

FORTIFYING STRONG GOVERNANCE AND ETHICAL BUSINESS IN OUR JOURNEY TOWARDS SUSTAINABLE ECONOMIC GROWTH AND INNOVATION



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BUSINESS AND OPERATIONAL INTEGRITY

Upholding commercial and operational integrity is essential for VICOM to maintain our standing as a reliable testing and inspection service provider to our clients and stakeholders. To ensure accountability, ethical business conduct, conscientious corporate governance, and responsible supply chain collaborations, VICOM implements strict policies pertaining to corporate governance, business, and operational integrity throughout our operations. This preserves the highest levels of corporate integrity while reducing the risks associated with corporate governance.

We are conscious of the effects we have on the individuals, groups, and surroundings in which we live. Thus, VICOM incorporates environmental, social, and ethical governance considerations into our business development strategies, plans, and procedures to elicit positive and sustainable impact. Our objective is to maintain transparency and responsibility in all aspects of our business while improving our governance frameworks and procedures, thereby promoting long-term growth, innovation, and development.

CORPORATE GOVERNANCE

WHY IS IT MATERIAL?

Maintaining VICOM's reputation as a trusted service provider relies on good corporate governance. Thus, we have ethical conduct and management practices and policies in place to guide VICOM's strategic direction. At the same time, VICOM also regularly reviews and audits all of its internal processes. With the establishment of a corporate governance framework, VICOM is better able to provide transparency and accountability to our stakeholders, whilst driving economic and sustainability growth, ultimately augmenting our reputation and customer trust.

HOW DO WE MANAGE THIS?

As means of delivering good corporate governance, VICOM adopts a governance structure which seeks to:

- Focus on customers' needs
- Make decisions that generate long-term value as opposed to short-term gratification
- Ensure value creation and maximise cost efficiencies
- Attract and retain talent
- Enable sustainability and growth internally

While doing this, VICOM works hard to maintain the highest levels of professionalism, ethics, and integrity in order to gain the trust of our major stakeholders, employees, clients, business partners, and government agencies. Through strict adherence to pertinent laws and regulations, such as the Codes of Corporate Governance of the Monetary Authority of Singapore ("MAS") and the Singapore Stock Exchange ("SGX"), VICOM hopes to foster good corporate citizenry across its activities.

Furthermore, VICOM's Board of Directors (the "Board") plays a pivotal part in driving good corporate



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governance across our operations. To do so, the Board carries out its fundamental responsibilities to supervise and advance the company's strategic, economic, and sustainability ambitions. Among these responsibilities are the exercise of oversight with due diligence and regular performance assessments of the Group. We schedule at least four Board Meetings every year to discuss the results and performance, including sustainability performance, of the Group. Additionally, critical concerns are also disclosed to the Board during these meetings. Consequently, this facilitates proper conduct of VICOM's affairs whilst driving growth. Please refer to pages 22-30 of our Annual Report for more information regarding Board matters, competencies, roles, committees, and responsibilities.

OUR BOARD OF DIRECTORS

The Board members have a duty to act in the company's best interests and exercise independent judgment when making decisions. As a result, VICOM seeks out qualified candidates with who demonstrate qualities such as integrity, business acumen, ethics, professionalism, shareholder competency and sustainability enablement, as well as a genuine interest in VICOM and our success. At the Annual General Meeting ("AGM"), shareholder approval is required for the appointment of new directors chosen by the Board. Further details relating to the process of selection, appointment and re-appointment of directors can be found on pages 31-32 of our Annual Report for FY2023.

Additionally, each year, the Nominating and Remuneration Committee conducts an independent formal annual assessment of the Board and its effectiveness. The performance of each Board Committee and individual Directors, including ESG-related

performance, are evaluated. The criteria used to determine overall performance includes, but are not limited to, the following:

- Growth of the Group
- Achieving a reasonable return for shareholders
- Preventing conflicts of interest and balancing the competing demands of the Group

For more information regarding Board Performance, please refer to page 33 of our Annual Report 2023.

As of 31 December 2023, the Board is chaired by an Independent and Non-Executive Director, Dr Tan Kim Siew (the "Chairman"). He is responsible for:

- Driving the strategic objectives and directions (which requires adequate emphasis on sustainability, innovation, and value creation) for VICOM by exercising enterprising leadership and guidance. Additionally, the Chairman has to ensure VICOM has sufficient human and financial resources available to attain these objectives.
- Aiding in the development of relevant risk management and control systems and Financial Authority Limits to protect company and stakeholder interests against potential risks and ensure a proper balance between VICOM's performance and risk appetite.
- Monitoring management performance and providing appropriate constructive criticisms.
- Determining VICOM's key stakeholders and ensuring their concerns are addressed in VICOM's strategies and management processes, whilst providing transparency and accountability to stakeholders
- Enforcing VICOM's values, standards, policies, and procedures,

whilst fostering an ethical corporate culture.

- Ensuring environmental, social and governance considerations are considered when forming sustainability strategies.

As of now, there are 10 directors on the board, with 60% of them serving as independent directors, underscoring the board's high degree of independence. Furthermore, it is important to note that our existing board composition exceeds the criteria of the MAS's Code and the Singapore Exchange Limited ("SGX") Listing Rules, which state that boards only need to have one-third of independent directors and do not require independent board chairs.

Supporting the Board in execution of its duties, we have four Board Committees to aid in decision-making and oversight of other relevant tasks. These include the following:

- Audit and Risk Committee ("ARC")
- The Nominating and Remuneration Committee ("NRC")
- The Sustainability Committee ("SC")
- The Technology Committee ("TC").

Every year, the NRC is entrusted with the duty of examining and evaluating the size and composition of VICOM's Board and Board Committees to ensure diversity of experience, aptitude, age, and gender in line with relevant regulatory requirements. In addition, the NRC also decides on top management and director compensation and promotions. The NRC considers market trends, reports issued by the Straits Times Index ("STI") and the Singapore Institute of Directors ("SID") to ensure equitable compensation.

At the same time, to advance the realisation of VICOM's sustainability

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ambitions, executive compensation has been aligned with ESG and climate-related considerations. Through the use of VICOM's Balance Scorecard (BSC), 25 percent of management bonus is tied to ESG-related performance.

More information pertaining to our remuneration policy and remuneration-related matters can be found on pages 33-37 of VICOM's Annual Report 2023.

As VICOM recognises the value of tripartism on the Board, the company ensures that its Board members represent the corporate, union, and regulatory sectors. This makes it easier to make decisions holistically by considering different points of view. For more information pertaining to VICOM's Corporate Governance, please

refer to pages 22-50 VICOM's annual report for FY2023.

OUR PERFORMANCE

In FY2023, VICOM's Board received zero communications of critical concerns.



Board Composition

Percentage of independent non-executive director	60%
Percentage of non-independent and non-executive director	30%
Percentage of non-independent and executive director	10%

Board Diversity

Women	30%
Men	70%

Management Diversity

Women	23.9%
Men	76.1%

Directors' Length of Service

	INDEPENDENT DIRECTORS	NON-INDEPENDENT DIRECTORS
Served > 9 years	0%	10%
Served < 9 years	60%	30%

GRI 2-16: COMMUNICATING CRITICAL CONCERNS

Total number of critical concerns communicated to the highest governance body	0
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LOOKING FORWARD

For FY2024 and beyond, VICOM has established the following short, medium, and long-term targets:

- Ensure compliance with the board independence requirements as per SGX and MAS
- Maintain a minimum of 3 female representation on the Board
- Maintain a minimum of 30% female representation in the Management Team⁴⁵ by 2030

45 "Management Team" is classified as Assistant Managers and Above. At the moment, we have achieved a 23% female representation in this regard.

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COMPLIANCE, ETHICAL CONDUCT, TRANSPARENCY & ACCOUNTABILITY

WHY IS IT MATERIAL?

We do not take for granted the trust that our stakeholders have placed in us. As such, VICOM strives to provide full transparency and accountability while adhering to all applicable legislation, regulations, and codes. In doing so, we endeavour to uphold our standing as a trustworthy business while providing our clients with the best caliber of service.

HOW DO WE MANAGE THIS?

To bolster transparency, ethical conduct and accountability, VICOM has implemented several procedures and regulations across our operations, including a stringent zero tolerance policy for unethical business conduct. First and foremost, VICOM applies our Code of Business conduct to every aspect of our activities. The purpose of this Code is to convey VICOM's business concepts, procedures, and policies to all of the company's partners, employees, and subsidiaries. Our Code of Conduct has policies that address a number of concerns, including fraud, bribery, whistleblowing, conflicts of interest, and integrity in account management. This Code is introduced to all VICOM staff during their orientation. To ensure staff's continued compliance, VICOM reminds employees of the code twice a year.

To avoid any potential conflicts of interest, all newly hired employees and newly engaged suppliers must disclose all conflicts of interest during orientation. They must therefore update their conflict-of-interest information on the Employee Self-Service Portal twice a year. In the event of a potential conflict of interest, employees must notify their immediate supervisors and remove themselves from any related decision-making processes. Subsequently, the Group Chief Human Resource Officer and the CEO of the Business Unit are also informed.

In a similar vein, Directors with conflicting interests are required by the Code to immediately disclose them at a meeting with all of our Directors. As an alternative, they can also notify the Company with a written notice containing the details of their interest in the matter and the actual or potential conflict.

Stakeholders are informed of all conflicts of interest, including those involving cross-board participation, cross-sharing with suppliers and other stakeholders, the presence of controlling shareholders, and linked parties, their interactions, transactions, and outstanding balances. Accordingly, Directors are therefore expected to refrain from taking part in any conversations or decisions pertaining to these issues.

VICOM's Whistleblowing Policy, also serves as a key instrument to enforce good organisational conduct, providing our staff with a way to voice concerns about possible infractions, improper behavior, or unethical business dealings, while also protecting them from retaliation.

Additionally, it affords employees the ability to seek guidance regarding the implementation of organisational policies and procedures for ethical business conduct.

Under the Whistleblowing policy, incidents can be reported to the Group Chief Internal Audit Officer ("GCI AO"). If the complaint involves GCI AO, the report can be made to the ARC Chairman instead. The ComfortDelGro Group Internal Audit Division looks into every matter, supervises it, and handles it quickly and thoroughly. Following investigation, the findings are reported to the ARC, which is in charge of overseeing and monitoring incidents of whistleblowing. The prospect of disciplinary action serves to discourage instances of non-compliance. Simultaneously, whistleblowers'

identities are also kept private to protect them from unfavorable consequences or treatment. For more information on our Whistleblowing policy, please refer to Annex B.

To strengthen our transparency, accountability, and compliance, VICOM regularly undertakes internal audits by Internal Auditors ("IA") using strict criteria to ascertain regulatory compliance with international standards on a yearly basis. Our internal audit produced no significant non-compliance issues or conclusions in FY2023. We also use an electronic platform for our tendering procedures, subjecting tenders to stringent regulations and consequently, creating an electronic trail to better facilitate oversight, accountability, and transparency. Furthermore, we make great effort to ensure that all tenders adhere to VICOM's anti-corruption and anti-bribery rules, with any conflicts of interest being promptly resolved.

Furthermore, VICOM places financial authority limitations on all financial transactions as an additional safeguard against corruption. Every financial request needs to be approved by two people. For transactions that are more expensive or involve a higher risk of bribery, additional board or senior management approvals are required.

Under the direction of an external consultant, VICOM developed a robust Enterprise Risk Management ("ERM") to identify, manage, and reduce important risks in our company operations. This ERM framework reinforces VICOM's commitment to preventing potential compliance breaches and unethical behavior by covering all risks, including those pertaining to regulatory compliance and unethical conduct like fraud and corruption.

OUR PERFORMANCE

In FY2023, VICOM had zero cases of anti-competitive behaviour. However, in 2023, three former VICOM staff were

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convicted for corruption. One was fined in July 2023, while the other two sentenced with a fine and jail term in August 2023 and October 2023 respectively. This case involved three service advisors receiving bribes from motor workshops for accident reporting at the Authorised Reporting Centre. The case was originally uncovered in 2020 and directly investigate by the Corrupt Practice Investigation Bureau (CPIB).

In response to this, as well as to further reduce the risk of similar occurrences, VICOM Group has attained the ISO37001:2016 Anti-Bribery Management (“ABMS”) certification, a voluntary standard aimed at enhancing a company’s anti-bribery compliance procedure in the year. VICOM also provides anticorruption training to all its employees and ensures that employees reaffirm VICOM’s Code of Conduct twice a year.

VICOM committed to ensuring the highest standard of integrity and will continue conduct reviews and implement measures where necessary to reduce the likelihood of anti-bribery and other similar incidents.



GRI 2-27

INCIDENTS OF NON-COMPLIANCE WITH LAWS AND REGULATIONS	FY2019	FY2022	FY2023
Incidents of non-compliance with standards requirement resulting in a suspension in a particular field	1	0	0
Number of instances fines were incurred	0	2	0
Number of instances non-monetary sanctions were incurred (if any)	0	0	0
Total number of fines for instances of non-compliance with laws and regulations that were paid during reporting period	0	2	0
Total monetary value of fines paid during reporting period (SGD)	0	\$1,600	0

GRI 205-1: OPERATIONS ASSESSED FOR RISK RELATED TO CORRUPTION

Total number of operations	All
Total operations assessed for risks relating to corruption	All
Percentage of operations assessed for risks relating to corruption	100%

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GRI 205-2: COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES

		PERCENTAGE
Total number of governance body members	10	100%
Total number of governance body members that the organisation's anti-corruption policies and procedures have been communicated to	10	100%
Total number of governance body members that have received training on anti-corruption	10	100%

GRI 205-2: COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES

	SENIOR MANAGEMENT	MANAGEMENT	PROFESSIONAL	NON-EXECUTIVES
Total number of employees in each employee category	11	35	350	542
Total number that the organisation's anti-corruption policies and procedures have been communicated to	11	35	350	542
Total percentage of employees that the organisation's anti-corruption policies and procedures have been communicated to	100%	100%	100%	100%
Total number of employees that received training and anti-corruption	11	35	350	542
Total percentage of employees that received training and anti-corruption	100%	100%	100%	100%

GRI 205-2: COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES

Total number of business partners	732
Total number of business partners that the organisation anti-corruption policies and procedures have been communicated to	732
Total percentage of business partners that the organisation anti-corruption policies and procedures have been communicated to	100%

LOOKING FORWARD

For FY2024 and beyond, VICOM aims to attain the following targets:

- Maintain high standards of transparency, accountability, ethics, and integrity across our operations
- Maintain zero cases of non-compliance to anti-competitive behaviour, bribery, and corruption

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RESPONSIBLE SUPPLY CHAIN & PARTNERSHIPS

WHY IS IT MATERIAL?

Given the increased scrutiny placed on an organisation's influence along its value chain, VICOM exercises vigilance when overseeing the environmental and social footprint across our supply chain and partnerships. Driving sustainability and social stewardship, in our opinion, necessitates consideration of every aspect along our company's value chain. Therefore, it is integral for us to ensure that all of our suppliers, partners, and supply chains uphold the greatest standards of accountability and transparency as well.

HOW DO WE MANAGE THIS?

We put in place several procedures and guidelines to guarantee transparency and sustainability in our supply chain.

Firstly, VICOM can interact directly with our suppliers thanks to ComPASS, our digital procurement program, which also enhances transparency by electronically recording all decisions and procedures from start to finish. By utilising less paper, this promotes sustainability and increases accountability.

It is also mandatory for all of VICOM's tenderers and suppliers to abide by our Supplier Code of Conduct. Similarly, suppliers must abide by all relevant laws and rules, such as those pertaining

to antitrust, anti-competition, anti-corruption and anti-fraud policies. Accordingly, VICOM performs an ESG assessment for all tenders exceeding \$500,000. Suppliers are assessed based on their ESG policies, accomplishments, and disclosures of non-compliance. Consequently, this derives a high standard of integrity in the supply chain and partner activities.

OUR PERFORMANCE

As of FY2023, VICOM engages a total of 726 suppliers, with 77 suppliers (10.6%) being newly engaged. All of our new suppliers (100%) were screened using environmental and social criteria. Overall, we did not experience any cases of supplier non-compliance incidents of social or environmental nature.



GRI 308-2: NEGATIVE ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN

Percentage of new suppliers screened using environmental criteria	100%
Number of suppliers identified to have significant actual/potential negative environmental impact	0
Significant actual/potential negative environmental impacts identified in the supply chain	0
Percentage of suppliers with significant actual/potential negative environmental impacts, with which improvements were agreed	0
Percentage of suppliers with significant actual/potential negative environmental impacts, with which relations were terminated	0

GRI 414-2: NEGATIVE SOCIAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN

Percentage of new suppliers screened using social criteria	100%
Number of suppliers identified to have significant actual/potential negative social impact	0
Significant actual/potential negative social impacts identified in the supply chain	0
Percentage of suppliers with significant actual/potential negative social impacts, with which improvements were agreed	0
Percentage of suppliers with significant actual/potential negative social impacts, with which relations were terminated	0

LOOKING FORWARD

For FY2024 and beyond, VICOM aims to achieve the following short, medium, and long-term targets:

- Maintain zero incidents of social or environmental non-compliance across our supply chain
- Uphold accountability, transparency, and ethical business conduct

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TESTING INTEGRITY

WHY IS IT MATERIAL?

To make decisions relating to quality and safety, VICOM's clients rely on our testing and inspection services. As a result, VICOM is keenly aware of how important it is to offer dependable services. Upholding testing integrity thus forms a core part of our strategy to deliver top quality services.

HOW DO WE MANAGE THIS?

VICOM utilises a two-pronged strategy to support and uphold professional

ethics in our operations. Firstly, we seek professional third-party attestation through independent organisations like the Singapore Accreditation Council ("SAC"), which uses skilled professionals to rigorously evaluate our technical competencies and accredit our services. Furthermore, our employees are guided in their interactions with both domestic and international clients by our developed Code of Business Conduct. Our staff receive a copy of the Code during orientation, and it is also easily accessible on our intranet. We perform an online exercise twice a year to

further demonstrate our dedication to upholding this code and to emphasize its significance. Employees from all over our operations received a Code of Integrity Pledge Card on June 6th and December 12th of the year, which they were asked to sign and submit, alongside a photo of themselves.

OUR PERFORMANCE

In FY2023, VICOM has no legal proceedings associated with professional integrity.



INCIDENTS OF NON-COMPLIANCE RAISED BY 3RD PARTY ATTESTATION BODY	FY2019	FY2022	FY2023
Incidents of non-compliance with standards requirement resulting in a suspension in a particular field	1	0	0
Incidents of non-compliance with standards resulting in a revocation in a particular field	0	0	0
Incidents of non-compliance with voluntary codes	1	0	0

GRI 206-1: LEGAL ACTIONS FOR ANTI-COMPETITIVE BEHAVIOUR, ANTI-TRUST, AND MONOPOLY PRACTICES

Number of legal actions pending or completed during the reporting period regarding anti-competitive behaviour and violations of anti-trust and monopoly legislation	0
Total amount of monetary losses as a result of legal proceedings associated with professional integrity (SV-PS-510a.2)	0

LOOKING FORWARD

For FY2024 and beyond, VICOM aims to achieve the following short, medium, and long-term targets:

- Maintain zero cases of regulatory non-compliance resulting in suspension and revocation.
- Maintain a zero-tolerance policy for corruption and fraud
- Maintain our testing standards and enforce integrity in our business operations and across all our stakeholders

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CYBER INTEGRITY, DATA PRIVACY & SECURITY

WHY IS IT MATERIAL?

Companies are exhibiting a greater degree of digitalisation in their operational procedures and processes. VICOM is no exception.

Hence, it is critical that we bolster our defenses against security, privacy, and cybersecurity threats. We must also exercise utmost care when preserving and managing the personal data we acquire from customers in the provision of our services.

HOW DO WE MANAGE THIS?

With the goal of reducing the risks related to cybersecurity and data privacy, VICOM strengthens its cybersecurity defenses by implementing a number of policies and training programs. We also strictly enforce adherence to all pertinent regulations. Our holistic approach to identify, assess, and address cyber security, data privacy and security risks whilst abiding all regulatory requirements is depicted as follows:



Cybersecurity

Every year, all VICOM staff members are obliged to participate in official cybersecurity awareness training. During this training, they are tested on their abilities to identify and respond to phishing emails through case studies and role-playing.

In addition, VICOM's Information Technology ("IT") department runs biannual testing to see how our staff members react to phishing emails. To gauge our staff's discernment in identifying phishing emails, the IT team at CDG Group creates and distributes emails that imitate authentic phishing emails to users.

In order to reinforce staff knowledge of the risks involved, the IT department also incorporates a tool that allows employees to report phishing emails and sends out alerts on a regular basis.

Similar to this, we ran a table-top exercise using our Cyber Security event Response Plan ("CSIRP") to assess how ready and prepared VICOM's IT support team was to handle a cybersecurity event. The purpose of this exercise was to get IT staff members familiar with incident handling and mitigation protocols. Overall, it was successful as every member was found to be knowledgeable about their responsibilities and completely prepared to carry out the appropriate actions during breaches.

By identifying and upskilling staff members who need cybersecurity walkthroughs and refresher training, VICOM is able to enhance cybersecurity through these exercises and training, lowering the likelihood of potential risks and breaches.

Similarly, VICOM has a comprehensive Breach Management Plan in place to mitigate the risks and repercussions in the event of actual cybersecurity breaches. This plan outlines various cybersecurity measures such as containment, assessment, and reporting.



Data Privacy and Protection

In a similar vein, VICOM is dedicated to providing our employees and clients with the highest levels of data privacy and protection. VICOM collects personal data for a variety of operational reasons whilst closely adhering to Singapore's Personal Data Protection Act ("PDPA") and any other applicable laws. Before any data is collected, stored, or used, all pertinent disclosures are made and the consent of all parties impacted is always sought. Furthermore, VICOM will ensure complete erasure of data in cases that we determine no longer serves any legal or commercial purpose. Likewise, our training data retention policy is capped at a year, enhancing our accountability in responsible data management.

Furthermore, only company-issued devices may be used to conduct and access any business-related work or networks. This reduces the possibility of private information leaking outside the firm and improves the security of client and corporate data.

In addition, VICOM carries out the application of its PDPA Compliance Policy, which is examined and revised every two years or in response to changes made to PDPA regulations. All relevant parties are then informed of any changes made to the policy. Furthermore, to update existing data protection policies and procedures as required, our IT department conducts an annual Data Protection Impact Assessment exercise.

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To further ensure abidance by our PDPA Policy, VICOM conducts yearly internal Data Protection Trustmark Certification (“DPTM”) audits on our operations. In 2023, our departments of Finance, HR, Administration, and Training were audited for DPTM compliance. There were minor findings but all were satisfactorily addressed.

The audit also verified that our control procedures and policies regarding personal data are still applicable and essential for stopping and lessening data breaches.

To mitigate potential threats to data privacy and security, VICOM has implemented a Cyber Security Incident Response Plan (“CSIRP”) that is immediately triggered in the case of a data breach. Should such situations occur, the Personal Data Protection Commission (“PDPC”) Singapore and impacted persons will be notified. Additionally, VICOM employs a Data Protection Officer (“DPO”) who is certified as a Practitioner by the Personal Data Protection Commission (“PDPC”). Our DPO is well-equipped with the knowledge to create an impenetrable

data protection architecture for VICOM using risk-based methods, thereby enhancing security of our server data.

By incorporating the aforementioned policies, training, and measures, VICOM strives to ensure full confidentiality in our handling of personal data.

OUR PERFORMANCE

In FY2023, we experienced zero significant breaches to our cybersecurity systems, data or the PDPA. Consequently, there were no incidents of socio-economic non-compliance.



GRI 418-1: SUBSTANTIATED COMPLAINTS CONCERNING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA

Total number of substantiated complaints received concerning breaches of customer privacy	0
Complaints received from outside parties and substantiated by the organisation	0
Complaints from regulatory bodies	0
Total number of identified leaks, thefts or losses of customer data	0

SV-PS-230A.1, SV-PS-230A.2, SV-PS-230A.3

Number of data breaches	0
Percentage of breaches involving customer's business information (“CBI”)	0
Percentage of breaches involving personally identifiable information (“PII”)	0
Number of customers affected	0

LOOKING FORWARD

For FY2024 and beyond, VICOM aims to achieve the following short, medium, and long-term targets:

- Maintain zero major cybersecurity breaches
- Continue to conduct internal audits to measure adherence to PDPA Policies
- Continuously solidify its cybersecurity, data protection and privacy measures

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INNOVATION & GROWTH

To propagate growth for our business, embarking on innovative ventures and novel opportunities is key. In doing so, VICOM can reimagine and improve corporate processes through innovation, ultimately decreasing operating costs and heightening productivity. Essentially, this allows VICOM to prosper in our sector whilst meeting the ever-evolving needs of society and consumers.

ECONOMICAL GROWTH & NEW OPPORTUNITIES

WHY IS IT MATERIAL?

To achieve our sustainability goals, elicit positive outcomes, and maintain a competitive edge, VICOM needs to focus on economic growth. This helps us stay relevant in the industry, which is advantageous to our stakeholders, employees, and shareholders. Therefore, VICOM is constantly working to identify new opportunities that facilitate sustainable economic development and growth.

HOW DO WE MANAGE THIS?

VICOM aims to improve our economic growth by broadening our range of

services and sources of income. As such, in efforts to find new clients and commercial prospects, we embrace innovation, cutting-edge approaches and technologies.

Expected to commence in 2024, VICOM is in close engagement with a partner in the area of hybrid and EV battery testing and health-checking. The area is significant from a public health and safety perspective as Singapore seeks to progressively promote and regulate EV use and EV-supporting infrastructure, with the Singapore Green Plan including a target to achieve 100% cleaner energy vehicles by 2040.

Additionally, with the acquisition of AN Security in 2023, SETSCO now has the capability to provide a holistic cybersecurity testing and evaluation for IT products such as consumer and industrial smart devices.

Similarly, in alignment with the requirements of Cyber Security Agency of Singapore ("CSA")'s Cyber Trust Mark Certification program, SETSCO's auditors are qualified to conduct assessments of cyber security procedures and safeguards. The

certification is aimed at organisations with more established digitalisation processes and with our attainment of it, VICOM can better safeguard cyber security in Singapore.

The demand for the testing of battery black mass from end-of-life lithium-ion batteries are also expected to rise as more battery recycling companies enter the Singaporean market. As such, SETSCO has commenced the testing of metal contents from battery waste. This includes the reduced testing of printed circuit boards ("PCBs") to harvest gold, silver and copper.

OUR PERFORMANCE

In FY2023 VICOM generated a total revenue of SGD \$111.9 million, a 3.3% increase from FY2022, as economies gradually recover from the pandemic. For more information on our financial performance, please refer to our Annual Report, pages 67-106.

LOOKING FORWARD

For FY2024 and beyond, VICOM aims to seek out new opportunities to expand VICOM's testing and operational capabilities for economic growth and to enhance competitiveness.



SETSCO developed new capability in testing of extracted metals from end-of-life lithium-ion batteries.

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INVESTMENT & INNOVATION IN SERVICES & OPERATIONS

WHY IS IT MATERIAL?

For businesses to prosper in a world that is changing quickly, they must adapt their strategies to match the advancements in technology and the evolving preferences of their customers. Thus, in order to fulfill the shifting needs of society and derive value for the business and our stakeholders, VICOM must invest and innovate in potentially high growth areas. To solidify our position as an industry frontrunner, we strive to expand our testing regimes, capabilities and services in a sustainable manner.

HOW DO WE MANAGE THIS?

Enhancing our competencies related to sustainable food services and building systems is SETSCO's top priority. We evaluate new potential investments and innovations critically and comprehensively, taking into account a variety of aspects like growth potential, cost-benefit analysis, market application, emerging consumer and global trends, and more.

Sustainable Food Systems

To extend our operational reach, SETSCO is currently broadening our offerings to encompass services related to sustainable food systems. This entails offering audit services to urban farms to certify their production of sustainable food. Since this is a new endeavour for SETSCO, we are now gaining the required experience, familiarising ourselves with the procedures, and obtaining the necessary certifications from regulatory authorities, such as the SS661 Specification for clean and green urban farming processes.

There is a growing inclination towards alternative protein sources within the sustainable food systems industry.

Keeping up with such trends, SETSCO leverages its existing testing capabilities to help food producers and developers ascertain the nutritional content and safety profile of these alternative foods. As a result, SETSCO hopes to generate more revenue for the business whilst enhancing food quality and security within Singapore.

Sustainable Building Systems

Similarly, sector trends also indicate a shift away from the use of concrete toward increased usage of steel, low-carbon and recyclable building materials like strong, lightweight polymers. As a result, there is a growing demand for testing of the aforementioned construction materials. In response, SETSCO is expanding our capacity to offer testing in this area.

To further improve public safety and with the approval of the BCA, we also leverage drone technology to assist with our inspections of buildings and building exterior for structures older than 20 years.

In a bid to promote the sustainability transition in Singapore, SETSCO offers a solar panel certification service to ascertain the efficiency and fire resistant properties of user-installed solar panels. We presently only offer this service for solar panels mounted on roofs, but hope to expand it to include solar panels mounted on walls.

VICOM also established a Technology Committee to aid the Board in implementing its group-wide digital strategy and related execution plans of leveraging innovation and technology in catalysing VICOM's sustainability transition and economic growth.

OUR PERFORMANCE

In 2023, VICOM looked into various economic growth opportunities.

- the acquisition of AN security
- offering assessments for CSA's Cyber Trust Mark Certification program
- developed new capability to test for extracted metals from battery waste
- to commence hybrid & EV battery testing and health-checking in 2024

LOOKING FORWARD

In FY2024 and beyond, VICOM aims to continue exploring new ways to refine and reinvent our service offerings through innovative solutions and ventures.



Facade inspection using drone technology to increase productivity.