

Sustainability Governance

The Board is committed to embedding sustainability into the Group's business strategies and operations. A holistic approach to business management, taking into consideration the *economic, environmental and social ("EES")* risks and opportunities alongside financial implications, is being seen as a measure to generate long term benefits and business continuity.

Our *Executive Committee ("EXCO")* oversees the implementation of the Group's sustainability approach, practices and performance according to EES criteria.

In order to ensure that we have an inclusive and safe society, the EXCO empowers our business and functional units to regularly engage with our stakeholders so that key risks and issues impacting our stakeholders are promptly addressed in our practices and business strategies. Sustainability related strategies and information are then collated from the respective business units/divisions and are reviewed and presented to the EXCO by the Strategic Management Committee ("SMC"). The EXCO will then report key matters to the Board for further deliberation, if necessary.

This approach ensures that the Group's Core Philosophy of providing *integrated ICT solutions* that will *contribute towards nation building* may be realised.

The status of implementing group-wide sustainability governance is as follows:

Action Plan	Status of implementation
<p><u>Action Plan 1 of 4:</u> Establish a sustainability framework, management policy and procedures to guide and direct key EES matters.</p>	<p>The Strategic Management Committee (“SMC”) was formally established on 21 May 2019 to guide and direct strategic planning for sustainability and growth.</p>
<p><u>Action Plan 2 of 4:</u> Enforce mandatory requirements for sustainability reporting in accordance with the GRI Standards.</p>	<p>We have yet to enforce mandatory requirements for EES risks reporting in accordance with the Global Reporting Initiative (“GRI”) Standards, as voluntary reporting is encouraged.</p> <p>Nonetheless, key indicators for employment, training and education matters continue to be reported on a quarterly basis by our Human Capital Development Department (“HCD”) based on the GRI Standards.</p> <p>Whereas other economic & environment indicators, such as employee/customer satisfaction survey analysis, supplier/vendor assessment, internal feedbacks, effluents and waste management, are collated/compiled by the respective person in-charge and reported to the EXCO/Board, either on ad-hoc basis e.g. arising from operational/audit reviews, or at minimum on annual basis.</p> <p>Even so, it is envisaged that this Action Plan would be carried out by our Management in the future, as we become more matured on our journey towards sustainability and growth.</p>
<p><u>Action Plan 3 of 4:</u> Perform group-wide risk assessment which helps identify and prioritise sustainability areas that are most crucial to meeting business goals.</p>	<p>In accordance with Datasonic’s Enterprise Risk Management (“ERM”) Framework, our risk management processes are governed largely by the principles & guidelines of <i>ISO 31000 - Risk Management</i>.</p> <p>EES risks were identified, assessed and properly evaluated by the respective Risk Owners at operational level based on the established risk criteria/priorities adopted by the Company.</p> <p>Risk treatment plans were also developed by management for mitigation of risks assessed by the Company.</p>
<p><u>Action Plan 4 of 4:</u> Formalise Key Performance Indicators (KPIs) for each business entity to allow periodic reviews and assessment of performance against set targets.</p>	<p>Various business proposals and budgets were evaluated by the EXCO/SMC and additional internal controls/templates were also introduced by the SMO as tools for KPI setting and/or performance reviews, in addition to enhancing the Group’s corporate governance, risk management and internal controls and compliance requirements governing these business activities.</p>