doing IT right

SIMSYS®

SIMPLE SOLUTIONS SIMSYS

ESG Report 2023

Delivered By

SL2
SUSTAINABLE LIVING LAB

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INTRODUCTION

Simple Solution Systems (SIMSYS) is a leading digital transformation provider committed to delivering user-centred software solutions that help clients thrive in the digital age. Guided by the principle of 'Doing IT Right', we focus on quality and precision in software development, ensuring technology meets real-world needs.

Based in Singapore, our diverse team fosters innovation and helps address complex challenges from multiple perspectives.

Ethical governance is at our core. We uphold transparency, integrity, and accountability in all our operations, building partnerships based on mutual respect and delivering projects that meet the highest responsibility standards.

Our Values

- ***Getting the Design Right:*** The designs of our solutions are based on our target audience and not our systems. We emphasise how users will interact with our solutions and design our systems to meet these interaction requirements. Our designs are based on Knowledge Management (Processes), Information Architecture (Data Structures) and Usability (Interaction) principals and are carefully analyzed before being transformed into actual solutions (Graphical Interfaces).

- **Getting *the Solution Right:*** *Understanding our client's needs is key to ensuring they get the right solution for their organisation. Our goal in our offerings is to develop the right solution for our clients, and we want to ensure they get the most cost-effective and highest rate of returns from their IT investments.*

- ***Getting the Relationship Right:*** We believe in being an instrumental part of all the projects we develop at SIMSYS. Our principle is to be a long-term stakeholder in all our projects and regard our clients as long-term partners, as we understand that our client's success is our success.

- ***Implementing IT Right:*** Delivering solutions to our clients means getting the system to look and function right and ensuring it is robust and secure. System owners of Enterprise Environments typically demand high availability and security, so why shouldn't you? Because at SIMSYS, we do.

- ***Making IT Simple:*** We understand that our clients are ultimately the system owners and the end users of the IT solution we develop; as such, we work hard to customise and tailor our solutions so that they are simple for system owners to manage and maintain. We also provide complete end-to-end services and maintenance support to ensure our clients get the most out of their systems.

ABOUT THIS REPORT
Reporting Period and Scope

Framework Used

This report details our sustainability progress and performance for 2023. The Global Reporting Initiative (GRI) standards guide the disclosures and information included herein. Emission data has been calculated using methodologies following the Greenhouse Gas (GHG) protocols, ensuring its accuracy. We utilised SPRYX, a product developed by Sustainable Living Lab, to ensure precise and reliable emission measurements.
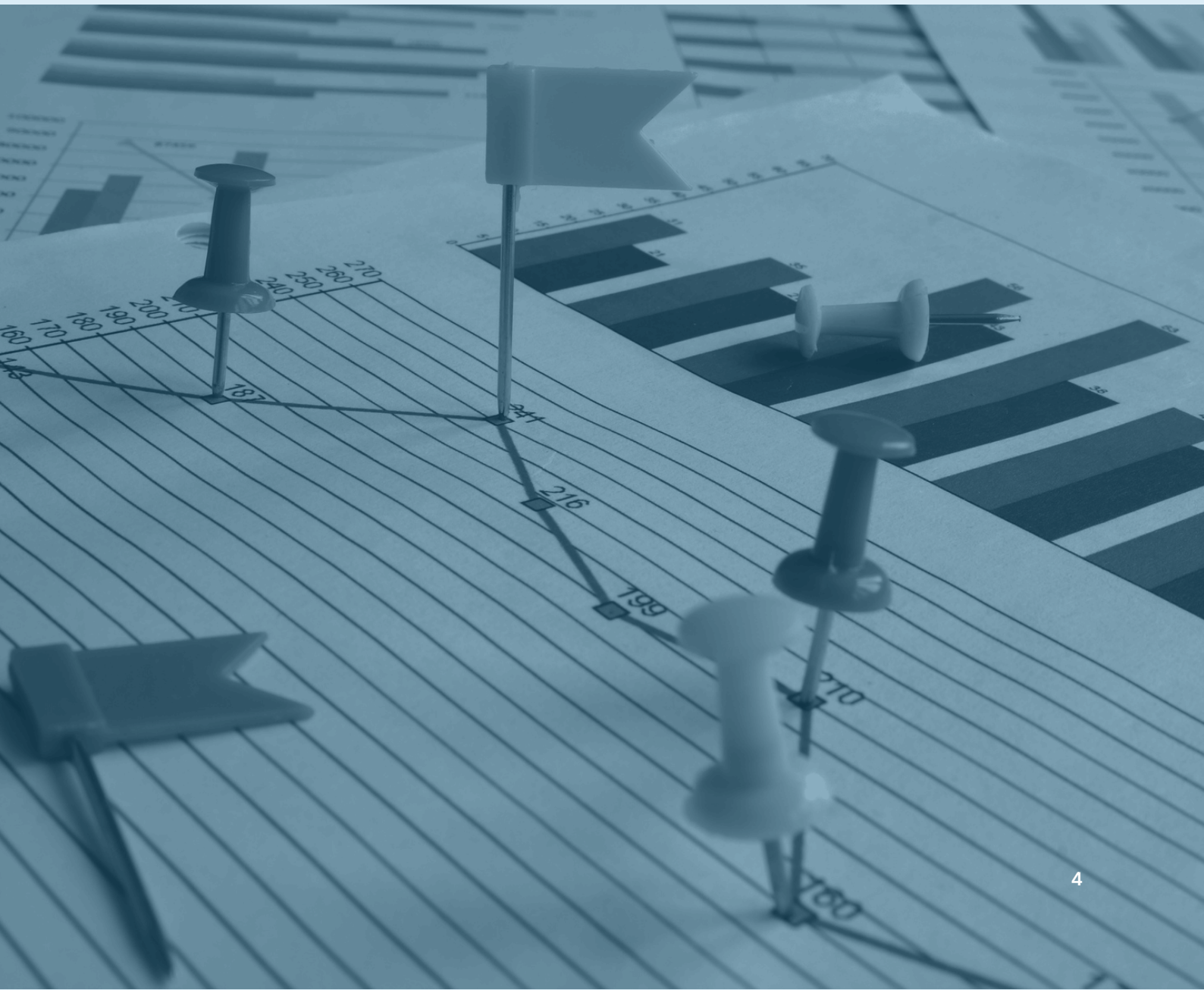
Assurance

No external assurance was sought for the data presented in this ESG report.

Reporting Period

The reporting year for this ESG report is 2023.

KEY PERFORMANCE

Highlights & Targets

Highlights	**Targets**
ENVIRONMENT	
• **Emitted 26.39 tCO$_2$e in 2023.** • Promoted energy efficiency by installing LED lights, procuring 3-tick-rated appliances, and mandating AC settings at 25 degrees. • Conserved resources by recycling electronic waste, using refillable soap containers, and pledging responsible disposal practices. • Reduced paper and plastic use through digital alternatives, eco-friendly PEFC-certified paper, reusable cutlery and cups. • Conserved water by installing saving fixtures and a water cooler to reduce bottled water use.	• **Aim to reduce energy and water consumption by 5% by 2028 through targeted efficiency measures.** • **Improve recycling processes to reduce waste and increase material recovery across the office.** • **Implement a comprehensive system to manage office waste better and promote sustainability.** • Partner with sustainability-focused suppliers to ensure that 50% of the supply chain adopts eco-friendly practices by 2028. • Organise annual tree planting activity.

Highlights	**Targets**
SOCIAL	
• Launched the "Stay Clean" campaign to promote personal hygiene and wellness among employees. • Organised mental health campaigns featuring "Stay Positive" messages and encouraging active living and practical health tips. • Organised SG Secure campaigns to promote social responsibility. • **Formalised 60 hours of training per employee per annum.** • Conducted annual refresher training on ISO 9001 and ISO 27001. • Sponsored the Society of the Physically Disabled for IT Equipment and Website • Participated in community engagement activities to upskill the elderly in digital skills. • **Organised quarterly team-bonding activities to enhance employee morale, aiming for staff participation.** • **Enhanced workplace inclusivity and development with 50% female management & 42% female employees.**	• Collaborate with 3 social and non-profit organisations each year on service initiatives, contributing. • Implement a feedback mechanism and promote employee participation. • **Increase participation in digital skills training for the community.** • **Integrate a formal sustainability training programme for all employees, aiming for 85% participation by 2027.**

*The bolded and underlined initiatives coincide with the SGX 27 Core ESG Metrics

	Highlights	Targets
GOVERNANCE	- Conducted health and safety training every three years to ensure compliance and employee safety. **Implemented an Anti-Harassment policy.** **Established PDPA policies to safeguard personal data and ensure compliance with privacy regulations.** **BizSAFE 3 Certified.** **ISO 9001 Certified.** **ISO 27001 Certified.** **NSMark Certified.** **Adopted multiple Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) policies and processes.**	**Pursuing SEC Eco Office.** **Establish a whistleblowing policy to encourage the reporting of misconduct and protect whistleblowers.** **Formalise policy on anti-bribery and corruption.** - Formalise DEI policy and green procurement. - Developing a comprehensive Fair Recruitment guidebook. - Formalise Environment policy and practices.

*The bolded and underlined initiatives coincide with the SGX 27 Core ESG Metrics

SIMSYS IN NUMBERS

42%
Female Employees

14%
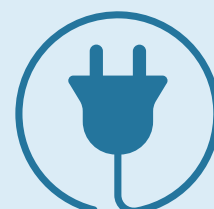Employees over 45yrs old

26.39
tCO$_2$e total emissions in 2023

100%
Of Electronics are Energy Efficient

50%
Female Employees in Senior Management

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Sustainability Related Certifications/ Compliance

SIMSYS' SUSTAINABILITY GOVERNANCE

At SIMSYS, our unwavering commitment to sustainability is at the core of everything we do. We have designated several sustainability champions across various business functions to spearhead these efforts. This dedicated team is led by Taufik Rahim (Account Manager) alongside Audrey Ng (HR Manager), Justine Go (Business Analyst), Eric Chai (Technical Team Lead), Anurax Lian (Managing Director), and Tiong Yan Hao (Project Manager).

Our initiatives are driven by passionate leaders dedicated to embedding sustainable practices throughout our operations. From advancing our environmental initiatives to deepening community engagement, their commitment to environmental stewardship and social responsibility ensures that our sustainability goals are both ambitious and achievable.
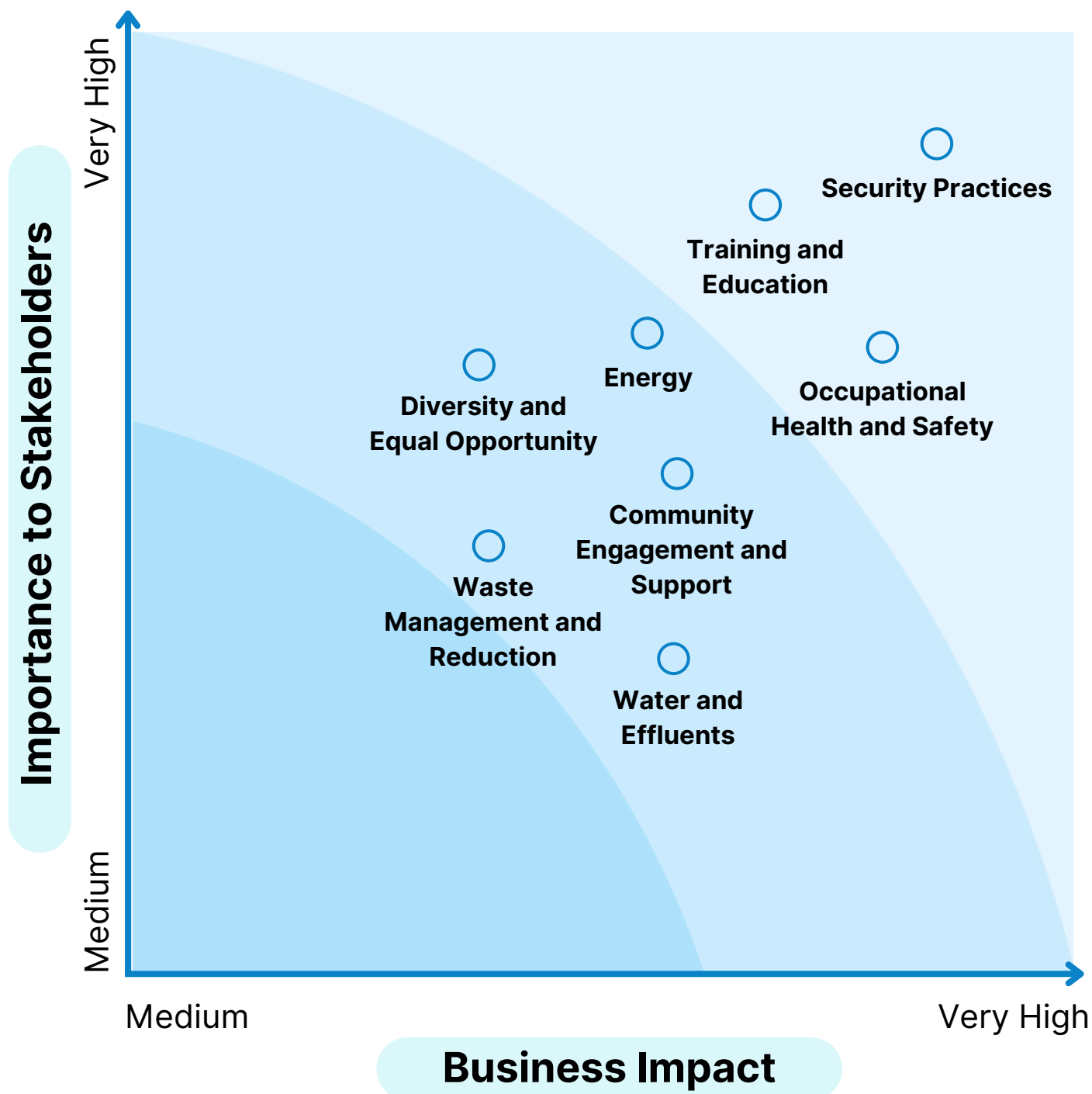
MATERIALITY OVERVIEW

A materiality assessment is a strategic process that helps us identify and prioritise the environmental, social, and governance (ESG) issues most relevant to our company and stakeholders. This process involves gathering input from internal stakeholders to determine which sustainability topics are of greatest significance and impact. The findings from this assessment are crucial, as they enable us to focus on the key areas that will drive our sustainability efforts, ensuring that our strategies and reporting are meaningful and actionable. By establishing a clear sustainability baseline, the materiality assessment allows us to develop targeted and impactful initiatives.

For SIMSYS, the materiality assessment was conducted through an in-depth analysis that engaged key internal stakeholders. A targeted questionnaire was used to gather insights, and a condensed scoring system helped evaluate the significance of various sustainability issues. Through these consultations, we identified and prioritised the sustainability topics most relevant to our operations and impact.

The assessment results are presented in a materiality matrix, which visually highlights the priority areas for SIMSYS. This focused approach provides a clear overview of the most material sustainability issues from the perspective of our internal stakeholders, helping to shape our sustainability strategy. By addressing the most pressing concerns, we ensure that our efforts align with the expectations of our business.

The eight materiality topics are listed according to the priorities identified through employee interviews and in reference to GRI standards.

Materiality Matrix

Importance to Stakeholders (vertical axis, from Medium to Very High)

Business Impact (horizontal axis, from Medium to Very High)

Plotted items:
- Security Practices
- Training and Education
- Energy
- Diversity and Equal Opportunity
- Occupational Health and Safety
- Community Engagement and Support
- Waste Management and Reduction
- Water and Effluents

Material Issues

Material Issue	Description	GRI Standard
Security Practices	Measures to ensure the security of operations and data, vital for digital transformation services. Being ISO 27001 certified.	GRI 410 - Security Practices
Community Engagement and Support	Commitment to engaging with and supporting local communities, contributing positively to societal development.	GRI 413 - Local Communities
Training and Education	Focus on continuous learning and development to equip employees for the evolving tech landscape.	GRI 404 - Training and Education
Diversity and Equal Opportunity	Fostering a diverse and inclusive workplace with equal growth and advancement opportunities for all.	GRI 405 - Diversity and Equal Opportunity
Occupational Health and Safety	Ensuring employee health and safety with measures for a safe working environment. Being BizSAFE 3 certified.	GRI 403 - Occupational Health and Safety
Energy	Monitoring and managing energy consumption to reduce the carbon footprint.	GRI 302 - Energy
Waste Management and Reduction	Minimising waste through responsible waste management practices.	GRI 306 - Waste
Water and Effluents	Responsible water management, even though operations have minimal water usage.	GRI 303 - Water

UNDERSTANDING OUR LANDSCAPE

Policies, Guidelines and Frameworks Applicable

POLICIES, GUIDELINES AND FRAMEWORKS

This section outlines the key international, regional, and national policies, standards, guidelines, and regulations related to sustainability and ESG pertinent to SIMSYS. It includes a comprehensive overview of relevant frameworks such as the International Financial Reporting, the Personal Data Protection Act (PDPA) and the Cybersecurity Act.

Understanding these policies and regulations is crucial for ensuring compliance and staying ahead in sustainable practices. This section will be tailored to reflect the legal and ethical obligations relevant to our company's industry and geographic location.

International Financial Reporting Standards

On 7 March 2024, the Singapore Exchange Regulation (SGX RegCo) issued a consultation paper on incorporating the ISSB standards into its sustainability reporting requirements. This initiative underscores Singapore's commitment to aligning with global best practices and enhancing the quality and comparability of sustainability disclosures. For us at SIMSYS, this development is particularly significant, as it indicates that compliance with ISSB standards, International Financial Reporting Standards (IFRS) S1 and S2, may soon become a regulatory expectation in Singapore. This further reinforces the importance of adopting these standards to ensure that we remain ahead of regulatory trends and are well-positioned to meet current and future reporting requirements.

The IFRS S1 and S2 standards shape sustainability reporting and climate-related disclosures. IFRS S1 provides a framework for general sustainability disclosures, while IFRS S2 focuses on climate-related disclosures. These standards aim to enhance transparency and comparability in sustainability reporting, ensuring companies provide relevant and reliable information about their sustainability performance.

For SIMSYS, compliance with IFRS S1 and S2 is essential for aligning our reporting practices with international standards. These standards require us to disclose information related to sustainability and climate risks, which is crucial for stakeholders seeking insights into our environmental impact. Non-compliance could lead to reputational risks and hinder our ability to attract environmentally conscious clients.

To align with IFRS S1 and S2, we will continue to review our current sustainability reporting practices thoroughly. We will identify gaps in compliance with the standards and develop a roadmap for aligning our reporting with IFRS requirements.

The Personal Data Protection Act (PDPA)

The Personal Data Protection Act (PDPA) is a comprehensive data protection law in Singapore that governs organisations' collection, use, and disclosure of personal data. It establishes a framework for ensuring that individuals' personal information is handled responsibly and securely. The PDPA requires organisations to obtain consent from individuals before collecting their data, implement measures to protect it, and ensure that it is used only for the purposes for which it was collected.

For our company, compliance with the PDPA is paramount, especially given our focus on digital solutions that often involve handling sensitive user data. Non-compliance could result in significant fines and reputational damage. Therefore, we must ensure that all our processes, particularly those involving user data, are aligned with PDPA requirements.

To comply with the PDPA, we thoroughly review our data handling practices. This includes assessing how we collect, store, and use personal data. We also implement robust data protection measures, such as encryption and access controls, to safeguard personal information. Regular training sessions for our employees on PDPA compliance and data protection best practices will also be conducted to ensure everyone understands their responsibilities.

The Cybersecurity Act

The Cybersecurity Act is a key piece of legislation in Singapore that aims to enhance the country's cybersecurity framework. The Cybersecurity Act plays a pivotal role in bolstering Singapore's cybersecurity framework. It provides a legal framework for preventing, managing, and responding to cybersecurity threats and incidents. The Act mandates that critical information infrastructure (CII) sectors comply with specific cybersecurity measures to protect against cyber threats.

As a digital transformation solution provider, we operate in an industry where cybersecurity is paramount. The Cybersecurity Act impacts us by requiring adherence to stringent cybersecurity standards to protect our systems and client data from cyber threats. Non-compliance could result in significant legal and reputational risks.

To address these challenges, we are proud to hold ISO 27001 certification, a globally recognised standard for information security management. This certification reflects our commitment to implementing best practices in IT security, ensuring that our processes and systems meet stringent requirements to mitigate risks effectively.

We will continue to adhere to the Cybersecurity Act by implementing robust cybersecurity measures, including firewalls, intrusion detection systems, and regular security audits. Additionally, we will establish incident response protocols and conduct regular cybersecurity training for our employees to help us stay vigilant against potential threats.

KEY CARBON PRICING IMPACT

Singapore Carbon Tax

In 2019, Singapore introduced a pioneering carbon tax at S$5 per tonne of greenhouse gas (GHG) emissions, marking a significant step in the nation's commitment to climate action. This tax is set to increase progressively, reaching S$25 in 2024 and escalating further to S$45 by 2026/2027. Projections indicate the tax could rise between S$50 and S$80 by 2030. This trajectory reflects Singapore's dedication to achieving net-zero targets and addressing climate change through effective mitigation strategies.

The increasing carbon tax presents challenges and opportunities for us at SIMSYS. As a small to medium-sized enterprise (SME), we may face higher operational costs due to the rising tax rates. However, this also incentivises us to innovate and adopt more sustainable practices. The carbon tax encourages businesses like ours to transition towards greener alternatives, fostering a culture of sustainability within our operations. The carbon tax creates a unique opportunity for us to position ourselves as leaders in sustainability. By leveraging the tax as a catalyst for innovation, we can develop new products and services that align with Singapore's green initiatives.

This helps us comply with regulations and enhances our market competitiveness. In conclusion, while the carbon tax poses challenges, it also presents a pathway for sustainable growth and leadership. We are committed to strategically navigating this landscape, ensuring we meet compliance requirements and thrive in a changing business environment. Through innovative solutions and a focus on sustainability, we aim to mitigate the financial impact of the carbon tax and contribute positively to Singapore's net-zero journey.

Direction for SIMSYS

In response to the increasing carbon tax in Singapore, our company is unwaveringly committed to adapting its operations strategically. This commitment involves thoroughly assessing our current practices and identifying areas to optimise efficiency and reduce carbon emissions. We are implementing measures to streamline our processes and enhance operational efficiency, ensuring we remain competitive despite rising costs. By embracing innovative technologies and sustainable practices, we aim to mitigate the financial impact of the carbon tax while maintaining our commitment to delivering high-quality services.

The carbon tax landscape presents a unique opportunity for our company to position itself as a leader in sustainability within the digital transformation sector. We recognise that the transition towards greener alternatives is not just a regulatory requirement but a strategic advantage. By leveraging the carbon tax as a catalyst for innovation, we are actively exploring new products and services that align with Singapore's green initiatives. This proactive approach ensures compliance and enhances our market competitiveness, allowing us to stand out in a rapidly evolving business environment.

Looking ahead, our company is dedicated to future-proofing its operations by anticipating and preparing for potential changes in regulations and sustainability standards. We closely monitor developments related to the carbon tax and other environmental regulations to ensure we remain compliant and well-prepared. However, our commitment to sustainability extends beyond compliance; we are actively working towards obtaining relevant certifications and integrating sustainability into our core business practices. By taking these proactive measures, we aim to enhance our resilience and competitiveness in the long run, positioning ourselves as a forward-thinking and environmentally responsible business in the digital transformation industry.

OUR ENVIRONMENT, SOCIAL, GOVERNANCE PROFILE

ENVIRONMENT

Highlights	Targets
Emitted 26.39 tCO₂e in 2023. - Promoted energy efficiency by installing LED lights, procuring 3-tick-rated appliances, and mandating AC settings at 25 degrees. - Conserved resources by recycling electronic waste, using refillable soap containers, and pledging responsible disposal practices. - Reduced paper and plastic use through digital alternatives, eco-friendly PEFC-certified paper, reusable cutlery, and cups. - Conserved water by installing saving fixtures and a water cooler to reduce bottled water use.	**Aim to reduce energy and water consumption by 5% by 2028 through targeted efficiency measures.** **Improve recycling processes to reduce waste and increase material recovery across the office.** **Implement a comprehensive system to better manage office waste and promote sustainability.** - Partner with sustainability-focused suppliers to ensure 50% of the supply chain adopts eco-friendly practices by 2028. - Organise annual tree planting activity.

*The bolded and underlined initiatives coincide with the SGX 27 Core ESG Metrics

Emissions Report - Scope 1, 2 and 3

Overview of SIMSYS Emission Profile

| Scope	Emission Type	Total Emissions (tCO₂e)
Scope 1	**Refrigerant Emissions - R410A**	**0**
Scope 2	**Electricity Usage**	**26.11**
Scope 3	**Potable Water Consumption**	**0.2808**
	Paper	**0.000768**
Total		**26.39**

Rounded to 2 decimal places

Scope 1: Direct Emissions

Scope 1 emissions refer to direct greenhouse gas (GHG) emissions from sources we own or control. These emissions are significant as they represent our operations' most immediate and controllable sources of GHG emissions. For SIMSYS, our Scope 1 emissions are specifically related to the use of refrigerant.

We do not have processes to collect detailed data on refrigerant use. Still, we are working to build the necessary capacity for more accurate reporting in the coming years; a key step in our ongoing pursuit of environmental stewardship and our commitment to sustainability within our industry. By improving our data collection capabilities, we aim to enhance transparency and ensure that our refrigerant management practices align with our broader sustainability goals.

Scope 2: Indirect Emissions from Energy

Scope 2 emissions refer to indirect greenhouse gas (GHG) emissions from the generation of purchased electricity, steam, heating, and cooling consumed by the company. These emissions are significant as they represent a substantial portion of our overall carbon footprint, particularly in operations where energy consumption is high. For SIMSYS, our Scope 2 emissions are primarily associated with electricity consumption sourced from the national grid.
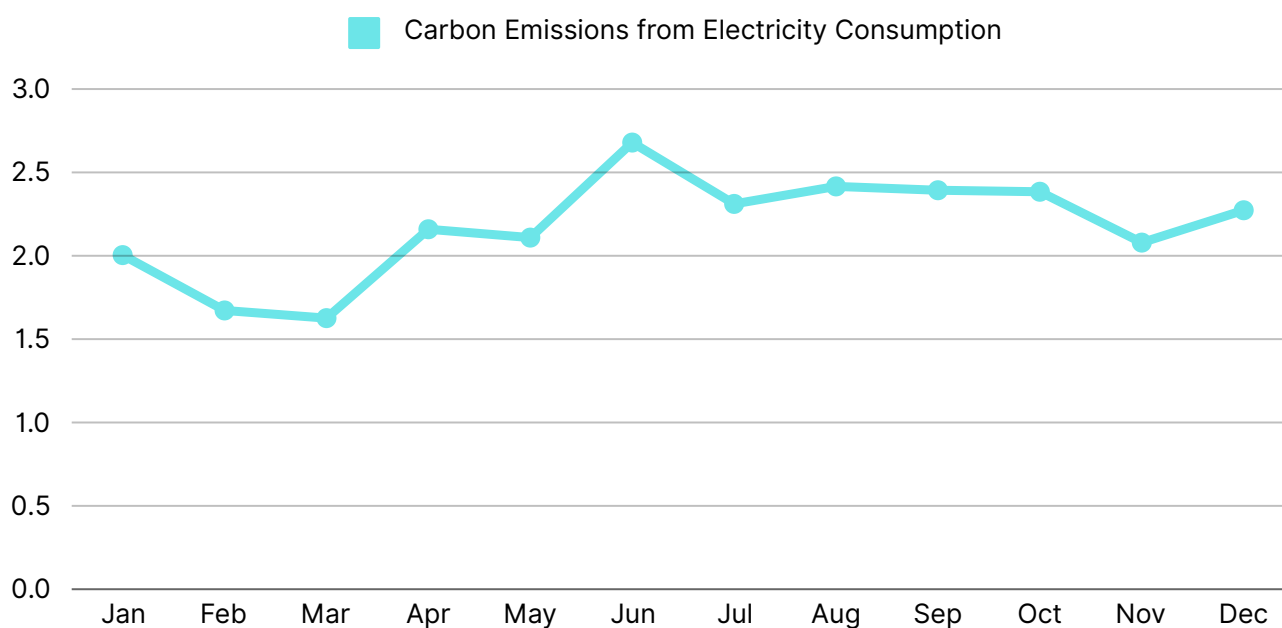
Graph 1: Total Scope 2 emissions in tCO$_2$e Per Month in 2023

The electricity we purchase from the national grid is critical to our operational infrastructure, powering various systems and equipment essential for our business activities. In the current reporting year, our total Scope 2 emissions from electricity consumption amounted to 26.11 tCO$_2$e. This figure reflects our reliance on external energy sources and highlights the importance of effectively monitoring and managing these emissions. To mitigate our Scope 2 emissions, we have implemented energy-efficient practices and technologies across our operations. This includes procuring energy-efficient appliances with 3-tick ratings and above to enhance sustainability, servers, and laptops with 85% energy efficiency. This commitment to high-performance, low-energy technology helps improve productivity while reducing our overall energy usage, lowering our carbon footprint, and contributing to a more sustainable future. Our commitment to sustainability extends beyond compliance; we actively seek innovative solutions to enhance our environmental performance.

Scope 3: Other Indirect Emissions

Scope 3 emissions are indirect greenhouse gas (GHG) emissions in a company's value chain, including both upstream and downstream emissions. These emissions often account for the largest share of a company's total GHG emissions and can be more challenging to measure and manage than Scope 1 and Scope 2 emissions. For SIMSYS, our Scope 3 emissions include various activities such as water consumption and paper usage.

Scope	2023 Emissions in tCO_2e
Potable Water Consumption	0.2808
Paper Usage	0.000768
Total	0.28

*Rounded to 2 decimal places

Emissions from Potable Water Consumption

Potable water consumption in our operations contributes to our Scope 3 emissions, an often-overlooked aspect of environmental impact, especially in regions like Singapore, where water scarcity is a growing concern.

Over the past year, our water consumption remained consistent, averaging around 0.0234 tCO_2e per month, with a total of 0.28 tCO_2e recorded in the reporting period. This figure reflects our continued efforts to monitor and manage water use responsibly. As part of our commitment to sustainability, we are implementing water-saving measures. Looking ahead, we are focused on further reducing our water consumption while maintaining low emissions in this category, ensuring our practices align with our goals of reducing water consumption by 5% by 2028.

Emissions from Paper Usage

Paper usage in our operations contributes to our Scope 3 emissions. Although digitalisation has significantly reduced our reliance on paper, we remain mindful of its environmental impact. During the current reporting year, we recorded 0.00077 tCO_2e emissions from this category, reflecting our ongoing commitment to minimising paper use through digital solutions and efficient practices. We have not purchased paper in over five years, sourcing sustainably when necessary and promoting recycling through designated trays and bins. We aim to reduce paper consumption further and continue exploring sustainable alternatives.

Future Considerations in Scope 3

The emissions reported here are solely attributed to water consumption and paper use, two key areas where we have already taken steps to monitor and manage our environmental impact. However, we recognise that Scope 3 emissions encompass a broader range of indirect activities, and our current reporting only reflects a portion of our overall emissions footprint. In the coming years, we aim to expand our Scope 3 reporting to include additional categories, providing a more holistic and comprehensive view of our emissions portfolio. This will enable us to identify better and target areas where emissions reductions are most necessary, ensuring that our sustainability efforts are informed and effective in driving meaningful change across all operations.

At SIMSYS, our environmental performance is a testament to our commitment to sustainability and responsible operations. We have implemented a range of initiatives to reduce our environmental impact.

SOCIAL

Highlights	Targets
• Launched the "Stay Clean" campaign to promote personal hygiene and wellness among employees. • Organised mental health campaigns featuring "Stay Positive" messages, encouraging active living and practical health tips. • Organised SG Secure campaigns to promote social responsibility. • **Formalised 60 hours of training per employee per annum.** • Conducted annual refresher training on ISO 9001 and ISO 27001. • Sponsor for the Society of the Physically Disabled, for IT Equipment and Website • Participated in community engagement activities to upskill the elderly in digital skills. • **Organised quarterly team-bonding activities to enhance employee morale, aiming for staff participation.** • **Enhanced workplace inclusivity and development with 50% female management and 42% female employees.**	• Collaborate with 3 social and non profit organisations each year on service initiatives, contributing. • Implement a feedback mechanism and promote employee participation. • **Increase participation in digital skills training for the community.** • Create a company-wide recognition programme for employees who actively contribute to social causes. • **Integrate a formal sustainability training programme for all employees, aiming for 100% participation by 2027.**

*The bolded and underlined initiatives coincide with the SGX 27 Core ESG Metrics

At SIMSYS, we are dedicated to fostering a positive and inclusive workplace while making a meaningful impact in the broader community. Our current initiatives reflect this commitment and focus on enhancing employee well-being, promoting social responsibility, and fostering diversity. One of our key initiatives is the "Stay Clean" campaign, which promotes personal hygiene and wellness among employees through engaging posters placed throughout the office. This helps maintain a cleaner work environment and reinforces the importance of good hygiene practices. In addition, we have organised mental health campaigns featuring "Stay Positive" messages, encouraging active living and providing practical health tips to support employees' mental well-being. We also lead an SG Secure social responsibility campaign and initiatives to foster diversity and inclusion within the office, celebrating the wide variety of backgrounds and perspectives among our team members.

To ensure ongoing professional development, we formalised 60 hours of training per employee per annum, which includes annual refresher training on ISO 9001 and ISO 27001. This helps us maintain compliance and operational excellence. As part of our commitment to the community, we are a sponsor of the Society for the Physically Disabled and have participated in community engagement activities, such as upskilling the elderly in digital skills.

We aim to expand our social impact further by engaging in regular community activities, strengthening our ties with local organisations, and formalising additional internal policies. This includes the establishment of a whistle-blowing policy to promote transparency and integrity within our organisation and ensure accountability at all levels. Additionally, we plan to introduce a formal sustainability training programme for all employees, aiming for 100% participation by 2027 to promote greater awareness of environmental and social sustainability practices.

Through these initiatives, SIMSYS is committed to creating a positive, inclusive workplace while making a lasting impact on the community and society at large.

GOVERNANCE

Highlights	Targets
- Conducted health and safety training every three years to ensure compliance and employee safety. **Implemented an Anti-Harassment policy.** **Established PDPA policies to safeguard personal data and ensure compliance with privacy regulations.** **BizSAFE 3 Certified.** **ISO 9001 Certified.** **ISO 27001 Certified.** **NSMark Certified.** **Multiple Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) policies and processes adopted.**	**Pursuing SEC Eco Office.** **Establish a whistleblowing policy to encourage the reporting of misconduct and protect whistleblowers.** **Formalised policy on anti-bribery and corruption.** - Formalise DEI policy and green procurement. - Developing a comprehensive Fair Recruitment guidebook. - Formalise Environment policy and practices.

*The bolded and underlined initiatives coincide with the SGX 27 Core ESG Metrics

At SIMSYS, strong governance underpins our commitment to ethical business practices, compliance, and transparency. We prioritise employee safety and compliance by conducting health and safety training (BizSAFE 3) every three years. We have implemented an anti-harassment policy to foster a respectful and inclusive workplace. The Personal Data Protection Act (PDPA) safeguards personal data and ensures strict compliance with privacy regulations. Furthermore, we hold certifications, including BizSAFE 3 for workplace safety, ISO 9001 for quality management systems, ISO 27001 for information security, and NSMark for supporting National Service obligations. These certifications highlight our dedication to operational excellence, safety, and national responsibilities.

As part of our commitment to fair and progressive employment practices, SIMSYS has incorporated several Tripartite Alliance for Fair and Progressive Employment Practices (TAFEP) policies, including:

- Advancing the Well-Being of Lower-Wage Workers
- Age-Friendly Workplace Practices
- Employment of Term-Contract Employees
- Flexible Work Arrangements
- Grievance Handling
- Recruitment Practices
- Unpaid Leave for Unexpected Care Needs
- Work-Life Harmony

Looking ahead, we are focused on further strengthening our governance framework. We are actively working on a whistleblowing policy to encourage the reporting of misconduct and protect whistleblowers. Additionally, we are formalising a comprehensive Fair Recruitment guidebook, regularly reviewing our governance policies to ensure alignment with best practices, and pursuing certifications like the SEC Eco Office to validate our sustainability efforts.

Through these initiatives, SIMSYS aims to create a robust governance framework that supports our organisational goals while maintaining the highest standards of integrity, accountability, and sustainability.

FUTURE INITIATIVES

The Implementation Roadmap below illustrates the phasing of different ESG initiatives. This roadmap will guide us through executing the strategic ESG action plan over short-term, medium-term, and long-term phases. These goals may be adjusted as necessary to align with changes in the broader business and economic landscape.

Timeline:
- **Short Term:** 6 months - 2 years
- **Medium Term:** 2 years - 5 years
- **Long Term:** 5 years and beyond

SHORT TERM

LONG TERM

Environment	Social	Governance
• Aim to reduce energy and water consumption by 5% by 2028 through targeted efficiency measures. • Improve recycling processes to reduce waste and increase material recovery across the office. • Implement a comprehensive system to manage office waste better and promote sustainability. • Partner with sustainability-focused suppliers to ensure that 50% of the supply chain adopts eco-friendly practices by 2028. • Organise annual tree planting activity.	• Collaborate with 3 social and non-profit organisations each year on service initiatives, contributing. • Implement a feedback mechanism and promote employee participation. • Increase participation in digital skills training for the community. • Create a company-wide recognition programme for employees who actively contribute to social causes. • Integrate a formal sustainability training programme for all employees, aiming for 100% participation by 2027.	• Pursuing SEC Eco Office. • Establish a whistleblowing policy to encourage the reporting of misconduct and protect whistleblowers. • Formalised policy on anti-bribery and corruption. • Formalise DEI policy and green procurement. • Developing a comprehensive Fair Recruitment guidebook. • Formalise Environment policy and practices.

This report was compiled by Sustainable Living Lab (SL2), a sustainability consultancy and innovation lab founded in Singapore in 2011. Specialising in developing and implementing rapidly evolving, impactful solutions, SL2 leverages technology as a tool for sustainability, emphasising a community-driven approach to execution.

Known for its practical yet ambitious approach, SL2 has built a client base across governments, international development organisations, leading multinational corporations (MNCs), and small to medium-sized enterprises (SMEs).

Headquartered in Singapore, SL2 has established a strong presence in Asia and beyond. Strategically located offices in India, Indonesia, and the United States enable them to effectively engage, understand, and tailor their solutions to specific contexts.