ellipsiz

forward solutions

ANNUAL
REPORT 2023

SUSTAINABILITY REPORT

BOARD STATEMENT

The Board of Directors (the "Board") of Ellipsiz Ltd ("Ellipsiz", the "Company" or together with its subsidiaries, the "Group") is pleased to present its Sustainability Report ("Report") for the financial year ended 30 June 2023 ("FY2023" or "Reporting Period"). For this Report, we provide insight into the way we do business, while highlighting our environmental, social, governance ("ESG") factors, economic performance and customer experience (collectively as "Sustainability Factors").

The Board is responsible for overseeing the business and corporate affairs of the Group, including sustainability matters. The Board believes that a responsible business approach is integral to our long-term success and have considered sustainability as part of our business strategy, determined the material Sustainability Factors and overseen the management and monitoring of our material Sustainability Factors. We are committed to adopting sustainable practices across our operations, empowering individuals, enriching communities, thereby creating a positive impact on the environment and society, so as to secure our long-term future.

As a business that strives towards growth and development, we remain vigilant against potential risks arising from emerging trends and new developments whilst looking out for business opportunities that they present. With increasing importance attached to sustainability and rising expectations amongst our key stakeholders, we aim to integrate our sustainability initiatives with our business strategy and constantly improve our sustainability performance to stay relevant and competitive.

A sustainability policy ("SR Policy") covering our sustainability strategies, reporting structure, materiality assessment and processes in identifying and monitoring material Sustainability Factors, is in place to guide us in our sustainability reporting. Under this SR Policy, we will continue to monitor, review and update our material Sustainability Factors from time to time, considering the feedback that we receive from our engagement with our stakeholders as well as organisational and external developments.

SUSTAINABILITY REPORT

Our sustainability framework also communicates our commitment towards supporting the United Nations' Sustainable Development Goals ("SDGs"), also commonly known as the Global Goals. We work closely with stakeholders in our value chain and their inputs drive our sustainability focus on our material Sustainability Factors and the SDGs as follows:
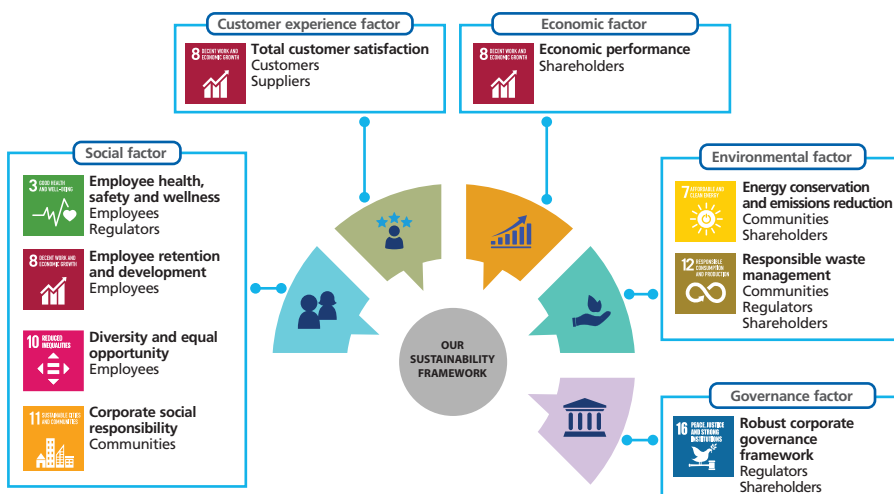
A summary of our key sustainability performance in FY2023 is as follows:

Sustainability factor	Performance indicator	Sustainability performance	
		FY2023	FY2022
Economic	Revenue	$59.1 million	$55.6 million
	Net profit after tax	$0.7 million	$3.2 million
Environmental	Total GHG emissions (tonnes CO_2e)	72.3	67.5
	GHG emissions intensity (tonnes CO_2e/ revenue $'000)	0.001	0.001
	Number of reported incidents of significant fines or non-monetary sanctions for non-compliance with applicable environmental laws and/or regulations	–	–

SUSTAINABILITY REPORT

Sustainability factor	Performance indicator	Sustainability performance	
		FY2023	**FY2022**
Social	Number of workplace fatalities	–	–
	Number of high consequence[1] work-related injuries	–	–
	Number of recordable work-related injuries[2]	–	–
	Number of work-related ill health cases[3]	–	–
	Turnover rate	10.2%	19.5%
	Average training hours per employee	2.4 hours	3.5 hours
	Number of reported incidents of unlawful discrimination[4] against employees	–	–
Governance	Number of incidents of corruption[5]	–	–

We thank our key stakeholders for their continuous support in our sustainability journey over the years. We will continue to actively and regularly engage them, build upon our existing sustainability framework, and seek to further inculcate good sustainable practices within our business to build a sustainable business for generations to come.

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[1] High consequence work-related injuries refer to injuries from which the worker cannot recover or cannot recover fully to pre-injury health status within 6 months.

[2] Recordable work-related injuries refer to all work-related injuries that the Company is required to report to the Ministry of Manpower.

[3] Work-related ill health cases refer to negative impacts on health arising from exposure to hazards at work.

[4] Unlawful discrimination refers to an incident whereby the relevant authority has commenced investigation and resulted in a penalty to the Company.

[5] A corruption incident is defined as one that involves fraud or dishonesty and is being or has been committed against the Company by its officers or employees. Such an incident is punishable by imprisonment for a term of not less than 2 years and the value of the property obtained or likely to be obtained from the commission of the offence amounts not less than $100,000.

SUSTAINABILITY REPORT

ABOUT US

Our Core Business

Ellipsiz was founded as a leading provider of integrated solutions in the electronics industry. Over the years, it has become one of the leading engineering and service solutions providers, serving customers in the semiconductor industry across Asia. Our current core business is in providing distribution and services solutions ("**DSS**") which distributes a wide range of manufacturing, testing and inspection/measurement equipment and offers engineering and service-oriented solutions to customers in the semiconductor and telecommunication industries. The supply chain structure of the DSS business is as follows:

Our Suppliers	**Our Operations**	**Our Customers**
Suppliers of leading equipments and products	Provision of solutions for in-circuit and functional testing, distribution and trading of scientific instruments and electronic equipment, and provision of engineering and service-oriented solutions	Customers in the semiconductor industry across Asia

VISION

We aim to be the best creator of value for our customers, business partners and stakeholders in markets that we participate in

MISSION

To enable our customers and business partners to achieve their goals optimally, we offer innovative and integrated solutions

SUSTAINABILITY REPORT

Our Vision and Mission
Our Core Values
Our core values keep the inner workings of our brand in check. They shape our culture and define our beliefs and practices, allowing us to achieve the results we desire and to continually develop and improve our services to our customers.

VALUES

RESPECT FOR INDIVIDUAL	INTEGRITY	CUSTOMER FOCUS	ENTREPRENEURSHIP

MERITOCRACY	ACHIEVEMENT ORIENTATED	PROFIT AND LIQUIDITY FOCUS

Our People
As at 30 June 2023, the total number of permanent full-time employees[6] by country is as follows:

Singapore	Taiwan	China	Malaysia	Total
58	16	18	14	106

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[6] The total number of temporary employees, part-time employees and non-guaranteed hours employees is zero as at 30 June 2023 and thus not disclosed.

SUSTAINABILITY REPORT

ABOUT THIS REPORT
Reporting Framework
This Report is prepared in accordance with 711A and 711B of the Singapore Exchange Securities Trading Limited ("SGX-ST") listing rules. The Company has prepared this Report with reference to the Global Reporting Initiative ("GRI") Standards. We have chosen to report using the GRI framework as it is an internationally recognised reporting framework. The GRI content index can be found in the Appendix of this Report.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we have mapped our sustainability efforts to the 2030 Agenda for Sustainable Development which was adopted by all United Nations Member States in 2015 ("UN Sustainability Agenda"). The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are 17 SDGs, which form an urgent call for action by all countries – developed and developing – in a global partnership. We have incorporated the SDGs, where appropriate, as a supporting framework to shape and guide our sustainability strategy.

We are also guided by the recommendations of the Taskforce on Climate-related Financial Disclosures ("TCFD") in our climate-related disclosures.

We relied on internal data monitoring and verification to ensure accuracy for this Sustainability Report. Internal review on the sustainability reporting process has been incorporated as part of our internal audit review cycle and we will work towards external assurance for our future sustainability reports.

Reporting Scope
This Report articulates our strategies and practices in key aspects of sustainability and provides a detailed account of our sustainability performance in our operations. Our reporting scope covers the following key operating entities within the Group's DSS operations in Singapore, Taiwan, China and Malaysia, which contributed to more than 90% of the Group's revenue for FY2023 (FY2022: more than 90%):

S/N	Entity	Location
1	Ellipsiz Ltd	Singapore
2	Ellipsiz DSS Pte. Ltd.	Singapore
3	Ellipsiz iNETest (Suzhou) Co., Ltd.	China
4	Ellipsiz iNETest (Shanghai) Co., Ltd.	China
5	Ellipsiz iNETest Co., Ltd.	Taiwan
6	iNETest Malaysia Sdn. Bhd.	Malaysia

A sustainability report is being published annually in accordance with our SR Policy.

Feedback
If you wish to provide feedback on this Report, please reach out to us at ir@ellipsiz.com.

SUSTAINABILITY REPORT

STAKEHOLDER ENGAGEMENT

Key to building an effective organisation is to uphold a healthy company culture, which amongst others, places emphasis on interaction with key stakeholders. We value our key stakeholders and believe that regular engagements with them generate new ideas and encourage co-operation, which will improve the organisation's sustainability performance as well as increase the organisation's overall effectiveness in the long run.

Through an internal stakeholder mapping exercise, we have identified key stakeholder groups which we prioritise our engagements with. They include entities and individuals that can reasonably be expected to be significantly affected by our activities, products or services and whose actions can reasonably affect our ability to implement our strategies to achieve our objectives.

Our efforts are focused on creating sustainable value for our key stakeholders, which comprise communities, customers, employees, government and regulators ("Regulators"), shareholders and investors ("Shareholders"), and suppliers. Key stakeholders are determined for each Sustainability Factor identified, based on the extent to which they affect/can affect or are/can be affected by the Group.

We believe that it is necessary to make time and effort in acknowledging and understanding our key stakeholders' material concerns and expectations. Through the following formal and informal engagements with our key stakeholders, we are able to develop mutually beneficial relationships and ensure a smooth operation within the organisation:

S/N	Key stakeholder	Material concerns of stakeholder	Engagement frequency	Engagement mechanism
1	Communities	• Corporate social responsibility • Environmental initiatives	Ongoing	Engagements with community projects and charities
2	Customers	Quality of products and services provided	Ongoing	Regular dialogue with customers to understand their needs and collect their feedback
			Ongoing	Designated representatives to handle customers' orders and requests

SUSTAINABILITY REPORT

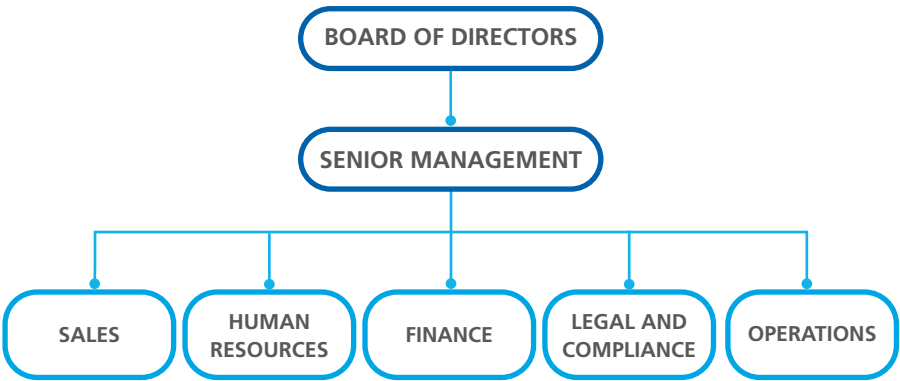| S/N	Key stakeholder	Material concerns of stakeholder	Engagement frequency	Engagement mechanism
3	Employees	• Equal employment opportunities • Career development and training opportunities • Job security • Remuneration • Workplace health and safety	Regularly	• Orientation conducted for new employees to familiarise them with the Group's business, management and policies • Training and career development plans • Social and team-building activities • Employees' welfare and benefits
			Annually	Career development performance appraisal
4	Regulators	Regulatory and compliance risk	As and when required	• Board and management are kept abreast of new policies, regulations and guidelines launched and implemented by government and regulators such as Ministry of Manpower, SGX-ST, National Environment Agency and Health Sciences Authority • Seminars or courses attended by Board/management on developments in relevant laws and regulations

SUSTAINABILITY REPORT

S/N	Key stakeholder	Material concerns of stakeholder	Engagement frequency	Engagement mechanism
5	Shareholders	Economic and industry trends, Group performance and corporate governance	Regularly	Shareholders are kept abreast of the Company's key developments through press releases, corporate website, announcements via SGX website and Annual Reports
			Annually	Annual General Meetings are conducted to engage our Shareholders
			Ongoing	Dedicated investor relations page on the Company's corporate website
6	Suppliers	Loss of key products distributorships and service contracts	As and when required	• Regular meetings with suppliers to exchange ideas and areas of concern • Routine and ongoing communication with suppliers to keep them informed on strategies and plans

SUSTAINABILITY REPORT

OUR SUSTAINABILITY APPROACH
Sustainability Governance Structure
The Board is responsible for overseeing sustainability matters and is supported by a team comprising senior management of the Group. The team reviews, assesses and makes recommendations to the Board on sustainability matters. It initiates, drives, and monitors various aspects of the Group's sustainability practices, ensuring effective integration of sustainability initiatives into the business operations and corporate objectives.

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                    │ SENIOR MANAGEMENT   │
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SUSTAINABILITY REPORT

Sustainability Reporting Process

Under our SR Policy, our sustainability process begins with an understanding of the Group's context. This is followed by the ongoing identification and assessment of the Group's impacts. The most significant impacts are prioritised for reporting, and the result of this process is a list of material Sustainability Factors disclosed in this Report. Processes involved are shown in the chart below:

Context
Understand the Group's context by considering its activities, business relationships, stakeholders, and sustainability context of all the entities it controls or has an interest in, including non-controlling interests

Identification
Identify actual and potential impacts on the economy, environment, people and their human rights

Rating
Assess the pervasiveness of Sustainability Factors across the Group and cluster similar Sustainability Factors

Prioritisation
Prioritise the impacts based on their significance to determine the material Sustainability Factors for reporting
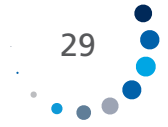
Validate
Sustainability factors will be internally validated by the leadership team

Review
In each reporting period, review the material Sustainability Factors from the previous reporting period to account for changes in impacts which can result from feedback received from engagement with stakeholders, organisational and external developments

SUSTAINABILITY REPORT

Materiality Assessment

Under our SR Policy, we assessed our Sustainability Factors based on their impact on our ability to create value for our stakeholders. Impacts, positive and negative, actual and potential, are assessed based on: (i) the likelihood of occurrence ("Likelihood of Impact"); and (ii) their significance on the economy, environment, people and their human rights and contribution to sustainable development ("Significance of Impact").

Performance Tracking and Reporting

We track the progress of our material Sustainability Factors by identifying the relevant data points, measuring and monitoring them. In addition, we set performance targets that are aligned with our strategy to ensure that we remain focused in our path to sustainability. We shall consistently enhance our performance-monitoring processes and improve our data capturing systems.

SUSTAINABILITY REPORT

MATERIAL FACTORS

In FY2023, a materiality assessment was conducted by the senior management and representatives from various departments to understand the concerns and expectations of our stakeholders. Through the materiality assessment, Sustainability Factors material to our business were updated. In this Report, we present our progress in managing these Sustainability Factors and set related targets to improve our sustainability performance.

Presented below is a list of our material Sustainability Factors:

S/N	Material Sustainability Factor	SDG	Key stakeholder
Customer Experience			
1	Total customer satisfaction	Decent work and economic growth	• Customers • Suppliers
Economic			
2	Economic performance	Decent work and economic growth	• Shareholders
Environmental			
3	Energy conservation and emissions reduction	Affordable and clean energy	• Communities • Shareholders
4	Responsible waste management	Responsible consumption and production	• Communities • Regulators • Shareholders
Social			
5	Employee health, safety and wellness	Good health and well-being	• Employees • Regulators
6	Employee retention and development	Decent work and economic growth	• Employees
7	Diversity and equal opportunity	Reduced inequalities	• Employees
8	Corporate social responsibility	Sustainable cities and communities	• Communities
Governance			
9	Robust corporate governance framework	Peace, justice and strong institutions	• Regulators • Shareholders

SUSTAINABILITY REPORT

CUSTOMER EXPERIENCE
Total Customer Satisfaction
We are committed to build a loyal customer base for our long-term sustainability by maximising customer's satisfaction through the following:

Offer an extensive product portfolio that meets market needs

Our products

We offer a comprehensive portfolio of products and services to cater to the needs of our customers within the semiconductor and electronics ecosystem. Our product listing can be found at our website: https://www.ellipsizdss.com/products/.

SUSTAINABILITY REPORT

Maintain presence and proximity to our customers
We have offices in Singapore, Malaysia, China and Taiwan. This geographical footprint brings us closer to the markets we serve and more importantly, closer to our customers to serve them better.

Ensuring suppliers adopt market standards on product quality
Our key suppliers are certified under internationally recognised quality standards, such as the following, to maintain product quality and safety:

Standard/certification	Area
ISO 9001:2015	Quality management system
ISO 12100:2010	Safety of machinery
ISO 45001:2018	Occupational health and safety management system
ISO 14001:2015	Environmental management system
ISO/IEC 27001:2022	Information security management system
ISO/IEC 17025:2017	Testing and calibration laboratories

Target for FY2023	Performance in FY2023	Target for FY2024
Not applicable as this is a newly disclosed Sustainability Factor in this Report	Market standards are adopted by our suppliers to ensure quality and safety in our products and services	Ensure that our suppliers adhere to market standards

SUSTAINABILITY REPORT

ECONOMIC
Economic Performance
We believe in creating long-term economic value for shareholders by striking a balance between rewarding shareholders by way of delivering profits, dividend payments and maintaining a robust balance sheet with strong operating cash flows.

Details of our financial performance can be found in the Financial Review section and the audited financial statements of this Annual Report.

Target for FY2023	Performance in FY2023	Target for FY2024
Not applicable as this is a newly disclosed Sustainability Factor in this Report	• Our FY2023 revenue of $59.1 million was 6% higher than the $55.6 million recorded in FY2022 • We recorded a net profit after tax of $0.7 million in FY2023 which was 78% lower than the net profit after tax of $3.2 million in FY2022. The lower net profit was mainly due to the lower fair value gain on investment property and the consolidation of expenses of the egg production and distribution business	Maintain or improve financial performance subject to market conditions

SUSTAINABILITY REPORT

ENVIRONMENTAL
Energy Conservation and Emissions Reduction
In order to mitigate the negative impacts of climate change, we are committed to responsible usage of energy resources and emissions reduction through enhancing our energy efficiency.

We rely mainly on the following energy sources to run our operations:

- Diesel for forklift; and

- Purchased electricity for lighting, office work, cooling and ventilation.

Key statistics on energy consumption and GHG emissions during the Reporting Period are as follows:

Performance indicator	Unit of measurement	FY2023	FY2022
Energy consumption			
Diesel consumption	litre	7,753	6,899
Electricity consumption	kWh	109,656	106,290
Energy consumption intensity			
Diesel consumption intensity	litre/revenue $'000	0.13	0.12
Electricity consumption intensity	kWh/revenue $'000	1.85	1.91
GHG emissions			
Direct GHG emissions (Scope 1[7])	tonnes CO_2e	21.1	18.8
Indirect GHG emissions (Scope 2[8])	tonnes CO_2e	51.3	48.7
Total GHG emissions[9]	tonnes CO_2e	72.4	67.5
GHG emissions intensity			
GHG emissions intensity	tonnes CO_2e/revenue $'000	0.001	0.001

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[7]   GHG emissions from consumption of diesel controlled by the Company (Scope 1) are calculated based on the Greenhouse Gas (GHG) Emissions Measurement and Reporting Guidelines published by the Intergovernmental Panel on Climate Change.

[8]   GHG emissions from electricity purchased by the Company (Scope 2) are calculated based on the emissions factors published by the relevant local authorities.

[9]   Our GHG emissions is not expected to be material due to our business nature as a distributor.

SUSTAINABILITY REPORT

We believe that responsible usage of energy resources results in lesser GHG emissions and thus helps to preserve the environment. Key initiatives on this front are as follows:

- We track and review spending on energy consumption regularly to control usage and corrective actions are taken when there are unusual consumption patterns;

- We constantly remind our staff on basic and socially responsible habits at their workplaces such as adopting greener work ethics, switching off appliances if not in use and enabling power saving mode; and

- We constantly identify and implement energy conservation measures such as the use of LED lights which are made of non-toxic materials, with a view to lowering the environmental impact of lightings as well as to improve energy efficiency and reduce energy consumption cost.

Target for FY2023	Performance in FY2023	Target for FY2024
Not applicable as this is a newly disclosed Sustainability Factor in this Report	No material changes in GHG emissions intensity	Reduce or maintain GHG emissions intensity

Responsible Waste Management

Our planet provides us with an abundance of natural resources. We recognise that environmental preservation through efficient waste management such as reducing and recycling allows us to operate responsibly and in a sustainable manner. Our waste management measures include:

Move towards a paperless working environment

We are moving towards the use of e-paper and going paperless in our workplace by embarking on digital transformation through digitising paper-based processes and documents. Such an initiative also increases our productivity through reducing time spent on physical activities such as filing, photocopying and maintaining paper trail. We have substantially reduced our paper consumption through this initiative.

In addition, we no longer mail printed copies of our annual reports and circulars to shareholders, physical copies are made available when required under the listing manual of the SGX-ST or upon request by shareholders. The annual reports and circulars are available for download at a dedicated investor relations page of our corporate website at https://www.ellipsiz.com/investor-relations/newsroom/ as well as the SGX website. We encourage shareholders to support our sustainability efforts and embrace e-communications.

SUSTAINABILITY REPORT

Proper waste management and disposal

Types of waste generated in our operations include general waste and e-waste. We recognise that proper disposal of waste is necessary for being environmentally responsible and often required by law. In FY2023, there were no significant fines or non-monetary non-compliance with environmental laws and/or regulations during the Reporting Period.

Target for FY2023	Performance in FY2023	Target for FY2024
Continue to maintain zero incident of significant fines or non-monetary sanctions for non-compliance with applicable environmental laws and/or regulations	Maintained zero incident of significant fines or non-monetary sanctions for non-compliance with applicable environmental laws and/or regulations	Maintain zero incident of significant fines or non-monetary sanctions for non-compliance with applicable environmental laws and/or regulations

SOCIAL
Employee health, safety and wellness

In our daily operations, employees at our warehouse have to handle heavy lifting equipment such as a forklift to move the inventories. Accordingly, we are committed to maintaining a safety-conscious culture amongst our employees. We attained bizSAFE Level 3 certification issued by the Workplace Safety and Health Council for our operations in Singapore. This certification recognises our continuous efforts to embed a positive health and safety culture in our operations.

During the Reporting Period, we did not record any workplace fatalities, high-consequence work-related injuries, recordable work-related injuries or work-related ill health cases, similar to FY2022.

To support the well-being of our employees, we provide employee benefits schemes such as medical and insurance coverage. We also provide leave schemes to support our employees in having and raising children such as maternity leave, paternity leave, shared parental leave, childcare leave and unpaid infant care leave.

Target for FY2023	Performance in FY2023	Target for FY2024
Not applicable as this is a newly disclosed Sustainability Factor in this Report.	Maintained zero incident of fatalities, high-consequence work-related injuries, recordable work-related injuries and ill health cases	On-going and long-term target Maintain or reduce the number of recordable work-related injuries and ill health cases

SUSTAINABILITY REPORT

Employee Retention and Development

Our employees are the drivers of our business and we believe in creating a respectful, rewarding and safe working environment for them. With the competitive landscape in hiring, employee retention is a key concern for the Group. As at 30 June 2023, the Group has 106 employees (as at 30 June 2022: 109 employees).

At Ellipsiz, we are committed to providing an environment where the dedication and commitment of our people are recognised. In recognising the contributions and efforts of our employees who have performed beyond the call of duties and showed their commitment towards our vision and mission, we make it a point to award such employees with the Outstanding Staff Award. For long-serving employees, we award them with the Long-Service Award. The Long-Service Award recognises years of employment starting from the fifth year, in five-year intervals.

To remain as an attractive employer, we ensure that all our employees are provided with competitive and market-aligned remuneration, welfare and benefits such as medical and dental benefits, relevant insurance coverage and annual leave entitlement as well as additional leave entitlement on eligibility such as marriage, compassionate, maternity and paternity leaves. We adhere strictly to the basic terms of employment stipulated by national laws in the countries where we operate to safeguard the legitimate rights and benefits of our employees.

New employee hires

In FY2023, the total number of new employees hired was 8 (FY2022: 14 new employees hired). Key statistics on new employee hires by gender and age group are as follows:

Disclosure	FY2023		FY2022	
	Number	Percentage	Number	Percentage
Gender				
Male	5	62.5%	9	64.3%
Female	3	37.5%	5	35.7%
Age				
Above 50	2	25.0%	3	21.4%
30 to 50	4	50.0%	8	57.2%
Below 30	2	25.0%	3	21.4%

SUSTAINABILITY REPORT

Employee turnover
Key statistics on employee turnover by gender and age group are as follows:

Disclosure	FY2023		FY2022	
	Number	Percentage	Number	Percentage
Overall	11	10.2%	23	19.5%
Gender				
Male	7	63.6%	16	69.6%
Female	4	36.4%	7	30.4%
Age				
Above 50	1	9.1%	2	8.7%
30 to 50	10	90.9%	18	78.3%
Below 30	–	–	3	13.0%

Robust employee performance appraisal system
A fair appraisal system, which is carried out annually, supports our remuneration practices, opportunities for advancement and promotion, recognition of achievements, training requirements and other conditions of employment.

We aim to appraise our employees at least once a year through an annual performance appraisal, which includes an open discussion of the employee's performance, training, development and long-term career goals. During the Reporting Period, all eligible employees received performance appraisals (FY2022: 100%).

Employee training and education
With the rapid technological and market changes in our industry, it is vital for our employees to keep themselves abreast of the latest industry developments. To this end, we encourage and support our employees to constantly develop and improve their knowledge and skillsets through participating in various upgrading and career development programmes. During the Reporting Period, our full-time employees attended in-house and external trainings which cover typically functional topics related to their areas of work. We aim to groom and train dedicated individuals and invest time and effort in them so that they can take on more responsibilities and grow with the Group.

SUSTAINABILITY REPORT

We place a high priority on the competency development as we believe that an effective employee training programme is vital to employee retention and the long-term success of our business. In FY2023, our employees received approximately 2.4 hours of training per employee (FY2022: 3.5 hours of training per employee).

Disclosure	FY2023		FY2022	
	Male	Female	Male	Female
Total training hours	191	60	180	200
Average training hours per employee	2.8	1.5	2.6	5.0

As our business travel increased in FY2023 following the passing of COVID-19 pandemic, we logged less training conducted for our employees. We will continue to invest in training and development to enhance our competencies, that is, not limited to functional skills but also in areas such as leadership capabilities and team performance.

As part of our continual efforts to upgrade the knowledge of our directors on sustainability reporting and to meet the requirement of listing rule 720(7) of SGX-ST, we confirm that all Directors attended one of the approved sustainability training courses.

Target for FY2023	Performance in FY2023	Target for FY2024
Achieve an employee turnover rate of not more than 15% of the total number of employees as at 30 June 2022	Achieved an employee turnover rate of not more than 15% of the total number of employees as at 30 June 2023	Maintain or improve employee turnover rate subject to market conditions

Diversity and Equal Opportunity

At Ellipsiz, we believe that the success and growth of our business depends on the continued efforts and abilities of our employees. We recognise the importance of creating an all-inclusive environment where our people can treat each other respectfully and equally and embrace diversity as the differences in background and experience of each employee will make our Group more vibrant and innovative. Accordingly, we are committed to creating an environment that provides non-discrimination and equal opportunities and benefits to each employee, regardless of race, religion, gender or age. This is implemented through our Employees' Code of Conduct and Ethics Policy ("Code of Conduct"), which sets our position against discrimination in any form.

We select and recruit employees based on merit (such as skills, experience or ability to perform the job) regardless of their age, race, gender, religion, marital status and family responsibilities. Employees are hired based on an individual's competencies, skillsets, organisational and job fit.

SUSTAINABILITY REPORT

Gender diversity (%)
We view diversity at the Board level as an element in supporting sustainable development, and in relation to gender diversity, we have one (FY2022: one) female Board member or 17% (FY2022: 17%) female representation on the Board. Key statistics on gender diversity of our employees are as follows:

Disclosure	FY2023		FY2022	
	Male	**Female**	**Male**	**Female**
Overall	63.2%	36.8%	63.3%	36.7%
Management level				
Management	73.5%	26.5%	72.2%	27.8%
Non-management	58.3%	41.7%	57.5%	42.5%

Age diversity (%)
We maintain a fair and open employment policy through providing fair employment opportunities to both young and mature employees. Key statistics on age diversity of our employees are as follows:

Disclosure	FY2023			FY2022		
	Below 30	**30 – 50**	**Over 50**	**Below 30**	**30 – 50**	**Over 50**
Overall	4.7%	61.3%	34.0%	2.7%	67.0%	30.3%
Management level						
Management	–	47.1%	52.9%	–	58.3%	41.7%
Non-management	6.9%	68.1%	25.0%	4.1%	71.2%	24.7%

Educational diversity (%)
On diversity in educational background, we seek to create an inclusive environment for employees from different educational background. The breakdown of employees by educational level is as follows:

Educational qualification	FY2023	FY2022
Tertiary	79.2%	78.0%
Non-tertiary	20.8%	22.0%

SUSTAINABILITY REPORT

During the Reporting Period, we have no reported incident of unlawful discrimination against employees (FY2022: zero incident).

Target for FY2023	Performance in FY2023	Target for FY2024
Continue to maintain zero discrimination case within the Group	Maintained zero discrimination case within the Group	On-going and long-term target
		Maintain zero reported incident of unlawful discrimination against employees

Corporate Social Responsibility

One of our goals as a responsible and caring organisation is to give back to the society. We actively integrate corporate social responsibility into our sustainable business practices, with an aim to generate a positive outcome and to make a difference for the community. We believe that every act of kindness goes a long way, and everyone has a part to play in building a gracious society.

We encourage our employees to engage in corporate social responsibility programmes, with the intent of raising awareness and cultivating a sense of social responsibility towards the less privileged in our society. In FY2023, we partnered TOUCH Community Services and contributed $10,000 to its Touch Young Arrows ("TYA") Programme. We also accompanied children and youth from low-income families or single-parent families under the TYA Programme on an outing to Superpark Singapore. A total of 77 hours were committed by staff under the initiative. TOUCH Community Services is a not-for-profit charity organisation with services reaching out to children or youth, families in need, persons with special or healthcare needs or seniors. TYA Programme serves over 500 children from underprivileged background through 25 TYA Clubs in Singapore. Moving forward, we will continue doing our part for the society, through different ways of partnering the less privileged.

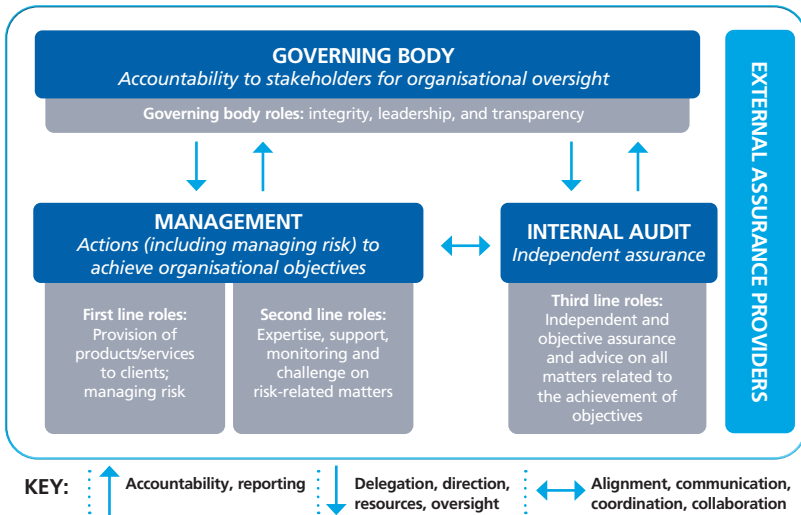| Target for FY2023	Performance in FY2023	Target for FY2024
Not applicable as this is a newly disclosed Sustainability Factor in this Report	Initiated a community engagement campaign	On-going and long-term target
		Continue to participate in various campaigns to help the communities

SUSTAINABILITY REPORT

GOVERNANCE
Robust Corporate Governance Framework
We are committed to high standards of corporate governance as corporate governance is integral in ensuring sustainability of our business as well as safeguarding shareholders' interest and maximising long-term shareholder value.

We aligned our corporate governance and risk management approach with the Three Lines Model issued by the Institute of Internal Auditors ("IIA"). The Three Lines Model serves to identify structures and processes that best assist the achievement of organisational objectives and facilitate strong governance and risk management. Under the Three Lines Model, the roles and responsibilities of governing body, management (first and second line roles), internal audit (third line roles) and the relationship among them are defined as follows:

GOVERNING BODY
Accountability to stakeholders for organisational oversight

Governing body roles: integrity, leadership, and transparency

MANAGEMENT
Actions (including managing risk) to achieve organisational objectives

First line roles:
Provision of products/services to clients; managing risk

Second line roles:
Expertise, support, monitoring and challenge on risk-related matters

INTERNAL AUDIT
Independent assurance

Third line roles:
Independent and objective assurance and advice on all matters related to the achievement of objectives

EXTERNAL ASSURANCE PROVIDERS

KEY:
Accountability, reporting

Delegation, direction, resources, oversight

Alignment, communication, coordination, collaboration

Source: Three Lines Model issued by the IIA

As an organisation that upholds business integrity, we have zero tolerance towards any forms of corruption. All our employees are expected to strictly observe integrity and to conduct themselves in a professional and ethical manner in their course of work. Corrupt practices could subject the Group and individuals concerned to criminal and civil liabilities and may adversely affect the Group's reputation.
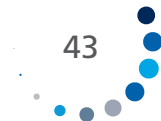
SUSTAINABILITY REPORT

The Group's Code of Conduct sets out, *inter alia*, the guidelines for acceptable codes of ethics in a workplace and for dealings with suppliers and customers. As part of our yearly exercise, the Code of Conduct is sent to all employees to read and refresh themselves of the guidelines set out therein. Employees who are of executive level and above are required to complete an online declaration form to confirm that he or she complied with the Code of Conduct during the financial year. Where there is any non-compliance with the Code of Conduct, they are required to disclose the details of such non-compliance.

In addition, the Group has a whistleblowing policy in place to promote good ethical standards, integrity and governance in the corporate conduct and business practices of the Group. The whistleblowing policy provides an avenue for our employees to raise in confidence, concerns about actual or suspected improprieties about, amongst others, financial reporting, internal controls, corruption, bribery and fraud, and offer assurance that employees raising such concerns in good faith will be protected from reprisals for whistleblowing. The independent Directors of the Company are responsible for overseeing and monitoring of whistleblowing channel, including investigation of whistleblowing complaints (including complaints made anonymously) which are made in good faith. Whistleblowing concerns received will be handled in accordance with the procedures set out in the whistleblowing policy, including appropriate course of actions. Our whistleblowing policy is made available to all employees through an employees' portal, and is reviewed and updated from time to time to ensure that it remains current and applicable.

Internal audits are conducted periodically on our Group entities to monitor, amongst others, the risk of corruption. In the event any of such risk arises, it will be reported to the management and the Audit and Risk Committee of the Company. There were no reported incidents of corruption in FY2023 (FY2022: zero incident). Nonetheless, we remain vigilant in ensuring that our employees conduct themselves with the highest standards of integrity and accountability.

Target for FY2023	Performance in FY2023	Target for FY2024
Continue to maintain zero incident of corruption	Maintained zero incident of corruption	On-going and long-term target
		Maintain zero incident of corruption

SUSTAINABILITY REPORT

SUPPORTING THE UN SUSTAINABLE DEVELOPMENT GOALS

We have incorporated the SDGs under the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, where appropriate, as a supporting framework to shape and guide our sustainability strategy. The results shown below are how our Sustainability Factors relate to these SDGs:

SDG		Our effort
3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages	**Employee health, safety and wellness** We implement measures to ensure that the environment our employees work in is both safe and secure, as well as to maintain the physical and mental health of our employees.
7 AFFORDABLE AND CLEAN ENERGY	Ensure access to affordable, reliable, sustainable and modern energy for all	**Energy conservation and emissions reduction** We adopt environmentally friendly habits to reduce our GHG emissions.
8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	**Total customer satisfaction** We place heavy emphasis on customer satisfaction as we understand that maintaining a high level of customer satisfaction is essential to the continued success of our business. This in turn helps to contribute to economic growth. **Economic performance** We contribute to economic growth through creating long-term value for our shareholders. **Employee retention and development** We invest in training, education and development of our people to enhance our business competencies, create decent and fulfilling jobs and contribute to economic growth.

SUSTAINABILITY REPORT

	SDG	Our effort
10 REDUCED INEQUALITIES	Reduce inequality within and among countries	**Diversity and equal opportunity** We create a diverse and inclusive workplace that will bring new perspectives to our business and strengthen our ability to overcome new challenges.
11 SUSTAINABLE CITIES AND COMMUNITIES	Make cities and human settlements inclusive, safe, resilient and sustainable	**Corporate social responsibility** We encourage our employees to engage in corporate social responsibility programmes, with the intent of raising awareness and cultivating a sense of social responsibility towards the less privileged in our society.
12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns	**Responsible waste management** We manage waste generated from our business operations in a responsible manner.
16 PEACE, JUSTICE AND STRONG INSTITUTIONS	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	**Robust corporate governance framework** We are committed to high standards of corporate governance as we believe that a high standard of corporate governance is integral in ensuring the sustainability of our businesses as well as safeguarding shareholders' interests and maximising long-term shareholder value.

SUSTAINABILITY REPORT

SUPPORTING THE TCFD

We are also committed to support the recommendations by the TCFD and have disclosed some of our climate-related financial disclosures in the following key areas as recommended by the TCFD:

TCFD recommended disclosures

Governance

a.   Describe the board's oversight of climate-related risks and opportunities.

The Board oversees the management and monitoring of the Sustainability Factors and consider climate-related issues in determining the Group's strategic direction and policies.

b.   Describe management's role in assessing and managing climate-related risks and opportunities.

Our sustainability strategy is developed and directed by the senior management in consultation with the Board. The responsibilities of the senior management include considering climate-related issues in the development of sustainability strategy, target setting, as well as collection, monitoring and reporting of performance data.

Strategy

a.   Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.

b.   Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.

The climate-related risks and opportunities identified by the Group during its climate-related risk assessment are as follows:

- The reputational and financial risks for not meeting the demands of regulators and shareholders amidst the enhanced emissions reporting requirements; and

- On the other hand, such obligations raise climate awareness amongst our employees and with more defined job responsibilities and training, the Group will be in a better position to meet the rising needs and expectation of our customers on the environment.

These climate-related risks and opportunities remain valid for the Group for the purpose of planning and decision making, and will be updated periodically or where there is a major change in our business model.

c.   Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

We are currently looking into conducting climate-related scenario analysis consistent with the recommendation, wherever possible, using commonly agreed sector/subsector scenarios and time horizons.
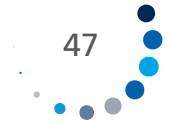
SUSTAINABILITY REPORT

TCFD recommended disclosures

Risk management

a. *Describe the organisation's processes for identifying and assessing climate-related risks.*

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.*

The Group's climate related risks and opportunities are identified and assessed during a climate-related risk assessment exercise. We also manage our climate-related risks by monitoring the trend of climate-related performance indicators.

Under the assessment, business units and support functions are responsible for identifying and documenting their relevant risk exposures that might hinder their progress towards contributing to the Group's business objectives. We will integrate the climate-related risks into our risk management framework in the future.

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.*

We track, measure and report on our environmental performance, including energy and waste management and disclose related metrics in our Report. Monitoring and reporting these metrics help us in identifying areas with material climate-related risks and enabling us to be more targeted in our efforts.

b. *Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 greenhouse gas (GHG) emissions and the related risks.*

To support the climate change agenda, we disclose our Scope 1 and Scope 2 GHG emissions in the sustainability report and set climate-related targets such as those related to energy, GHG emissions and waste management. We will continue to monitor our emissions and disclose Scope 3 GHG emissions wherever applicable and practicable.

c. *Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.*

As a commitment towards mitigating climate change, we have set the following climate-related targets:

Material Sustainability Factor	Target for FY2024
Energy conservation and emissions reduction	Reduce or maintain GHG emissions intensity
Responsible waste management	Maintain zero incident of significant fines or non-monetary sanctions for non-compliance with applicable environmental laws and/or regulations

We plan to set medium and long term targets in the future and where practicable.

SUSTAINABILITY REPORT

APPENDIX   **GRI CONTENT INDEX**

Statement of use	Ellipsiz Ltd has reported the information cited in the GRI content index for the period from 1 July 2022 to 30 June 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI standard	Disclosure	Location/Page reference
GRI 2: General Disclosures 2021	2-1 Organisational details	18, 23, 100, 182-183
	2-2 Entities included in the organisation's sustainability reporting	23
	2-3 Reporting period, frequency and contact point	23
	2-4 Restatements of information	None
	2-5 External assurance	23
	2-6 Activities, value chain and other business relationships	21
	2-7 Employees	22
	2-8 Workers who are not employees	None
	2-9 Governance structure and composition	05-10
	2-10 Nomination and selection of the highest governance body	60-62
	2-11 Chair of the highest governance body	05
	2-12 Role of the highest governance body in overseeing the management of impacts	27
	2-13 Delegation of responsibility for managing impacts	27
	2-14 Role of the highest governance body in sustainability reporting	27
	2-15 Conflicts of interest	52
	2-16 Communication of critical concerns	43, 74
	2-17 Collective knowledge of the highest governance body	39, 54-55

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GRI standard	Disclosure	Location/Page reference
	2-18 Evaluation of the performance of the highest governance body	62-63
	2-19 Remuneration policies	63-67
	2-20 Process to determine remuneration	63-67
	2-21 Annual total compensation ratio	Information is not provided due to confidentiality constraints.
	2-22 Statement on sustainable development strategy	03-04, 18-20
	2-23 Policy commitments	42-47
	2-24 Embedding policy commitments	42-43
	2-25 Processes to remediate negative impacts	43, 74
	2-26 Mechanisms for seeking advice and raising concerns	43, 74
	2-27 Compliance with laws and regulations	36, 41, 43
	2-28 Membership associations	None
	2-29 Approach to stakeholder engagement	24-26
	2-30 Collective bargaining agreements	None of our employees are covered by collective bargaining agreements.
GRI 3: Material Topics 2021	3-1 Process to determine material topics	27-30
	3-2 List of material topics	30
	3-3 Management of material topics	30-43
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	33, 89-90, 98-99
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	43

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GRI standard	Disclosure	Location/Page reference
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	34
	302-3 Energy intensity	34
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	34
	305-2 Energy indirect (Scope 2) GHG emissions	34
	305-4 GHG emissions intensity	34
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	35-36
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	37-38
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	37
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	36
	403-10 Work-related ill health	36
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	39
	404-2 Programs for upgrading employee skills and transition assistance programs	38
	404-3 Percentage of employees receiving regular performance and career development reviews	38
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	40
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	41
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	41

ellipsiz

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