



ADVANCED SYSTEMS AUTOMATION LIMITED

SUSTAINABILITY REPORT



2023



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Board Statement

We are pleased to present the Sustainability Report of Advanced Systems Automation Limited (the "Company", and together with its subsidiaries, the "Group" or "ASA"), which contains information about the sustainability performance and practices of our business during the financial year ("FY") ended 31 December 2023. 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.

The prevailing business landscape continues to be mired by high interest rates, credit crunch and uncertainties arising from the wars in the Ukraine and Gaza, as well as the ongoing disputes between the US and China. In the midst of these uncertainties, our pursuit to search for feasible acquisitions continues, but challenges are also growing correspondingly. Globally we are all threatened by the effects of climate change and it is necessary for us to be sensitive to these changes. We remain vigilant and mindful of the impacts that climate change has on our business, and will endeavour to adopt good sustainability practices across our business operations.

We seek to grow our role in sustainability and are confident 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.



About this Report

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 2023 to 31 December 2023 and includes data and information from said period relating to the Company, its subsidiaries and their services and products. The Environmental, Health and Safety data provided in this report covers only the operation of Emerald Precision Engineering ("Emerald") as they produce the bulk of our products and services and is the most material entity to ASA.

Pursuant to Rule 711B(3) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst ("Catalist Rules"), the Group has subject its sustainability reporting process to internal review.

No restatements were made from the previous report except disclosure on water consumption on page 9 due to change in unit of data.

Framework

This report is prepared in compliance with the requirements on sustainability reporting under Rule 711B and Practice Note 7F of the Catalyst Rules, and has been prepared with reference to the Global Reporting Initiative ("GRI") Standards. The GRI Standards were selected as it is an internationally recognised reporting framework that covers a comprehensive range of ESG disclosures. More information is available in the GRI Content Index provided at the end of this report.

Beginning in FY2022, we are implementing a phased approach to address climate-related risks. This report includes ASA's climate-related disclosures in accordance with the recommendation of the Task Force on Climate-related Financial Disclosures ("TCFD") based on our efforts to date. Further details regarding the alignment of ASA's climate-related disclosures with TCFD recommendations can be found in the TCFD Content Index on page 21-23 of this report.

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

Feedback

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



Sustainability Governance

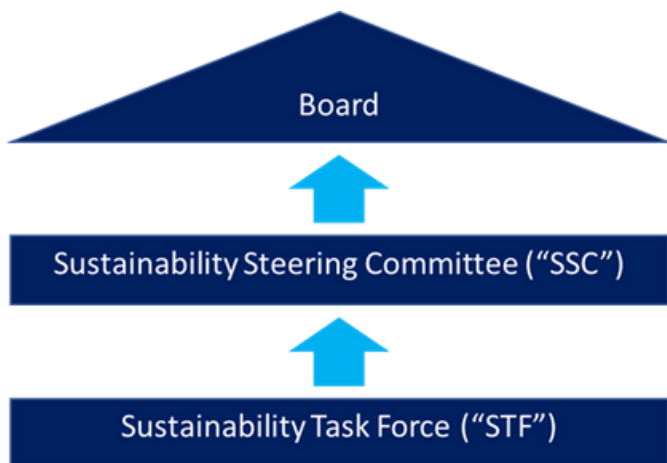
Sustainability Strategy

ASA strives to continually deliver world-class services to our customers, aiding them in optimizing their resource utilization. Therefore, it is crucial for us to integrate sustainability into our strategic choices, given the escalating expectations for sustainable development.

Sustainability Governance Structure

Board of Directors (the "Board")

The Board oversees the sustainability performance of ASA, with support from the Sustainability Steering Committee ("SSC"). It 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.



Sustainability Steering Committee ("SSC")

Our sustainability strategy is headed by our 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 the Chief Executive Officer and consists of senior management personnel. 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. STF comprises management personnel involved in various divisions including Admin, Human Resource, Finance and Information Technology.



Sustainability Governance

Stakeholder Engagement

We hold a firm belief that stakeholders play a crucial role in our sustainability endeavors. Therefore, it is important for us to actively involve them in meaningful dialogues to glean insights and grasp the ESG matters that matter most to them. This interaction guides the formulation of our sustainability strategy and ensures our business grows in a sustainable manner. 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"> 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
		Annual report	Annually
		Company's Website: 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
		Trainings	Ad-hoc by topic
		Whistle blowing policy	Ad-hoc. Whistle blower identities will be kept confidential.
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	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



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.

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. The 15 material topics identified in FY2022 continue to be reflective of our business directions and remain our focus for FY2023.

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

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 and Effluents 2018	   
	Waste	GRI 2-27: Compliance with Laws and Regulations GRI 306: Waste 2020	 
Economic	Economic Performance	GRI 201: Economic Performance 2016	 



Materiality Assessment

Overview of Material Factors (Continued)

	Material Factors	Relevant Topic-Specific GRI Standards	Relevant UN SDGs
Social	Talent Attraction and Retention	GRI 401: Employment 2016	 
	Diversity and Equal Opportunity	GRI 405: Diversity and Equal Opportunities 2016	  
	Training and Education	GRI 404: Training and Education 2016	 
	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 Law and Regulations	GRI 2-27: Compliance with Laws and Regulations	
	Environmental Compliance		
Cybersecurity	GRI 418: Customer Privacy 2016		
Governance	Anti-corruption	GRI 205: Anti-corruption 2016	
	Corporate Governance		



Environmental

Energy and Emissions

A large portion of our operation costs are attributed to electricity usage in the manufacturing process which resulted in the greenhouse gas (“GHG”) emissions (Scope 2 emissions). We believe that enhancing our energy efficiency and reducing emissions will yield organizational benefits by optimizing energy utilization, thereby lowering consumption and costs.

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

ASA places great emphasis on improving energy and emissions performance in place. Management encourages staff through regular reminders to conserve electricity consumption and educates them on the importance of environmental sustainability during the staff’s onboarding programme.

Performance Data

In FY2023, we achieved a reduction of our energy consumption and intensity by 11.63% and 11.45% respectively which were beyond our target of 10% from the prior year. This is mainly attributed to the acquisition of new machineries in FY2023, to replace the older, less energy-efficient equipment. The new machines feature improved energy efficiency, leading to a decrease in energy consumption. Furthermore, we have actively encouraged energy conservation among our employees by consistently reminding them to turn off equipment when it's not in use.

		Actual Performance		% Change from FY2022 to FY2023	FY2024 Target
		FY2022	FY2023		
Energy	Energy Consumption (KWh)	1,169,950	1,033,937	-11.63%	To maintain intensity 10% reduction from FY2023's level
	Energy Intensity (KWh/ m2)	393	348	-11.45%	
Emissions	GHG Emissions – Scope 2 (tCO2e)	754.38	666.68	-11.63%	
	GHG Emissions Intensity (tCO2e/ m2)	0.25	0.22	-12.00%	

There is no separate disclosure made on direct GHG emissions (Scope 1) but we will continue to monitor such emissions and to disclose in future, as and when applicable.



Environmental

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

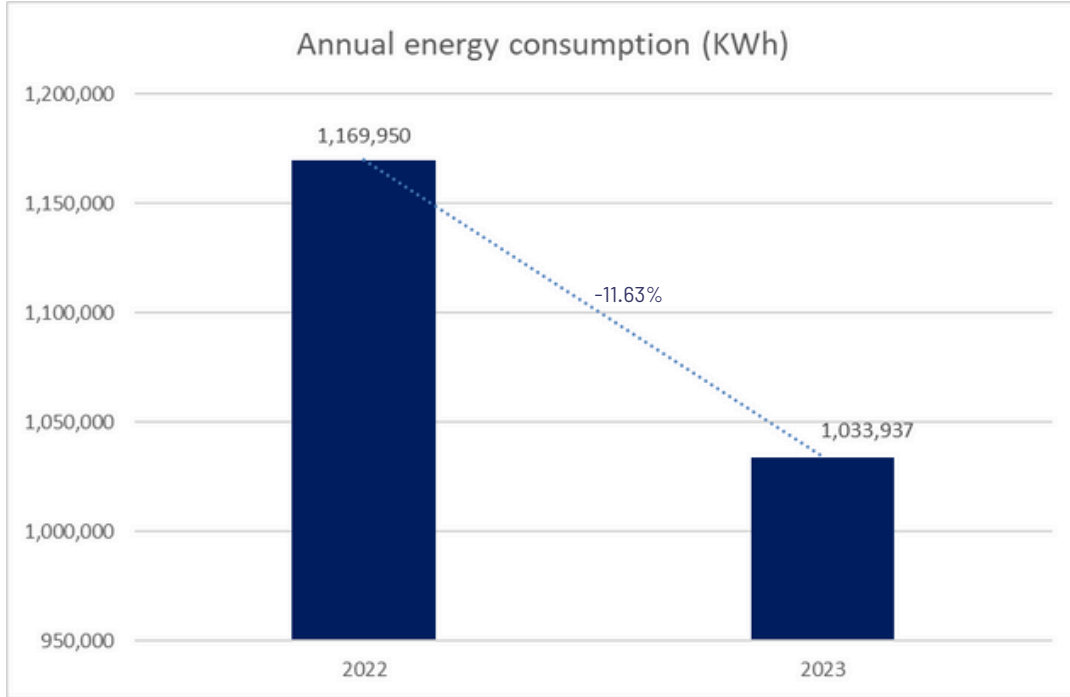
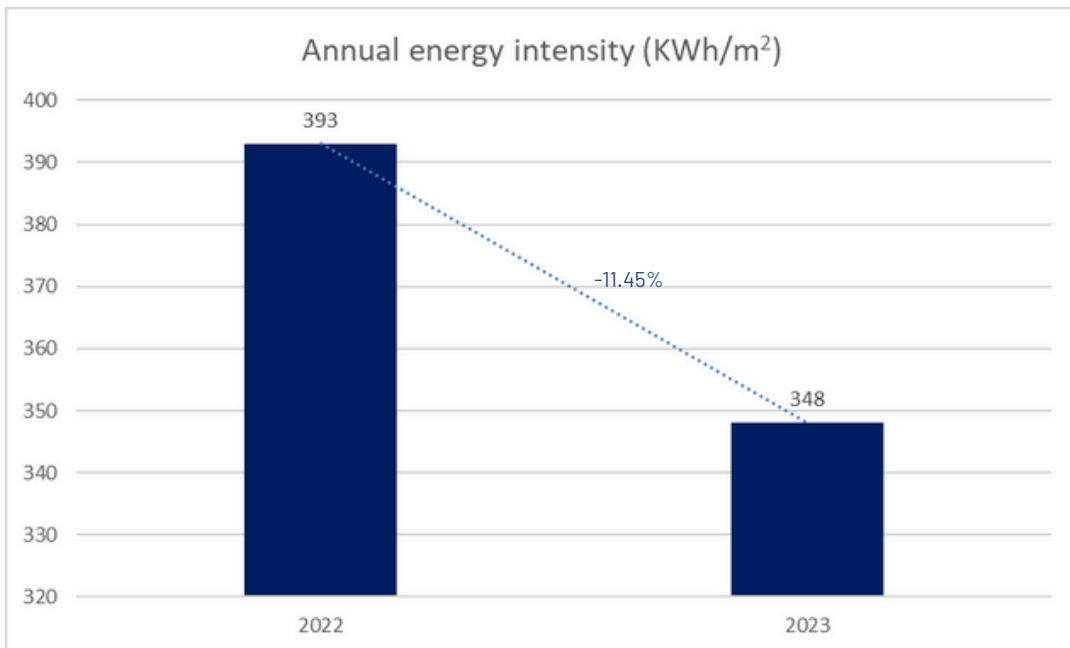


Chart 1b: Annual energy intensity and year-on-year percentage change of energy intensity



Targets

We will continue to explore greener and more efficient methods and target to maintain energy (electricity) and GHG emissions intensity 10% reduction from FY2023's level.



Environmental

Water and Effluents

Management Approach

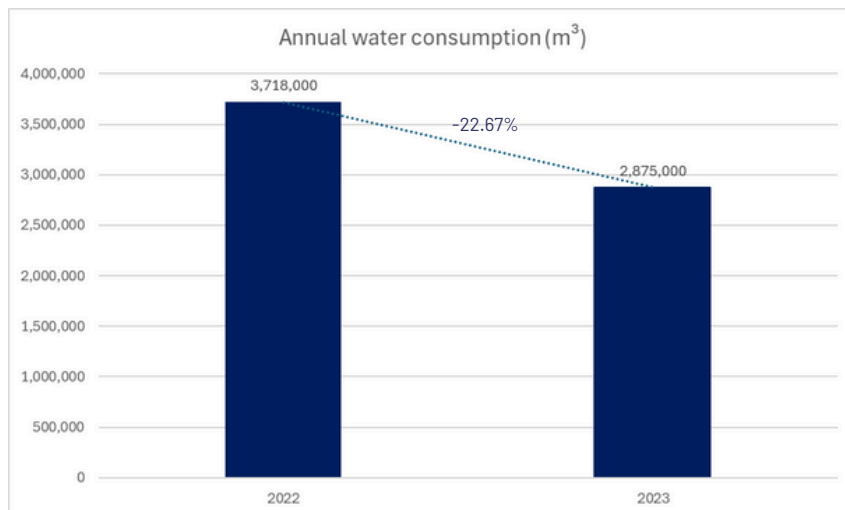
ASA is supportive of the international emphasis towards conserving water resources. ASA reduces its water consumption by decreasing its operational hours.

Performance Data

In FY2023, we achieved a reduction of our water consumption by 22.67%, which exceeded our target of 10% from prior year. The notable reduction is primarily due to replacing outdated machines with newer models that are more efficient in energy and water usage.

		Actual Performance		% Change from FY2022 to FY2023
		FY2022	FY2023	
Water	Water Consumption (m ³)	3,718,000	2,875,000	-22.67%

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



Targets

We will continue to explore ways to conserve more water and keep the water consumption 10% reduction from FY2023's level.



Environmental & Economic

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 accountable for 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 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, burning waste is strictly prohibited within our premises. All general waste and toxic industrial waste are segregated and safely disposed accordingly. We strive to recycle and 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 FY2023, there were zero incidents of non-compliance with laws and regulations concerning waste management and disposal.

Targets

We endeavour to maintain zero incidents of non-compliance with laws and regulations concerning waste management and disposal.

Economic Performance

We firmly believe that in order to create value for all our stakeholders, 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.

Please refer to the Group's audited financial statements for FY2023 ("FY2023 Audited Financial Statements") for information on the Group's financial performance for FY2023. The FY2023 Audited Financial Statements can be found in the Company's Annual Report for FY2023, which will be released in due course.



Talent Attraction and Retention

At ASA, we deeply value and respect every individual in the organisation, endeavoring to cultivate an environment where every employee feels fully integrated into our organisation. We are committed to provide equal and fair employment opportunities as we believe diversity is key to growth and innovation in our business.

Management Approach

We are committed to foster a transparent talent acquisition process. Hence, ASA offers our employees a competitive compensation and a range of other benefits, such as health care coverage, parental leave and annual leave. We prioritize recruiting and retaining top talent.

Performance Data

For FY2023, ASA's turnover decreased to 6.4% (FY2022: 6.5%) following the departure of 6 employees. ASA will continue to monitor the hiring and turnover rates to adapt to the changing labour conditions, while ensuring sufficient capacity to meet our business needs.

Year	FY2022	FY2023
New employees hired, during the year	2 (2.2%)	7 (7.4%)
By gender:		
• Female	0 (0%)	1 (14%)
• Male	2 (100%)	6 (86%)
By age:		
• Below 30 years old	1 (50%)	7 (100%)
• Between 30 to 50 years old	1 (50%)	0 (0%)
• Above 50 years old	0 (0%)	0 (0%)

Year	FY2022	FY2023
Employees turnover, during the year	6 (6.5%)	6 (6.4%)
By gender:		
• Female	0 (0%)	0 (0%)
• Male	6 (100%)	6 (100%)
By age:		
• Below 30 years old	2 (33.3%)	3 (50%)
• Between 30 to 50 years old	4 (66.7%)	2 (33.3%)
• Above 50 years old	0 (0%)	1 (16.7%)

Targets

For FY2024, we will continue to maintain or target a turnover rate lower than FY2023.



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 uphold non-discriminatory practices in our recruitment, offering equitable opportunities and remuneration as per market standards to all candidates, including those with disabilities.

Additionally, diversity is a key focus of ASA 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 Chart 3a and Chart 3b.

In 2021, the Board approved a diversity policy that formalized principles guiding the Nominating Committee, the Board, and the Company in evaluating the complementarity of the existing attributes and core competencies of the Board, thereby enhancing the effectiveness of the Board on an annual basis.

Performance Data

Year	FY2022	FY2023
Total employees, by year end	93	94
By gender:		
• Female	22 (24%)	23 (24%)
• Male	71 (76%)	71 (76%)
By age:		
• Below 30 years old	20 (21%)	23 (24%)
• Between 30 to 50 years old	63 (68%)	61 (65%)
• Above 50 years old	10 (11%)	10 (11%)

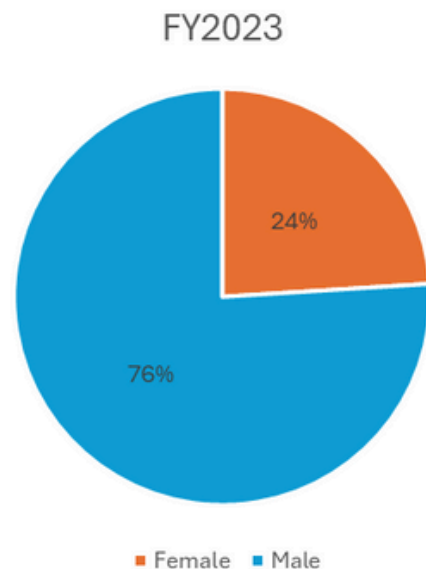
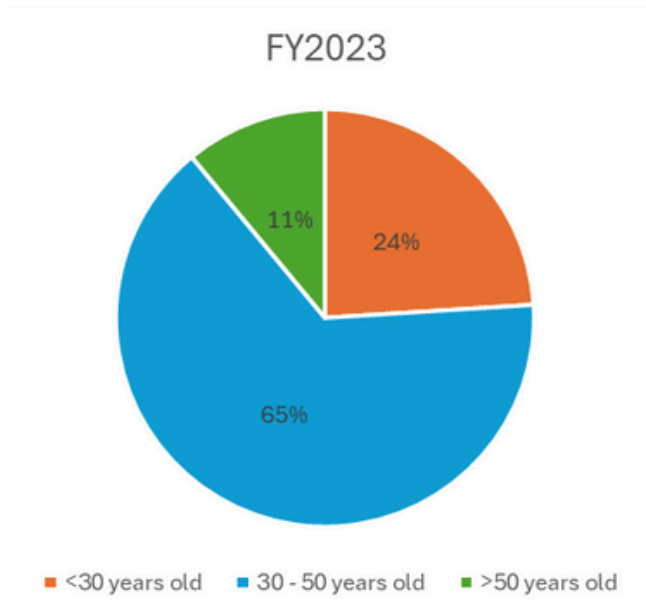


Diversity and Equal Opportunities (Continued)

Year	FY2022		FY2023	
	Headcount	Percentage	Headcount	Percentage
Within Board of Directors of ASA - by age group				
• Below 30 years old	0	0%	0	0%
• Between 30 to 50 years old	0	0%	0	0%
• Above 50 years old	4	100%	4	100%
Total	4	100%	4	100%
Within Board of Directors of ASA - by gender				
• Male	4	100%	4	100%
• Female	0	0%	0	0%
Total	4	100%	4	100%

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

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



Targets

For FY2024, we aim to continue to provide fair and competitive remuneration based on merit.



Training and Education

ASA's success hinges on its talented workforce. Therefore, we aim to cultivate a dynamic pool of individuals who are continuously updated on industry trends, poised for the future, and committed to collective organizational success. We believe we could accomplish this goal with the blend of on-site and off-site training and education.

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. In FY2023, we provided multiple trainings to our employees, namely MasterCam Multiaxis, Process Failure Mode Effect Analysis, and Safe Handling of Forklift Truck. There were also special training programmes such as 8D problem solving skills and Quality Control Circle (QCC) & seven quality control (QC) tools to groom promising individuals as part of our succession planning.

Performance Data

In FY2023, the total training hours provided to the staff was 343 hours, this equated to an average of 3.65 hours catered to each of our employees. We were thus able to meet our target in FY2023 of an average of 3 hours of training to our employees.

Targets

For FY2024, we target to provide an average of 3.2 hours of training to our employees.



Social

Occupational Health and Safety

Keeping our employees safe is our top priority as we are dedicated to provide a safe working environment for all employees. We remain committed to the health and safety, and welfare of our employees and aim to uphold the highest global and industry standards, ensuring a positive and safe atmosphere for all.

Management Approach

ASA implements safe work practices employing standardized operating procedures and emergency response training to mitigate risks of accidents, injuries, and health hazards for both employees and contractors. Employees and contractors are also required to follow the ASA safety handbook which outlines the standard safety practices and requirements.

On-site inspections and regular maintenance 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.

Performance Data

We have achieved our target with zero reported workplace fatalities and zero major accidents among our employees in FY2023.

Targets

Our FY2024 goal is to continue to maintain zero workplace fatalities and high-consequence work-related injuries.



Social

Customer Health and Safety

Management Approach

ASA firmly believes that a customer-centric culture is what drives success. At ASA's core lies a dedication to fostering trust and loyalty with our customers through prioritizing their needs and promptly addressing them. 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 FY2023, no incident of non-compliance concerning the health and safety impacts of our products and services was reported.

Targets

Our FY2024 goal is to continue to maintain zero incidents of non-compliance concerning the health and safety impacts of our products and services.

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

Our suppliers are obligated to uphold our values and standards, conducting their business ethically, legally, and sustainably, while also complying with relevant laws and regulations.

Performance Data

In FY2023, no incident of non-compliance with the relevant laws and regulations arising from our suppliers was reported.

Targets

Our FY2024 goal is to continue to monitor our suppliers to achieve zero non-compliance with the relevant laws and regulations.



Compliance with Laws and Regulations

Adhering to relevant laws and regulations is a cornerstone for sustainable development and a fundamental aspect of corporate governance across all organizations. Our current reputation is a reflection of our dedication to compliance with applicable laws, ensuring that our employees embody our core values of integrity and uphold the highest ethical standards in all business dealings. We proactively stay informed about shifts in regulatory frameworks to maintain our compliance with laws and regulations.

Management Approach

ASA constantly keeps abreast with changes in the evolving regulatory landscape. We ensure that all our employees consistently upholds the Company's values, demonstrating integrity and conduct business in accordance with the highest ethical standards.

Performance Data

We achieved our target of zero incidents of non-compliance with relevant laws and regulations resulting in significant fines and/or non-momentary sanctions reported in FY2023.

Targets

We aim to maintain zero incidents of non-compliance with relevant laws and regulations that results in significant fines and/or non-momentary sanctions in FY2024.

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 which is applicable to our business, so that we identify and manage our regulatory risks beforehand.

Performance Data

We achieved our target of zero incidents of non-compliance with relevant environmental laws and regulations resulting in significant fines and/or non-momentary sanctions reported in FY2023.

Targets

We aim to maintain zero incidents of non-compliance with relevant environmental laws and regulations that results in significant fines and/or non-momentary sanctions in FY2024.



Cybersecurity

As cybersecurity continues to emerge as a significant threat in Singapore, we are committed to bolstering our defenses against potential breaches to safeguard the interests of both the Group and our stakeholders.

Management Approach

Cybersecurity at ASA is managed by the IT department of ASTI Holdings Limited, the immediate and ultimate holding company of ASA, ensuring robust protection for all clients' PCs and servers through an Active Antivirus Server. Health check for IT Infrastructure including Servers and Devices (Firewall, VPN Device and Wireless Router) will be conducted annually. During this session, relevant firmware and related important patches will be promptly updated by the team. These proactive measures significantly mitigate the risk of cybercrime targeting ASA, bolstering the overall security of its computer systems and network.

To further fortify security, ASA implements stringent password reset policies to all users, mandating annual resets to thwart unauthorized access to user accounts. Access to specific data folders on the server is meticulously controlled, granting permissions solely to authorized personnel. In addition, a firewall is set up and constantly updated. There is also daily back-up in place to ensure that in any event of breaches, we can easily restore the data from our backup tape. We continue to tap on the expertise of third parties who possess the relevant capabilities to detect possible virus and malware. Access to server is limited to selected employees with the appropriate authority.

Performance Data

There was no cybersecurity breaches reported in FY2023.

Targets

We target to continue to maintain zero cybersecurity breaches in FY2024.



Governance

Anti-corruption

In ASA, we uphold a strict policy of zero tolerance towards bribery and corruption, which can result in unethical business conduct, including conflicts of interest, acceptance of gifts, insider information, etc.

Management Approach

Our employees are required to adhere to the Group's Code of Conduct and anti-corruption policy. Information on the Code of Conduct, which includes ethical requirements and information on the whistle-blowing policy, is provided to all employees. As part of their orientation, employees undergo a mandatory induction program where they are briefed on the Code of Conduct, including workplace ethics and the whistle-blowing policy.

We actively encourage our employees to report any suspicions of fraud, corruption, or unethical behavior 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 and incidents pertaining to whistleblowing in FY2023, as such the target for FY2023 was met.

Targets

We aim to maintain zero cases of corruption for FY2024.



Governance

Corporate Governance

We strive to upholding exceptional corporate governance standards to guarantee transparency and accountability throughout our organization. The Company views the adherence of such corporate governance standards as key to protecting and enhancing value for our stakeholders. We recognise the pivotal role that robust corporate governance plays in bolstering corporate sustainability. To promote ethical behaviour, our employees are obligated to comply with the Group's policies and procedures. Details of our corporate governance protocols can be found in the Corporate Governance Report of the FY2023 Annual Report, which will be released in due course.

Management Approach

We regularly evaluate our corporate governance framework to continuously enhance our structure and operations. Since the beginning of FY2022, the SSC has been delivering annual reports to the Board, outlining our efforts to bolster our corporate governance practices.

We remain committed to refining our existing practices including board composition, board diversity, independence, interested persons transactions and conflict of interests and improving our corporate governance practices and disclosures. Any deviation from the recommended guidelines under the Code of Corporate Governance will be disclosed in our Annual Report.

Performance Data

We achieved our target as there were zero incidents of non-compliance with relevant laws and regulations relating to corporate governance issues reported in FY2023.

Targets

We will continue to work on our corporate governance practices and strive for zero incidents of non-compliance with relevant laws and regulations relating to corporate governance matters in FY2024.



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
Governance	
<p>a) Describe the board’s oversight of climate-related risks and opportunities.</p>	<p>ASA recognises that an effective corporate governance culture is critical to ASA’s performance and reputation. The Board and management are aware of the importance of sustainability and climate-related issues in ASA’s business operations. ASA adopts a three-layered approach for sustainability and climate-related issues, as outlined below.</p> <p>The Board oversees the sustainability performance of ASA, with support from the Sustainability Steering Committee (“SSC”). 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. 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. On an annual basis, the Board and management reviews the performance of the in-scope entity against the targets set.</p> <p>The Board equips itself with the knowledge on sustainability issues by undergoing training as prescribed by the SGX-ST, demonstrating its commitment to incorporating sustainability and climate-related issues to ASA’s strategy.</p>
<p>b) Describe management’s role in assessing and managing climate-related risks and opportunities.</p>	<p>The SSC is led by the Chief Executive Officer and consists of senior management personnel. 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.</p>
Strategy	
<p>a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.</p>	<p>ASA adopts a phased approach to managing climate-related risks and opportunities.</p> <p>Annually, the Board together with management reviews the relevance of ASA’s identified material factors to identify any shift in priorities amongst stakeholders and examine any emerging areas of concern. As part of the review, performance against the targets set is also reviewed.</p>



TCFD Content Index

TCFD Disclosure		Page Reference
b) Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy and financial planning.	<p>Detailed analysis of climate-related risks and opportunities impacting the organization over the short, medium and longer term and climate-related scenario analysis will be conducted in due course.</p> <p>For FY2024, ASA continues to search for viable business acquisitions and considers climate-related risks and opportunities wherever applicable.</p>	
c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.		
Risk Management		
a) Describe the organisation's processes for identifying and assessing climate-related risks.	<p>The Board, with the assistance from the Audit Committee ("AC"), is responsible for determining nature and extent of the significant risks which the Group is willing to take in achieving its strategic objectives by ensuring that the Group has put in place internal controls systems to manage its significant business risks, so as to safeguard Shareholders' interests and the Company's assets.</p> <p>The AC is responsible for overseeing the Group's risk management framework and policies, as well as assessing the level of adequacy and effectiveness of the Group's risk management and internal controls systems, including financial, operating, compliance and information technology controls, and risk management policies and systems established by the management. In relation to the risk management function, the AC is guided by the following terms of reference which assist the Board to:</p> <ul style="list-style-type: none"> • Determine the Group's levels of risk tolerance and risk policies; • Oversee the management in the formulation, update and maintenance of an adequate and effective risk management framework in addressing material risks including material financial, operational, compliance and information technology risks; • Make the necessary recommendation to the Board such that an opinion regarding the adequacy and effectiveness of the risk management and internal control systems can be made by the Board in the annual report in accordance to the Catalyst Rules and the Code of Corporate Governance (2018); 	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.		



TCFD Content Index

TCFD Disclosure		Page Reference
	<ul style="list-style-type: none"> •Review the Group’s risk profile (including climate-related risks where applicable) regularly; and •Review any material breaches of risk appetite/tolerances/limits and the adequacy of any proposed action if necessary. <p>Climate-related risks are considered as part of ASA’s enterprise risk management program.</p>	
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.	<p>ASA recognizes that electricity consumption forms a significant portion of its operational costs and the Group reports on the following metrics:</p> <ul style="list-style-type: none"> • Energy consumption and intensity • Scope 2 emissions and intensity <p>Water is another resource that ASA relies on as part of its operations and the Group reports on the total water consumption for the year.</p>	<p>Energy and Emissions, Pages 7 and 8</p> <p>Water and Effluents, Page 9</p> <p>Waste, Page 10</p>
b) Disclose Scope 1, Scope 2 and if appropriate Scope 3 greenhouse gas (“GHG”) emissions and the related risks	<p>ASA also reports on its non-compliances with laws and regulations concerning waste management/ disposal.</p>	
c) Describe the targets used by the organisation to manage climate- related risks and opportunities and performance against targets.	<p>ASA has set the following targets for the in-scope entity and performance against these targets are reviewed at least once annually.</p> <ul style="list-style-type: none"> • Maintain energy intensity and GHG emissions intensity within 10% of prior year levels. • Maintain water consumption within 10% of prior year levels. • Zero incidents of non-compliance with laws and regulations concerning waste management / disposal. 	



GRI Content Index

Statement of use	ASA has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable as a GRI sector standard is not available for our industry

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-1 Organizational details	Reporting Scope and Period, Page 2
	2-2 Entities included in the organization's sustainability reporting	
	2-3 Reporting period, frequency and contact point	<ul style="list-style-type: none"> Reporting Scope and Period, Page 2 Feedback, Page 2
	2-4 Restatements of information	Water consumption data for FY2022 has been restated from megaliter to cubic meter, Page 9.
	2-5 External assurance	N.A.
	2-6 Activities, value chain and other business relationships	Reporting Scope and Period, Page 2
	2-7 Employees	Social, Page 11
	2-8 Workers who are not employees	N.A.
	2-9 Governance structure and composition	<ul style="list-style-type: none"> Sustainability Governance Structure, Page 3 Refer to Corporate Governance Report in the Annual 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 in the Annual Report for details.
	2-11 Chair of the highest governance body	Refer to Corporate Governance Report in the Annual Report for details.
	2-12 Role of the highest governance body in overseeing the management of impacts	Refer to Corporate Governance Report in the Annual Report for details.

Note: The Company's Annual Report for FY2023 will be released separately in due course.



GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
GRI 2: General Disclosures 2021	2-13 Delegation of responsibility for managing impacts	Refer to Corporate Governance Report in the Annual Report for details.
	2-14 Role of the highest governance body in sustainability reporting	Sustainability Governance Structure, Page 3
	2-15 Conflicts of interest	Refer to Corporate Governance Report in the Annual Report for details.
	2-16 Communication of critical concerns	Refer to Corporate Governance Report in the Annual Report for details.
	2-17 Collective knowledge of the highest governance body	The Board had attended a sustainability training program as prescribed by the SGX-ST.
	2-18 Evaluation of the performance of the highest governance body	Refer to Corporate Governance Report in the Annual Report for details.
	2-19 Remuneration policies	Refer to Corporate Governance Report in the Annual Report for details.
	2-20 Process to determine remuneration	Refer to Corporate Governance Report in the Annual Report for details.
	2-21 Annual total compensation ratio	Refer to Corporate Governance Report in the Annual Report for details.
	2-22 Statement on sustainable development strategy	Sustainability Governance Structure, Page 3
	2-23 Policy commitments	<ul style="list-style-type: none"> Board Statement, Page 1 About this Report, Page 2
	2-24 Embedding policy commitments	<ul style="list-style-type: none"> Sustainability Governance, Pages 3-4 Materiality Assessment, Pages 5-6
	2-25 Processes to remediate negative impacts	<ul style="list-style-type: none"> Governance, Pages 19-20 Refer to Corporate Governance Report in the Annual Report for details.
	2-26 Mechanisms for seeking advice and raising concerns	<ul style="list-style-type: none"> Governance, Pages 19-20 Stakeholder Engagement, Pages 4-5 Diversity and Equal Opportunities, Pages 12-13
	2-27 Compliance with laws and regulations	<ul style="list-style-type: none"> Waste, Page 10 Compliance with Laws and Regulations, Page 17 Environmental Compliance, Page 17
	2-28 Membership associations	Not applicable as the Group is currently not involved in any membership of associations.
2-29 Approach to stakeholder engagement	Stakeholder Engagement, Pages 4-5	
2-30 Collective bargaining agreements	Not applicable as none of the Group's employees are involved in any union organisations.	



GRI CONTENT INDEX

GRI STANDARD	DISCLOSURE	LOCATION
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Materiality Assessment, Pages 5-6
	3-2 List of material topics	
	3-3 Management of material topics	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic, Page 10
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	Anti-corruption, Page 19
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Energy and Emissions, Pages 7-8
	302-3 Energy intensity	
GRI 303: Water and Effluents 2018	303-5 Water consumption	Water and Effluents, Page 9
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	Energy and Emissions, Pages 7-8
	305-4 GHG emissions intensity	
GRI 401: Employment 2016	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
GRI 403: Occupational Health and Safety 2018	403-5 Worker training on occupational health and safety	Occupational Health and Safety, Page 15
	403-8 Workers covered by an occupational health and safety management system	
	403-9 Work-related injuries	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	Training and Education, Page 14
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Diversity and Equal Opportunities, Pages 12-13
GRI 414: Supplier Social Assessment 2016	414-1 New suppliers that were screened using social criteria	Supplier Assessment, Page 16
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Customer Health and Safety, Page 16
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Cybersecurity, Page 18



This Sustainability Report has been prepared by Advanced Systems Automation Limited and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. ("Sponsor"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst.

This Sustainability Report has not been examined or approved by the SGX-ST and 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.

The contact person for the Sponsor is Ms. Goh Mei Xian, Director, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robinson 77, Singapore 068896, telephone (65) 6636 4201.