

## **OUR APPROACH TO SUSTAINABILITY**

**AT VICOM, WE EMPHASISE THE INTEGRATION OF SUSTAINABILITY PRINCIPLES INTO OUR BUSINESS STRATEGY. WE FOCUS ON MAINTAINING COMPLIANCE AND THE HIGHEST LEVEL OF INTEGRITY ACROSS OUR SERVICES WHILE ENSURING ENVIRONMENTAL INTEGRITY AND SOCIAL RESPONSIBILITY. WE ENSURE THIS THROUGH STRINGENT ADHERENCE TO NATIONAL AND INTERNATIONAL STANDARDS.**

**BY THE NATURE OF OUR BUSINESS, VICOM IS ABLE TO PLAY A CRUCIAL ROLE IN ENABLING SUSTAINABLE TRANSITION IN SINGAPORE. WE ARE THUS COMMITTED TO INVEST AND BUILD NEW TECHNOLOGIES AND CAPABILITIES TO SUPPORT THE GROWTH OF SUSTAINABLE PRODUCTS AND SERVICES.**

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### VICOM'S MISSION AND CORE VALUES

#### VICOM'S MISSION:

**To enable safer and greener motoring and provide professional testing services to our customers.**

#### VICOM'S CORE VALUES:

##### VERSATILITY

**To be able to adapt to changing environments, always staying ahead of the curve and inspiring creativity**

##### INTEGRITY

**To uphold the values of integrity and honesty, conducting our affairs in a manner consistent with the highest ethical and professional standards**

##### CARE

**For all our stakeholders:**

- **Our customers by putting their needs and requirements first.**
- **Our business partners and regulators by keeping lines of communication open at all times.**
- **Our staff by fostering a safe and conducive environment for growth and development.**
- **Our community by enhancing the welfare of those in need.**

##### OWNERSHIP

**Of all that we do – by pursuing professionalism, excellence and ensuring responsibility for all our actions.**

##### MERITOCRACY

**To be fair and objective, always recognising and rewarding good performance**

### BOARD STATEMENT

As a global corporate citizen, VICOM is judicious in maximising positive impacts on the environment and society and ensuring good corporate governance and responsible economic outcomes. The Board of Directors ("Board"), and our appointed Sustainability Committee ("SC"), are key components in ensuring VICOM upholds its integrity regarding sustainability.

As we strive to achieve our business objectives and organisational strategies, the Board remains whole-heartedly committed towards incorporating sustainability into the core values and mission of VICOM, whilst managing, monitoring and guiding sustainability strategies, performance, efforts, and overall targets. This is achieved through focused efforts aligning with our core ESG pillars:

- Adopting and advancing sustainable technology and innovation
- Spearheading environmental stewardship and enabling the transition towards sustainability

- Upholding our responsibility to our people, our communities, and the society
- Fortifying strong governance, ethical business, and testing integrity

The Board ensures alignment with identified sustainability guiding frameworks and compliance to the Singapore Exchange ("SGX") Listing Rule 711 (A) and (B), which entail the primary components essential for inclusion within a Sustainability Report. We govern the sustainability performance of our business through a focus on our established key material topics, distributed across relevant Environmental, Social and Governance ("ESG") pillars.

We endeavour to enable the sustained transition both within the industry and countries in which we operate. We will continuously track, monitor, and report performance of our environmental footprint, social commitments and governance integrity and strive for continuous improvement in these areas through targeted measures and innovative approaches to enabling sustainability for ourselves and our stakeholders.








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### OUR SUSTAINABILITY FRAMEWORK







VICOM’s Sustainability Framework consists of four core pillars:

- A** dopting and advancing sustainable technology and innovation
- S** pearheading environmental stewardship and enabling the transition towards sustainability
- U** pholding our responsibility to our people, our communities, and the society
- F** ortifying strong governance and ethical business in our journey towards sustainable economic growth and innovation


In an effort to develop a holistic sustainability framework, we have aligned to the United Nations Sustainable Development ESG Goals (UN SDGs) at the target level. VICOM has mapped our core pillars, commitments, and initiatives to the relevant UN SDG targets, represented below.

PILLAR	KEY FOCUS AREA	MATERIAL TOPICS	SDG TARGETS
 <p><b>Adopting and advancing sustainable technology and innovation</b></p>	<p><b>Climate Change Adaptation and Transition</b></p>  	<ul style="list-style-type: none"> <li>Climate friendly mobility</li> </ul>	<p>Target 13.2: Integrate climate change measures into national policies, strategies, and planning</p> <p>Target 13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p> <p>Target 12.7: Promote public procurement practices that are sustainable, in accordance with national policies and priorities</p>
 <p><b>Spearheading environmental stewardship and enabling the transition towards sustainability</b></p>	<p><b>Resource Stewardship</b></p>   	<ul style="list-style-type: none"> <li>Energy and Fuels</li> <li>Emissions and Air Quality</li> <li>Water</li> <li>Waste</li> </ul>	<p>SDG Target 7.2: By 2030, increase substantially the share of renewable energy in the global energy mix</p> <p>SDG Target 7.a: By 2030, enhance international cooperation to facilitate access to clean energy research and technology, including renewable energy, energy efficiency and advanced and cleaner fossil-fuel technology, and promote investment in energy infrastructure and clean energy technology</p> <p>SDG Target 12.5 – By 2030, substantially reduce waste generation through prevention, reduction, recycling, and reuse</p> <p>SDG Target Target 12.6 – Encourage companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle</p> <p>SDG Target 13.2: Integrate climate change measures into national policies, strategies, and planning</p>

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PILLAR	KEY FOCUS AREA	MATERIAL TOPICS	SDG TARGETS
 <p><b>Upholding our responsibility to our people, our communities, and the society</b></p>	<p><b>Human Capital Responsibility</b></p>    	<ul style="list-style-type: none"> <li>Occupational health and safety</li> <li>Employee Wellbeing and Work Life Balance</li> <li>Human &amp; Labour Rights</li> <li>Employee training, upskilling &amp; development</li> <li>Diversity, anti-discrimination, inclusion, and equal opportunities</li> <li>Talent attraction, retention, job opportunity creation</li> </ul>	<p>SDG Target 4.4 – By 2030, substantially increase the number of youth and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship</p> <p>SDG Target 5.5 – Ensure women’s full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic, and public life</p> <p>SDG Target 8.5 – By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p> <p>SDG Target 8.7 – Take immediate and effective measures to eradicate forced labour, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labour, including recruitment and use of child soldiers, and by 2025 end child labour in all its forms.</p> <p>SDG Target 8.8 - Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular women migrants, and those in precarious employment.</p>
	<p><b>Public Health and Safety</b></p> 		
	<p><b>Service quality and customer relationship</b></p>		
	<p><b>Local impact and socioeconomic contribution</b></p>		







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PILLAR	KEY FOCUS AREA	MATERIAL TOPICS	SDG TARGETS
 <p><b>Fortifying strong governance and ethical business in our journey towards sustainable economic growth and innovation</b></p>	<b>Business and Operational Integrity</b>	<ul style="list-style-type: none"> <li>• Compliance, ethical, conduct, transparency and accountability</li> <li>• Corporate governance</li> <li>• Responsible Supply Chain &amp; Partnerships</li> </ul>	SDG Target 16.5 – Substantially reduce corruption and bribery in all their forms
	<b>Testing Integrity</b>		
	<b>Cybersecurity, data privacy and security</b>		
	<b>Innovation and Growth</b>	<ul style="list-style-type: none"> <li>• Economic growth and new opportunities</li> <li>• Investment and innovation in services and operations               <ul style="list-style-type: none"> <li>i) Sustainable food systems</li> <li>ii) Sustainable building systems</li> </ul> </li> </ul>	SDG Target 9.4 – By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities

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### OUR STAKEHOLDER ENGAGEMENT

As an organisation that is built on trust and integrity, comprehending the evolving needs of our stakeholders is imperative in remaining abreast and informing our sustainability ambitions. We delineate our key stakeholders through a focus on the impact our business has on them, and their role in influencing our business operations. VICOM employs a range of channels to engage its key stakeholders regularly, as highlighted below.

STAKEHOLDER	FORMS OF ENGAGEMENT	STAKEHOLDER PRIORITIES RAISED	OUR RESPONSE TO PRIORITIES
<b>Customers</b> 	<ul style="list-style-type: none"> <li>Responding to daily client's enquiry for our services via corporate marketing email and telephone.</li> <li>Conduct yearly Customer Satisfaction Survey to improve level of customer service satisfaction.</li> </ul>	<ul style="list-style-type: none"> <li>General enquiries (pricing, report turnover, long queue time)</li> <li>Customer feedback on level of customer service</li> </ul>	<ul style="list-style-type: none"> <li>Timely response to general queries.</li> <li>Feedback used to improve customer service offerings</li> </ul>
<b>Employees</b> 	<ul style="list-style-type: none"> <li>Twice yearly staff communication on the Code of Business Conduct.</li> <li>Regular orientation for new hires on company policies, safety and quality matters.</li> <li>Refresher safety training for all staff every 4 years.</li> <li>Regular communication with all staff on company policies, protocols and other social initiatives</li> </ul>	<ul style="list-style-type: none"> <li>Work arrangement</li> <li>Company policies and protocols</li> <li>Feedback on level of staff satisfaction</li> </ul>	<ul style="list-style-type: none"> <li>Work arrangements due to COVID-19 safety measures communicated</li> </ul>
<b>Shareholders</b> 	<ul style="list-style-type: none"> <li>Annual General Meetings</li> <li>Quarterly updates on company's financial performance</li> </ul>	<ul style="list-style-type: none"> <li>Business strategies and upcoming plans</li> </ul>	<ul style="list-style-type: none"> <li>Provision of detailed operational strategy</li> </ul>
<b>Suppliers</b> 	<ul style="list-style-type: none"> <li>Review of Supplier Code of Conduct to reflect our sustainability ambition.</li> <li>Work closely and communicate with our Suppliers to ensure smooth delivery of purchased items that complies with ESG expectations.</li> <li>Supplier environmental and social screening assessment questionnaire</li> </ul>	<ul style="list-style-type: none"> <li>Pricing</li> <li>Delivery of products/ services</li> </ul>	<ul style="list-style-type: none"> <li>Timely communication on pricing concerns and delivery</li> </ul>
<b>Regulators</b> 	<ul style="list-style-type: none"> <li>Regular dialogue sessions and meetings with regulators including Land Transport Authority, National Environment Agency, Housing Development Board, Building &amp; Construction Authority.</li> </ul>	<ul style="list-style-type: none"> <li>Regulatory assessments</li> <li>Regulatory updates</li> <li>SGX listing requirements</li> </ul>	<ul style="list-style-type: none"> <li>Compliance with regulatory updates and assessments</li> </ul>
<b>Trade Associations and Professional Bodies</b> 	<ul style="list-style-type: none"> <li>Regular dialogues and meetings with Trade Associations and Professional Bodies on standards of compliance.</li> </ul>	<ul style="list-style-type: none"> <li>Compliance to standards</li> </ul>	<ul style="list-style-type: none"> <li>Regular updates on standards requirements for industry compliance</li> </ul>

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### MATERIALITY APPROACH AND PROCESS

As this 2021 Sustainability Report is our first standalone report, we embarked on a materiality exercise to establish and prioritise key material topics pertaining to VICOM. The materiality assessment exercise is paramount in aligning our current sustainability processes and initiatives to long-term goals that account for current evolving and emerging sustainability issues and industry shifts.

We conducted a thorough analysis of the current industry practices and standards through a focus on key peers, to inform us of the predominant material focus areas currently prevailing in our industry. This aided in establishing:

1. Current macro sustainability developments and trends that affect our business and stakeholders

2. Relevant SDGs across our four core sustainability pillars
3. Requirements for alignment to reporting standards and rating agencies
4. Industry and peer best practices through analysis and benchmarking processes
5. Global thought-leadership and academia relating to our industry and ESG trends

Subsequently, we engaged both our internal and external stakeholders to validate the ESG material topics and issues we discerned through the industry analysis. The stakeholder engagement entailed both interviews and surveys across all our business functions, to seek key and holistic stakeholder opinion.

	INTERNAL STAKEHOLDERS	EXTERNAL STAKEHOLDERS
<b>Interviews, Live Conferences and Video Workshops</b>	<p><b>Stakeholder Type: Functional Heads</b> 9 stakeholders interviewed over 6 sessions</p> <ul style="list-style-type: none"> <li>• Procurement</li> <li>• Finance</li> <li>• HR</li> <li>• IT</li> <li>• Admin/Safety &amp; Health/EnMS</li> <li>• Vehicle Emissions Testing Lab (VETL)</li> </ul>	<p><b>Stakeholder Type: Trade Unions &amp; Associations</b> 1 stakeholder interviewed over 1 session</p> <p><b>Stakeholder Type: Regulators</b> 2 stakeholders interviewed over 1 session</p>
<b>Online Surveys</b>	<p><b>Stakeholder Type: Employees and Function Heads</b> 89 employees surveyed 5 function heads surveyed</p>	<p><b>Stakeholder Type: Trade Unions &amp; Associations</b> 1 NGO surveyed</p>
<b>Research and Investigation</b>		<p><b>Stakeholder Type: Customers</b> 4 customers researched and assessed</p> <p><b>Stakeholder Type: Regulators</b> 6 regulators researched and assessed</p>

We were able to collate ample qualitative and quantitative stakeholder inputs through the materiality assessment interviews and surveys conducted. The results obtained were assembled, analogised and assessed to further solidify key material topics relating to the organisation’s sustainability strategy and impact areas. The material ESG topics were finalised through two validation workshops with senior management and the Sustainability Committee, respectively.

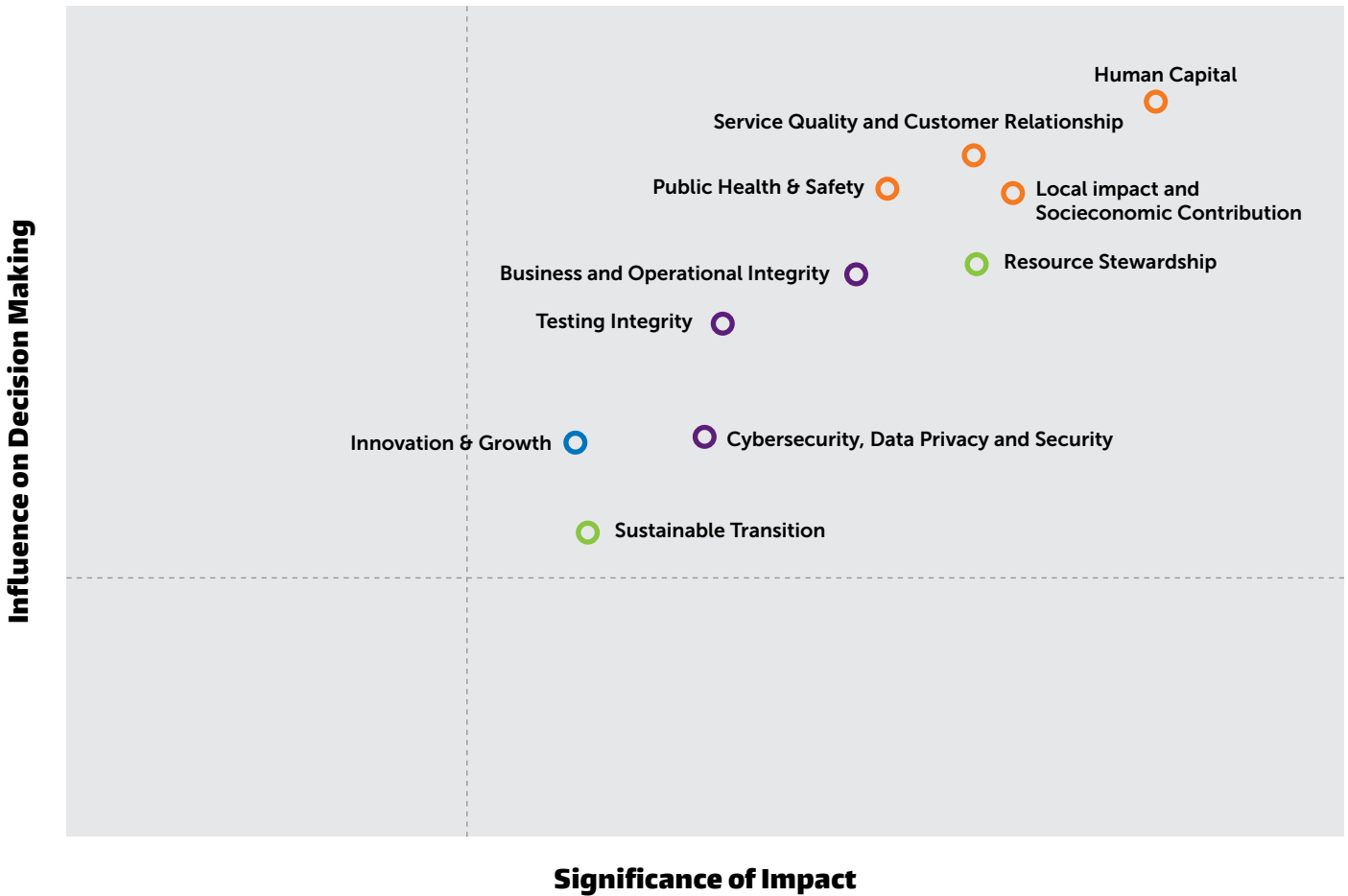
As a result, we determined the greatest impact areas pertaining to our organisation across environmental, social, economic and governance fields. The materiality exercise identified 10 overarching key material topics and 16 sub-topics across ESG pillars, resulting in a targeted approach to our sustainability efforts.

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PILLAR	KEY MATERIAL TOPICS	MATERIAL SUB-TOPICS
<b>Environmental</b>  <b>1. Adopting and advancing sustainable technology and innovation</b>  <b>2. Spearheading environmental stewardship and enabling the transition towards sustainability</b>	Resource Stewardship	<ul style="list-style-type: none"> <li>Emissions and air quality</li> <li>Energy</li> <li>Water</li> <li>Waste</li> </ul>
	Sustainability Transition	<ul style="list-style-type: none"> <li>Climate friendly mobility</li> </ul>
<b>Social</b>  <b>3. Upholding our responsibility to our people, our communities and the society</b>	Human Capital Responsibility	<ul style="list-style-type: none"> <li>Occupational health and safety</li> <li>Employee Wellbeing and Work Life Balance</li> <li>Human &amp; Labour Rights</li> <li>Employee training, upskilling &amp; development</li> <li>Diversity, anti-discrimination, inclusion, and equal opportunities</li> <li>Talent attraction, retention, job opportunity creation</li> </ul>
	Public Health and Safety	
	Service quality and customer relationship	
	Local impact and socioeconomic contribution	
<b>Governance and Economy</b>  <b>4. Fortifying strong governance and ethical business in our journey towards sustainable economic growth and innovation</b>	Business & Operational Integrity	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Compliance, ethical conduct, transparency, and accountability</li> <li>Responsible Supply Chain &amp; Partnerships</li> </ul>
	Testing Integrity	
	Cybersecurity, data privacy and security	
	Innovation and Growth	<ul style="list-style-type: none"> <li>Economic growth and new opportunities</li> <li>Investment and innovation in services and operations               <ol style="list-style-type: none"> <li>Sustainable food systems</li> <li>Sustainable building systems</li> </ol> </li> </ul>



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### GOVERNING OUR SUSTAINABILITY AND RISK

At VICOM, we have an established governance structure that monitors and manages all ESG related risks whilst capitalising on key opportunities. It ensures the effective management of our sustainability ambitions, strategies and plans.

VICOM is wholly committed to the integration of sustainability principles throughout its organisation and understands the impact we can have on the ESG issues. Our role as a trusted service provider of testing and verification services places us in a unique position to enact and enable sustainable change not only within our organisation, but also for our customers, in communities, and society as a whole. With this understanding mind, VICOM has established a Sustainability Committee (“SC”) at board level who is responsible for the direction and strategy of

sustainability at VICOM. Our SC, which is chaired by Ms. June Seah, oversees the review, establishment and evaluation of sustainability issues, goals, targets, or strategic aims for implementation. The SC has a standing quarterly meeting to address sustainability issues within the organisation, and additionally meet on an ad-hoc basis during key periods such as the release of the sustainability report.

The SC and senior management work closely together to roll out sustainability initiatives. Our senior management convenes and conducts regular tracking of sustainability issues and performances. Regular meetings with management personnel is also held to report, discuss, and review relevant actions required to address any issues, gaps or improvement measures pertaining to sustainability.