

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

BUSINESS & OPERATIONAL INTEGRITY

BUSINESS AND OPERATIONAL INTEGRITY ARE INDISPENSABLE TO ESTABLISHING US AS A REPUTABLE AND TRUSTWORTHY COMPANY, PROPAGATING CUSTOMER LOYALTY AND REPUTATIONAL ADVANTAGES. ACCOUNTABILITY ACROSS OUR OPERATIONS, ETHICAL BUSINESS PRACTICES, CORPORATE GOVERNANCE AND RESPONSIBILITY ACROSS OUR SUPPLY CHAIN ARE THE CORNERSTONE OF CREATING AN ORGANISATION THAT IS BOTH SUCCESSFUL AND DEMONSTRATES GOOD CORPORATE CITIZENRY.

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We incorporate environmental, social, and ethical considerations as a cornerstone to our growth strategies to ensure our business impacts are sustainable and positive. At VICOM we are cognisant of the inherent effects we have on our valued stakeholders, including our workforce, patrons, and communities. As a result, we remain conscious to contribute positively as we rely on our stakeholders to succeed and are unable to flourish without their support.

It is paramount to establish strong governing structures and robust ethical practices across our business as this assures integrity and diligence in our operational capacities whilst simultaneously accounting for long-term sustainable economic growth and innovation.

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CORPORATE GOVERNANCE

WHY IS IT MATERIAL?

Corporate governance forms the backbone of an organisation as it navigates the business whilst enforcing entrenched objectives and principles. The presence of a stout corporate governance structure provides an organisation with management, accountability, and clarity regarding business processes, conduct and strategic directions. We have established tenacious processes to conduct checks and regular audits on our internal practices. Through this, we believe that we will be able to derive long-term shareholder value.

HOW DO WE MANAGE THIS?

Our governance structure strives to:

- Focus relentlessly on our customers
- Make corporate decisions to generate long-term value rather than for short-term considerations
- Maintain our lean culture through cost efficiencies to drive value creation
- Hire and retain skilled and dedicated Employees
- Look for sustainable ways to protect the environment

VICOM strongly believes that good Corporate Governance results in good business acumen. The company maintains the highest standards of Corporate Governance, professionalism, and integrity as it builds an organisation that our shareholders, employees, patrons, business partners, regulatory authorities and other stakeholders can trust and be proud of.

VICOM adheres and upholds to the Code of Corporate Governance, issued by the Monetary Authority of Singapore ("MAS"), across our operations.

Spearheading Corporate Governance at VICOM, The Board of Directors (the "Board") have a duty to protect and enhance the long-term value of the Company whilst striving to achieve sustainable growth. It sets the overall strategic direction of the Company and supervises the business conduct, performance, and affairs.

OUR BOARD OF DIRECTORS



Mr Lim Jit Poh



Mr Yang Ban Seng



Mr Sim Wing Yew



**Prof Shim Phiau Wui,
Victor**



Mr Goh Yeow Tin



**Ms June Seah
Lee Kiang**



**Mr Soh Chung
Hian, Daniel**



Dr Tan Kim Siew



Ms Tan Poh Hong



Ms Wong Yoke Woon

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Members of the Board are expected to act in good faith whilst exercising reflexive and independent judgment whilst honing on best interests of the company. In appointing Directors, the Company seeks individuals who have integrity, expertise, business acumen, shareholder orientation and a genuine interest in the operations and our success.

The Board is managed by the Non-Independent and Non-Executive Chairman, Mr Lim Jit Poh (the "Chairman"), and is responsible for:

- Providing entrepreneurial leadership and guidance, setting strategic directions and objectives of the VICOM (which include appropriate focus on value creation, innovation, and sustainability) and ensuring that adequate financial and human resources are in place to achieve these objectives
- Ensuring the establishment of appropriate and adequate systems of internal controls, risk management processes and Financial Authority Limits to safeguard Shareholders' interests and the VICOM's assets, whilst achieving an appropriate balance between risks and company performance
- Challenging management constructively and monitoring its performance
- Identifying the key stakeholders of VICOM and managing the Company's strategy and approach in addressing the concerns of these key stakeholder groups whilst ensuring transparency and accountability to all stakeholders
- Instilling an ethical corporate culture and enforcing the Company's values, standards, policies, and practices
- Considering environmental, social and governance issues as part of its strategic formulation on sustainability

As of 31 December 2021, the Board comprises of ten Directors, with 70% of them acting as independent Directors. We maintain a strong level of independence in the Board. The current board composition exceeds the requirement under SGX's Listing Rules and MAS's Code for at least one third of the Board to comprise of independent Directors, where the Chairman is not independent. VICOM has formed three Board Committees to assist the Board with various issues and to facilitate seamless decision making. These include the Audit and Risk Committee ("ARC"), the Nominating and Remuneration Committee ("NRC"), and the Sustainability Committee ("SC").

The NRC is responsible for annually examining the size and composition of the Board and its Committees to ensure an appropriate balance in diversity of skills, knowledge, experiences, age, and gender whilst maintaining the composition requirements of the Board. In addition, the NRC decides on directors' fees and senior staff's remuneration and promotions.

VICOM places great emphasis on the importance of tripartism and this is reflected in the make up of its board which includes representatives from the business, union and regulatory sectors. This is important to ensure holistic views are sought in both short and long term decision-making.

Further information pertaining to our Corporate Governance can be found in our annual report for FY 2021.

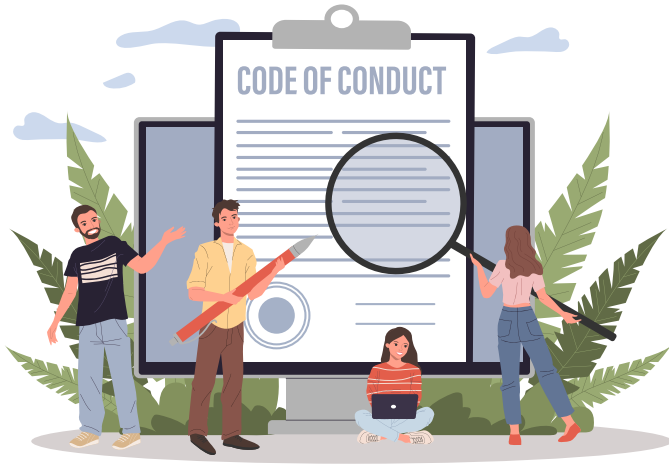
OUR PERFORMANCE

1. Percentage of Independent Non-Executive Director: 70%
2. Percentage of Non-Independent & Non-Executive Director: 20%
3. Percentage of Non-Independent & Executive Director: 10%
4. Board Diversity
 - Women: 30%
 - Men: 70%
5. Director's Length of Service
 - Served > 9 years: 20%
 - Served <9 years: 80%

LOOKING FORWARD

We continuously strive to maintain diversity and inclusion across our board members.

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



COMPLIANCE, ETHICAL CONDUCT, TRANSPARENCY & ACCOUNTABILITY

WHY IS IT MATERIAL?

As VICOM operates in an industry that places great emphasis on trust, complying to all relevant regulations and ethical conduct are pillars in establishing ourselves as a dependable and responsible organisation.

HOW DO WE MANAGE THIS?

Ethical business conduct, accountability through compliance and transparency in operations are core to our business. As a result, VICOM has a Code of Business Conduct that provides all its employees, subsidiaries, and associated companies with a comprehensive understanding of the Code and business ethics for local and international operations. The Code encompasses our business principles and policies, whilst addressing ethical conduct and integrity issues pertaining our businesses. The Code of Conduct highlights policies surrounding conflict of interest, integrity in account management, bribery, fraud, and whistle-blowing processes.

Our Whistleblowing Policy acts as a mechanism for employees to raise concerns about potential improprieties or breaches in financial reporting or other improper business practices, whilst

protecting the whistleblowers from reprisal. We ensure our employees are aware and adhere to the components of the Code, through the orientation process for all our new hires, and bi-annually reinforce the Code to our existing staff to ensure their commitment in compliance. Read more about our WhistleBlowing Policy in Annex B.

As means of ensuring compliance and transparency, our business processes are regularly audited by our Internal Auditors ("IA") who deploy strict audit criteria in ensuring compliance to regulatory requirements and international standards, on a yearly basis. In FY2021, VICOM did not record any significant findings in the internal audit.

We have commenced utilising an electronic platform for our tendering processes as this enforces transparency and accountability. Additionally, we ensure all tenders are compliant with our Anti-Bribery and Anti-Corruption policies, whilst mitigating any conflicts of interest issues.

OUR PERFORMANCE

In FY 2021, VICOM recorded zero cases of corruption, bribery, and anti-competitive behaviour. This implies the effectiveness of VICOM's current Enterprise Risk Management ("ERM") control measures in mitigating affiliated risks. Since 2019, VICOM has succeeded in establishing a robust and systematic framework to its ERM, which identifies key risks in its business processes, guided by an external consultant. The ERM framework covers essential components like control measures, action plans, key risk indicators, risk appetite, risk tolerance and risk levels, pertaining to the business. As a result, we are able to manage our key risk including regulatory compliance, fraud and corruption, adverse event (natural), succession planning, cyber security, competition and economic downturn or recession.

LOOKING FORWARD

VICOM aims to maintain the highest standards of ethics and integrity across its operations and achieving zero cases of non-compliance to anti-competitive behaviour, bribery, and corruption. To further strengthen our internal processes, we are going to obtain ISO 37001 (Anti Bribery management system) certification in 2022.

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RESPONSIBLE SUPPLY CHAIN & PARTNERSHIPS

WHY IS IT MATERIAL?

Recently, there has been surmounting pressure on organisations from employees, customers, investors, regulators, and governments to exemplify environmental responsibility and social stewardship across all junctures of the supply chain, urging for increased sustainable operations. Through the growing demand of transparency and accountability, responsible supply chains and partnerships are focal corporate ambitions as they ensure the efficient use of resources and proper management of social risks. We are mindful of the environmental and social impact of our services, across all relevant stakeholders and facets of our operations.

HOW DO WE MANAGE THIS?

At VICOM, our procurement department is responsible for implementing transparency and sustainability into our supply chain. We use a digital system that engages our vendors directly. This minimises the use of paper and facilitates greater accountability with clear decision and approval processes. We collaborate with our suppliers to uphold high levels of integrity in our supply chain and operations. As we undergo negotiations and contractual discussions, we enforce transparency, equity, and courteous communication with our suppliers. Read more about our Supplier Code Of Conduct in Annex C.

OUR PERFORMANCE

VICOM engages a total of 1,061 suppliers in amongst whom, 21% were new suppliers engaged in FY 2021. The evaluation criteria within our Procurement Policy for all tenders entail: cost competitiveness, technical capabilities and resources, service delivery flexibility and responsiveness, service quality and continuous improvements, supply assurance in times of unexpected circumstances, environmental and social responsibility, relevant experiences, company stability and sound business operations, and company financial status. In FY 2021, we had zero supplier incidents of social or environmental non-compliance.

LOOKING FORWARD

We target to continuously achieve zero incidents of social or environmental non-compliance across our supply chain, whilst upholding stringent adherence to transparent and ethical business conduct.

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TESTING INTEGRITY

WHY IS IT MATERIAL?

Integrity is one of the key pillars in testing inspection and certification ("TIC") services. As we are one of the leading TIC organisation in Singapore, integrity is critical in our ability to provide objective and professional services where clients

depend heavily on the result of our testing in making further decision which may involve quality and safety. Upholding integrity in our testing processes reinforces our brand reputation as a reliable, trustworthy, and professional service provider.

HOW DO WE MANAGE THIS?

VICOM ensures professional integrity in the provision of its services via a two-fold approach. Firstly, we acquire an attestation by a third-party independent body, such as Singapore Accreditation Council ("SAC"), that accredits our services through a formal assessment of our technical competencies via qualified and trained technical assessors. Secondly, we have established a Code of Business Conduct to govern all behaviour of our staff in dealing with external parties during the rendering our professional services. Our staff are made aware of the Code and demonstrate their commitment and adherence through a bi-annual exercise conducted online.

At VICOM, we maintain strict compliance with all relevant international and national standards, and regulatory requirements.



Numerous 3rd party attestations on multi-disciplinary fields as a testament to VICOM's testing competency and integrity.

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

OUR PERFORMANCE

VICOM has not suffered any monetary losses as a result of legal proceedings associated with professional integrity in FY2021.

INCIDENTS OF NON-COMPLIANCE RAISED BY 3RD PARTY ATTESTATION BODY	FY 2019	FY 2020	FY 2021
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	1	0
Total number of incidents of non-compliance with standard requirement and/or voluntary codes	1	1	0



LOOKING FORWARD

VICOM places high importance to its testing integrity in providing objective and unbiased testing, inspection, and certification activities to a wide array of industries. This principle is strongly inculcated across the various levels of its employees.

Our zero-tolerance policy for corruption and fraud is clearly communicated to all staff and it is well enshrined in our Code of Business Conduct. VICOM believes that testing integrity can be an invaluable asset to the organisation and an important determinant in service differentiation among competitors.

We strive towards continuously maintaining our testing standards and ensuring the enforcement of integrity in our operations and across all our stakeholders. Additionally, we target to achieve zero cases of regulatory non-compliance resulting in suspensions and not more than three number of warnings resulting from regulatory non-compliance, in a financial year.

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



CYBERSECURITY, DATA PRIVACY & SECURITY

WHY IS IT MATERIAL?

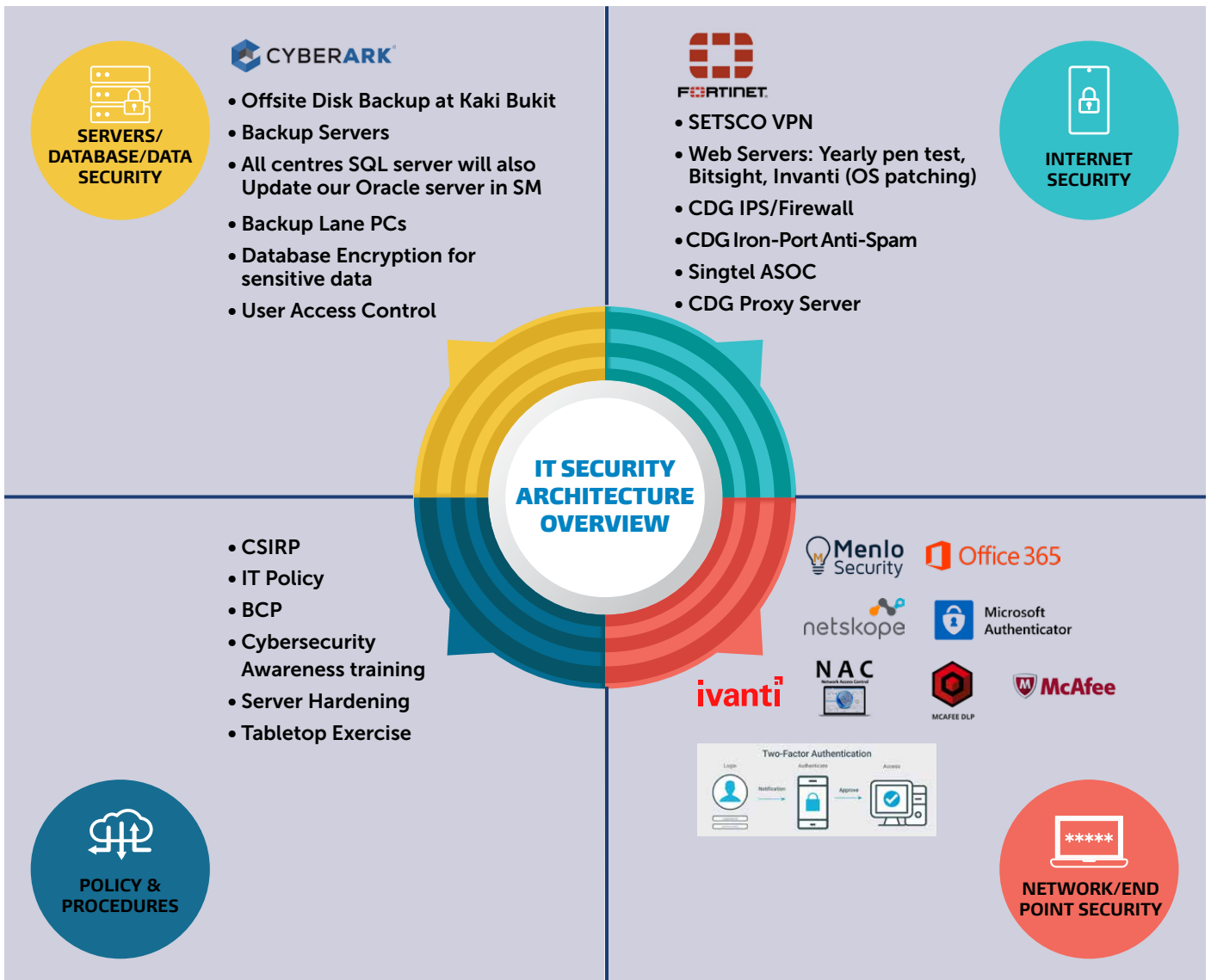
Technological advancements are widespread in today's world, resulting in drastic propulsions towards multi-faceted digitalisation. As digital technology increasingly encapsulates

business procedures and processes, it is imperative to build stronger defences by strengthening our cybersecurity, data privacy and security architecture.

HOW DO WE MANAGE THIS?

At VICOM, we consider cybersecurity and data privacy as critical in facilitating ethical and seamless business operations, and therefore remain stringent in ensuring compliance with all relevant regulations.

VICOM'S approach to identifying and addressing data security, privacy and cybersecurity risks whilst ensuring compliance to all regulatory requirements entails a holistic approach as depicted below.



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CYBERSECURITY

We conduct a formal cybersecurity awareness training that all our staff are mandated to undertake, annually. This training enables them to accurately identify phishing emails through role-playing and case study exercises. The last training was conducted in November 2021. Moreover, our VICOM Information Technology ("IT") department regularly disperses emails to educate all our users on phishing emails and their affiliated risks and has also rolled out a new feature for staff to report phishing emails.

In addition to the annual cyber security awareness training, our IT department conducts a bi-annual test to ascertain the staff's response to phishing emails. This involves the crafting of a phishing email to draw users in to decipher whether the email is suspicious for reporting. Through this exercise, we are able to discern employees that require additional cyber security awareness training to prevent its reoccurrence in the event of an actual scam and breach to cybersecurity.

In the event of breaches to our cybersecurity and security systems, we have an established Breach Management Plan. The plan entails swift, systematic, and thorough responses in the event of security breaches, covering three main approaches mainly containment, assessment, and reporting.

DATA PRIVACY AND PROTECTION

At VICOM, we are committed to upholding the privacy of our employees and customers through strict adherence to the Personal Data Protection Act ("PDPA"), in Singapore. We collect personal data from our customers, general enquirers, job applicants, etc., to fulfil operational needs whilst ensuring compliance with all regulations mandated by Singapore's governmental agencies. We ensure to provide relevant disclosures and seek consent from all individuals prior to data collection and use. VICOM determines the disposal and retention of all personal data documents, including electronic storage once they serve no legal or business purpose. VICOM has an established Cyber Security Incident Response Plan ("CSIRP") that is immediately activated in the event of a data breach. During the event of a breach,

VICOM ensures to notify the PDPC and afflicted individuals. As we acknowledge our responsibility in the correct and lawful management of personal data, VICOM's robust policy and response mechanisms ensure confidentiality is upheld in the handling of personal data.

VICOM also adheres to our PDPA Compliance Policy, which undergoes a review every two-years or when amendments to Singapore's PDPA are made. All relevant stakeholders then receive updated communications about changes made to the Policy. Our Internal Auditors conduct yearly audits on our processes to ensure strict adherence to the VICOM's PDPA Policy.

OUR PERFORMANCE

Data privacy and security are deemed of extreme importance as we operate with both businesses and customers. Our Data Protection Officer (DPO) underwent the Practitioner Certificate in Personal Data Protection ("PDPC") that provided practical data governance and protection skills, whilst utilising risk-based tools to create an impregnable data protection infrastructure for the business. As a result, we ensure our server data is secured and remains confidential. Additionally, VICOM has been awarded the Data Protection Trustmark Certification ("DPTM"), launched by InfoComm Media Development Authority ("IMDA"), which affirms our accountable data protection processes whilst building trust amongst our customers. Through this certification, we are able to assure our customers of an independently verified system that protects their personal data. We are pleased to report there were no significant breaches to our cybersecurity systems, data or PDPA in FY 2021. As a result, there were no incidents of socio-economic non-compliance.

LOOKING FORWARD

VICOM aims to continuously solidify its cybersecurity, data protection and privacy measures to ensure zero breaches. In FY 2022, VICOM will conduct its first internal audit to ensure adherence to our PDPA policy.

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INNOVATION & GROWTH

Innovation has proven to positively contribute toward economic growth. As innovation results in novel ventures and opportunities, it aids in generating greater economic value, directly resulting in organisational growth through the creation of new revenue streams. Through innovation, we are able to meet the evolving demands of our industry's landscape whilst remaining relevant and competitively ahead. Additionally, innovation can result in the streamlining of processes, thus increasing efficiency and reducing operational costs.

ECONOMIC GROWTH & NEW OPPORTUNITIES

WHY IS IT MATERIAL?

In order to remain competitive and relevant, we are responsible for generating economic growth for our valued shareholders and stakeholders. We embark on ventures and identify new opportunities to create sustained economic growth and development.

HOW DO WE MANAGE THIS?

We aim to enhance our economic growth through the diversification of our service portfolio and ultimately, our revenue streams. VICOM continues to seek new opportunities, businesses, and customers through the deployment of new technologies, advance techniques and methodology, innovation and creativity while addressing the needs of our customers and the industries as a whole.

For further information on our financial performance, please refer to our annual report, pages 18-19.

INVESTMENT & INNOVATION IN SERVICES & OPERATIONS

WHY IS IT MATERIAL?

Investment and innovation are key enablers for VICOM to explore greater growth opportunities. VICOM is committed to innovation by readily willing to invest in high growth areas with potential, organically or through mergers and acquisition. To be a leader in the TIC industry, VICOM has to leverage on innovation to transform its enterprise towards sustainable growth.

This focus on innovation enables us to stay abreast of evolving testing regimes, capabilities and services. Through research and technology investment and development, we can refresh and expand the range of our products and services, thereby anchoring our position as the leader in the TIC industry.

HOW DO WE MANAGE THIS?

VICOM has been exploring opportunities to invest and build capabilities in sustainable food services and building systems. These are our two priority areas.

New innovations are critically assessed through a multifaceted lens, including applicability to the market, upcoming consumer and global trends, financial feasibility, growth potential and the ability to effectively integrate these innovations into our operations and service offerings.

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OUR PERFORMANCE & LOOKING FORWARD

VICOM will establish a Board-level Technology Committee in FY 2022, to drive and focus on technological and innovation opportunities. This will enable VICOM to capture opportunities to help industries transit towards sustainable developments. Several potential areas that we have identified include, but are not limited to, sustainable food systems and building systems.

TESTING THE EFFICACY OF ANTIGEN RAPID TEST (ART) KIT.



TESTING FOR TRACE LEVEL CONTAMINANTS LIKE HEAVY METALS AND CHEMICAL RESIDUES IN FOOD PRODUCTS USING STATE-OF-THE-ART TECHNIQUES



SUSTAINABLE FOOD SYSTEMS

We are currently in the process of incorporating sustainable food system services into our operational scope at VICOM. This will entail a diversification of our services toward providing audit services to urban farms, to certify their sustainable production of food. As this is a new development in our business, VICOM is currently familiarizing itself with the internal system and acquiring relevant certifications from regulatory bodies to commence offering this service. We believe this strategic push towards sustainable food systems will generate a good revenue stream for the business whilst simultaneously contributing towards overall improvements in food quality.

Moreover, as we venture into providing urban farm audits, we hope to support Singapore's transition towards sustainability whilst securing public safety. Through the certification of food systems, we are able to contribute towards improving the overall food quality and security in Singapore.

We are also planning to introduce a new certification service, Certification of Clean & Green ("C&G") for all urban farms producing fresh goods. This certification attests the agricultural processes of urban farms and is based on the SS661 Specification for clean and green urban farming processes.



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SUSTAINABLE BUILDING SYSTEMS

Within our construction industry, the sector trends entail the reduced use of concrete through greater reliance on steel and low carbon building materials. Furthermore, the built environment has been steering towards utilising recyclable materials, including lighter yet stronger polymers, in order to meet the surging demands of prefabricated building materials. As we also assist in the testing of construction materials, we are able to foster the transition to sustainable materials.

Separately, we are developing the use of drone technology to assist in the inspection of buildings and building façades for public safety. The inspection service has been accepted by the Building Construction Authority (“BCA”) and is employed for buildings with an age of over 20 years.

In FY 2021, we have introduced a new certification service to ensure solar panels installed in the market are fire resistant and effective. This certification service will be extended to Building Applied Photovoltaic (“BAPV”) and Building Integrated Photovoltaic (“BIPV”) solar panels. We hope to strengthen the safe and sustainable practices of the build industry in Singapore through our broad testing and certification services.



IN 2021, WE HAVE INTRODUCED A NEW CERTIFICATION SERVICE TO ENSURE SOLAR PANELS INSTALLED IN THE MARKET ARE FIRE RESISTANT AND EFFECTIVE.

