



TRANSITION



SUSTAINABILITY REPORT 2020



**ADVANCED SYSTEMS
AUTOMATION LIMITED**

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1. Board Statement

We are pleased to present our fourth Sustainability Report for the financial year ended 31 December 2020 (“FY2020”) that shows our approach towards sustainability over the year, as well as our practices and performance around relevant material factors.

Advanced Systems Automation Limited (“ASA”) is the world’s first total backend inline equipment solution which is used by semiconductor assembly processes globally. As we grow and expand our business, we will continue to commit ourselves to good sustainability practices as we believe it is vital to the success of our business. As such, sustainability is at the forefront of our considerations when making strategic decisions.

By engaging with our stakeholders and assessing material factors, we have updated our material factors and identified 15 material factors for FY2020 which helped shaped our sustainability strategy and set time-based targets which will be managed with the help of our Sustainability Steering Committee.

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

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

2. About this Report

2.1. Reporting Scope and Period

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

For this scope of report, we have decided to focus on Emerald Precision Engineering (“Emerald”) as on 29 February 2020, ASA had announced the intention to dispose Microfits Pte Ltd (“MPL”); as such Emerald is the most material contributor to the Group’s operations in FY2020.

On 11 March 2021, ASA announced the disposal of Emerald to ASTI Holdings Limited (“ASTI”) via a sale and purchase agreement (“SPA”). Pursuant to the terms of the SPA, ASTI had agreed to purchase from the Company, 100% of the issued share capital of Emerald.



2.2. Framework

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

This report references the following topic-specific disclosures:

GRI Standards	Topic-specific Disclosure
201 Economic Performance	201-1
205 Anti-corruption	205-3
302 Energy	302-1, 302-3
303 Water	303-5
305 Emissions	305-2, 305-4
306 Effluents and Waste	306-2
307 Environmental Compliance	307-1
308 Supplier Environmental Assessment	308-1
401 Employment	401-1, 401-2
403 Occupational Health and Safety	403-2, 403-9, 403-10
404 Training and Education	404-1, 404-2
405 Diversity and Equal Opportunity	405-1
414 Supplier Social Assessment	414-1
416 Customer Health and Safety	416-2
418 Customer Privacy	418-1
419 Socioeconomic Compliance	419-1

2.3. Feedback

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

3. Sustainability Governance

3.1. Sustainability Strategy

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



3.2. Sustainability Governance Structure



Sustainability Steering Committee ("SSC")

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

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

Sustainability Task Force ("STF")

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

Board of Directors (the "Board")

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



3.3. Stakeholder Engagement

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

Key Stakeholders	Key Topics of Concern	Mode of Engagement	Frequency of Engagement and Financial Year Highlights
Investors and Shareholders	<ul style="list-style-type: none"> ▪ Business financial performance ▪ Operational efficiency ▪ Sustainable value of shareholding ▪ Return on investments 	Media releases	Ad-hoc
		SGX's announcements	Semi-Annually
		*Annual general meeting ("AGM") for shareholders	Annually
		*During the COVID-19 pandemic, AGM was convened virtually	
		Annual report	Annually
		Website at https://www.asa.com.sg/	Ad-hoc
Employees	<ul style="list-style-type: none"> ▪ Career development ▪ Teambuilding activities ▪ Training opportunities ▪ Developing an open workforce to engage staff ▪ Providing a safe and conducive environment 	Company handbook	Employees are briefed on the handbook during on boarding. Softcopy of handbook is available on a hard disk drive for employees when requested. An acknowledgement form is signed when employees read the handbook.
		*New employee Orientation	First week of work
		*During COVID-19 pandemic, the new employee orientation is adjourned due to safety restrictions	
		*Trainings	
		*During the COVID-19 pandemic, e trainings were conducted online	
Whistle blowing policy	Ad-hoc. Whistle blower identities will be kept confidential.		



Key Stakeholders	Key Topics of Concern	Mode of Engagement	Frequency of Engagement and Financial Year Highlights
Customers	<ul style="list-style-type: none"> ▪ Quality products ▪ Value for money ▪ Good service 	*Customer visits	Ad-hoc tour of premises for customers
		*Factory visits by Customers	Ad-hoc tour of factories for customers
		*Participation in trade shows *During the COVID-19 pandemic, the above modes of engagement with the customers were adjourned due to safety restrictions	Ad-hoc.
		Customers' material safety compliance requirements	Ad-hoc when informed by customer.
Suppliers	<ul style="list-style-type: none"> ▪ Tender shortlisting and award criteria ▪ Business financial performance 	Supplier assessment	As and when products are received.



4. Materiality Assessment























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











The identification of material issues involved conducting research on global and local trends in our industry and material topics identified by our peers and industry best practices. In FY2020, we have identified 15 material topics reflective of our business directions, as compared to the 12 reported material topics in FY2019. The new ESG factors are Water and Effluents, Diversity & Equal Opportunity and Customer Health and Safety. This is due to a combination of the sustainability practices in ASA maturing and our desire to put sustainability at the forefront of our strategic decision making.

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

4.1. Overview of Material Factors

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

	Material Factors	Relevant Topic-specific GRI Standards	Relevant UN SDGs
Environmental	Energy and Emissions	GRI 302: Energy 2016 GRI 305: Emissions 2016	      
	Water and Effluents	GRI 303: Water Consumption 2018	   
	Waste	GRI 306: Effluents and Waste 2016	 
Economic	Economic Performance	GRI 201: Economic Performance 2016	 
Social	Talent Attraction and Retention	GRI 102: General Disclosure 2016 GRI 401: Employment 2016	 
	Diversity and Equal Opportunity	GRI 102: General Disclosures 2016 GRI 405: Diversity and Equal Opportunities 2016	  
	Training and Education	GRI 404: Training and Education 2016	 

	Material Factors	Relevant Topic-specific GRI Standards	Relevant UN SDGs
Social	Occupational Health and Safety	GRI 403: Occupational Health and Safety 2018	  
	Customer Health and Safety	GRI 416: Customer Health and Safety 2016	
	Supplier Assessment	GRI 414: Supplier Social Assessment 2016	 
	Compliance with Laws and Regulations	GRI 419: Socioeconomic Compliance 2016	
	Environmental Compliance	GRI 307: Environmental Compliance 2016	
	Cyber security	GRI 418: Customer Privacy 2016	
Governance	Anti-corruption	GRI 205: Anti-corruption 2016	
	Corporate Governance		

Impact of COVID-19 on Material Factors

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



4.2. Environmental
 4.2.1. Energy and Emissions

A large portion of our operation costs are attributed to electricity usage in the manufacturing process. This results in greenhouse gas (“GHG”) emissions. It is our belief that improving our energy and emissions performance will lead to benefits for our organisation by maximising usage of energy sources, 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.

ASA places great emphasis on improving energy and emissions performance through energy reduction initiatives, for example, increasing the usage of shared office spaces and increasing the awareness among employees on the importance of environmental sustainability and the part they can play by reducing their energy and emissions consumption as part of safety protocols to battle the pandemic.

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

Performance Data

		Actual Performance		% change from FY2019 to FY2020	FY2020 Target
		FY2019	FY2020		
Energy	Energy Consumption (KWh)	1,048,782	1,032,231	-1.6%	To maintain intensity within 10% of FY2019 levels
	Energy Intensity KWh/ m ²	353	347	-1.6%	
Emissions ¹	GHG Emissions – Scope 2 (tCO ₂ e)	428,427.45	421,666.36	-1.6%	
	GHG Emissions Intensity (tCO ₂ e/ m ²)	144.08	141.80	-1.6%	

¹ This is based on 2018 Grid Emission Factor of 0.4188 kg CO₂ / kWh



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

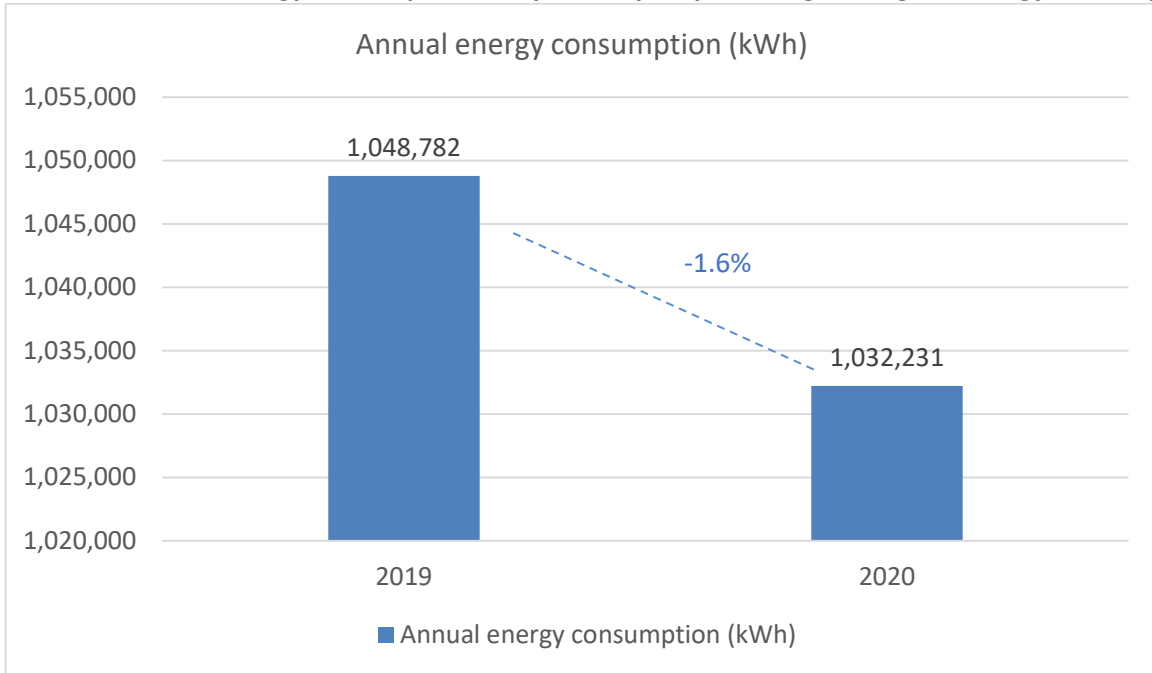
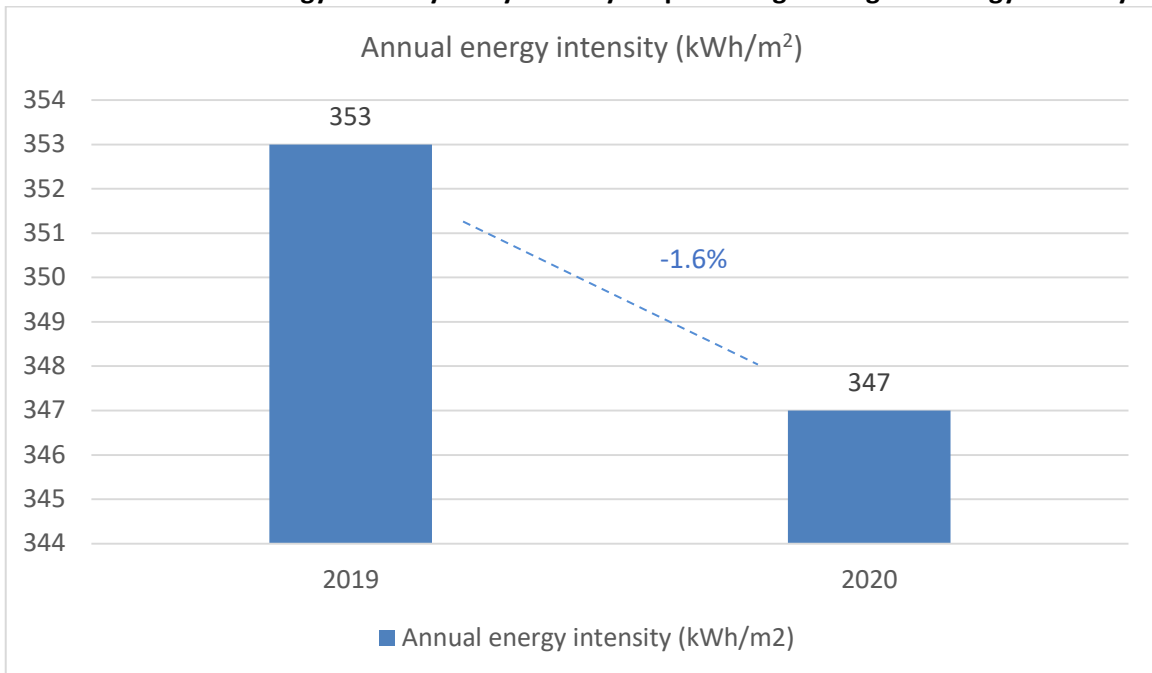


Chart 1b: Annual energy intensity and year-on-year percentage change of energy intensity



Energy intensity and GHG emissions intensity each declined by approximately 1.6%, which met the target of maintaining the energy intensity within 10% from FY2019 levels. The decline in energy consumption in FY2020 is mainly due to decreased usage at ASA’s premises as part of safety protocols to battle the pandemic as well as implementation of energy monitoring initiatives.

Targets

Maintain energy (electricity) intensity within 10% of FY2020's levels.



4.2.2. Water and Effluents

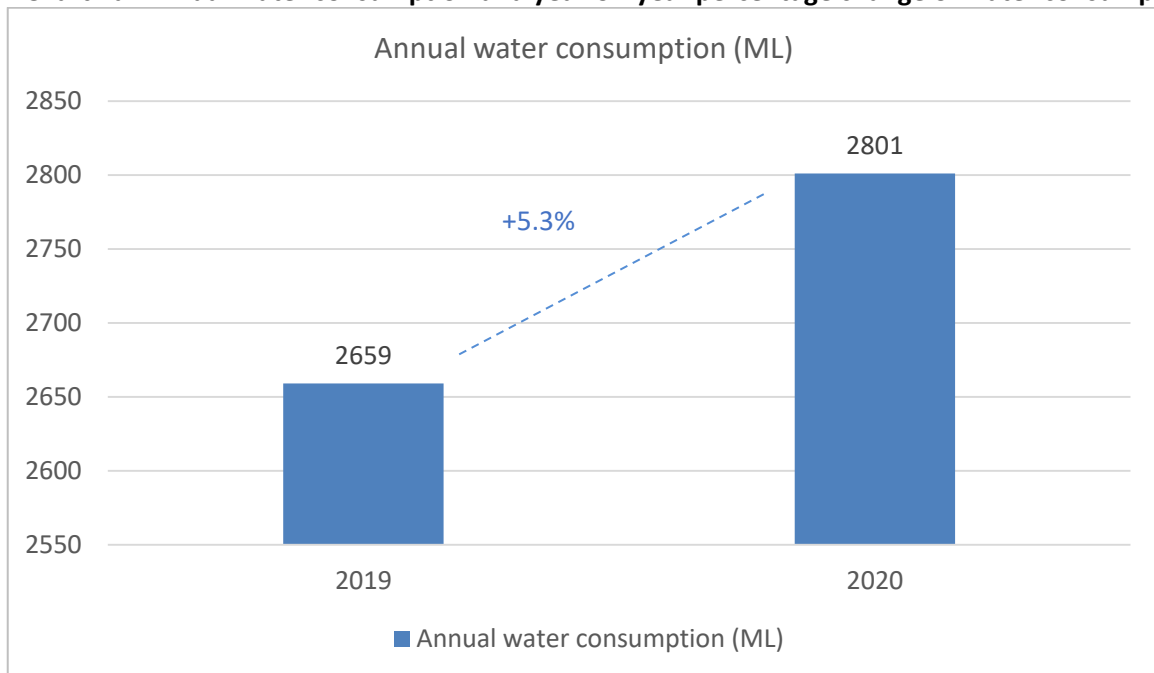
Management Approach

ASA is supportive of the international emphasis towards conserving water resources. ASA implements holistic Water Usage Procedures to focus on reducing water usage especially with regards to operations and production of our machinery products. Water consumption of our properties is tracked using the water meters and usage is reported each quarter to the Board. Our Employment Handbook encourages employees to integrate environmental considerations into their decision-making and activities which an emphasis on minimising water usage.

Performance Data

		Actual Performance		% change from FY2019 to FY2020
		FY2019	FY2020	
Water	Water Consumption (Megalitre ("ML"))	2659.00	2801.00	+5.3%

Chart 2a: Annual water consumption and year-on-year percentage change of water consumption



The total water withdrawal for FY2020 was approximately 5.3% more than FY2019. The increase in water usage in FY2020 was a result of enhanced hygiene procedures during the COVID-19 pandemic as emphasis was put on washing hands thoroughly; sanitizing equipment and machinery, and ensuring common touch-points like door handles are regularly disinfected.

Targets

Maintain water intensity within 10% of FY2020's levels.



4.2.3. Waste

At ASA, we consider waste management a key issue as we observe a growing interest from our stakeholders and communities on how we manage waste generated from our business operations. We are aware that companies that incorrectly and irresponsibly dispose waste are being held accountable to their actions. More importantly, we recognize that any unregulated methods of disposal could result in severe pollution that has ramifications on the community, environment, and people's health.

Management Approach

ASA complies with all environmental regulations and goes beyond these legal statutes to better manage hazardous and non-hazardous waste with an ISO14001-certified environmental management system for all our operations.

We ensure that our generated waste is processed through incineration, landfill or other disposal methods that adhere to local rules and regulations.

At ASA, we prohibit burning of waste within our premises. All general waste and toxic industrial waste are segregated and disposed of accordingly. We strive to recycle and possibly reuse most of the general waste generated. We ensure collection and storage of all waste oils is secured and label drums at designated areas to prevent any leaks or spills. All our waste oils and solid waste are sent to licensed third party contractors for safe disposal.

Performance Data

In FY2020, there were zero incidents of non-compliance with laws and regulations concerning waste management / disposal.

Targets

Achieve zero incidents of non-compliance with laws and regulations concerning waste management/disposal.

4.3. Economic

4.3.1. Economic Performance

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

Our financial performance for FY2020 can be found in the Financial Highlights section and Appendix 2 – Audited Financial Statements of the Annual Report for FY2020, which was released on 14 May 2021.

On 27 February 2021, the Company announced that it has entered into a sale and purchase agreement in relation to the Company's proposed disposal of the entire issued and paid-up share capital of each of Emerald Precision Engineering Sdn. Bhd., Yumei Technologies Sdn. Bhd., Yumei REIT Sdn. Bhd. and Pioneer Venture Pte. Ltd.; its results are presented separately in the statement of comprehensive income as "Discontinued Operations".



4.4. Social

4.4.1. Talent Attraction and Retention

At ASA, we value and respect every individual in the organisation and strive to have an environment where all our employees feel like they are a part of the organisation. We are committed to provide equal and fair employment opportunities as we believe diversity is the key to growth and innovation in our business.

Management Approach

We believe in a transparent talent acquisition system. We offer our employees a competitive compensation and a range of other benefits, such as health care coverage, parental leave and retirement plans. We ensure that we recruit and retain the best talent. We also learn from the employees who leave the company through the exit interviews where we gather feedback and comments. It gives us some key insights on the areas for improvement in our recruitment and talent retention system.

Performance Data

Year	FY2019	FY2020
New employees hired, during the year	13 (12.1% ²)	2 (2%)
By gender:		
▪ Female	13 (100%)	2 (100%)
▪ Male	0 (0%)	0 (0%)
By age		
▪ Below 30 years old	8 (62%)	2 (100%)
▪ Between 30 to 50 years old	4 (31%)	0 (0%)
▪ Above 50 years old	1 (8%)	0 (0%)

Year	FY2019	FY2020
Employee turnover, during the year	13 (12.1% ³)	7 (6.9%)
By gender:		
▪ Female	11 (85%)	7 (100%)
▪ Male	2 (15%)	0 (0%)
By age		
▪ Below 30 years old	6 (46%)	4 (57%)
▪ Between 30 to 50 years old	6 (46%)	3 (43%)
▪ Above 50 years old	1 (8%)	0 (0%)

² Percentage using calculation: (new employees hired / total number of employees)

³ Percentage using calculation: (employees that left / total number of employees)



Year	FY2019	FY2020
Total employees, by year end	107	102
By gender:		
▪ Male	84 (79%)	79 (77%)
▪ Female	23 (21%)	23 (23%)
By age:		
▪ Below 30 years old	27 (25%)	25 (25%)
▪ Between 30 to 50 years old	72 (67%)	69 (68%)
▪ Above 50 years old	8 (7%)	8 (8%)
Turnover Rate	12.1%	6.9%

Targets

ASA's turnover rate (6.9%) for FY2020 is above industry average of 1.3%⁴ due to the exit of 7 employees during the pandemic.

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

4.4.2. Diversity and Equal Opportunities

Management Approach

ASA is constantly striving to maintain a nurturing environment where all employees feel valued and respected. Our human resource policies are holistic in nature and founded on the values of integrity and empathy. Within our human resource policy, the whistleblowing process is well-established which aids ASA to be transparent, promoting employee well-being and satisfaction.

The Group's Handbook and Terms and Conditions of Employment are aligned with these policies and aim to provide employees an inclusive environment. We do not discriminate during our recruitment process and we ensure that fair practices of hiring are adopted for all the deserving candidates, including persons with disabilities, by offering remuneration as per market standards.

Additionally, diversity is a key focus of ASA Group and its importance is duly respected. We believe that diversity is crucial for consistent innovation and aim to achieve diversity in terms of both age and gender, as disclosed in the graphs below.

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

Performance Data

Year	2019		2020	
Employees	Headcount	Percentage	Headcount	Percentage
Within Board of Directors (“BOD”) - by age group				
< 30 years old	0	0%	0	0%
30 - 50 years old	0	0%	0	0%
> 50 years old	4	100%	4	100%
Total	4	100%	4	100%
Within BOD - by gender				
Male	4	100%	4	100%
Female	0	0%	0	0%
Total	4	100%	4	100%

Year	2020	
Employees	Headcount	Percentage
Number of individuals within employees - by age group		
< 30 years old	25	25%
30 - 50 years	69	68%
> 50 years old	8	8%
Total	102	100%
Number of individuals within employees - by gender		
Male	79	77%
Female	23	23%
Total	102	100%

Chart 3a. Percentage of individuals within the employees by age group

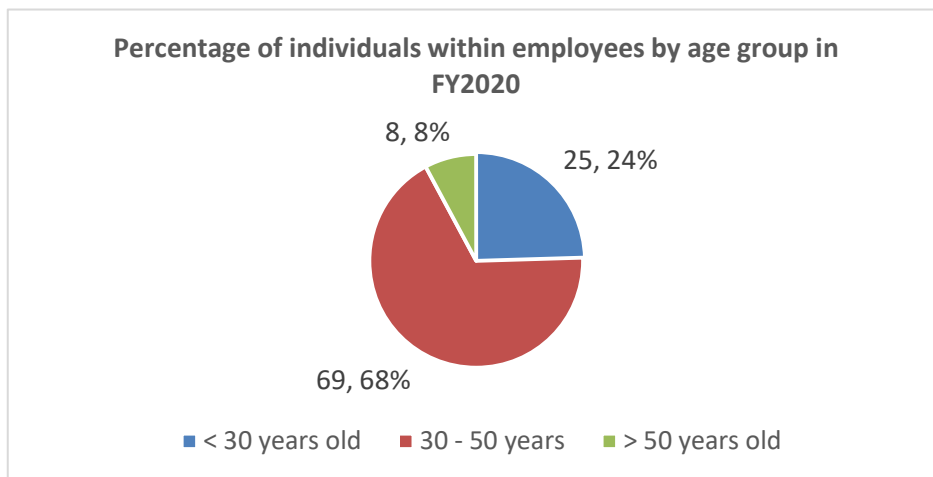
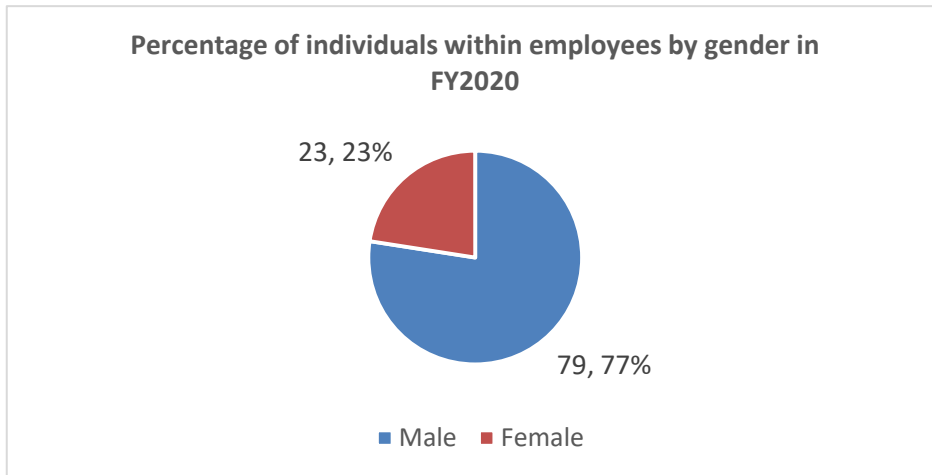




Chart 3b. Percentage of individuals within the employees by gender



Targets

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

4.4.3. Training and Education

The key to ASA’s success lies with its people, as such, we want to grow the right pool of talent who are kept abreast of the latest industry developments, future-ready and will be able to work together for the success of the organisation. We believe we can achieve that with the right combination of on-site and off-site training and education. Due to COVID-19, we have transitioned our training to online in order to meet safety distancing measures.

Management Approach

Our HR department assesses the current and future skills requirements for our business operations and design 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. Our training programmes in latest technology updates allow us to stay on the forefront of the industry. There are special training programmes for the Senior Management to identify and groom promising individuals as part of our succession planning.

Performance Data

In FY2020, the total internal training hours provided to the staff was 30 hours, this equated to an average of 0.3 hours of internal training catered to each of our employees. The decrease in training hours is mainly due to COVID-19 safe-distancing measures and restrictions which affected the conducting of on-site operational training, a major component of internal training provided by the Company.

Targets

For FY2021, we will set our target to provide an average of 3 hours of internal training to our employees.



4.4.4. Occupational Health and Safety

Keeping our employees safe is our top priority as we endeavour to provide a safe working environment for all staff. We remain committed to the health and safety and welfare of our employees and strive to be in adherence to global and industrial standards and guidelines while providing a safe and positive working environment to our employees.

Management Approach

ASA adopts safe work practices and have established standard operating procedures and conducts emergency response training to ensure that the risk of accidents, injuries and exposure to health hazards are minimised for all employees and contractors. In addition to this training, health and safety training is conducted for employees to ensure that they are able to identify and manage common hazards in the workplace in a safe manner. Employees and contractors are also required to follow the ASA safety handbook which outlines standard safety practices and requirements.

On-site inspections are conducted to ensure that all equipment in ASA premises is safe for employees to work with. Emergency plans and procedures are provided on signage for employees and ASA building occupants to read in the case of an emergency. ASA seeks to identify any potential hazards and monitor the effectiveness of health and safety risk control measures implemented. There is regular maintenance and inspections of machinery utilised in the workplace.

With the emergence of COVID-19, we have implemented a series of measures to maintain a safe working environment for our employees. Some of the measures include, among other things, travel restrictions to countries of operations, on-going communications between management and staff, provision of three ply masks to all workers, and safe distancing among employees. Temperature-taking was also conducted daily for each staff prior to admitting them into the workspace and each department is equipped with a hand sanitiser station. Sanitisation at work areas is also conducted on a regular basis to maintain a clean and safe environment for employees and visitors.

Performance Data

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

Targets

Our FY2021 goal is to achieve zero workplace fatalities and injuries.



4.4.5. Customer Health and Safety

Management Approach

ASA firmly believes that a customer-centric culture is what drives success. At ASA's core we place emphasis on building trust and loyalty with our customers by being attentive to their demands and responsive. ASA also does quality assurance checks particularly with customers' health and safety in mind as we deliver heavy machinery that could be potential safety hazards. By placing customers at the fore-front, we allow our customers to experience quality products and a safe experience with us.

Performance Data

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

Targets

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

4.4.6. Supplier Assessment

Our suppliers form an integral part of our value chain as they contribute to our sustainability goals and business success. As such, where we source our materials from affects our reputation and our contribution to be a sustainable organisation.

Management Approach

The suppliers who work with us are required to abide by our values and standards and conduct their business in an ethical, legal and sustainable manner in addition to meeting the requirements of relevant laws and regulations.

Performance Data

In FY2020, all suppliers were ensured to meet the requirements of the relevant laws and regulations.

Targets

For FY2021, our target would be to ensure that all suppliers meet the requirements of the relevant laws and regulations.



4.4.7. Compliance with Laws and Regulations

Compliance with the applicable laws and regulations forms one of the most important pillars for sustainable growth and is an essential component of corporate governance in any organisation. Our reputation is what it is today because we strive to comply with relevant laws. We ensure that all our employees adhere to company's values to act with integrity and conduct business in accordance with the highest ethical standards. We constantly keep ourselves abreast with changes in the evolving regulatory landscape

Management Approach

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

Performance Data

There were zero incidents of non-compliance with relevant laws and regulations resulting in significant fines and/or non-momentary sanctions in FY2020, as such, the FY2020 target was met.

Targets

Zero incidents of non-compliance with relevant laws and regulations that results in significant fines and/or non-momentary sanctions for FY2021.

4.4.8. Environmental Compliance

ASA strives for full legal and regulatory compliance, which includes not only socioeconomic regulations, but also environmental laws.

Management Approach

ASA is committed towards providing quality service in a manner that minimises potential impact on the environment. We keep ourselves updated with any new regulations on environmental compliance from the Department of Occupational Safety and Health which is applicable to our business, so that we identify and manage our regulatory risks beforehand. Employees are educated and well-informed of pertinent environmental issues that may jeopardise their health and work alongside environmentally responsible practices they are encouraged to adopt (e.g. minimise waste disposal, conserve energy and water).

Performance Data

There were zero incidents of non-compliance with relevant environmental laws and regulations resulting in significant fines and/or non-momentary sanctions in FY2020, as such, the FY2020 target was met.

Targets

Zero incidents of non-compliance with relevant environmental laws and regulations that results in significant fines and/or non-momentary sanctions for FY2021.



4.4.9. Cybersecurity

Cybersecurity is a key emerging threat in Singapore, as such, we strive to ensure our defences against such breaches is sufficient in order to protect the Group's and our stakeholders' interests.

Management Approach

Cybersecurity is handled by ASA's IT department which has routinely updated ASA's Active Antivirus Server to protect all of ASA's clients' PCs and servers. They also conduct an annual health check for IT Infrastructure including Servers and Devices (Firewall, VPN Device and Wireless Router). During this session, the IT department will update the relevant firmware and related important patches. Such updates and checks will reduce the risk of ASA being a target of cybercrime, and it will serve to enhance the overall security in ASA's computers and network.

In ASA, users are made to reset their password annually to reduce the possibility of their account being accessed by unauthorised people who may know their password.

Other controls put in place include data access rights to particular data folders in the data server only being assigned to authorised users. ASA has a good and reputable firewall which is constantly updated. There is daily back-up in place to ensure that in any case of breaches such as ransomware, we can easily reinstall the data from our backup tape. Normal employees have limited access to the server. In any case of malware, there will be lower chances of disrupting the data and operating system of the server. The company website is hosted by external party and not ASA's own server. This reduces the possibility of hacking into ASA's office server. Lastly, ASA outsourced email services to Microsoft who possesses an advanced scanning system to scan all emails for possible viruses and malware. This reduced ASA's cybersecurity risk significantly as normally the first point of intrusion is through email.

Performance Data

There were zero incidents of cybersecurity breaches in FY2020.

Targets

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



4.5. Governance

4.5.1. Anti-corruption

In ASA, we have zero tolerance towards bribery and corruption which leads to dishonest business practices such as conflict of interests, accepting gifts, insider information etc.

Management Approach

Our employees are required to adhere to the Code of Conduct and policies on corruption within the Group. Information on the Code of Conduct, which includes ethical requirements and information on the whistle-blowing policy, is provided to all employees. During the employees' 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 the whistle-blowing policy.

We encourage our employees to raise their concerns regarding suspected fraud, corruption, dishonest practices or other similar matters in a very secured and responsible manner. Any suspicious practices or inappropriate activities in the workplace are reported immediately by our workforce to the Head of Human Resources ("HR") and/or any member of the Executive Committee in a fair, respectful and timely manner. We take disciplinary action on the employee who is found guilty of fraud, dishonesty or criminal conduct.

Performance Data

There are no corruption cases in FY2020, as such; the target for FY2020 was met.

Targets

Zero cases of corruption for FY2021.

4.5.2. Corporate Governance

We strive to maintain a high standard of corporate governance to ensure transparency and accountability at all levels of our company. The Company views the adherence of such corporate governance standards as key to protecting and enhancing value for our stakeholders. We recognise that good corporate governance processes are essential for enhancing corporate sustainability. To promote ethical behaviour, employees are always required to adhere to the Group's policies and procedures. Our corporate governance practices are set out in Appendix 1 - Corporate Governance Report of the Annual Report for FY2020, which was released on 14 May 2021.



Management Approach

We perform periodic review of our overall corporate governance in order to progressively strengthen our structure and practices. The most recent review was performed in 2020 and we have identified the following plans, such as further enhancements to:

- Existing governance practices involving conduct and culture
- Delegations of authority
- Director independence and board composition
- Corporate governance related disclosures in the annual report
- Code of Conduct (for Board)
- Director Conflict of Interest Policy
- Board Diversity Policy

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

- Company Handbook

Any deviation from the recommended guidelines under the Code of Corporate Governance will be disclosed in our Annual Report.

Performance Data

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

Targets

We will continue to strive for zero incidents of non-compliance with relevant laws and regulations or conflicts of interest for FY2021.

This Sustainability Report has been reviewed by the Company's sponsor, SAC Capital Private Limited ("Sponsor").

This Sustainability Report has not been examined or approved by the Singapore Exchange Securities Trading Limited ("SGX-ST") and the SGX-ST assumes no responsibility for the contents of this Sustainability Report, including the correctness of any of the statements or opinions made, or reports contained in this Sustainability Report.

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