



ACMA LTD

SUSTAINABILITY REPORT
FOR YEAR ENDED
31 DECEMBER 2023

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SUSTAINABILITY REPORT

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1. BOARD STATEMENT

We reaffirm our commitment to sustainability with the publication of the Sustainability Report of Acma Ltd and its subsidiaries (“the Group”) for the financial year ended 31 December 2023.

The Board has provided guidance and support to ensure that sustainable business practices are embedded in the Group’s business operations while aligned with our Group’s business strategies.

We believe that sustainability is a key component of the Group’s long term business strategy and the Board is fully committed to developing a sustainable business in the interests of its stakeholders. .

The Group also recognizes the importance of setting targets on material topics to enable us to identify areas of improvement and providing a clear direction for the Group to work towards improving its sustainability efforts. By strengthening sustainability disclosures, we will increase transparency and also enhance stakeholders’ trust in the sustainability efforts.

The Group’s sustainability efforts are led by management who reports directly to the Board. In developing the sustainability blueprint, management has sought and taken into consideration the views of various stakeholders as part of the process of identifying the material sustainability issues.

The Board, together with management, oversees and monitors the process and is collectively responsible for providing the strategic direction of the Company after due consideration of the relevant sustainability factors.

2. SCOPE OF OUR REPORT

This report focuses on the sustainability practices and strategy of the Group’s operations for the financial year 2023 (“FY2023”). It seeks to meet the interests of our stakeholders in the non-financial information of the Group and demonstrates our effort to report to our shareholders and other stakeholders the steps we are taking to achieve a more sustainable business model and contribute to a more sustainable environment.

This Group has prepared this report in line with the requirements of Listing Rules 711A and 711B of the Singapore Exchange Securities Limited (“Singapore Exchange”) as well as Practice Note 7.6 Sustainability Reporting Guidelines. The Group has reported with reference to the Global Reporting Initiative (GRI) Standards for the 12-month period, from 1 January 2023 to 31 December 2023. The GRI standard is chosen as it is a universally accepted standard for reporting. The GRI Content Index can be found at the end of this report.

The information disclosed in this report, read in conjunction with the information in the Annual Report for FY2023 (“**2023 Annual Report**”) will provide the readers with a holistic view of the operations of our Group.

The Group has not sought external assurance for this report but may consider doing so as reporting matures over time. Information included in this report has been subjected to rigorous internal reviews to ensure fair and accurate presentation. The integrity of this report has been approved by the Board of Directors (“**Board**”).

Accessibility and Feedback

As part of the Group’s environmental conservation efforts, the Group has not printed copies of this Sustainability Report. An electronic version of this report is available at: <https://www.acmaltd.com>.

We welcome feedback and enquiries in relation to this report from our stakeholders as this will enable us to improve our policies, systems and results. Please feel free to write in with your feedback and/or enquiries to: enquiries@acmaltd.com.

3. ORGANISATION PROFILE

ACMA Ltd is a Singapore incorporated company, headquartered at 19 Jurong Port Road, Singapore 619093 and listed on the Mainboard of the Singapore Exchange.

In FY2023, ACMA Ltd and its subsidiaries (“ACMA Group”) were engaged principally in: -

- (a) the manufacture of precision plastic components and the fabrication of moulds (plastic injection moulding and tooling operations);
- (b) the distribution and trading of communications, electronics and electrical switchgear and other equipment and supplies; and
- (c) investment holding.

The Group entered into a sale and purchase agreement for the disposal of 100% equity interest in its PRC-based plastic injection moulding subsidiary, Acot Plastics (Xiamen) Co., Ltd (“APX”), and 100% equity interest in its PRC-based mould manufacturing subsidiary, Acot Tooling (Xiamen) Co., Ltd (“ATX”) in November and December 2023 respectively. The disposals of APX and ATX were not however completed as at 31 December 2023. A bankruptcy liquidation order was made against ATX in May 2024, following which the proposed disposal of ATX was aborted.

The key locations of our various operations as at 31 December 2023 were as follows: -

Plastic Injection Moulding and Tooling Operations

The plastic injection moulding of APX operation is located in Xiamen, People's Republic of China ("PRC"). ATX's mould manufacturing operation which had also been located in Xiamen was wound-up in December 2023. In addition to APX and ATX, the Group has another 82.5%-owned Singapore-based subsidiary involved in the supply of plastic injection moulds and plastic injection parts. This subsidiary does not have its own manufacturing facility and rely on third parties for the provision of plastic injection moulds and parts.

Other Operations

Our communications, electronics and equipment distribution business are principally involved in the distribution and sale of air-conditioning related and electrical distribution systems. We are distributors for Hitachi brand chillers and related air-conditioning products and W Lucy brand electrical distribution systems for Singapore. We also trade in other products as may be required by our customers.

The primary operations are based in Singapore but we have established representative offices in Phnom Penh, Cambodia as well as Colombo, Sri Lanka, to support the sales of our products.

Principal Markets

In FY2023, the principal markets served were as follows: -

Plastic injection moulding and tooling operations	PRC, India, USA and Europe
Communications, electronics and equipment distribution and trading	Singapore, Indonesia, Sri Lanka, Bangladesh, Cambodia and Seychelles

4. OUR CORE VALUES

We believe that as a Group, we should always be guided by certain core values in our dealings with stakeholders. These core values are: -

(i) Quality

Strive to offer quality products and services for our customers.

(ii) Reliability

Offer on-time and reliable delivery of our products and services to all customers.

(iii) Commitment

Commitment to support the needs and interests of our stakeholders and a commitment to strive for continuous improvement in performance.

(iv) Teamwork

Developing strong teamwork and spirit of co-operation amongst workers, sections, operating units and organizations.

(v) Integrity

Always maintaining a sense of integrity, honesty and discipline in our business conduct and dealings with various stakeholders.

5. SUPPLY CHAIN

The Group's main suppliers consist of raw material suppliers, equipment and component manufacturers and subcontractors. Whilst we are committed to building on and ensuring a sustainable supply chain, we do not generally enter into long-term exclusive agreements with suppliers.

Our Group procurement policy provide guidelines and control principles for various stages of the procurement process such as selection and evaluation of suppliers with the view to minimizing supply chain in risk and enhancing flexibility. We also take effort when appropriate to ensure diverse supply sources as we believe this will help manage our supply chain risk as well as encourage price and service competition between existing and potential suppliers.

6. STAKEHOLDER ENGAGEMENT

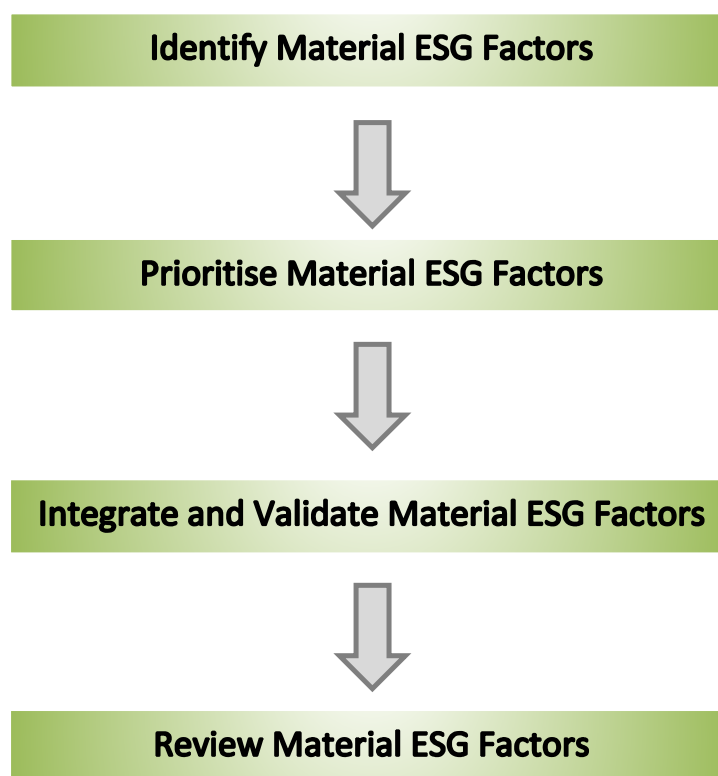
The Group recognizes the importance of active stakeholder engagement. We identified our stakeholder groups based on our assessment of their level of influence on our business.

The Group continuously engages with various stakeholder groups to understand their concerns with the view to taking appropriate measures to address them.

Key Stakeholders	Engagement Platforms	Frequency	Key Interests of Stakeholder
Customers	Regular meetings and discussions with respective Group managers.	Throughout the year.	Product and service quality. Competitive pricing. Responsiveness to requests.
Employees	Orientation of new employees. Periodic company functions. Training Ad-hoc events. Open dialogues amongst teams. Career development and performance appraisal.	Throughout the year.	Equitable remuneration. Welfare and benefits. Employee career and professional development. Fair and competitive employment practices and policies. Safe and healthy work environment. Work-life balance.

	Employees' satisfaction feedback.		
Suppliers	Regular meetings and discussions with respective Group managers.	Throughout the year.	Timely payment in accordance with contract terms. Fair business practices.
Government institutions and regulators	Meetings with government institutions and regulators.	Throughout the year.	Compliance with laws and regulations. Keeping abreast with changes in laws and regulations.
Shareholders	Singapore Exchange announcements. Annual report. Sustainability report. Annual general meeting.	Half-yearly. Annually. Annually. Annually.	Financial performance. Timely and transparent disclosures. Sound corporate governance.
Communities	Donations to charitable organisations.	As appropriate.	Corporate social responsibility initiatives.

7. MATERIALITY ASSESSMENT



Step 1: Relevant ESG factors were identified by taking reference from the GRI Standards Materiality Principle. In the process, we have considered:

- Key organisational strategies and risks identified,
- Main topics and future challenges, as identified by industry peers,
- Global and local emerging sustainability trends, and
- Observation gained from interactions with external stakeholders.

Step 2: The ESG identified in step 1 are prioritized by evaluating the ESG impact, based on order of importance to the Group's business and stakeholders.

Step 3: Validation of the ESG factors was conducted and approved by the Board.

Step 4: The material ESG factors are continually reviewed for importance and relevance.

We conducted a materiality assessment during the year to review potential material factors and their perceived economic impact and influence on the development of the Group's business as well as on our stakeholders.

Based on the materiality assessment the Board concluded that the three material ESG factors identified in the previous year, remain relevant for FY2023. These ESG factors are as follows:

- Employees
- Environment; and
- Corporate Governance

The Board will continue to identify and evaluate the material ESG factors against both key business developments and the changing business landscape to ensure they remain relevant.

8. EMPLOYEES

Every employee plays an essential role in our Group. The Group recognizes that an organization's employees represent a key component to its ability to remain commercially viable and competitive. We achieve success by promoting a collaborative work environment in which everyone is committed to achieve our corporate goals based on open and honest communications while showing care and support for each other. It is therefore committed to building a safe, nurturing and inclusive workplace environment which is conducive for attracting and retaining talent. The Group is also committed to protecting and respecting rights of employees in accordance with relevant laws and regulations as well as ensuring employee safety and well-being.

As at the end of FY2023, the Group had 391 employees (including temporary staff) compared to 490 recorded at the end of FY2022 as follows: -

Locations	FY2023	FY2022
Singapore	35	39
Xiamen, P.R. China	343	435
Phnom Penh, Cambodia	8	8
Colombo, Sri Lanka	5	8
Total Employees	391	490

The reduction in the number of employees is due mainly to the closure of the business of ATX, our PRC-based mould manufacturing subsidiary.

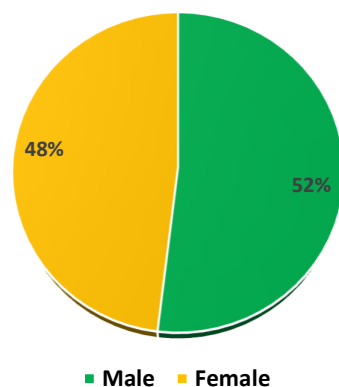
Workforce Diversity

The Group continues to practice diversity in its workforce, both in terms of gender as well as age. The Group is also receptive to mature employees as they are valued for their experience and maturity in thought.

Gender Diversity: -

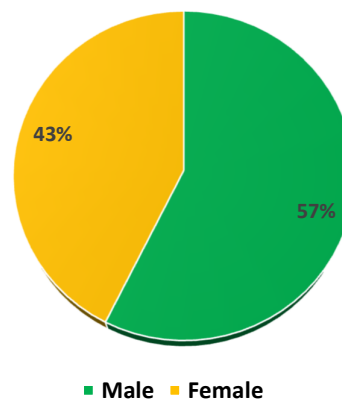
The gender mix of the Group's employees at 31.12.2023 and 31.12.2022 are depicted in the charts below.

Gender Mix (31.12.2023)



Male	203
Female	<u>188</u>
Total	<u>391</u>

Gender Mix (31.12.2022)

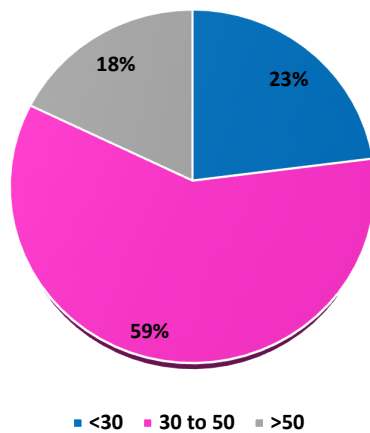


Male	281
Female	<u>209</u>
Total	<u>490</u>

Age Diversity: -

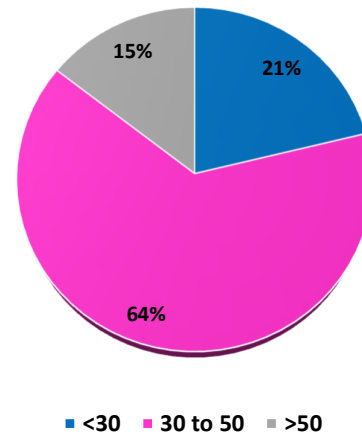
The mix of age range of the Group's employees at 31.12.2023 and 31.12.2022 are depicted in the charts below.

Age Mix (31.12.2023)



Less than 30 years	92
30 to 50 years	229
Over 50 years	<u>70</u>
Total	<u>391</u>

Age Mix (31.12.2022)



Less than 30 years	104
30 to 50 years	315
Over 50 years	<u>71</u>
Total	<u>490</u>

FY2023 Gender Mix and Age Mix against Target

Our target Gender Mix and Age Mix set in the previous year for FY2023 is for female employees and employees over 50 years old to constitute at least 30% and 8% of our workforce respectively. The target Gender Mix and Age Mix was met.

FY2024 Target

We strive to maintain the composition for female employees and employees over 50 years old at not less than 30% and 8% of our workforce respectively.

Medium (2 to 5 years) and Long-Term Target (more than 5 years)

We will continue to maintain the composition for female employees and employees over 50 years old at not less than 30% and 8% of our workforce respectively.

Compensation, Benefits and Training

Management believes in fair compensation for our employees. Remuneration and benefits of employees are periodically reviewed based on employees' performance and with reference to market rates with a view to creating and maintaining a productive and motivated workforce. The Group ensures its compensation, benefits and employment policies are in compliance with the relevant country labour and employment laws.

During the year, our employees are encouraged to participate in a range of training courses, either internal or external, to enhance their skills and knowledge for their roles within the Group. Employee training is important part of our Group's growth and development as it is integral to the success of our organization, and we are committed to providing our employees with the tools and resources necessary to remain knowledgeable and up to date in their skillsets.

Moving forward, the Group expects to continue to have a diversified workforce with fair compensation to employees.

Health and Safety in the Workplace

The Company is also committed to safeguarding our employees' health and safety against any potential workplace hazards, and take precaution to prevent occupational injuries among employees. The focus on the health and safety of our employees is of the utmost important. It is not only the fundamental right for our workers to be able to work in a safe environment, but when our employees' wellness is attained, our productivity increases, eventually maximizing our performance in the workplace. By implementing job safety guidelines, we are committed to providing a hazard free workplace to ensure the well-being of both our employees and the environment. We believe that optimum work conditions boost morale and increase employee safety.

In our day-to-day operations, employees have to ensure that all necessary safety measures are properly implemented prior to carrying out work. As part of the assurance process, we also conduct practices sessions regularly for employees to reinforce the Occupational Health and Safety requirements, in-house safety rules and job-specific safety requirements. Our PRC – based plastic injection moulding operation which accounts for 332 of the Group's 391 employees at 31.12.2023 adheres to the ISO 45001 framework for the management of occupational health and industry safety.

As part of the employees' safety awareness and resilience training, fire drills are conducted annually to familiarize employees with the proper evacuation routes and practices so that every employee evacuates safely in an orderly manner whenever fire alarms sound. Employees are also trained on the proper and safe use of fire extinguishers and how to perform cardiopulmonary resuscitation.

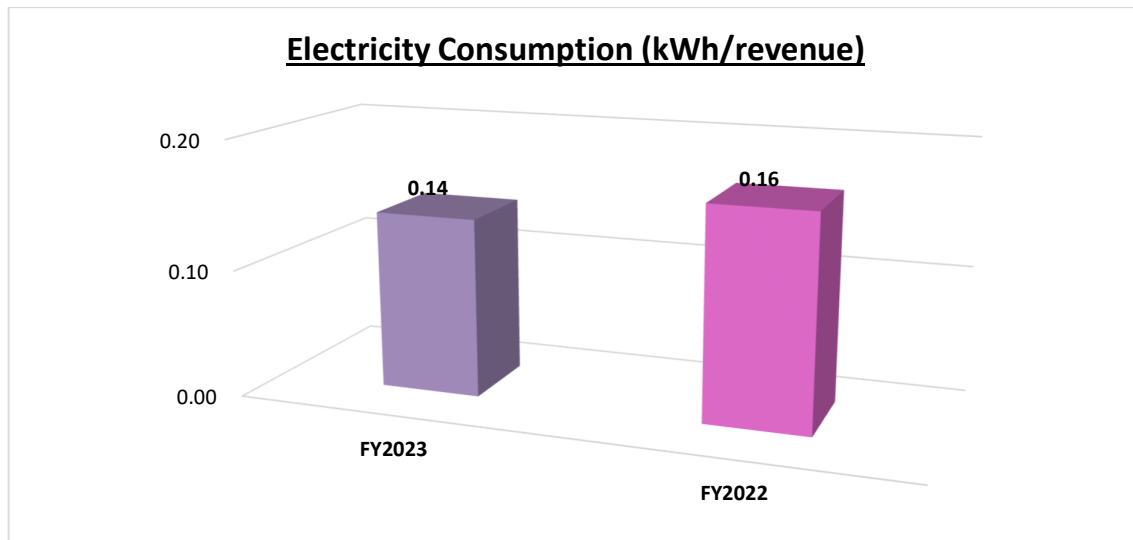
Performance & Target

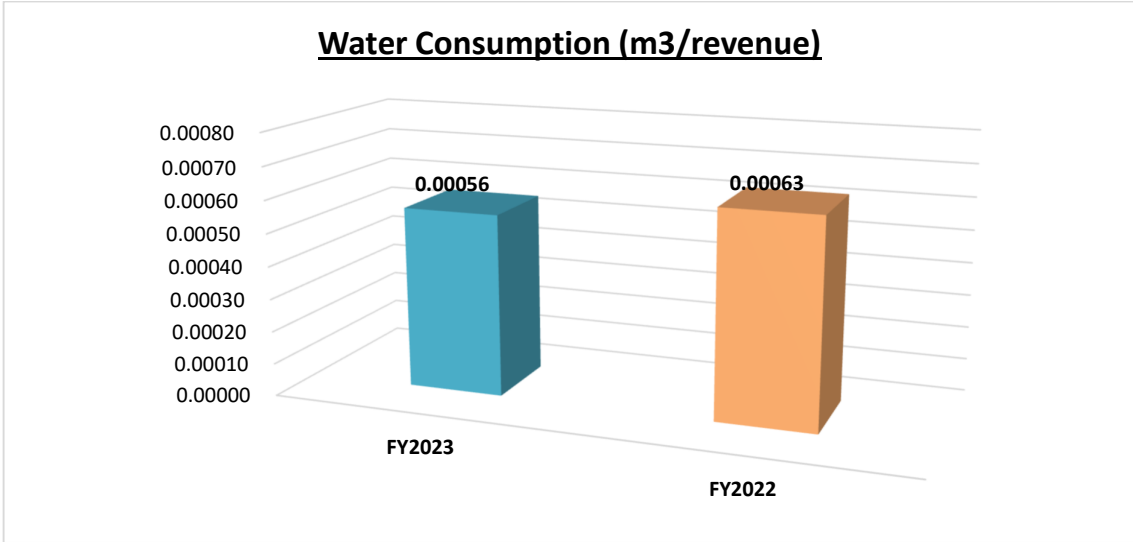
FY2021 Performance	There were 6 incidences of work-related accidents occurring in FY2021.
FY2022 Performance	There were 5 incidences of work-related accidents occurring in FY2022.
FY2023 Target	We aim to have lower incidence of work-related accidents occurring in FY2023.
FY2023 Performance	Target was met. There were 4 incidences of work-related accidents occurring in FY2023.
FY2024 Target	We aim to have lower incidence of work-related accidents occurring in FY2024.
Medium (2 to 5 years) and Long Term (more than 5 years) Target	We endeavour to maintain or to have lower incidence of work-related accidents.

9. ENVIRONMENT

Energy and Water

The Group is fully aware of its responsibility for nurturing the environment and lessening negative environmental consequences at our worksites and the environment where we operate. We monitor our energy and water consumption at our workplaces to ensure that we use our resources economically, meaningfully and responsibly.





The overall energy intensity for the Group has decreased by 12.5% from 0.16 kWh per dollar of revenue in FY2022 to 0.14 kWh in FY2023.

Water consumption also decreased by 11.1% from 0.00063 m³ per dollar of revenue in FY2022 to 0.00056 m³ in FY2023.

We will monitor our electricity and water consumption closely and consider initiatives which may be adopted in order to reduce wastage in energy and water usage.

Target & Performance

FY2023 Target	FY2023 Performance	FY2024 Target	Medium (2 to 5 years) and Long Term (more than 5 years) Target
We target to maintain or lower our energy and water consumption level in FY2023.	<p>Target was met.</p> <p>Lower electricity consumption at 0.14 kWh per dollar revenue in FY2023.</p> <p>Lower water usage at 0.000561 m³ per dollar revenue in FY2023.</p>	We will continue to maintain or lower our energy and water consumption in FY2024.	We target to maintain or lower our energy and water consumption.

Compliance with Environmental Laws

The Group is dedicated to protecting the environment through the integration of environmental considerations into our business operations. The Group also recognizes a breach of any laws or regulations could have a significant impact on production and result in reputational damage. In some cases, non-compliance may also result in economic loss for the Group arising, for example, from clean up obligations or other costly environmental liabilities.

Target & Performance

FY2023 Target	FY2023 Performance	FY2024 Target	Medium (2 to 5 years) and Long Term (more than 5 years) Target
We aim to reduce the incidence of non-compliance with environmental laws and regulations in FY2023.	Target was met. There was no incidence of non-compliance with environmental laws and regulations in FY2023.	We continue to maintain zero incidence of non-compliance with environmental laws and regulations in FY2024.	We aim to maintain zero incidence of non-compliance with environmental laws and regulations.

10. CORPORATE GOVERNANCE

The Board and management are committed to maintaining strong corporate governance and risk management practices to help ensure sustainability of the Group's businesses. Please refer to the Corporate Governance Report in Pages 11 to 28 of our 2023 Annual Report.

The Group believes in fostering an organisational culture that promotes a high level of integrity and ethical business practices, including compliance with applicable laws and regulations, respect for human rights and environmental conservation.

Our mandatory compliance with anti-corruption is embodied in our code of conduct for employees and our corporate governance. Our anti-corruption policy prohibits authorizing, offering, giving or promising anything of value directly or indirectly to any business partners, suppliers or government officials with the intention of influencing the receiver's decisions.

We have put in place a Whistle Blowing Policy that provides a transparent channel for employees and external parties to raise concerns or complaints regarding questionable business practices, disclosure matters, conflict of interest, breaches of Group policy, fraud, corruption or any other matters of employee misconduct. At the same time, this policy also provides reassurance that whistle-blowers will be protected from reprisals or victimization for whistle-blowing in good faith.

There were no confirmed incidents of corruption in FY2023. We aim to continue the Group's existing policies in FY2024 and strive to maintain the zero incidences of confirmed corruption.

Meanwhile Interested person transactions are closely monitored by our Board in compliance with Chapter 9 of the Listing Manual of the SGX-ST Mainboard Rules. In order to ensure interested person transactions were carried out at arm's length basis and not prejudicial to the interests of the Company and its shareholders, all interested person transactions (if any) are required to be documented and submitted to the Audit Committee for review.

Comply or Explain and Climate Related Disclosures

New Directors:

With the exception of the two newly appointed directors dated 29 April 2024, the Directors have attended the sustainability training courses in line with the SGX enhanced requirements on sustainability reporting. The new directors who have offered themselves for re-election at the forthcoming Company's Annual General Meeting on 18 June 2024, will, if re-elected, undergo mandatory training on Sustainability matters by April 2025.

Climate Related Disclosures:

The Group's existing operations are not in relation to any of the industries for which Climate reporting is mandatory. Furthermore, in the light of the Company's current level of operations, the Board has decided not to provide any Climate Related Disclosures for FY2023.

GRI CONTENT INDEX

Statement of Use	Acma Ltd. has reported with reference to the GRI Standards for the period from 1 January 2023 to 31 December 2023.
GRI 1 used	GRI 1: Foundation 2021

GRI DISCLOSURES		PAGE NUMBER
GRI 1: Foundation 2021		
GRI 2: General Disclosures 2021		
The Organisation and its Reporting Practices		
2-1	Organisational details	4
2-2	Entities included in the organisation's sustainability reporting	5
2-3	Reporting period, frequency and contact point	3-4
2-4	Restatement of information	No restatement
2-5	External assurance	4
Activities and Workers		
2-6	Activities, value chain and other business relationships	4-7
2-7	Employees	8
2-8	Workers who are not employees	Nil
Governance		
2-9	Governance structure and composition	FY2023 Annual Report, pages 4-5, 14-16
2-10	Nomination and selection of the highest governance body	FY2023 Annual Report, pages 16-17
2-11	Chair of the highest governance body	FY2023 Annual Report, pages 15-16
2-12	Role of the highest governance body in overseeing the management of impacts	FY2023 Annual Report, pages 11-12
2-13	Delegation of responsibility for managing impacts	FY2023 Annual Report, pages 15-19, 22-23
2-14	Role of the highest governance body in sustainability reporting	3
2-15	Conflicts of interest	FY2023 Annual Report, page 11
2-16	Communication of critical concerns	6-7,14
2-17	Collective knowledge of the highest governance body	FY2023 Annual Report, pages 14-15
2-18	Evaluation of the performance of the highest governance body	FY2023 Annual Report, page 18
2-19	Remuneration policies	FY2023 Annual Report, pages 18-21
2-20	Process to determine remuneration	FY2023 Annual Report, pages 18-21
2-21	Annual total compensation ratio	Information is not provided due to confidentiality constraints
Strategy, Policies and Practices		
2-22	Statement on sustainable development strategy	3
2-23	Policy commitments	7-15
2-24	Embedding policy commitments	7-15
2-25	Processes to remediate negative impacts	6-7,14

2-26	Mechanisms for seeking advice and raising concerns	6-7,14
2-27	Compliance with laws and regulations	14
2-28	Membership associations	ACMA Ltd and/or companies within the Group are members of the following associations: <ul style="list-style-type: none"> • Singapore Business Federation • Singapore Electrical Contractors & Licensed Electrical Workers Association • Xiamen Mould Association • Xiamen Foreign Investment Enterprises Association
Stakeholder Engagement		
2-29	Approach to stakeholder engagement	6-7
2-30	Collective bargaining agreements	The Acma Group does not have any collective bargaining agreements in place
GRI 3: Material Topics 2021		
3-1	Process to determine material topics	7-8
3-2	List of material topics	7-8
3-3	Management of material topics	8-15