to our material topics assessment, which is used to inform sustainability strategy, performance measurements and reporting. Our efforts with stakeholder engagement are outlined below:

Our Stakeholders	Stakeholders' Expectations	Mode of Engagement	Our Initiatives and Responses
 Employees	• Career growth • Training opportunities • Competitive salaries and incentives • A pleasant, non-discriminatory and safe working environment	• Regular internal communications • Regular review of working environment and welfare • Employee feedback	• Ensure effective implementation of HR policies • Regular internal meetings to review on safety • Annual review on performance
 Customers	• Customer privacy • Quality control • On-time delivery and services • Technical support • Reasonable payment terms • Competitive pricing	• Customer feedback management (survey, face-to-face meetings) • Regular sales calls and meetings	• Active follow-up on customers' needs • Regular internal meetings to review on customers' fulfilment and new requirements • Update customers on new products and solutions • Provide timely feedback to customers

ENGAGING **OUR** STAKEHOLDERS

Our Stakeholders	Stakeholders' Expectations	Mode of Engagement	Our Initiatives and Responses
 Shareholders & Investors	• Higher financial returns • Industry conditions • Market presence • Profitability • Transparency & corporate governance	• Announcements on SGXNet • Annual General Meeting • Investor road shows • Analyst meetings • Electronic communications through investor relations • Annual reports	• Regular and timely updates via announcements and press releases as and when required • Ensure sustainable business growth
 Government & Regulators	• Regulatory compliance • Occupational health & safety • Environmental issues • Social issues	• Meetings • Electronic communications	• Ensure compliance with applicable laws • Meetings with relevant authorities on an as necessary basis

FOCUS AREA & MATERIALITY ASSESSMENT FRAMEWORK

To better align our efforts with our long-term strategy, we have identified four Focus Areas with relevant and material ESG factors, using our material assessment framework. The material ESG factors, which may have a group-wide impact have also been reviewed and approved by our Sustainability Committee and our Board.

As part of the GRI Standards disclosures, Nico Steel has adopted the recommended approach of the four reporting principles, namely stakeholder inclusiveness, sustainability context, its materiality and completeness when determining material, strategic and reporting issues. Below shows the most relevant concerns for Nico Steel that were identified in the internal materiality analysis. As we plan to engage a wider group of stakeholders (as we grow in maturity in our sustainability report) to better understand their materiality concerns, this list of material topics may in the future to include issues which we have not previously considered.



COMMITMENT AND DISCLOSURE OF KEY PERFORMANCE INDICATORS (“KPIs”)

All data in the SR was extracted from internal documents and/or records. This SR is yet to specifically evaluate performance against established targets, the Group is committed to setting target and goals for future reporting.

Where any data is inadequate or not available for presentation, we have included an explanatory note. The Group hopes to establish and implement data tracking and gathering mechanisms to improve SR going forward. The following baselines were put in place to commit to certain targets using key performance indicators.

Performance Indicators	Commitment (Target)	KPIs
Economic Performance	• Grow profits and improve cash flow	• Revenue • Operating costs • Profit after tax • Sustainable Dividend
Energy Consumption	• Ideally reduce electricity consumption to improve resource efficiency	• Electricity Consumption
Water Conservation	• Maintain & ideally reduce water consumption and encourage use of treated/recycled water	• Water consumption
Waste Management	• Encourage more use of recycled materials	• Recycling rate of waste
Occupational Health & Safety	• Zero work-related incidences and drive continuous improvement in our Occupational Health and Safety performance	• Work-related fatalities • Injury rate • Lost day rate • Absentee rate
Employee	• Improve employees' competencies	• Programs implemented • Training hours per staff • Amount spent per employee
Customer Health & Safety	• Ensure legal compliance in all areas of operations; ethical dealings in business conduct and practices	• Reduce non-compliant incidents with regulations and/or voluntary codes
Socio-economic Compliance	• No incidents of non-compliance, and uphold high standards of ethical business conduct and practices	• Reduce significant fines and non-monetary sanctions for non-compliance with laws and/or regulations

TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE ("TCFD")

We understand that global climate change encompasses various interconnected effects. It poses significant challenges and risks to the environment, biodiversity, human societies, and economies worldwide. Thus, we truly know that mitigating and adapting to global climate change is crucial for the sustainability and well-being of present and future generations. In 2023's Sustainability Report, Nico Steel provides climate-related disclosures based on recommendations from the TCFD.

The TCFD has defined a couple of core elements as a guide on the climate disclosure as follows:

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Source: Taskforce Climate-Related Disclosure, 2017

Governance

The board oversees the identification and management of risks and opportunities relating to climate-related issues that are material to the business.

The following chart has described the overall process and responsibilities of the Management in assessing and addressing climate change risks and opportunities:



TASK FORCE ON CLIMATE-RELATED FINANCIAL DISCLOSURE ("TCFD")

Strategy & Risk Management

According to the TCFD Recommendations, there are two main risks associated with climate change namely physical risk and transition risk. Nico Steel identified a number of climate-related risks and opportunities with potential impacts as depicted in the following table:

Risk	Potential Impact	Opportunities	Strategies to Address or Realise the Risk
Physical Risk (Acute)			
Extreme Weather (i.e. Flood, droughts and typhoons) - Disrupt activities in operational areas - Damaged of assets	- Rise in the cost of Raw Materials, leading to a reduction in profit margin. - Affect the production outcome leading to late delivery, bad reputation, and loss of sales. - Increase the cost of maintenance for damaged assets.	Not Applicable	- Emergency response preparedness. - Assets (e.g., buildings, machinery and equipment, inventories, etc) are protected by comprehensive insurance. - Continuous searching and expanding vendor pools.
Physical Risk (Chronic)			
Rising global temperatures and heatwaves Increased health and safety risks for workers at our manufacturing facilities.	- Increase in operating costs on facility upgrade (i.e. cooling system) and medical compensation. - Decrease in revenue due to decreased efficiency from the well-being of the workforce.	Not Applicable	Proper ventilation and cooling systems are in place throughout the manufacturing facility, especially in areas where workers are exposed to high temperatures.
Transition Risk			
Legal & Policy New regulations or tightening of regulations on reducing carbon footprint.	Increase in operational costs or capital expenditure as may require significant investment in new technologies, infrastructures, and energy efficiency measures.	Change of customer preference to an eco-friendlier product.	Continuous develop and adopt environment and climate-related policy (e.g., "SCS Recycled Content" certification).

Metrics and Targets

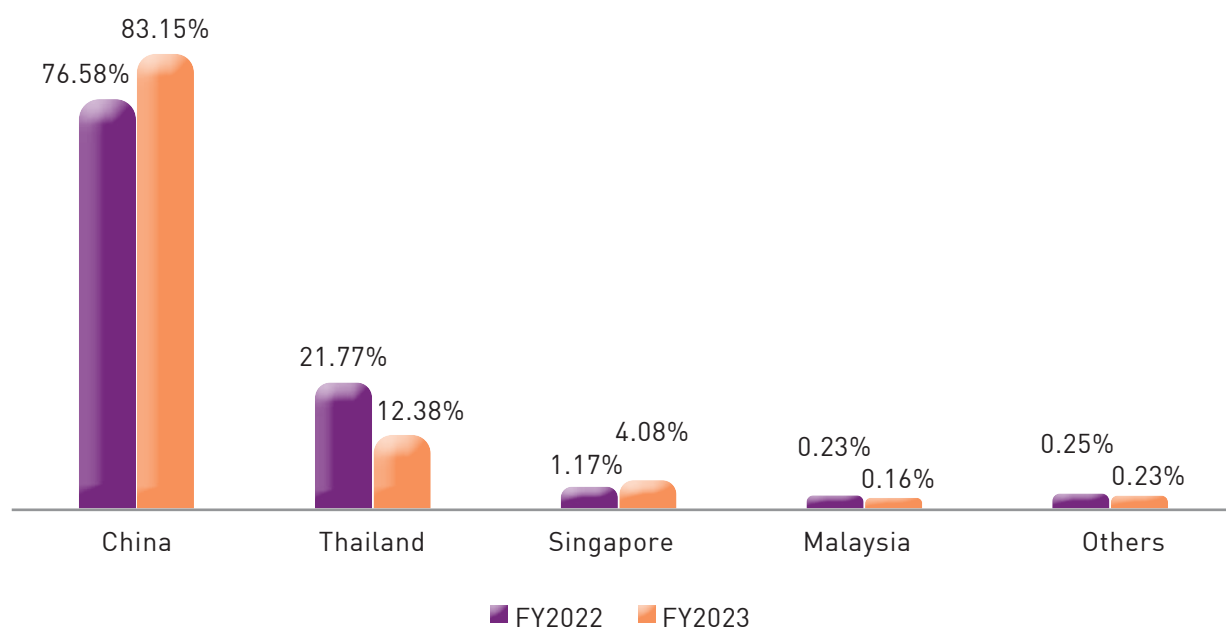
In FY2023, Nico Steel has assessed the climate risks and opportunities based on TCFD reporting recommendation in Practice Note 7.6 of the Sustainability Reporting Guide. As this is the first year of Nico Steel disclosing the climate change information as a TCFD report, we have not yet established a specific target as this year marks the first year we are gathering the emissions data, which will serve as a benchmark for determining future reporting targets.

ECONOMIC PERFORMANCE

The Group continued to drive its business focusing on higher value-add services and customised metallurgical solutions with its range of proprietary NICO brand of metal alloys and material to overcome limitations, and achieve functional and high-performance applications, of its customers' end-user products. The key revenue contributor to the Group in FY2023 is China (US\$14.0 million) and Thailand (US\$2.0 million), representing 83.2% and 12.4% of the Group's total revenue respectively. As compared to FY2022, the revenue for Singapore increased by US\$0.4 million, primarily attributed to the acquisition of a new project. The financial performance in the China and Thailand region declined due to market disruptions and decreased demand resulting from several factors.

SUMMARY OF ECONOMIC PERFORMANCE	FY2022	FY2023	+/- (%)
Revenue (US\$'000)	20,882	16,419	(21.4%)
Profit After Tax (US\$'000)	330	91	(72.5%)
Earnings per Share on a Fully Diluted Basis (US cents)	0.01	0.00	(98.2%)
Net Asset Value per Share (US cents)	0.3	0.3	No Change
Dividend Paid	Nil	Nil	Nil

Analysis of Group's Revenue by Geographical Regions



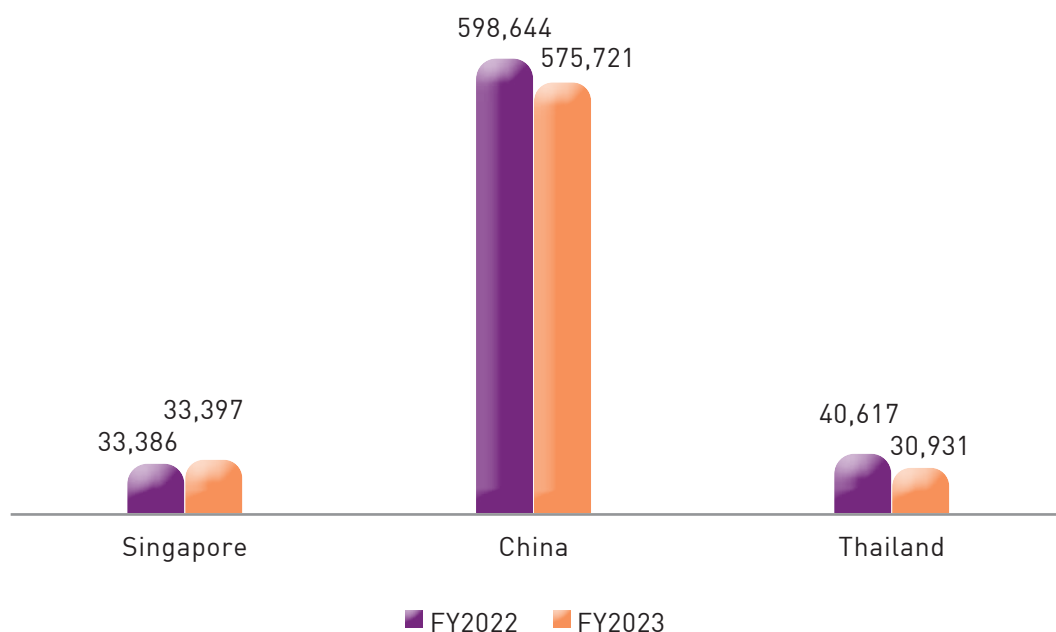
For full information on our economic performance, please refer to pages 09 to 11 of our financial statement in AR2023.

ELECTRICITY CONSUMPTION

Efficient energy management can significantly reduce business operating costs, carbon emissions and negative impacts on the environment thus we strive to reduce the impact of our business operations on the environment. In FY2023, the Group's total electricity consumption reached 640,049 Kilowatt Hours ("KWh"). Compared to FY2022, there was a 4.8% decrease in overall electricity consumption, primarily driven by reduced usage of 22,923 KWh in China and 9,686 KWh in Thailand. The decrease in electricity consumption in these regions is primarily a result of reduced business operations stemming from the decline in revenue in the China and Thailand region.

SUMMARY OF ELECTRICITY CONSUMPTION	FY2022	FY2023
Total Electricity Used (KWh)		
Singapore	33,386	33,397
China	598,644	575,721
Thailand	40,617	30,931

Analysis of Group's Electricity Consumption by Geographical Regions



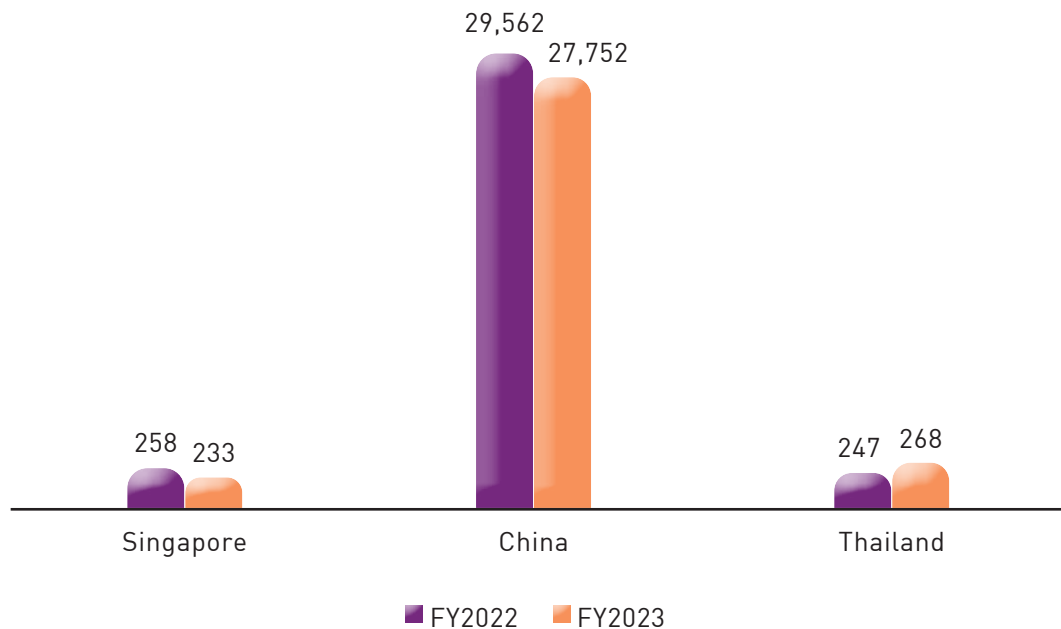
WATER RESOURCE MANAGEMENT

Water Conservation

Nico Steel realises that water is one of the most important resources in all aspects of life and business. As a result, water management is crucial in ensuring the sustainable use of resources and keeping our business running. The Group has made a commitment to practice responsible water sourcing and usage, acknowledging the significance of reducing its water consumption and taking proactive steps to accomplish this objective. In FY2023, our total water consumption amounted to 28,253m³, reflecting a 6.0% decrease compared to FY2022. The decline in water consumption in the China Region is primarily a result of reduced business operations stemming from the decline in revenue.

SUMMARY OF WATER CONSUMPTION	FY2022	FY2023
Total Water Used (m³)		
Singapore	258	233
China	29,562	27,752
Thailand	247	268

Analysis of Water Consumption by Geographical Regions



WATER RESOURCE MANAGEMENT

Water Discharge

Water used as part of our production process is principally discharged via public sewage systems in the countries in which we operate. All wastewater is mostly discharged through a defined discharge point into the local sewer. Since 31 January 2019, our electroplating production facilities in China had started using customized in-house wastewater treatment and water recycling systems to recycle a portion of our wastewater and allowing us to reuse it in our production processes. This measure helps to minimize the amount of wastewater being discharged and reduce the associated fees.

In China, any unlawful discharge into the public sewage system will result in significant monetary fines. During FY2023, the Group has maintained a continuous record of no reportable incident of any penalty for unlawful discharge of wastewater.



WASTE AND EFFLUENT

Waste contributes to climate change, pollutes the environment, and creates conditions for disease to thrive. The waste generated at our manufacturing plants included scrap metal in addition to wastewater used during the production and electroplating processes. All waste produced is disposed by our respective manufacturing plants in accordance with the prevailing laws and regulations, and disposed through approved recycling centres, landfills, or incineration plants. In the case of scrap metal, we engage specialist contractors to dispose of the same.

We understand the importance of promoting responsible production and consumption of resources in managing waste and deploying the concepts of waste prevention and recycling. 12 tonnes of non-hazardous waste generated by our subsidiaries in China was recycled in the production which includes pallets, wastepaper core and waste film. In FY2023, the total waste generated from our manufacturing plant amounted to 24.2 tonnes, reflecting a 31% decrease compared to FY2022. The decline in waste generated is primarily a result of reduced business operations stemming from the decline in revenue.

Analysis of Waste by Geographical Regions						
Disposal Method		Reuse (kg)	Recycling (kg)	On-Site Storage (kg)	Incineration (kg)	Total (kg)
Region						
Singapore	Hazardous	–	–	–	–	–
	Non-Hazardous	–	–	2,160	–	2,160
China	Hazardous	–	–	–	–	–
	Non-Hazardous	–	12,000	–	5,000	17,000
Thailand	Hazardous	–	–	–	–	–
	Non-Hazardous	–	–	5,040	–	5,040
Group	Hazardous	–	–	–	–	–
	Non-Hazardous	–	12,000	7,200	5,000	24,200



HEALTH & SAFETY

Safeguarding the health and safety of employees is a top priority at Nico Steel. We remain committed to maintaining a safe and productive environment, free from harassment in which all individuals are treated with respect and dignity. The Group is committed to providing a safe working environment for its employees and products which are safe for its customers. Across the Group, we have obtained ISO 9001:2015 certifications for our China, Thailand, and Singapore operational subsidiaries. Each of the Group's facilities complies fully with all local occupational health and safety (OSH) regulations and no breaches have been identified in FY2023.

Meanwhile, the Group has provided necessary personal protective equipment ("PPE") such as uniforms, safety shoes, helmets, gloves, masks, earplugs, etc. Aside from providing fire and emergency drills, the Group has also conducted regular safety education mainly for front-line operators.

During FY2023, the Group strives to maintain zero work-related incidences and drive continuous improvement in our Occupational Health and Safety performance.



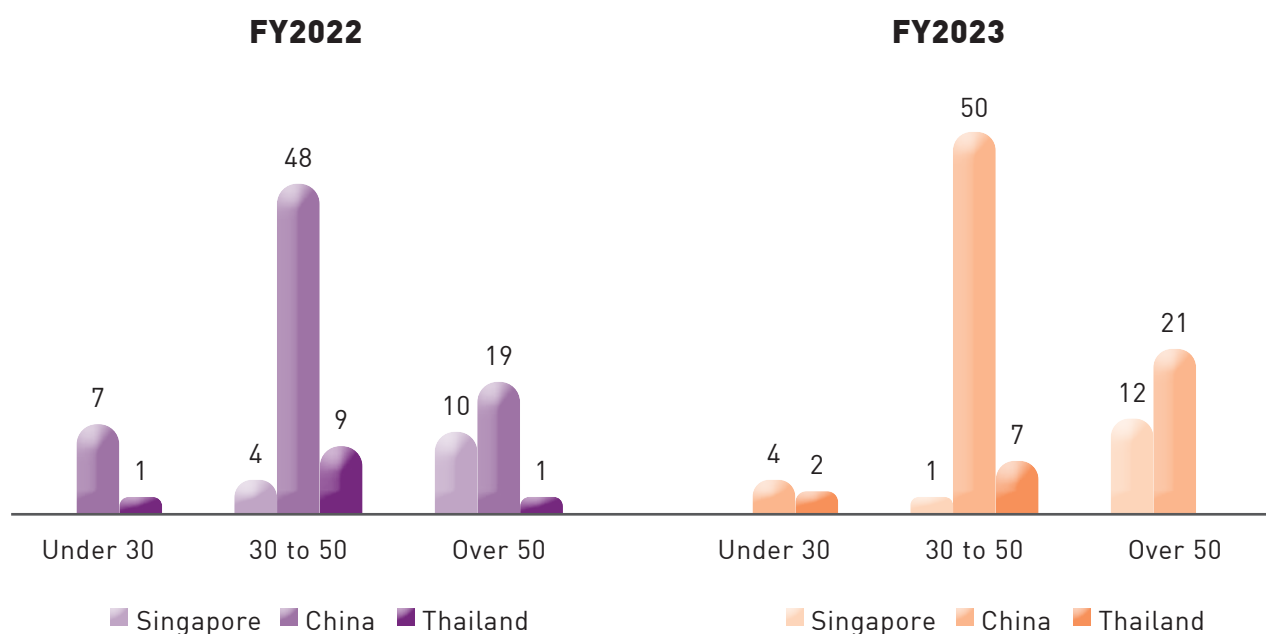
EMPLOYEE ENGAGEMENT & TURNOVER

Profile of Our Workforce

As on 28 February 2023, we currently employed a total of 97 employees which is a slight change compared to FY2022. There were 56 male employees and 41 female employees. Nico Steel employs a diverse mix of employees, with gender and age distribution. Several indicators of employment, hiring rate and turnover rate are shown below. No daily rated employee was hired in FY2023.

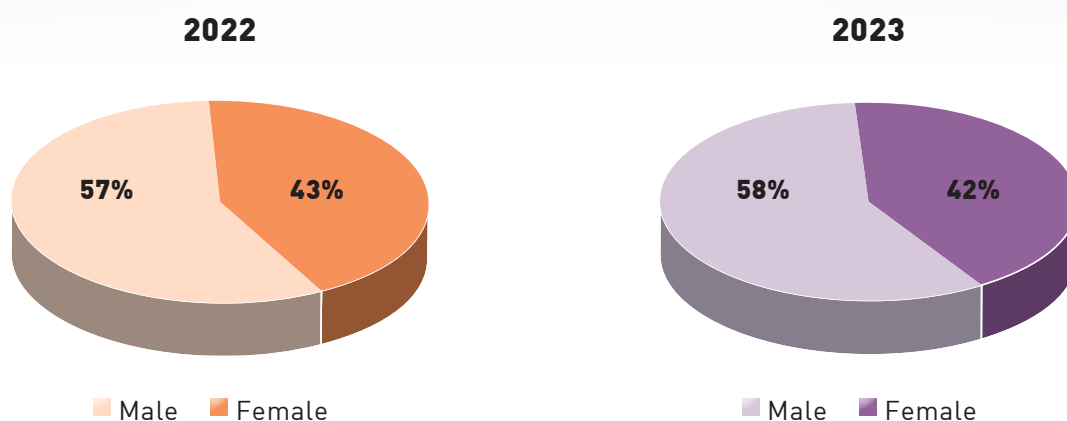
SUMMARY OF EMPLOYEES INFORMATION	FY2022	FY2023
Number of employees	99	97
Number of full time employees	99	97
Number of male employees	56	56
Number of female employees	43	41
Number of fatal accidents	Nil	Nil

No. of Employees by Age Breakdown

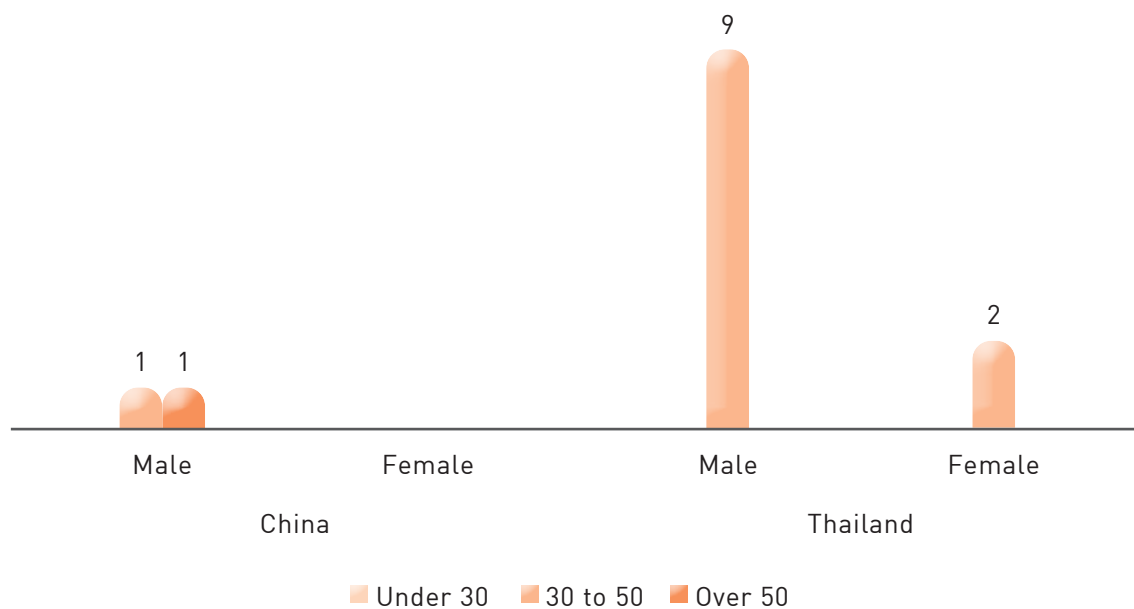


EMPLOYEE **ENGAGEMENT** & **TURNOVER**

Percentage of Employees by Gender



Turnover by Age Group, Gender and Region in FY2023



Note: Singapore has not reported turnover for FY2023.

EMPLOYEE ENGAGEMENT & **TURNOVER**

Diversity and Equality

We believe upholding human rights is vital to conducting business ethically thus we work hard to stay updated on developments in acceptable standards of human rights and creation of a safe and fair workplace.

In FY2023, the Group has a total of 97 employees, 42% of whom are female and 58% are male. There were no incidents of non-compliance relating to discrimination, forced labour, child labour or freedom of association. The Group will continue to devise measures to retain talents and create the sense of belonging of employees.

Training and Education

We recognise that our employees are key stakeholders, thus Nico Steel offers a range of benefits to its employees, which varies by region and includes some or all of the following – health care, parental leave, allowances and disability coverage. The Group intends to deepen our engagement with our employees, and will be monitoring and reporting on staff turnover, with the aim of improving and reducing staff turnover.

Moreover, the Group believes that employee's knowledge and skills are critical in achieving overall success for the Group. To demonstrate our commitment to our workforce, we have provided employees with a series of learning opportunity, and structured training to equip our employees with the skills and knowledge required for the business.

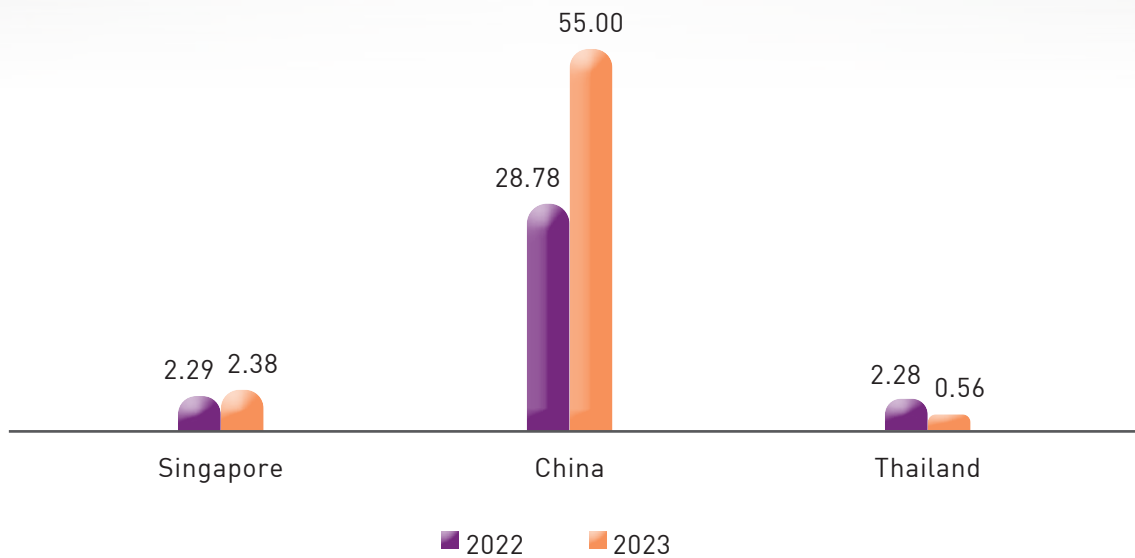
We have organised both in-house and external training such as safe, skills, forklift, and crane. The external training is mainly for special positions, such as crane, forklift, safety officer, equipment manager, electrician, etc. For Internal training is mainly for safety, departmental skills, company procedures, system training. All employees of the Group receive regular feedback on their performance and development through appraisal.

The following data has demonstrated the continuous effort of Nico Steel in developing and improving our training and employee development. In FY2023, training provided a great increase from 2,187 hours in FY2022 to 4,161 hours in FY2023. The Group spent an average of 42.09 hours training our employees compared to 22.09 hours in FY2022.

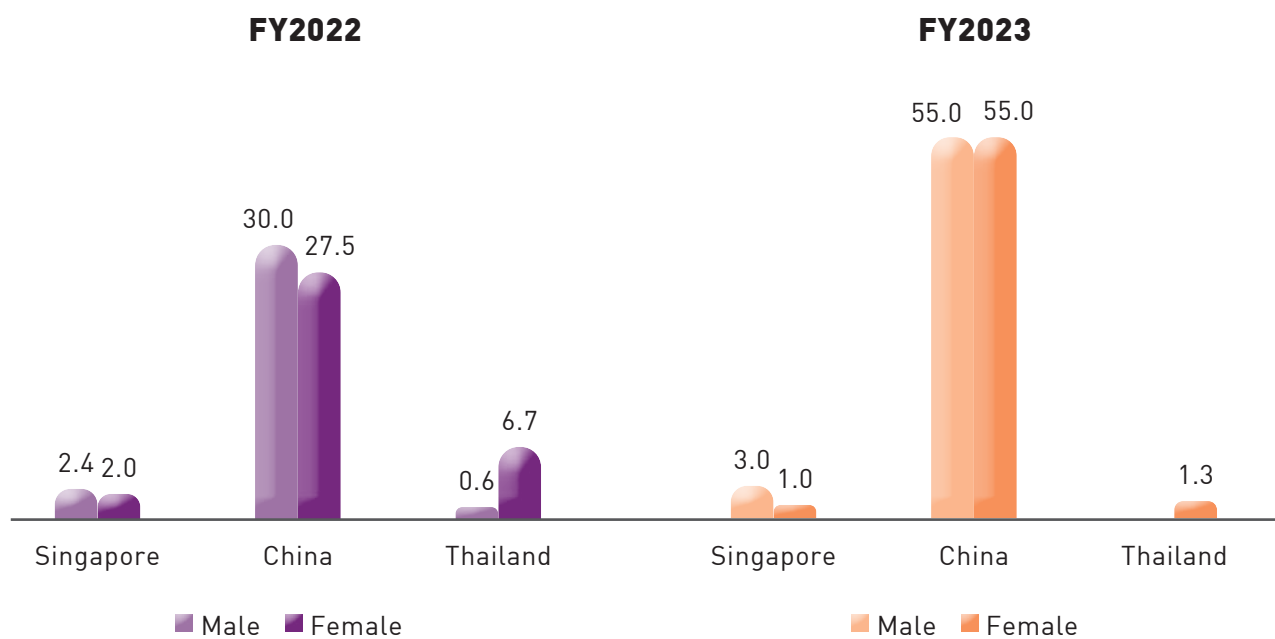
AVERAGE TRAINING TIME PER EMPLOYEE (HOUR)	FY2022	FY2023
Group including of Singapore, China and Thailand	22.09	42.90

EMPLOYEE ENGAGEMENT & TURNOVER

Average Training Hours per Employee by Geography



Average Training Hours by Gender and Geography



NON-COMPLIANCE WITH ENVIRONMENT LAWS AND/OR REGULATIONS

As the world shifts toward the transition to net zero, Nico Steel has always taken care of the environment is at the heart of what we do. In FY2023, Nico Steel has not come across with any non-compliance with environment laws and regulations issue.

We are delighted to announce that on 16th May 2023, one of our subsidiaries operating in the China Region successfully achieved certification in accordance with ISO 14001:2015. This esteemed international standard offers a comprehensive and structured approach to environmental management, empowering organizations to effectively mitigate their environmental impact, uphold legal obligations and demonstrate their resolute dedication to sustainability.

SOCIOECONOMIC

The Group continuously reviews our operations to ensure compliance with regulatory developments, reducing our exposure to regulatory uncertainty that would affect business prospects. In FY 2023, there is no other fines and penalties due to socioeconomic non-compliance.

INDIRECT ECONOMIC IMPACTS

The Group's operations have contributed to the economies of the countries in which it operates. The Group is a part of the community in the places in it operates, and has created employment, up-skilled local workforces through training and on-the-job experience and contributed to tax revenues.

SUPPLY CHAIN AND PROCUREMENT POLICY

The Group recognises the crucial role that its suppliers play in achieving its overall success. We are dependent on our suppliers, and it is in the Group's interest that our suppliers are successful, whilst supplying quality components at acceptable price points as quality inspection has been adopted to assess the new suppliers.

LOCAL SUPPLIERS

The Group strives to keep its supply chains short and local. However, most of the components used in the Group's products, notably steel plates are sourced from large multi-national corporations and so it is not always possible to source locally. Furthermore, the need to remain competitive may lead to the sourcing of components from the most cost-effective suppliers, which may be located offshore.

CERTIFICATE & ACHIEVEMENT

As part of our unwavering dedication to sustainability and environmental responsibility, the Group remains steadfast in its commitment to maintaining the prestigious “SCS Recycled Content” certification for our stainless steel, aluminium and copper alloy products. This certification has been continuously awarded to our subsidiaries based in China by SGS Global Services (“SCS”). This ongoing recognition reaffirms our dedication to incorporating recycled content into our products and highlights our commitment to promoting a circular economy and minimizing resource consumption. The details of our certified products are summarized as below:

Product Name	Certification No.	Pre-Consumer Recycled Content	Validity Period
Aluminum Alloy			
A5052 NICOR80/A1060 NICOR80	SCS-RC-06551	80%	7 Dec 2022 to 6 Dec 2023
NICOAL50 R80	SCS-RC-09017	80%	7 Dec 2022 to 6 Dec 2023
A5052 NICOR95 & A1060 NICOR95	SCS-RC-08534	95%	7 Dec 2022 to 6 Dec 2023
A1100 NICOR98	SCS-RC-08533	98%	7 Dec 2022 to 6 Dec 2023
Copper Alloy			
NICO CA2 R95	SCS-RC-07554	95%	7 Dec 2022 to 6 Dec 2023
Stainless Steel			
SUS304 NICOR90	SCS-RC-07307	90%	7 Dec 2022 to 6 Dec 2023
SUS304 NICOR98 & SUS301 NICOR98	SCS-RC-08535	98%	7 Dec 2022 to 6 Dec 2023
SUS304 GR & SUS301 GR	SCS-RC-09018	98%	7 Dec 2022 to 6 Dec 2023

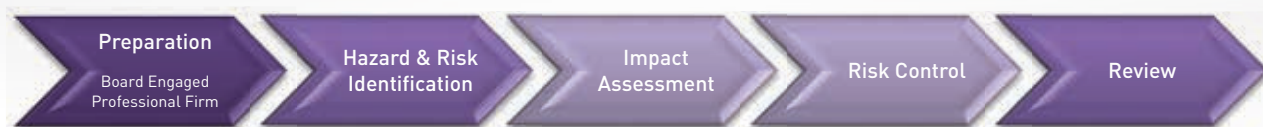
The significance of these achievements is underscored by new targets set by the European Union (“EU”)¹ under its “Waste Framework Directive” (“**EU Waste Directive**”) which mandates that a minimum of 55%, 60% and 65% by weight of all municipal waste (which definition includes electronic/technology-products) by 2025, 2030 and 2036, respectively, will have to be recycled or reused. This mandate to recycle or reuse will mean that importers of electronic/technology products that do not contain high levels of recycled steel or aluminium will find it challenging to import such products into the EU, as their recyclable and reusable content will not meet the minimum 55%, 60% and 65% recyclable or reusable requirement. In addition, in accordance with the Directive’s “End-of-waste” criteria, certain waste ceases to be waste and becomes a product or a secondary raw material if it meets the criteria set out in the regulation which forms part of the Directive. The Group’s recycled steel and aluminium products either fully comply or comply significantly with the Directive’s “End-of-waste” criteria, and when incorporated into electronic products, will enable importers of such products into the EU to comply with the minimum recyclable or reusable content in 2025.

Global brands like Apple, Amazon, Google, Microsoft, Dell, HP, Lenovo, Facebook, Samsung and Sony are all taking swift actions to ensure compliance with the new targets by incorporating the required amount of recycled content into their products. The official certifications by SCS of NICO’s stainless steel and other alloys serve as the standard document used by renown brands to demonstrate compliance with the Directive, and which will allow them to export their products manufactured outside of the EU into the EU markets after 2025. The official certifications will also enable these global brands to claim carbon credit points.

¹ Directive 2008/98/EC of the European Parliament and of the Council of 19 November 2008 (amending and repealing certain Directives) version dated 5 July 2018, read with Commission Decision 2011/753/EU on rules and calculation methods for verifying compliance with targets and additional rules for calculation and verification and reporting of data on waste in Commission Decision (EU) 20019/1004.

GOVERNANCE DISCLOSURE

Risk Management and Internal Control



The Board has overall responsibility for the governance of risks, safeguarding shareholders' interests and the Group's assets. The Board has engaged the services of a professional firm for the Group's internal audit function in compliance with the Code of Corporate Governance and the Listing Rules.

The AC assists the Board in providing risk management oversight while the ownership of day-to-day management and monitoring of existing internal control systems are delegated to management which comprises the Executive Chairman & President, the Group Finance Manager and Head of each business division.

Based on the Group's internal controls put in place and the procedures established and maintained by the Group, as well as work and review performed by the external auditors, the management, various Board Committees and the Board, the Board with the concurrence of the AC is of the view that the Group's risk management systems and internal control systems in place are adequate and effective in addressing financial, operational, compliance and information technology risks.

Further information on our risk management and internal controls can be found on pages 33 to 39 in the Report on Corporate Governance as set out in AR2023.

Customer Privacy

The Group has not identified any substantiated complaints concerning breaches of customer privacy during FY2023. The Group has identified an in-house designated Data Protection Officer to initiate the process of overseeing customer data collection in Singapore.

Whistle-Blowing

The Group has in place a Whistle-Blowing policy which provides a channel for our employees to raise concerns they may have about potential or actual improprieties directly to Lead Independent Director. The Group protects whistle-blowers from any form of retaliation, harassment or other discriminatory. There were no reportable incidents of whistle blowing in FY2023.

GOVERNANCE **DISCLOSURE**

Anti-Bribery and Corruption Policy

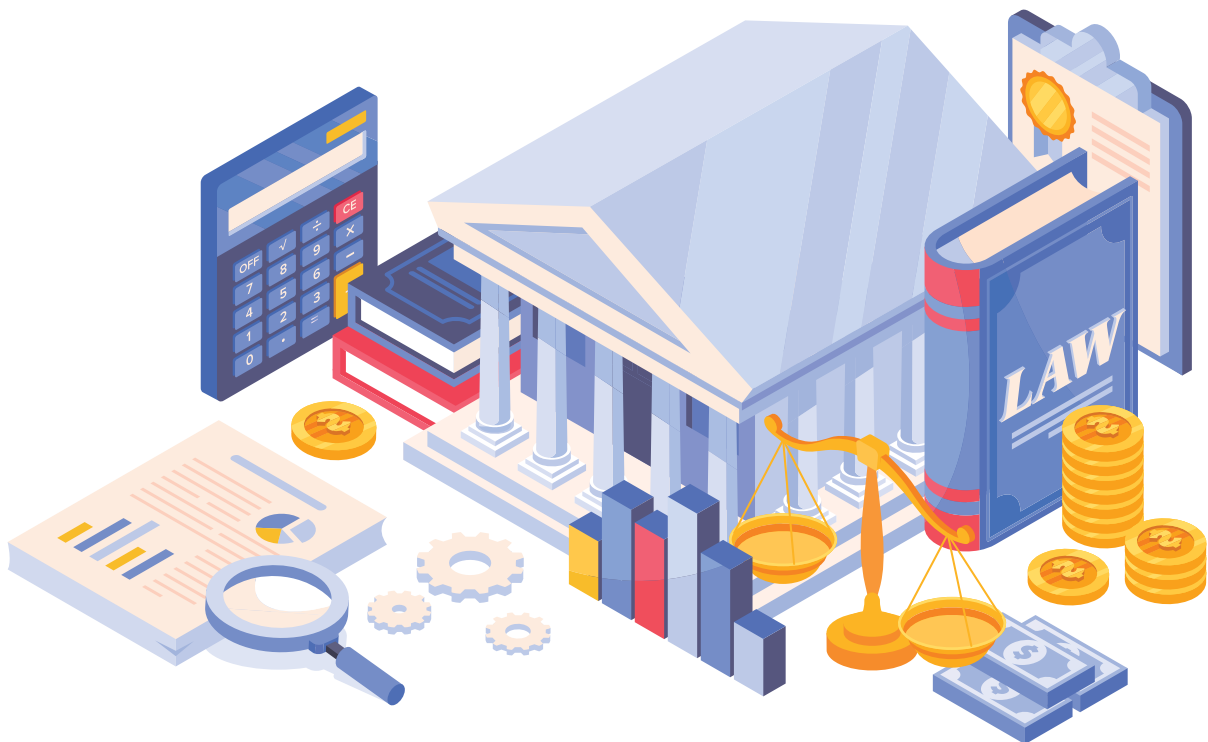
FY2023 Target Achieved



Zero cases of corruption, fraud or non-compliance reported with all applicable laws and regulations

Nico Steel has zero tolerance to bribery and corruption, and all employees are expected to uphold the highest standards of professional conduct. At Nico Steel, we value integrity and honesty highly such as in order to raise awareness of corruption or fraud related matters, clearly defined internally requirement in the Employee Handbook, agreements are signed with external parties and onboarding training will be provided for every new staff.

There were no reportable incidents of any employee engaging in bribery or corruption in FY2023. No monetary incentive or equivalent was provided to any politically exposed person or political parties to secure any contract.



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GRI 102: General Disclosures	ORGANISATIONAL PROFILE			
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	102-2	Activities, brands, products, and services	Corporate Profile	4-5
	102-3	Location of headquarters	Corporate Profile	4-5
	102-4	Location of operations	Corporate Profile	4-5
	102-5	Ownership and legal form	Public Listed Company (Limited by Share Capital)	–
	102-6	Markets served	Corporate Profile	4-5
	102-7	Scale of the organisation	Economic Performance	13
			Employee Engagement & Turnover	19-22
	102-8	Information on employees and other workers	Employee Engagement & Turnover	19-22
	102-9	Supply chain	Engaging Our Stakeholders	7-8
			Supply Chain And Procurement Policy	23
	102-10	Significant change to the organisation and its supply chain	Not Applicable	–
	102-11	Precautionary Principle or approach	Governance Disclosure	25-26
	102-12	External initiatives	NIL	–
	102-13	Membership of associations	Member of Singapore Business Federation	–
	STRATEGY			
	102-14	Statement from senior decision-maker	Board Statement	3
	INTERGRITY			
	102-16	Values, principles, standards, and norms of behaviour	Corporate Profile	4-5
	102-17	Mechanisms for advice and concerns about ethics	Governance Disclosure	25-26
	GOVERNANCE			
	102-18	Governance structure	Sustainability Committee	6
	STAKEHOLDER ENGAGEMENT			
	102-40	List of stakeholder groups	Engaging Our Stakeholders	7-8
	102-41	Collective bargaining agreements	Not Applicable. (No collective bargaining agreements.)	–
	102-42	Identifying and selecting stakeholders	Engaging Our Stakeholders	7-8
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	102-46	Defining report content and topic Boundaries	Engaging Our Stakeholders	7-8
	102-47	List of material topics	Focus Area	9
			Materiality Assessment Framework	9
	102-48	Restatements of information	Not Applicable.	–
	102-49	Changes in reporting	Not Applicable.	–
	102-50	Reporting period	About This Report	2
	102-51	Date of most recent report	Nico Steel's 2022 Sustainability Report	–
	102-52	Reporting cycle	Annual	–
	102-53	Contact point for questions regarding the report	About This Report	2
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GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Materiality Assessment Framework	9
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	103-3	Evaluation of the management approach	Commitment And Disclosure Of Key Performance Indicator ("KPIs")	10
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	205-3	Confirmed incidents of corruption and actions taken	Governance Disclosure	25-26
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GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Employee Engagement & Turnover	19-21
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b	Explain the impact of climate-related risks and opportunities on an organization's business, strategy and financial planning	12
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b	Disclose Scope 1, Scope 2, and, where appropriate, Scope 3 greenhouse gases (GHG) and related risks	12
c	Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets	12



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