

# CREATING VALUE

## SUSTAINABILITY REPORT 2022

## Content Page

<b>1. Board Statement .....</b>	<b>3</b>
<b>2. About this Report.....</b>	<b>4</b>
2.1. Reporting Scope and Period .....	4
2.2. Framework.....	4
2.3. Feedback .....	4
<b>3. Sustainability Governance .....</b>	<b>5</b>
3.1. Sustainability Strategy.....	5
3.2. Sustainability Governance Structure.....	5
3.3. Stakeholder Engagement .....	6
<b>4. Materiality Assessment .....</b>	<b>7</b>
4.1. Overview of Material Factors.....	8
4.2. Environmental .....	9
4.2.1. Energy and Emissions.....	9
4.3. Economic .....	11
4.3.1. Economic Performance .....	11
4.4. Social .....	11
4.4.1. Talent Attraction and Retention .....	11
4.4.2. Diversity and Equal Opportunities .....	13
4.4.3. Training and Education .....	14
4.4.4. Occupational Health and Safety.....	16
4.4.5. Customer Health and Safety .....	17
4.4.6. Supplier Assessment .....	17
4.4.7. Compliance with Laws and Regulations.....	18
4.4.8. Environmental Compliance .....	18
4.4.9. Cyber security.....	19
4.5. Governance.....	20
4.5.1. Anti-corruption .....	20
4.5.2. Corporate Governance.....	21
<b>5. TCFD Content Index .....</b>	<b>22</b>
<b>6. GRI Content Index .....</b>	<b>24</b>

## 1. Board Statement

We are pleased to present our sixth Sustainability Report for the financial year ended 31 December 2022 ("FY2022"). In FY2022, ASTI emerged stronger with a profit of SGD 3 million attributable to our strong revenue performance and cost management measures.

On 6 June 2022, the SGX-ST had directed the Company to be delisted, and trading in the Company's shares were suspended from 5 July 2022 until the completion of an exit offer. The Company's positive performance in FY2022 puts it in a stronger position to secure a fair and reasonable exit offer for shareholders as part of its directed delisting. This remains the Board's immediate priority, and it is currently in discussions with a potential investor for a potential exit offer.

While the COVID-19 pandemic subsided, we continue to face challenges posed by political tensions, inflation, escalating interest rates, rising business costs and also the ongoing threat - climate change. We are conscious of our responsibilities as a corporate citizen and recognize the importance of our contribution towards climate and the environment we operate in.

This report details our efforts and the challenges we are faced with in meeting our sustainability goals and targets during FY2022. The report details our approach, practices, and performance around the material factors we have identified.

We endeavour to consider sustainability in all our strategic decisions and will continue to engage our stakeholders and monitor the environment, social and governance ("ESG") factors that are material to the continuity of our business. We seek your support as we continue this sustainable journey to pivot our business and emerge stronger.

## 2. About this Report

### 2.1. Reporting Scope and Period

This report, published annually, covers the company's policies, practices, initiatives, performance, and goals in relation to material Environmental, Social and Governance ("ESG") factors for the period of 1 January to 31 December 2022 and includes data and information from said period relating to ASTI, its subsidiaries and their services and products.

Our operations are located in Southeast Asia, Greater China, the United States of America, and the United Kingdom. As at the date of this report, Telford Industries Pte Ltd ("Telford") continues to have the highest impact on sustainability amongst ASTI other businesses. The focus of this report is on Telford business in Philippines instead of Telford Singapore as the majority of Telford operations are now based off the Philippines office ("Telford Philippines"). Prior year statistics of Telford Philippines operations are included in this report for comparison.

### 2.2. Framework

This report is written in compliance with the requirements of SGX-ST Listing Rules 711A and 711B and has been prepared **with reference** to the Global Reporting Initiative ("GRI") Standards 2021. Further details regarding the respective GRI Standards disclosures selected can be found in the **GRI Content Index** provided at the end of this report.

Additionally, we adopt a phased approach as we continue our efforts in managing climate related risks. This report includes ASTI's climate-related disclosures according to the recommendation of the Task Force on Climate-related Financial Disclosures ("TCFD") based on our efforts to date. Further details regarding the alignment of ASTI's climate-related disclosures with the respective TCFD recommendations can be found in the **TCFD Content Index** provided at the end of this report.

We have reviewed SGX Core ESG Metrics and included the metrics relating to the material topics identified wherever relevant.

### 2.3. Feedback

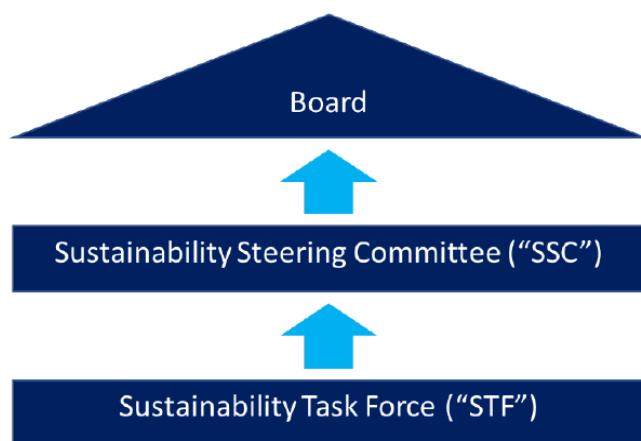
For any enquires, comments or feedback regarding both our sustainability performance and report, please send them to [enquiries@astigp.com](mailto:enquiries@astigp.com).

### 3. Sustainability Governance

#### 3.1. Sustainability Strategy

The Board and Management recognizes the importance and the growing expectations on sustainability and strive to consider sustainability in the strategic decisions we make as well as the day-to-day operations of the business amidst the challenges we face.

#### 3.2. Sustainability Governance Structure



##### Board of Directors (the "Board")

The Board oversees the sustainability performance of ASTI, with support from the Sustainability Steering Committee ("SSC"). Sustainability related matters are considered by the Board as it reviews the strategic plans for ASTI in the longer term.

##### Sustainability Steering Committee ("SSC")

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

The SSC is led by Acting CEO and CFO and supported by Senior Management of ASTI (including Telford). They provide advice and assistance to the Board in ensuring that policies and procedures related to ESG issues are aligned with ASTI's business strategy.

##### Sustainability Task Force ("STF")

The SSC is supported by the STF, which is responsible for driving sustainability initiatives and programmes across ASTI. STF comprises of management personnel involved in various divisions including Finance and Information Technology.

### 3.3. Stakeholder Engagement

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

Our approach to stakeholder engagement is as follows:

Key Stakeholders	Key Topics of Concern	Mode of Engagement	Frequency of Engagement
Investors and Shareholders	<ul style="list-style-type: none"> <li>Financial Results</li> <li>Business performance and outlook</li> <li>Corporate governance</li> </ul>	Media releases	Ad-hoc
		SGX's announcements	Semi-Annually
		Annual general meeting ("AGM") for Shareholders	Annually
		Annual report	Annually
Employees	<ul style="list-style-type: none"> <li>Career development</li> <li>Employee engagement</li> <li>Staff bonding</li> <li>Health and safety</li> </ul>	Company handbook	Employees are briefed on the handbook during on boarding. Softcopy of handbook is available on a hard disk drive for employees when requested. An acknowledgement form is signed when employees read the handbook.
		New employee orientation	First week of work
		Trainings	Employees are given an average of 36 training hours per year depending on job requirements
		Whistle blowing policy	Ad-hoc
Customers	<ul style="list-style-type: none"> <li>Customer satisfaction</li> <li>Quality of facilities and services</li> <li>Health and safety impacts on the environment and society</li> </ul>	On premise support and feedback	Daily, as and when required
		Customer satisfaction survey	Surveys conducted for feedback throughout the year
Suppliers	<ul style="list-style-type: none"> <li>Ability to make prompt payments</li> <li>Business performance and outlook</li> </ul>	Supplier selection process	Prior to supplier selection
		Supplier assessment	Annually
		Meeting with suppliers to discuss better ways of working	Annually

#### 4. Materiality Assessment

Annually, the Board conducts an exercise together with the SSC, to review the relevance of ASTI's material factors to identify any shift in priorities among stakeholders and examine any emerging areas of concern.

The material topics reported in FY2021 continue to reflect our business directions and remain our focus for our sustainability journey. As mentioned earlier, we have reviewed SGX Core ESG metrics and included the metrics relating to the material topics identified wherever relevant.

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



#### 4.1. Overview of Material Factors

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

	Material Factors	Relevant Topic-specific GRI Standards	Relevant UN SDGs
Environmental	Energy and Emissions	<b>GRI 302:</b> Energy 2016 <b>GRI 305:</b> Emissions 2016	      
	Economic Performance	<b>GRI 201:</b> Economic Performance 2016	 
Social	Talent Attraction and Retention	<b>GRI 102:</b> General Disclosure 2016 <b>GRI 401:</b> Employment 2016	 
	Training and Education	<b>GRI 404:</b> Training and Education 2016	 
	Occupational Health and Safety	<b>GRI 403:</b> Occupational Health and Safety 2018	  
	Customer Health and Safety	<b>GRI 416:</b> Customer Health and Safety 2016	
	Supplier Assessment	<b>GRI 414:</b> Supplier Social Assessment 2016	 
	Compliance with Laws and Regulations	<b>GRI 2-27:</b> Compliance with laws and regulations	
	Cyber security	<b>GRI 418:</b> Customer Privacy 2016	
	Diversity and Equal Opportunities	<b>GRI 102:</b> General Disclosures 2016 <b>GRI 405:</b> Diversity and Equal Opportunity 2016	  
Governance	Anti-corruption	<b>GRI 205:</b> Anti-corruption 2016	
	Corporate Governance		



## 4.2. Environmental

### 4.2.1. Energy and Emissions

A large portion of our operation costs are attributed to electricity usage in the manufacturing process. We recognise that an increase in electricity usage also leads to an increase in indirect greenhouse gas (“GHG”) emissions (Scope 2 emissions). As such, there is a focus on tracking both energy and emissions consumption and intensity.

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

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

### Management Approach

ASTI places great emphasis on improving energy and emissions performance through electricity reduction initiatives. At Telford Philippines, electricity consumption is closely monitored on a monthly basis to ensure maximum efficiency. In addition, on an annual basis and for all new joiners, training with reference to the Energy Efficiency and Conservation Act of Philippines is conducted.

### Performance Data

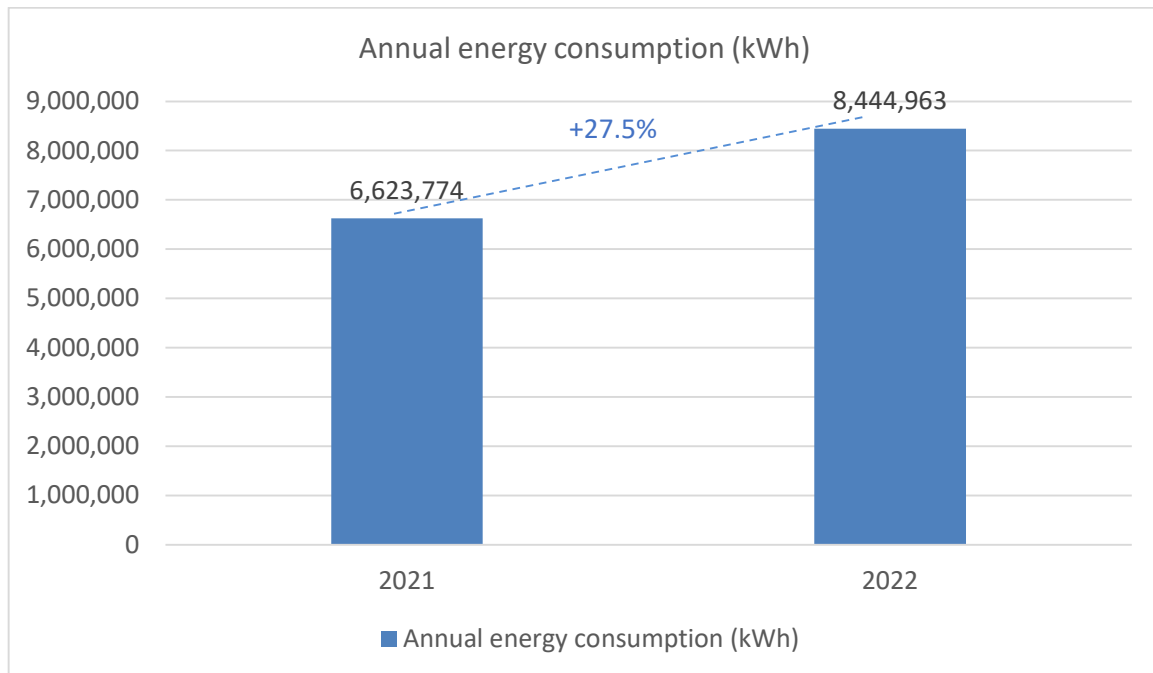
We were unable to meet our target to maintain energy consumption and GHG intensity within 10% of prior year’s levels. This is due to an increase in operational hours following the expansion of our business operations, thus leading to an overall 27.5% increase of electricity use from 6,623,774 kWh in FY2021 to 8,444,963 kWh in FY2022.

**Table 1: Energy and Emission data at Telford Philippines for FY2021 and FY2022.**

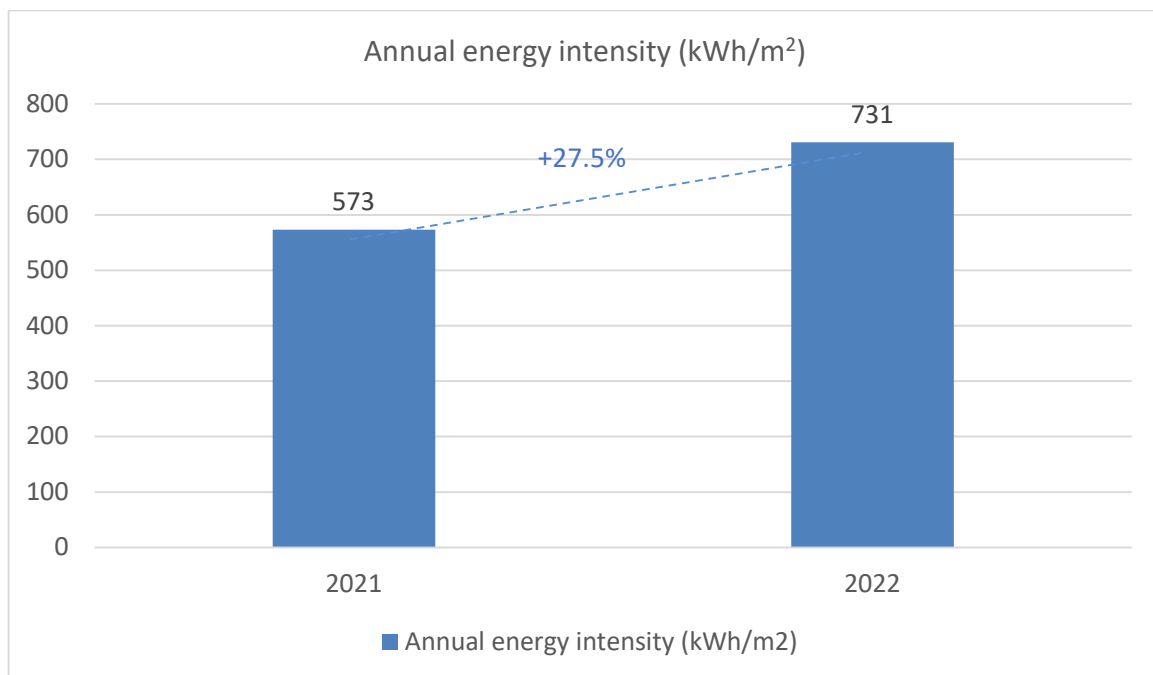
		Actual Performance		% Change from FY2021 to FY2022	FY2023 Target
		FY2021	FY2022		
Energy	Energy Consumption (kWh)	6,623,774	8,444,963	27.5%	Maintain energy and GHG intensity within 10% of FY2022’s levels.
	Energy Intensity kWh/m <sup>2</sup>	573	731	27.5%	
Emissions <sup>1</sup>	GHG Emissions – Scope 2 (tCO <sub>2</sub> e)	4,717,452	6,014,502	27.5%	
	GHG Emissions Intensity (tCO <sub>2</sub> e/m <sup>2</sup> )	408	520	27.5%	

<sup>1</sup> Scope 2 indirect GHG emissions from use of electricity is calculated using the latest available Simple Operating Margin (OM) Emission Factor (Luzon and Visayas Grid (0.7122tCO<sub>2</sub>e/kWh)) according to Philippines’ Department of Energy.

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



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



### Targets

We will continue to explore energy reduction initiatives and endeavour to maintain energy and GHG intensity within 10% of FY2022's levels as we continue to expand our operations in Telford Philippines.

#### 4.3. Economic

##### 4.3.1. Economic Performance

The Group achieved its target of profitability with a net profit after taxes of \$3.04 million. For the full year ended 31 December 2022, a revenue of \$67.0 million was recorded; an increase of \$12.7 million (23.4%) from \$54.3 million recorded in the previous corresponding year ended 31 December 2021. This is mainly due to higher revenue from our Tape & Reel packaging services contributed by Telford Philippines operations.

It is our belief that in order to deliver value for all our stakeholders, particularly our shareholders, we have to focus on achieving a strong financial position. We will continue to re-evaluate our business and to build resilience throughout our business operations for long-term sustainable growth.

Our unaudited financial performance for FY2022 can be found in our full year results announcement made on 23 February 2023.

#### 4.4. Social

##### 4.4.1. Talent Attraction and Retention

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

### **Management Approach**

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

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

We strive to promote a culture of continuous performance appraisal for all job grades, encouraging constructive and open communication between managers and their staff. We have also adapted through the usage of technology (e.g. zoom) to ascertain that transparent and open virtual communication channels remain accessible to all employees.

These initiatives provide clear insight to our employees to take ownership of their careers and progress with acquired skill sets. Our annual employee appraisals are based on the career development framework. We believe in instituting an engaging appraisal system where a discussion with employee is initiated on their personal development and long-term goals. Our full-time employees are provided with benefits which include health care insurance coverage and meal allowances.

## Performance Data

In FY2022, Telford Philippines expanded its headcount to support business operations, in anticipation of better business outlook for the year ahead. The numbers below provide a breakdown of the average annual rates of new employee hires and employee turnover, by gender.

As the COVID-19 situation stabilizes in Philippines, Telford Philippines saw a higher turnover than prior year with a significant number of employees moving to other cities / overseas for alternative employment.

Year	FY2021	FY2022
<b>New employees hired, during the year</b>	1220	2,213
By gender:		
▪ Female	1,052 (86%)	1,748 (79%)
▪ Male	168 (14%)	465 (21%)
<b>Total employees, by year end</b>	1,978	2,525
<b>Employee turnover, during the year</b>	796	1,666

## Targets

As Telford Philippines continues to expand operations, we will endeavour to maintain or lower the turnover rate lower than FY2022.

#### 4.4.2. Diversity and Equal Opportunities

##### Management Approach

Diversity and the provision of equal opportunity form the foundations of our human resource policies. These policies help us to conserve a transparent and inclusive environment for our employees and nurture job satisfaction. We do not discriminate during our recruitment process and ensure to adopt fair practices for all the deserving candidates, including persons with disabilities, and offer remuneration as per market standards. In addition, ASTI had established its Board Diversity Policy and continues to explore opportunities to provide greater board diversity.

##### Performance Data

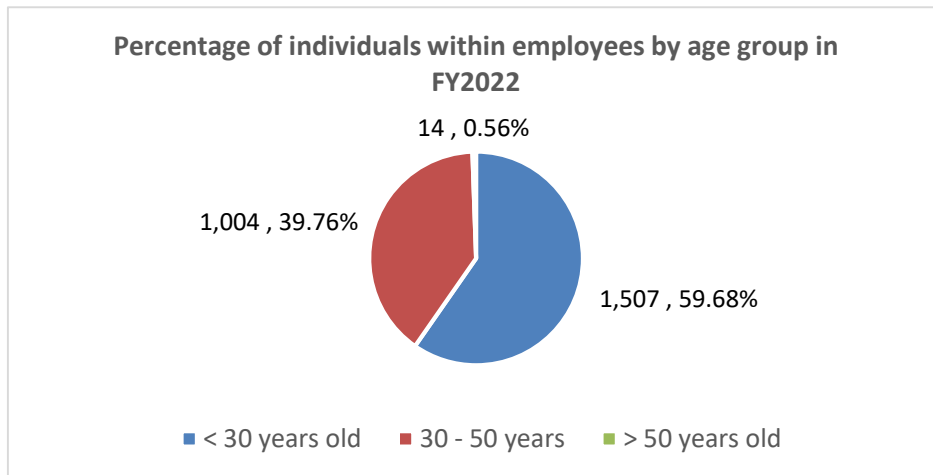
In FY2022, the expansion of headcount at Telford Philippines has resulted in an improvement in the balance of worker ratio for gender diversity. However, the balance across age groups has shifted slightly.

Year	FY2021	FY2022
<b>Total employees, by year end</b>	<b>1,978</b>	<b>2,525</b>
By gender:		
▪ Female	1,586 (80%)	1,905 (75%)
▪ Male	392 (20%)	620 (25%)
By age:		
▪ Below 30 years old	1,032 (52%)	1,507 (60%)
▪ Between 30 to 50 years old	929 (47%)	1,004 (40%)
▪ Above 50 years old	17 (1%)	14 (0%)

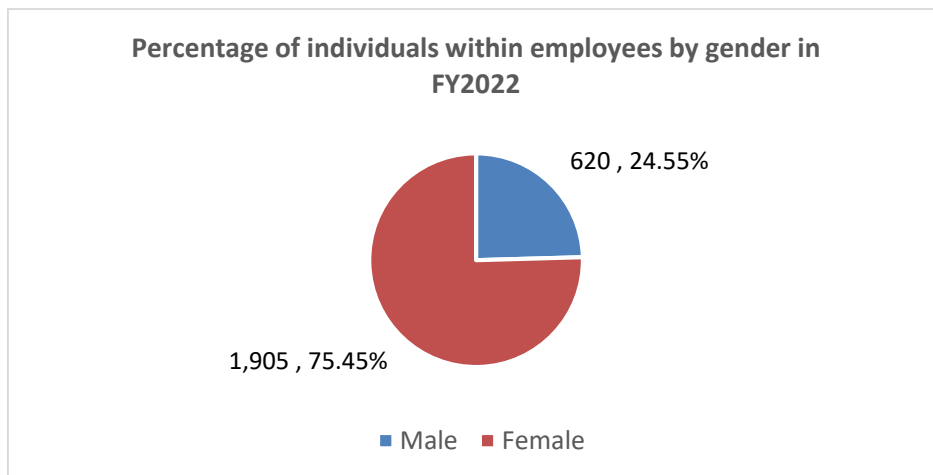
The composition of Board of Directors in FY2022 is as outlined in the table below.

Year	2021		2022	
Employees	Headcount	Percentage	Headcount	Percentage
<b>Within Board of Directors – by age group</b>				
Below 30 years old	0	0%	0	0%
Between 30 to 50 years old	1	20%	0	20%
Above 50 years old	4	80%	6	80%
<b>Total</b>	<b>5</b>	<b>100%</b>	<b>6</b>	<b>100%</b>
<b>Within Board of Directors – by gender</b>				
Male	5	100%	6	100%
Female	0	0%	0	0%
<b>Total</b>	<b>5</b>	<b>100%</b>	<b>6</b>	<b>100%</b>

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



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



### Targets

For FY2023, we aim to continue to provide fair and competitive remuneration based on merit. The Board of Directors will continue to explore opportunities to provide greater board diversity in FY2023 in accordance with its established Board Diversity Policy.

#### 4.4.3. Training and Education

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



### **Management Approach**

Our HR department assesses the current and future skills requirements for our business operations and designs learning and development programmes to meet these requirements. These programmes are tailored to meet the needs of employees and enhance their personal and professional development. All employees are subjected to undergo and pass certification trainings prior to deployment. In addition, online trainings were consistently conducted by in-house learning and development team for Telford Philippines employees.

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

### **Performance Data**

In FY2021, each employee attended an average of 153 hours of training. In FY2022, each employee attended an average of 208 hours of training which equates to an increase of 36% from FY2021. As such, we were able to exceed the target set for Telford Philippines of an average of 36 hours of training (both online and on-site) depending on job requirements of our employees for both years.

### **Targets**

We will continue to emphasise the importance of training and provide opportunities for our production personnel at client premises to undertake training. For FY2023, we target to maintain or exceed FY2022 average number of training hours per employee.



#### 4.4.4. Occupational Health and Safety

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

##### **Management Approach**

ASTI established a Safety Handbook for all its operations and cascades the workplace health and safety requirements to all of Telford overseas offices including Telford Philippines. We also provide emergency response training and regular health & safety training to our employees. This helps our employees identify health and safety hazards and respond to incidents such as accidents, injuries, and health hazards.

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

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

As our production personnel operate off client premises, our production personnel are also required to abide by the workplace health and safety requirements of our clients.

##### **Performance Data**

With zero reported workplace fatalities and zero major accidents among our employees in FY2022, we achieved our target set for zero workplace fatalities/ injuries for FY2022.

##### **Targets**

ASTI has zero tolerance for workplace fatalities and major accidents and will endeavour to achieve zero workplace fatalities and major accidents in FY2023 for all its operations.



#### 4.4.5. Customer Health and Safety

##### **Management Approach**

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

##### **Performance Data**

In FY2022, we had zero incidents of non-compliance concerning the health and safety impacts of products and services and have met our target for the year.

##### **Targets**

We have zero tolerance for any non-compliance relating to the health and safety impacts of our products and services. In FY2023, we will endeavour to achieve zero incidents of non-compliance relating to the health and safety impacts of our products and services.

#### 4.4.6. Supplier Assessment

##### **Management Approach**

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

We carry out due diligence of all our suppliers based on our strict requirements on social criteria in terms of sustainable practices, quality, and pricing where we ensure that our suppliers deliver top-quality raw materials and products. All vendors of Telford Philippines are required to abide by Telford Philippines' Code of Conduct and Ethics Commitment.

We continuously monitor and update our supplier selection process online and ensure that only the best raw materials are used in the production process. Our current suppliers of raw materials for our production of equipment are monitored on an annual basis based on their performance. Any supplier that fails to meet the expected quality and delivery requirement is removed from the list of raw material suppliers. At Telford Philippines, an Annual External Providers General Assembly 2022 is held to relay feedback from our customers to our suppliers and also explore new ways of working with our suppliers.

##### **Performance Data**

As per the target set for FY2021, Telford Philippines ensured that all our suppliers complied with our requirements and monitors their performance in yearly basis with regards to product quality, delivery, and response to complaints.

##### **Targets**

For FY2023, our target would be to work with our suppliers to achieve zero non-compliance.

#### 4.4.7. Compliance with Laws and Regulations

##### **Management Approach**

Compliance with the applicable laws and regulations forms one of the most important pillars for sustainable growth and is an essential component of corporate governance in any organisation. ASTI including Telford Philippines constantly keeps abreast with changes in the evolving regulatory landscape and considers risks and opportunities relating to its business operations. This includes ensuring that all policies and procedures outlined in the Company Handbook comply with local law and regulatory requirements. By ensuring that all our employees adhere to company's values to act with integrity and conduct business in accordance with the highest ethical standards, we are able to create a positive working environment while delivering our products and services.

##### **Performance Data**

We have met our target in FY2022 with zero incidents of non-compliance with laws and regulations in FY2022.

##### **Targets**

We see the importance of compliance with laws and regulations and target to continue to achieve zero incidents of non-compliance with laws and regulations for FY2023.

#### 4.4.8. Environmental Compliance

##### **Management Approach**

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

Telford Philippines has established policies governing waste disposal to ensure compliance with regulatory requirements, and to minimise pollution and ensure proper waste disposal (for e.g. general waste, hazardous waste, recyclable waste) for its facilities. Telford Philippines does waste monitoring through Environment Health and Safety Committee where the waste is collected and disposed with the supervision of the assigned officer with the certification of Philippine Economic Zone Authority ("PEZA"). Telford Philippines provides test of results on wastewater discharge analysis, noise testing and ambient and air emissions in compliance with the requirements of the Department of Environment and Natural Resources ("DENR").

Telford Philippines pays special attention to ensuring staff members are well-trained in containing spill incidents, if they do occur. This contains the fallout effect of such incidents to protect the environment and fellow staff workers from injury. Yearly trainings, such as safety awareness training and spill drill, are being conducted to provide additional awareness to our employees, to ensure they are well-aware of the right protocol to follow when spill incidents occur.

Our Environmental, Health, and Safety Team keep ourselves updated with any new regulations on environmental compliance which is applicable to our business, by sharing on the latest regulatory requirements during team meetings.

### **Performance Data**

We have met our target in FY2022 with zero incidents of non-compliance with environmental compliance in FY2022.

### **Targets**

We will continue to monitor the environmental laws applicable to our business to achieve zero incidents of non-compliance with laws and regulations for FY2023.

#### **4.4.9. Cyber security**

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

### **Management Approach**

Cyber security at Telford Philippines is handled by the IT department. We routinely update our Active Antivirus Server to protect all our data on our computers and servers. We have also put in place firewall protection that is continuous kept up to date. In addition, daily back up is in place to allow for easy resumption of operations in case of any unforeseen disruptions.

On access control, access rights are only granted to authorised users for specific data folders in the data server as required. Users are also made to reset their password annually to reduce the possibility of unauthorised access of their account.

Employees have limited access to the server so that in the case of any malware, there will a lower chance of disrupting the data and operating system of the server. These controls seek to mitigate Telford Philippine's cyber security risk.

### **Performance Data**

There were zero incidents of cyber security breaches in FY2022.

### **Targets**

Telford Philippines will continue set our target for zero cyber security breaches in FY2023.



#### 4.5. Governance

##### 4.5.1. Anti-corruption

#### **Management Approach**

At all ASTI offices, we do not condone financial crime and are constantly on the looking out for any tell-tale signs of corruption which leads to dishonest business practices such as conflict of interests, accepting gifts or any other forms of bribes, and divulging confidential or insider information.

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

#### **Performance Data**

There were no incidents of corruption in FY2022, as such; the target for FY2022 was met.

#### **Targets**

We will continue to set our target to achieving zero incidents of corruption for FY2023.

#### 4.5.2. Corporate Governance

##### **Management Approach**

We strive to have good corporate governance to ensure transparency and accountability at all levels of our company to protect and enhance value for our stakeholders. We recognise that good corporate governance processes are essential for enhancing corporate sustainability. To promote ethical behaviour, employees are always required to adhere to the Group's policies and procedures.

We had undergone an internal review on corporate governance in order to progressively strengthen our structure and practices in 2019. The review highlighted the need for us to revisit our existing practices including over board composition, board diversity, independence, interested person transactions and conflict of interests and improve on our corporate governance practices and disclosures.

##### **Performance Data**

In FY2022, we continue to abide by our Corporate Governance Policies Manual and to enhance our governance practices.

##### **Targets**

With the ongoing restructuring and re-evaluation of our business, we will continue to emphasize on the important of good corporate governance. Together with the SSC and STF, we will continue to enhance our corporate governance practices and work towards protecting and enhancing value for all our stakeholders.

## 5. TCFD Content Index

Our climate-related disclosure based on the 4 pillars of the Task Force on Climate-related Financial Disclosures (“TCFD”) is set out below:

TCFD Disclosure		Page Reference
<b>Governance</b>		
a) Describe the board’s oversight of climate-related risks and opportunities.	<p>The Board oversees the sustainability performance of ASTI with support from the Sustainability Steering Committee (“SSC”). It considers sustainability matters including the oversight of climate-related risks and opportunities as it reviews the strategic plans for the group in the longer term.</p> <p>On an annual basis, the Board and Management reviews the performance of the in-scope entity against the targets set.</p>	Sustainability Governance Structure Page 5
b) Describe management’s role in assessing and managing climate-related risks and opportunities	<p>The SSC is led by Acting CEO and CFO and supported by the Senior Management team at ASTI and its subsidiaries. The SSC is supported by the Sustainability Task Force (“STF”) which comprises of management personnel involved in various divisions including Finance and Information Technology.</p> <p>The SSC together with the STF oversees and monitors Environment, Social and Governance issues including assessing and managing climate-related risks and opportunities.</p>	Sustainability Governance Structure Page 5
<b>Strategy</b>		
a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.	<p>The Board and management closely monitor ASTI’s strategies and related financial plans and its related risks and opportunities including climate-related risks.</p> <p>Annually, the Board together with the SSC reviews the relevance of ASTI’s identified material factors to identify any shift in priorities amongst stakeholders and examine any areas of concern. As part of the review, progress against the targets set is also reviewed.</p>	Materiality Assessment Page 7
b) Describe the impact of climate-related risks and opportunities on the organisation’s businesses, strategy and financial planning.		
c) Describe the resilience of the organization’s strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	<p>For FY2023, ASTI is working on its exit proposal and adopts a phased approach in relation to climate-related risks. Once the business stabilizes, ASTI plans to perform a detailed climate risk assessment as part of its Enterprise Risk Management’s review of key risks for the group.</p>	



TCFD Disclosure		Page Reference
	Transition risks such as policy changes arising from the commitments of nations in which ASTI operates, physical risks affecting locations in which factories are located and related opportunities will be reviewed in detail. Corresponding short, medium and long term impact analysis will be performed.	
Risk Management		
a) Describe the organisation’s processes for identifying and assessing climate-related risks.	The Audit Committee (“AC”) is responsible for the review of the effectiveness of the Group’s material internal controls, including financial, operational and compliance controls and risk management. Key risks including climate-related risks are reviewed and monitored by the AC at least once every three years and as and when necessary as part of its Enterprise Risk Management program.  As mentioned above, ASTI plans to perform a detailed climate risk assessment as part of its Enterprise Risk Management’s review of key risks for the group once its business stabilizes.  As part of the review, transition risks such as policy changes arising from the commitments of nations in which ASTI operates, physical risks affecting locations in which factories are located and related opportunities will be reviewed in detail. Corresponding short, medium and long term impact analysis will be performed. Action plans to address the risks identified will be formulated and tracked to completion.	Refer to Corporate Governance Report for details on AC’s roles and responsibilities.
b) Describe the organisation’s processes for managing climate-related risks		
c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation’s overall risk management		
Metrics and Targets		
a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.	ASTI and Telford Philippines recognizes that electricity consumption in its operations form a significant portion of its operational costs and reports on the following metrics: <ul style="list-style-type: none"><li>• Energy consumption and intensity</li><li>• Scope 2 emissions and intensity</li></ul> ASTI has set the following targets for the in scope entity and performance against these targets are reviewed at least once annually. <ul style="list-style-type: none"><li>• Maintain energy and GHG emissions intensity within 10% of prior year levels.</li></ul> Comparison of the performance against prior periods are also performed and reported.  As part of its phased approach, ASTI will also explore identification of related indicators and targets to monitor climate-related risks following its plans to refresh its Enterprise Risk Register.	Energy and Emissions Page 9
b) Disclose Scope 1, Scope 2 and if appropriate Scope 3 greenhouse gas (“GHG”) emissions and the related risks		
c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.		

## 6. GRI Content Index

<b>Statement of use</b>	ASTI has reported the information cited in this GRI content index for the period 1 January 2022 to 31 December 2022 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

<b>GRI STANDARD</b>	<b>DISCLOSURE</b>	<b>LOCATION</b>
<b>GRI 2: General Disclosures 2021</b>	2-1 Organizational details	Reporting Scope and Period, Page 4
	2-2 Entities included in the organization's sustainability reporting	
	2-3 Reporting period, frequency and contact point	Feedback, Page 4
	2-4 Restatements of information	Not applicable
	2-5 External assurance	Not applicable. In accordance with SGX requirements, our sustainability reporting process is subject to internal review.
	2-6 Activities, value chain and other business relationships	Reporting Scope and Period, Page 4
	2-7 Employees	Social, Page 11
	2-8 Workers who are not employees	Not applicable.
	2-9 Governance structure and composition	Sustainability Governance Structure, Page 5 Refer to Corporate Governance Report for details on the group's overall governance structure.
	2-10 Nomination and selection of the highest governance body	Refer to Corporate Governance Report for details.
	2-11 Chair of the highest governance body	Refer to Corporate Governance Report for details.
	2-12 Role of the highest governance body in overseeing the management of impacts	Refer to Corporate Governance Report for details.
	2-13 Delegation of responsibility for managing impacts	Refer to Corporate Governance Report for details.
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance Structure, Page 5
	2-15 Conflicts of interest	Refer to Corporate Governance Report for details.
	2-16 Communication of critical concerns	Refer to Corporate Governance Report for details.
	2-17 Collective knowledge of the highest governance body	In FY2022, the Board attended a sustainability training program.
	2-18 Evaluation of the performance of the highest governance body	Refer to Corporate Governance Report for details.
	2-19 Remuneration policies	Refer to Corporate Governance Report for details.

GRI STANDARD	DISCLOSURE	LOCATION
	2-20 Process to determine remuneration	Refer to Corporate Governance Report for details.
	2-21 Annual total compensation ratio	Refer to Corporate Governance Report for details.
	2-22 Statement on sustainable development strategy	Sustainability Strategy, Page 5
	2-23 Policy commitments	Social, Page 11
	2-24 Embedding policy commitments	Refer to Corporate Governance Report for details.
	2-25 Processes to remediate negative impacts	Refer to Corporate Governance Report for details.
	2-26 Mechanisms for seeking advice and raising concerns	Stakeholder Engagement, Page 6 Social, Page 11
	2-27 Compliance with laws and regulations	Compliance with Laws and Regulations, Page 18 Environmental Compliance, Page 18
	2-28 Membership associations	Not applicable
	2-29 Approach to stakeholder engagement	Stakeholder Engagement, Page 6
	2-30 Collective bargaining agreements	Collective bargaining agreements apply to selected type of employees across the various locations of ASTI operations.
<b>GRI 3: Material Topics 2021</b>	3-1 Process to determine material topics	Materiality Assessment, Page 7
	3-2 List of material topics	
	3-3 Management of material topics	
<b>GRI 201: Economic Performance 2016</b>	201-1 Direct economic value generated and distributed	Economic, Page 11
<b>GRI 205: Anti-corruption 2016</b>	205-3 Confirmed incidents of corruption and actions taken	No incidents for the period. Anti-corruption, Page 20
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption within the organization	Energy and Emissions, Page 9
	302-3 Energy intensity	
<b>GRI 305: Emissions 2016</b>	305-2 Energy indirect (Scope 2) GHG emissions	Energy and Emissions, Page 9
	305-4 GHG emissions intensity	
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	Talent Attraction and Retention, Page 11
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	Talent Attraction and Retention, Page 11
<b>GRI 403: Occupational Health and Safety 2018</b>	403-5 Worker training on occupational health and safety	Occupational Health and Safety, Page 16
	403-8 Workers covered by an occupational health and safety management system	
	403-9 Work-related injuries	

GRI STANDARD	DISCLOSURE	LOCATION
<b>GRI 404: Training and Education 2016</b>	404-1 Average hours of training per year per employee	Training and Education, Page 14
<b>GRI 405: Diversity and Equal Opportunity 2016</b>	405-1 Diversity of governance bodies and employees	Diversity and Equal Opportunities, Page 13
<b>GRI 414: Supplier Social Assessment 2016</b>	414-1 New suppliers that were screened using social criteria	Supplier Assessment, Page 17
<b>GRI 416: Customer Health and Safety 2016</b>	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Customer Health and Safety, Page 17
<b>GRI 418: Customer Privacy 2016</b>	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cyber security, Page 19