

# SUSTAINABILITY REPORT

## 1. BOARD STATEMENT

Our sustainability agenda is led by our Board of Directors who oversees and ensures that we remain steadfast in our commitment to be a responsible and sustainable organisation.

We believe that creating enduring value is essential for the long-term future of the Group and to do so, a balance needs to be struck between the pursuit of growth and profit, governance and environmental considerations, as well as the development of our people and the well-being of the communities in which we operate.

This forms our sustainable business strategy and the material environmental, social, governance (“ESG”) factors, economic performance and customer experience (collectively as “Sustainability Factors”), which are shown in this sustainability report (“Report”).

Our sustainability framework communicates our commitment towards supporting the United Nations’ Sustainable Development Goals (“SDGs”) and creating long-term value for key stakeholders, comprising communities, customers, employees, regulators, shareholders and vendors. We work closely with stakeholders in our value chain and their inputs drive our sustainability focus. Our material Sustainability Factors and related SDGs are as follows:



# SUSTAINABILITY REPORT

A summary of our key sustainability performance in FY2022 is as follows:

Sustainability factor	Performance Indicator	Sustainability performance	
		FY2022	FY2021
Customer satisfaction	Market presence	16 countries across 4 continents	16 countries across 4 continents
Economic	Economic value generated <sup>1</sup>	\$133.3 million	\$103.6 million
	Operating costs <sup>2</sup>	\$111.5 million	\$98.7 million
	Employee benefits expenses	\$19.8 million	\$16.6 million
	Payments to providers of capital <sup>3</sup>	\$0.9 million	\$2.5 million
	Taxes to governments	\$1.3 million	\$1.2 million
Environmental	Water consumption intensity (Cu M/per permanent full-time employee)	4.9	3.5
	Greenhouse Gas ("GHG") emissions (tonnes CO <sub>2</sub> e) <sup>4</sup>	632	553
	GHG emissions intensity (tonnes CO <sub>2</sub> e per permanent full-time employee)	2.2	2.4
Social	Number of workplace fatalities	–	–
	Number of high-consequence <sup>5</sup> work-related injuries	–	–
	Number of recordable work-related injuries	–	1
	Number of recordable work-related ill-health	–	–
	Average training hours per permanent full-time employee	4.8	9.9
	Turnover rate	31%	39%
	Number of reported incidents of unlawful discrimination against employees	–	–
Governance	Number of fraud incidents <sup>6</sup>	–	–

<sup>1</sup> Economic value generated includes revenue, other income and interest income net of government grant and any unrealised gains.

<sup>2</sup> Operating costs include cash payments to suppliers and contractors; net of employee-related costs.

<sup>3</sup> Payments to providers of capital include dividends to all shareholders and interests paid.

<sup>4</sup> GHG emissions are calculated based on the emissions factors published by the relevant local authorities.

<sup>5</sup> High-consequence work-related injuries refer to injuries from which the worker cannot recover or cannot recover fully to pre-injury health status within 6 months.

<sup>6</sup> A fraud incident is defined as one that involves fraud or dishonesty and is being or has been committed against the Company by its officers or employees. Such serious offence is punishable by imprisonment for a term of not less than 2 years and the value of the property obtained or likely to be obtained from the commission of the offence amounts to not less than \$100,000.

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With pent up demand for better bandwidth and supporting infrastructure as global markets recover from pandemic-related headwinds and adapt to a post-COVID-19 world, the Group is uniquely positioned to bridge the gap and support the digital transformation journeys of both public and private entities.

The Group has been planning and deploying necessary resources ahead of time to ensure we are able to capitalise on these opportunities, including (i) moving up the value chain by offering higher-margin products and services such as cybersecurity amid increasing cyberattacks, phishing and online fraud; and (ii) reducing outsourcing and capturing more activities in-house to improve internal efficiencies.

## 2. INTRODUCTION

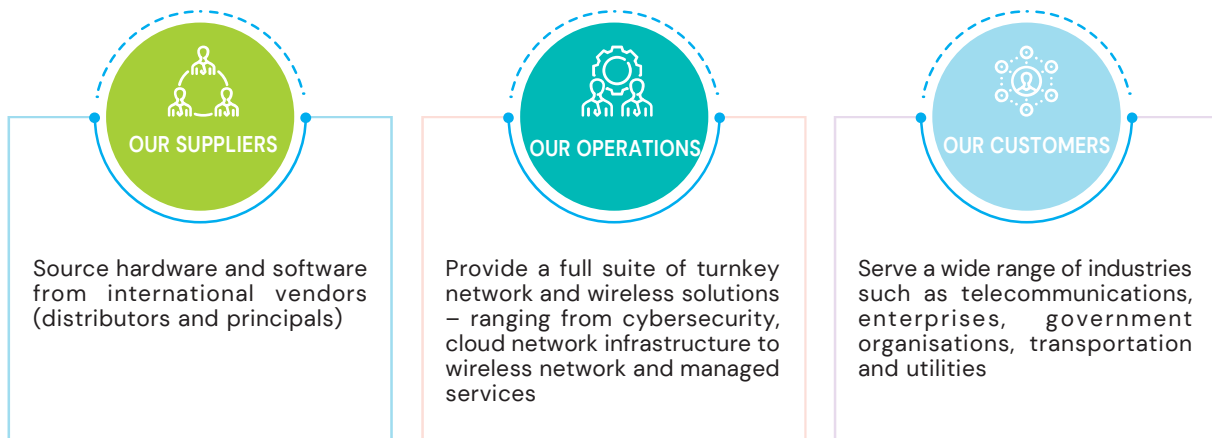
We are experiencing digital transformation and disruption across many sectors globally. Unparalleled changes have been taking place in the way we communicate and conduct business, which in turn changes the way we live.

Emerging technologies and digitalisation are key driving forces behind much of these changes, and we believe they will continue to transform the environment we operate in.

As we innovate and grow amidst this rapidly evolving landscape, we recognise that in order to continue doing so sustainably, it is imperative that we not only manage our impact on the environment and the communities in which we operate responsibly, but also maintain accountability to our stakeholders.

### Value Chain

Our material Sustainability Factors identified are closely linked to our business operations. An overview is presented as follows:



## 3. VISION, MISSION AND CORE VALUES

Our vision, mission and core values are closely aligned with the SDGs and we aim to create long-term value for our key stakeholders. You may refer to our corporate website for further details: <https://nera.net/about-us.html>.

# SUSTAINABILITY REPORT

## 4. REPORTING FRAMEWORK

This Report has been prepared in accordance with 711A and 711B of the Singapore Exchange Securities Trading Limited (“SGX-ST”) listing rules.

The Company has reported information cited in the Global Reporting Initiative (“GRI”) content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards. We have chosen to report using the GRI framework as it is an internationally recognised reporting framework. The GRI content index can be found in the Appendix of this Report.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we have mapped our sustainability efforts to the 2030 Agenda for Sustainable Development which is adopted by all United Nations Member States in 2015 (“UN Sustainability Agenda”). The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are 17 SDGs, which form an urgent call for action by all countries – developed and developing – in a global partnership. We have incorporated the SDGs, where appropriate, as a supporting framework to shape and guide our sustainability strategy. Please refer to Section 10 for more details on the alignment of our material Sustainability Factors with SDGs.

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

We have relied on internal data monitoring and verification to ensure accuracy of this Report. We will work towards internal review and/or external assurance for our future sustainability reports.

## 5. REPORTING SCOPE

This report is applicable for our financial year ended 31 December 2022 (“FY2022” or “Reporting Period”) and a report will be published annually.

This Report covers Singapore, Malaysia, Philippines and Indonesia operations (collectively known as the “Operations”) which contributed approximately 81% (FY2021: 84%) of our total revenue for the Reporting Period.

## 6. FEEDBACK

We welcome feedback from all stakeholders on this Report. You may send related questions, comments, suggestions or feedback to our investor relations email account: [corporate@nera.net](mailto:corporate@nera.net).

## 7. STAKEHOLDER ENGAGEMENT

Through an internal stakeholder mapping exercise, we have identified key stakeholder groups which we prioritise our engagements with. These include entities or individuals that have an interest in and are affected or could be affected by our activities.

Our efforts are focused on creating sustainable value for our key stakeholders, which comprise communities, customers, employees, regulators, shareholders and vendors.

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We actively engage our key stakeholders through the following channels:

S/N	KEY STAKEHOLDER	ENGAGEMENT CHANNEL	FREQUENCY OF ENGAGEMENT	KEY CONCERNS RAISED BY STAKEHOLDER
1	Communities	Community campaigns	Ongoing	Social inclusion
2	Customers	<ul style="list-style-type: none"> <li>Meetings and visits</li> <li>Email communications</li> <li>Phone calls</li> <li>Teleconferences</li> </ul>	Regularly	<ul style="list-style-type: none"> <li>Customer service</li> <li>Diversity, quality and safety of products</li> <li>Market presence</li> </ul>
3	Employees	Staff evaluation sessions Virtual town hall meetings	Annually Quarterly	<ul style="list-style-type: none"> <li>Career development and training opportunities</li> <li>Job security</li> <li>Remuneration</li> <li>Workplace health and safety</li> </ul>
4	Regulators	Consultations and briefings organised by key regulatory bodies such as Singapore Stock Exchange	Ad-hoc	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Regulatory development towards environmental goals</li> <li>Workplace health and safety</li> </ul>
5	Shareholders	<ul style="list-style-type: none"> <li>Annual general meeting</li> <li>Annual reports</li> <li>Results announcement on SGXNET</li> <li>Company website</li> <li>Corporate announcements</li> </ul>	Annually Half-yearly Regularly When needed	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Dividend payment</li> <li>Sustainable business performance</li> <li>Market valuation</li> </ul>
6	Vendors	<ul style="list-style-type: none"> <li>Email communications</li> <li>Meetings and visits</li> <li>Virtual events such as vendor conferences</li> </ul>	Regularly	<ul style="list-style-type: none"> <li>Ability to distribute products</li> <li>Maintain and expand brand presence</li> <li>Maximise end customers' satisfaction</li> </ul>

Through the above channels, we seek to understand the views of key stakeholders, communicate effectively with them and respond to their concerns.

## 8. POLICY, PRACTICE AND PERFORMANCE REPORTING

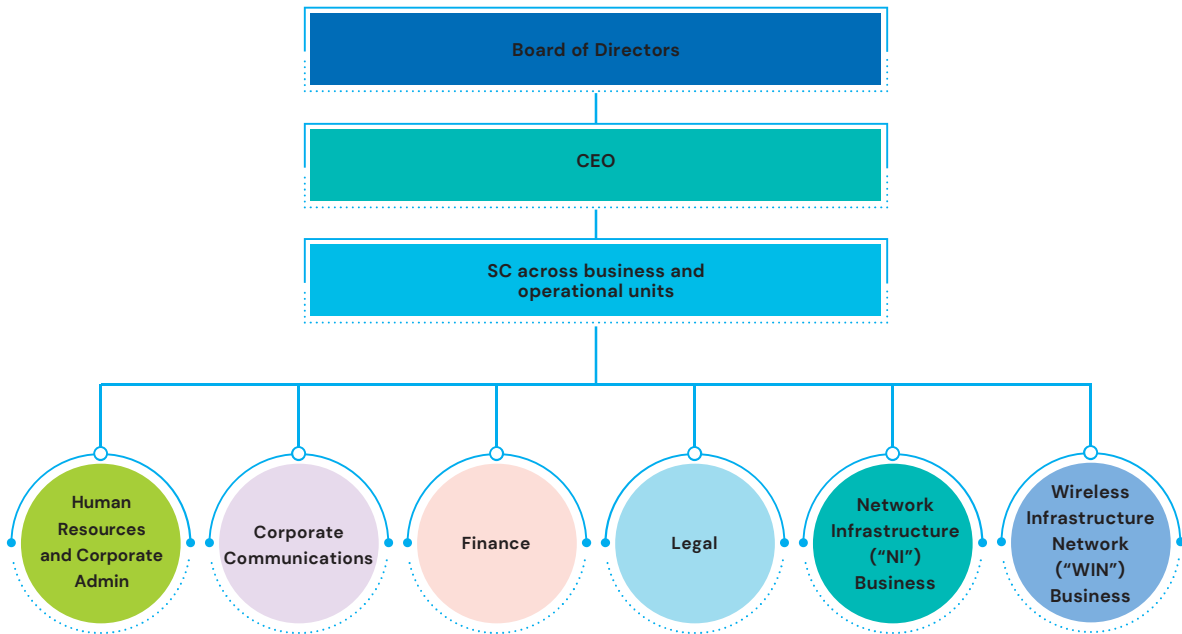
### 8.1 REPORTING POLICY

A sustainability policy ("SR Policy") covering our sustainability strategies, reporting structure, materiality assessment and processes in identifying and monitoring material Sustainability Factors is in place and serves as a point of reference in the conduct of our sustainability reporting.

# SUSTAINABILITY REPORT

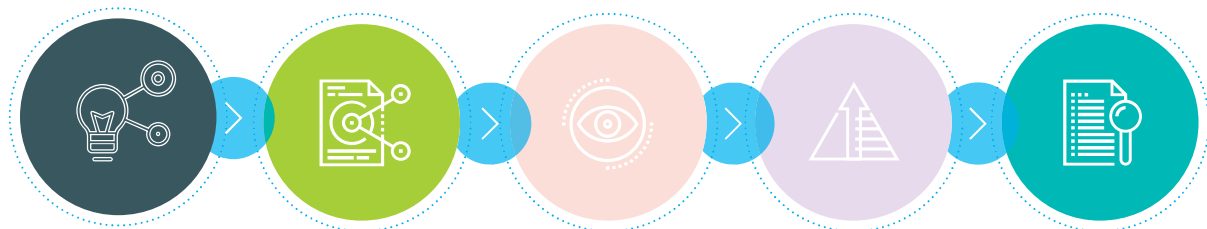
## 8.2 REPORTING STRUCTURE

Our sustainability strategy is developed and directed by Senior Management in consultation with the Board of Directors. Our sustainability committee (“SC”), which includes Senior Management executives, is led by the Chief Executive Officer (“CEO”). The CEO leads the SC in reporting to the Board as well as providing updates such as relevant proposals on our sustainability strategy and performance for the Board’s review and approval.



## 8.3 SUSTAINABILITY REPORTING PROCESSES

Our sustainability process begins with an understanding of the Group’s context. This is followed by the ongoing identification and assessment of the Group’s impacts. The most significant impacts are prioritised for reporting, and the result of this process is a list of material Sustainability Factors disclosed in this Report.



<b>CONTEXT</b>	<b>IDENTIFICATION</b>	<b>ASSESSMENT</b>	<b>PRIORITISATION</b>	<b>REVIEW</b>
Understand the Group’s context by considering its activities, business relationships, stakeholders, and sustainability context of all the entities it controls or has an interest in, including minority interests	Identify actual and potential impacts on the economy, environment, people and their human rights	Assess the significance of impacts	Prioritise the most significant impacts to determine the material Sustainability Factors for reporting	In each reporting period, review the material Sustainability Factors from the previous reporting period to account for changes in impacts which can result from feedback received from engagement with stakeholders, organisational and external developments

# SUSTAINABILITY REPORT

## 8.4 MATERIALITY ASSESSMENT

The materiality assessment considers the likelihood of the occurrence of actual and potential negative and positive impacts (“Likelihood of Impact”) and significance of our impacts on the economy, environment, people and their human rights, which include our contribution (negative or positive) to sustainable development (“Significance of Impact”).

## 8.5 PERFORMANCE TRACKING AND REPORTING

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

## 9. MATERIAL FACTORS

In FY2022, a materiality assessment was conducted by the SC to understand the concerns and expectations of our stakeholders. Through the materiality assessment, factors material to the sustainability of our business and their reporting priority level were updated. In this Report, we have also reported our progress in managing these factors and set related targets to improve our sustainability performance.

Presented below is a list of key Sustainability Factors applicable to our Operations:

S/N	MATERIAL SUSTAINABILITY FACTOR	SDG	KEY STAKEHOLDER
<b>CUSTOMER EXPERIENCE</b>			
1	Total customer satisfaction	Decent work and economic growth	<ul style="list-style-type: none"> <li>Customers</li> <li>Vendors</li> </ul>
<b>ECONOMIC</b>			
2	Sustainable business performance	Decent work and economic growth	<ul style="list-style-type: none"> <li>Employees</li> <li>Regulators</li> <li>Shareholders</li> </ul>
<b>ENVIRONMENTAL</b>			
3	Electricity, water conservation and emission reduction	<ul style="list-style-type: none"> <li>Affordable and clean energy</li> <li>Clean water and sanitation</li> </ul>	<ul style="list-style-type: none"> <li>Communities</li> <li>Shareholders</li> </ul>
4	Responsible waste management	Responsible consumption and production	<ul style="list-style-type: none"> <li>Communities</li> <li>Regulators</li> <li>Shareholders</li> </ul>
<b>SOCIAL</b>			
5	Occupational health and safety	Good health and well-being	<ul style="list-style-type: none"> <li>Employees</li> <li>Regulators</li> </ul>
6	Talent development and retention	Quality education	Employees
7	Equality and diversity in the workplace	Reduced inequalities	Employees
8	Ongoing community development	Sustainable cities and communities	Communities
<b>GOVERNANCE</b>			
9	Corporate governance and code of ethics	Peace, justice and strong institutions	<ul style="list-style-type: none"> <li>Regulators</li> <li>Shareholders</li> </ul>

# SUSTAINABILITY REPORT

We will update the material Sustainability Factors on an annual basis to reflect changes in business operations, environment, stakeholder's feedback and sustainability trends. The details of each key Sustainability Factor are presented as follows:

## 9.1 TOTAL CUSTOMER SATISFACTION

Our clientele comprises service providers, enterprises, government entities, transport and utilities companies that require infocomm solutions. In line with our mission to deliver best-in-class solutions that elevate business values for our clients, we are committed to customer satisfaction for our long-term sustainability through the following:

### Maintain presence and proximity to the customers we serve

Over the years, we have established ourselves in 16 countries across 4 different continents (FY2021: 16 countries across 4 different continents). This geographical spread brings us closer to the markets we serve and more importantly, to the clients we serve. You may refer to our geographical presence in this Annual Report for further details.

### Nurture a team of highly trained and experienced employees

We are dependent on our highly trained and experienced teams to serve our clients by providing expertise in planning, designing, installation, commissioning and testing of solutions, inclusive of comprehensive post sales service and support management.

Our strategy to establish a best-in-class footprint is driven by a core regional team of qualified and experienced professional engineering staff that supports our local operations in the development and delivery of complex end-to-end turnkey solutions to our clients.

For more details on staff retention, refer to section 9.6 for further details.

### Cultivate a long-term and sustainable relationship with our vendors

Our solutions are built on hardware and software sourced from various reputable international vendors. Such vendors include distributors and principals with whom we maintain long-term sustainable relationships. We seek to select vendors that supply goods which meet our requirements on functionality, features, quality and safety, with preference towards vendors with good sustainability practices. Upon acceptance, they are evaluated regularly to ensure that they continue to supply goods that meet ours as well as customers' requirements and maintain good sustainability practices.

With strategic vendors, we are able to gain access to a wider range of hardware and software and develop solutions that meet customers' requirements. In addition, our volume purchases allow us to secure competitive prices through discounts, rebates or pricing protection support which we can then leverage to provide our customers with value-added solutions.

### Better solutions through continuous feedback and building a knowledge base

We recognise the need to constantly develop new and better solutions that meet our customers' requirements. Our efforts on this front are as follows:

- Customer feedback is collected from various touchpoints such as sales teams and annual customer satisfaction surveys and mined to gather valuable insights into current and future customers' requirements. Insights gathered are discussed during regular management meetings to drive product and service improvements, enhance operational level and provide inputs for better strategies;
- A centralised knowledge database is maintained to retain the cumulative and valuable knowledge gained from past projects such as designs, marketing strategies, used cases and lessons learned. The knowledge base serves multiple purposes of securing sales, developing solutions, customer support, employee training and employee on-boarding. The knowledge base is stored in a secured location and made accessible to authorised personnel; and
- To better nurture and build closer customer relationships, a customer relationship management system has been implemented to organise and manage customer information and opportunities.



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## Adopt market standards for the quality and safety of our products

Our operations in Singapore are certified under ISO 9001:2015 and the adoption of such international standards demonstrates our ability to consistently provide products and services that meet customer and applicable statutory and regulatory requirements.

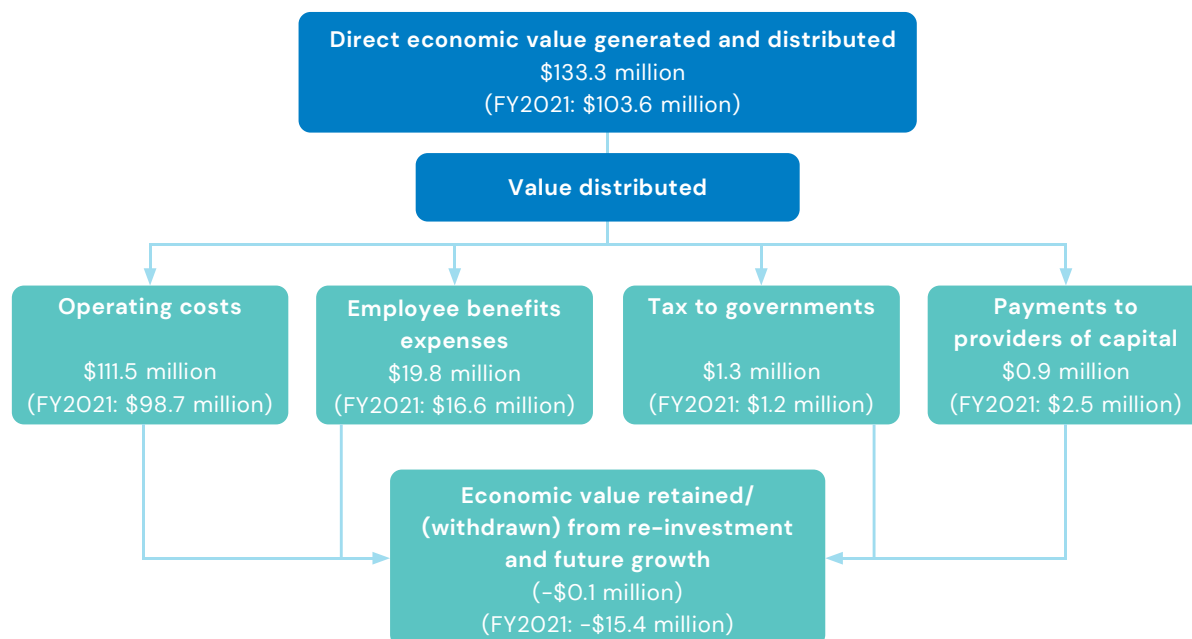
## Supporting customers during the pandemic

Work-from-home arrangements have become more common as the world gradually recovers from the pandemic. We will continue to develop and offer IT solutions that allow our customers to implement their business continuity plans and to facilitate their shift towards a hybrid work model.

Target for FY2022	Performance in FY2022	Target for FY2023
<ul style="list-style-type: none"> <li>Maintain or improve market presence</li> <li>Adhere to the market standards for quality and safety of our products</li> </ul>	<ul style="list-style-type: none"> <li>Maintained our market presence in 16 countries across 4 different continents</li> <li>We adhered to international standards for quality and safety of our products</li> </ul>	Adhere to the market standards for quality and safety of our products

## 9.2 SUSTAINABLE BUSINESS PERFORMANCE

We are committed to provide value to various stakeholders through relevant and meaningful ways. In line with this commitment, value created<sup>7</sup> in FY2022 is distributed as follows to enable a more sustainable future:



<sup>7</sup> Total distribution differs from the amount disclosed in the value-added statement as it included dividends to shareholders, a key stakeholder group of the Group and excluded non-controlling interests, finance costs, depreciation and amortisation expenses.

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We will continue to leverage on opportunities brought about by the increasing digitalisation trend.

Details of our economic performance can be found in the financial contents and audited financial statements of this Annual Report.

Target for FY2022	Performance in FY2022	Target for FY2023
Maintain or improve our financial performance subject to market conditions	We reported an increase in economic value generated from \$103.6 million to \$133.3 million	Maintain or improve our economic value retained subject to market conditions

### 9.3 ELECTRICITY, WATER CONSERVATION AND EMISSION REDUCTION

In line with our mission to be environmentally responsible, we are committed to responsible usage of electricity and water resources that help to reduce carbon emissions and preserve the environment in which we operate in. It also reduces cost and enhances returns to our shareholders.

To run our Operations, we rely on energy and water resources in the following areas:

- Electricity for running equipment for lighting, office work, cooling and ventilation (Scope 2<sup>8</sup>); and
- Water for cleaning purposes, restrooms and pantries.

Other than indirect GHG emissions (Scope 2), we do not generate material direct GHG emissions (Scope 1<sup>9</sup>) from our operations. Therefore, no separate disclosure is made on direct GHG emissions (Scope 1) but we will continue to monitor such emissions and to disclose in future, as and when applicable.

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

Performance indicator	Unit of measurement	FY2022	FY2021
<b>Energy consumption</b>			
Electricity consumption	kWh	1,387,516	1,234,243
Electricity consumption intensity	kWh/total number of permanent full-time employees	4,751.8	5,274.5
<b>Water consumption</b>			
Water consumption	Cu M	1,418	830
Water consumption intensity	Cu M/total number of permanent full-time employees	4.9	3.5
<b>GHG emissions</b>			
Indirect GHG emissions (Scope 2 <sup>10</sup> )	tonnes CO <sub>2</sub> e	632	553
GHG emissions intensity	tonnes CO <sub>2</sub> e/total number of permanent full-time employees	2.2	2.4

<sup>8</sup> Scope 2 GHG emissions arise from the generation of purchased electricity consumed by the reporting entity. Scope 2 GHG emissions physically occur at the facility where electricity is generated.

<sup>9</sup> Scope 1 GHG emissions occur from sources that are owned or controlled by the reporting entity.

<sup>10</sup> GHG emissions from the generation of purchased electricity consumed by the reporting entity. Scope 2 GHG emissions physically occur at the facility where electricity is generated.

# SUSTAINABILITY REPORT

The increase in water consumption intensity was mainly due to more staff returning to office to work following the easing of COVID-19 measures. The decrease in electricity consumption intensity was mainly due to the increase in total number of permanent full-time employees being more than proportional to the increase in electricity consumption in view of our ongoing initiatives to reduce electricity consumption.

Some of our key energy and water conservation initiatives are as follows:

- Turn off air conditioners earlier than usual operating hours;
- Switch on the chiller an hour later and turn off half-an hour earlier on working days;
- Switch off office lights in the common areas half-an hour earlier on working days and during lunch hour;
- Put up signage at light switches to remind staff to switch off lights when not in use; and
- Deploy and use water efficient tap filters to optimise water usage.

Target for FY2022	Performance in FY2022	Target for FY2023
<ul style="list-style-type: none"> <li>• In the event the pandemic comes to an end and with the resumption of normal business activities, reduce or maintain the energy and water consumption rates achieved in FY2019</li> <li>• In the event that the pandemic continues, reduce or maintain the GHG emissions and water consumption rates achieved in FY2021</li> </ul>	With some countries easing COVID-19 restrictions earlier than others, electricity consumption intensity decreased, while water consumption intensity increased	<ul style="list-style-type: none"> <li>• Maintain or reduce water consumption intensity</li> <li>• Maintain or reduce GHG emissions intensity</li> </ul>

## 9.4 RESPONSIBLE WASTE MANAGEMENT

We recognise that environmental preservation through efficient waste management such as reducing consumption and recycling allows us to operate in a sustainable manner. We are committed to manage and minimise waste in our operations and minimise the potential impact of our business operations on the environment. Main wastes generated from our operations are electronic waste (“e-waste”).

We will make the relevant waste-related disclosure on our business in the next financial year.

Target for FY2022	Performance in FY2022	Target for FY2023
Not applicable as this is a newly disclosed sustainability factor added in this Report	We will make the relevant waste-related disclosure on our business in the next financial year	Initiate various initiatives to monitor e-waste generated from operations

## 9.5 OCCUPATIONAL HEALTH AND SAFETY

Building a conducive work environment that prioritises the well-being of employees and their safety helps raise staff morale and build trust amongst employees, which in turn supports the sustainability of our business.

# SUSTAINABILITY REPORT

Key measures adopted to manage health and safety in the workplace environment are as follows:

- A set of safety rules and regulations is in place;
- Safety committees are in place and safety inspections are performed and reported regularly;
- Briefings, talks and trainings on occupational safety are organised regularly; and
- Accidents are tracked and monitored regularly.

Our operations in Singapore are ISO 45001:2018, bizSAFE STAR and SafeContractor Accreditation certified and these certifications recognise our continuous efforts to incorporate safety as part of our business model. We recorded zero fatalities, zero high-consequence work-related injuries, zero recordable work-related injuries and zero recordable work-related ill-health cases in FY2022 (FY2021: zero fatalities, zero high-consequence work-related injuries, 1 recordable work-related injury and zero recordable work-related ill health cases). Lessons from the non-fatal workplace injury were shared across business units to prevent recurrence and we continue to work towards maintaining zero workplace incidents.



Pandemic fatigue partly attributed to limited physical meetings and interactions had impacted and taken a toll on our employees mentally, emotionally and physically. To take care of our employees' mental, emotional and physical well-being, we have put in place the following initiatives:

- "Family Fridays" initiative, where employees officially end their work day at 5:00 pm every last Friday of the month so that they can spend more quality time with their family;
- Circulate periodic COVID-19 and health and safety announcements to provide guidelines for our employees; and
- Organised events targeted at bringing employees together and increasing team bonding. Events were conducted safely in compliance with COVID-19 guidelines.



Target for FY2022	Performance in FY2022	Target for FY2023
Minimise the number of workplace accidents	There were no workplace accidents in FY2022	Minimise the number of workplace accidents

## 9.6 TALENT DEVELOPMENT AND RETENTION

An effective employee training programme is vital to the long-term success of any business. We have a set of training programmes that caters to various types and levels of our employees. One of the key objectives of the programmes is to develop our human capital base so that our employees can better perform their jobs, better serve our customers and also raise productivity. We place a high priority on the competency development of our employees. Technical staff are encouraged to attain technical certifications relevant to their work whilst Management staff are also encouraged to attend Leadership Development courses and programmes.

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During the Reporting Period, the average training hours attained per permanent full-time employee was 4.8 hours (FY2021: 9.9 hours). Key statistics on training hours by gender group are as follows:

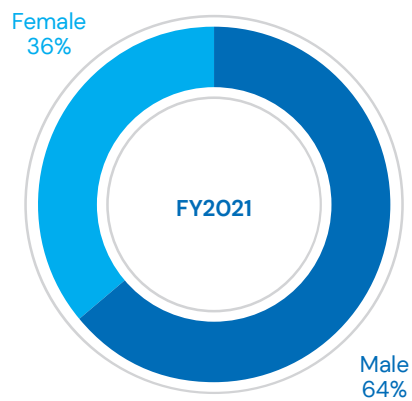
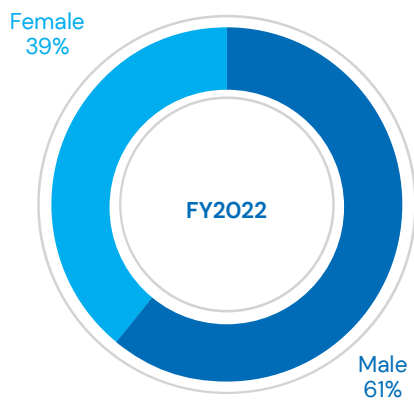
Disclosure	FY2022		FY2021	
	Male	Female	Male	Female
Total training hours	996	400	1,770	543
Average training hours per permanent full-time employee	5.0	4.4	10.5	8.2

As our business activities increased in FY2022 following the end of the COVID-19 pandemic, we logged less training conducted for our employees. We will continue to invest in training and development to enhance our competencies, that is, not limited to functional skills but also in areas such as leadership capabilities, succession planning and team performance.

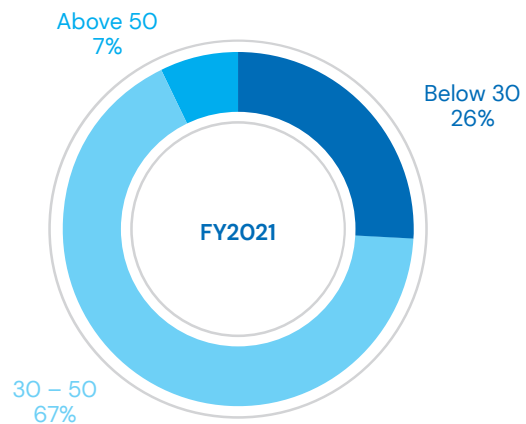
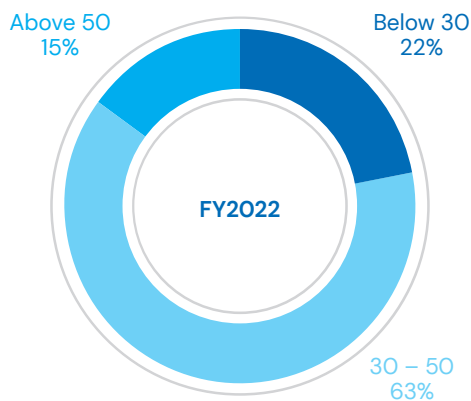
Key statistics on new employee hires by gender and age group are as follows:

## NEW HIRES

### Gender



### AGE

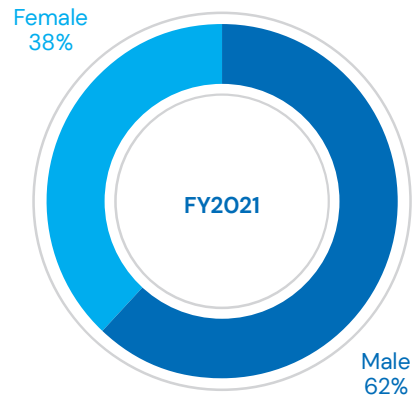
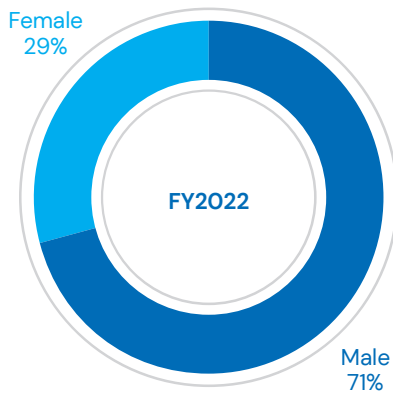


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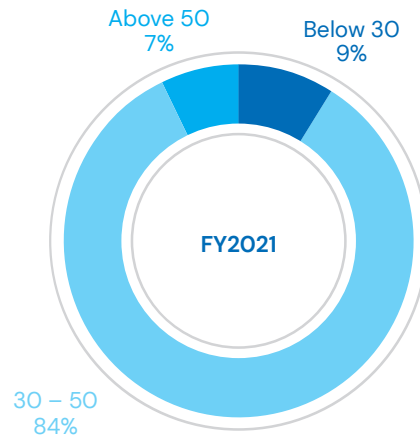
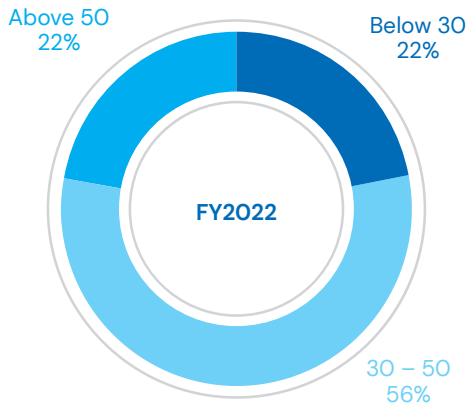
We believe that a low turnover improves the sustainability of our operations and allows us to contribute positively to the development of social and human capital in a wider community. During the Reporting Period, our turnover rate was 31% (FY2021: 39%). Key statistics on employee turnover by gender and age group are as follows:

## TURNOVER

### Gender



### AGE



# SUSTAINABILITY REPORT

As part of our continual efforts to upgrade the knowledge of our Directors on sustainability reporting and to meet the requirement of Listing Rule 720(7) of SGX-ST, we confirm that all Directors have attended one of the approved sustainability training courses during the Reporting Period.

Target for FY2022	Performance in FY2022	Target for FY2023
Improve or maintain employee retention rate subject to market conditions	Employee turnover rate decreased from 39% to 31%	Improve or maintain the average hours of training per employee per year

## 9.7 EQUALITY AND DIVERSITY IN THE WORKPLACE

We are committed to provide a work environment for employees that fosters fairness, equity and respect for social and cultural diversity. We have a workforce of 292 (FY2021: 234) permanent full-time employees in our Group as at 31 December 2022.

### Gender diversity (%)

We view diversity in the Board and Company as essential in supporting sustainable development and in relation to the Board, one out of six of our Directors is female (FY2021: one out of six of our Directors) or 17% (17% as at 31 December 2021) of the Board. Key statistics on gender diversity of our permanent full-time employees are as follows:

Disclosure	FY2022		FY2021	
	Male	Female	Male	Female
Overall	68%	32%	72%	28%
<b>Management level</b>				
Management	75%	25%	74%	26%
Non-management	66%	34%	71%	29%

### Age diversity (%)

On age diversity, matured workers are valued for their experience, knowledge and skills. Key statistics on age diversity of our permanent full-time employees are as follows:

Disclosure	FY2022			FY2021		
	Below 30	30 – 50	Above 50	Below 30	30 – 50	Above 50
Overall	10%	75%	15%	13%	68%	19%
<b>Management level</b>						
Management	–	72%	28%	21%	77%	2%
Non-management	14%	76%	10%	9%	65%	26%

During the Reporting Period, we had no (FY2021: zero) reported incident of unlawful discrimination against employees.

Target for FY2022	Performance in FY2022	Target for FY2023
Maintain zero reported incident of unlawful discrimination against employees	Maintained zero reported incident of unlawful discrimination against employees	<u>On-going and long-term target:</u> Maintain zero reported incident of unlawful discrimination against employees



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## 9.8 ONGOING COMMUNITY DEVELOPMENT

In line with our mission to give back to the community and contribute to a more inclusive society, we strive to set a good example and encourage individuals and other corporations to embrace the spirit of giving, especially during this post-pandemic period when the vulnerable in our communities are impacted most. We recognise that the long-term success of our business is closely related with the health and prosperity of the communities in which we operate. During the Reporting Period, we engaged in the following initiatives:

### Continuing our support for Dover Park Hospice

Dover Park Hospice was founded in 1992 as a non-profit organisation to provide comfort and palliative care to patients with advanced disease regardless of age, race or religion and to support their families.

Recognising the importance of a holistic approach to palliative care, one that is compassionate, dignified and most importantly, accessible to patients in a fast-paced and rapidly ageing society like Singapore, we organised a charity auction on 19 August 2022 in support of the Hospice. With the company matching our employees' donations dollar for dollar, we raised \$8,340 which was donated in full to Dover Park Hospice.

### Caring for underprivileged children at Yauma Orphanage House

In honour of the holy month of Ramadhan in 2022, employees from our office in Indonesia organised a donation drive in support of the Yauma Orphanage House. The money raised was then used to purchase groceries and other necessities for the children at the Orphanage. Some employees also volunteered at the Orphanage to help serve food to the children.

### Contributing to the Pakistan Army Flood Relief Fund

Following unprecedented floods that ravaged Pakistan and affected millions of people in the region, we made a donation to the Pakistan Army Flood Relief Fund to help the displaced and with rebuilding efforts. In appreciation of our contribution, the Director General of the Special Communications Organisation, a public sector organisation under the Pakistan Government's Ministry of Information Technology, presented us with a plaque of recognition.





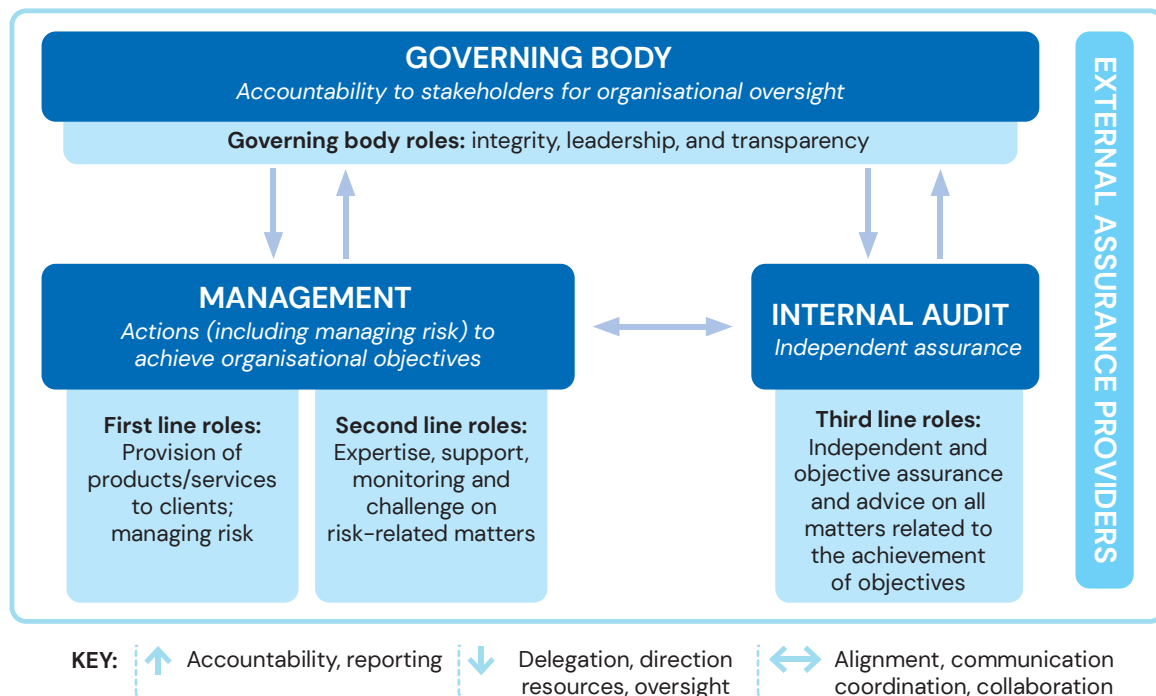
# SUSTAINABILITY REPORT

Target for FY2022	Performance in FY2022	Target for FY2023
Initiate various campaigns to help communities	Initiated various campaigns to help communities	<u>On-going and long-term target:</u> Initiate various campaigns to help communities

## 9.9 CORPORATE GOVERNANCE AND CODE OF ETHICS

A high standard of corporate governance and code of ethics is integral in ensuring sustainability of our business as well as safeguarding shareholders’ interest and maximising long-term shareholder value. We are committed to carrying out our business with integrity by avoiding corruption in any form, including bribery, and complying with the local relevant regulatory requirements of the countries in which we operate.

To ensure the Group’s sustainability, it is essential to manage our business risks to the best of our abilities. Our corporate governance and risk management approach is aligned with the Three Lines Model published by the Institute of Internal Auditors (“IIA”) to facilitate strong governance and risk management. The Three Lines Model serves to identify structures and processes that best assist the achievement of organisational objectives and facilitate strong governance and risk management. Under the Three Lines Model, the roles and responsibilities of governing body, management (first and second line roles), internal audit (third line roles) and the relationship among them are defined as follows:



Source: Three Lines Model of the IIA

We have put in place a risk management framework to track and manage the risks to which we are exposed. We regularly assess and review our businesses and operational environment to identify and manage emerging and strategic risks that may impact our sustainability. With a positive and proactive attitude, we believe that risks faced by the Group can be converted into opportunities which will lead to favourable results for us.

# SUSTAINABILITY REPORT

An employee handbook is also in place to provide guidance to employees on our culture. In addition, we have put in place a whistle blowing policy to provide a mechanism for employees to raise concerns through accessible confidential disclosure channels about possible improprieties in matters of financial reporting, business activities and operations and others.





Our overall Singapore Governance and Transparency Index (“SGTI”) score assessed by the National University of Singapore Business School was 82 for FY2022 (FY2021: 82). In FY2022, no fraud incidents were reported (FY2021: zero).

You may refer to the Corporate Governance Report of this Annual Report for details of our corporate governance practices.






Target for FY2021	Performance in FY2021	Target for FY2022
Maintain zero incidents of fraud	Maintained zero incidents of fraud	<u>On-going and long-term target:</u> Maintain zero incident of fraud

## 10. SUPPORTING THE UN SUSTAINABLE DEVELOPMENT GOALS

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

SDG	Our effort
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>Ensure healthy lives and promote well-being for all at all ages</p> <p><u>Section 9.5 Occupational health and safety</u> We create a safe working environment that will lower injury or illness costs, reduce absenteeism and turnover, increase productivity and raise employee morale.</p>
 <p>4 QUALITY EDUCATION</p>	<p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p> <p><u>Section 9.6 Talent development and retention</u> We invest in training and development of our people to enhance our business competencies as well as overall productivity.</p>
 <p>6 CLEAN WATER AND SANITATION</p>	<p>Ensure availability and sustainable management of water and sanitation for all</p> <p><u>Section 9.3 Electricity, water conservation and emission reduction</u> We implement checks and measures to reduce water wastage, which in turn help us work towards achieving sustainable management and efficient use of natural resources.</p>
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>Ensure access to affordable, reliable, sustainable and modern energy for all</p> <p><u>Section 9.3 Electricity, water conservation and emission reduction</u> We implement measures to reduce our energy consumption as it not only helps improve energy efficiency and reduce GHG emissions, but also helps us reduce costs incurred to support our business operations.</p>

# SUSTAINABILITY REPORT

SDG	Our effort
 <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p><u>Section 9.1 Total customer satisfaction</u> We are determined to bring outstanding products and services to our customers, starting from quality management to being attentive and responsive to customer feedback.</p> <p><u>Section 9.2 Sustainable business performance</u> We contribute to economic growth through creating long-term economic value for our shareholders.</p>
 <p>Reduce inequality within and among countries</p>	<p><u>Section 9.7 Equality and diversity in the workplace</u> We ensure equal opportunity for all employees regardless of age, gender, race as well as educational background.</p>
 <p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<p><u>Section 9.8 Ongoing community engagement</u> While we strive to achieve our business goals, we also believe in giving back to society and serving our local communities to promote social inclusion and sustainable communities.</p>
 <p>Ensure sustainable consumption and production patterns</p>	<p><u>Section 9.4 Responsible waste management</u> We contribute to the reduction of waste generation by ensuring proper disposal of e-waste requiring special disposal.</p>
 <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<p><u>Section 9.9 Corporate governance and code of ethics</u> We maintain a high standard of corporate governance to safeguard our shareholders' interest and maximise long-term shareholder value and carry out business with integrity by avoiding corruption in any form.</p>

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## 11. SUPPORTING THE TCFD

We are committed to supporting the recommendations by TCFD and have made climate-related financial disclosures in the following key areas:

Key area	Our approach
Governance	<p>The Board oversees the management and monitoring of the Sustainability Factors and considers climate-related issues in determining the Group's strategic direction and policies.</p> <p>Our sustainability strategy is developed and directed by the Group's SC in consultation with the Board. The Group's SC includes representatives from various support units. The Group's Senior Management advises the SC in reviewing our sustainability progress. The responsibilities of the SC include considering climate-related issues in the development of sustainability strategy, target setting, as well as collection, monitoring and reporting of performance data.</p>
Strategy	<p>The climate-related risks and opportunities identified by the Group during the climate-risk identification exercise include the following:</p> <ul style="list-style-type: none"> <li>• The reputational and financial risks for not meeting the demands of regulators and shareholders amidst the enhanced emissions reporting requirements.</li> <li>• On the other hand, the rising climate awareness due to these obligations enabled defined job responsibilities for the organisation to be in place and staff to attend courses regularly to stay updated on the latest climate reporting requirements.</li> </ul> <p>We are currently looking into conducting climate-related scenario analysis consistent with the TCFD's recommendation, wherever possible, using commonly agreed sector/subsector scenarios and time horizons, to anticipate and manage climate change impacts.</p>
Risk management	<p>The Group's climate related risks and opportunities are identified and assessed during the climate-related risk assessment exercise. We also manage our climate-related risks by monitoring the trend of climate-related performance indicators.</p>
Metrics and targets	<p>We track, measure and report on our environmental performance, including energy, GHG emissions, water and waste management and disclose related metrics in our sustainability report. Monitoring and reporting these metrics help us in identifying areas with material climate-related risks and enabling us to be more targeted in our efforts.</p> <p>To support the climate change agenda, we disclose our Scope 2 GHG emissions<sup>12</sup> in the Report and set climate-related targets such as those related to energy, GHG emissions, water and waste management. We will continue to monitor our emissions and disclose Scope 1 and Scope 3 GHG emissions wherever applicable and practicable.</p>

<sup>12</sup> Scope 1 GHG emissions is not disclosed as it is not material.

# SUSTAINABILITY REPORT

## APPENDIX GRI CONTENT INDEX

<b>Statement of use</b>	Nera Telecommunications Ltd has reported the information cited in the GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards.
<b>GRI 1 used</b>	GRI 1: Foundation 2021

GRI standard	Disclosure	Location/Page
GRI 2: General Disclosures 2021	2-1 Organisational details	5, 11-12, 82, 106-110, 150-151
	2-2 Entities included in the organisation's sustainability reporting	17, 106-110
	2-3 Reporting period, frequency and contact point	17
	2-4 Restatements of information	None
	2-5 External assurance	17
	2-6 Activities, value chain and other business relationships	10-12, 16, 106-110
	2-7 Employees	28
	2-8 Workers who are not employees	None
	2-9 Governance structure and composition	6-8, 19, 37-41
	2-10 Nomination and selection of the highest governance body	44-46
	2-11 Chair of the highest governance body	6-8, 41-44
	2-12 Role of the highest governance body in overseeing the management of impacts	19
	2-13 Delegation of responsibility for managing impacts	19
	2-14 Role of the highest governance body in sustainability reporting	19
	2-15 Conflicts of interest	37-41, 65-66
	2-16 Communication of critical concerns	30-31, 55-61
	2-17 Collective knowledge of the highest governance body	25-28, 37-43
	2-18 Evaluation of the performance of the highest governance body	47-48
	2-19 Remuneration policies	48-51
	2-20 Process to determine remuneration	48-51

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GRI standard	Disclosure	Location/Page
	2-21 Annual total compensation ratio	Information is not provided due to confidentiality constraints.
	2-22 Statement on sustainable development strategy	2-3, 14-16
	2-23 Policy commitments	30-33
	2-24 Embedding policy commitments	30-31
	2-25 Processes to remediate negative impacts	30-31, 55-61
	2-26 Mechanisms for seeking advice and raising concerns	30-31, 55-61
	2-27 Compliance with laws and regulations	28, 30-31
	2-28 Membership associations	None
	2-29 Approach to stakeholder engagement	17-18
	2-30 Collective bargaining agreements	None of our employees are covered by collective bargaining agreements
GRI 3: Material Topics 2021	3-1 Process to determine material topics	18-20
	3-2 List of material topics	20-21
	3-3 Management of material topics	21-31
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	22-23
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	30-31
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	23-24
	302-3 Energy intensity	23-24
GRI 303: Water and Effluents 2018	303-5 Water consumption	23-24
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	23-24
	305-2 Energy indirect (Scope 2) GHG emissions	23-24
	305-4 GHG emissions intensity	23-24
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	25-28
GRI 403: Occupational Health and Safety 2018	403-9 Work-related injuries	24-25
	403-10 Work-related ill health	24-25

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GRI standard	Disclosure	Location/Page
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	25-28
	404-2 Programmes for upgrading employee skills and transition assistance programmes	25-28
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	28
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	28
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programmes	29-30