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Board Statement

Dear Stakeholders,

Nanofilm Technologies International Limited ("**Nanofilm**", the "**Company**", "**We**" or "**us**"), together with our subsidiaries (the "**Group**"), is delighted to present our fifth Sustainability Report ("**Report**") for the financial year ended 31 December 2024.

This Report reflects our continued commitment to integrating sustainability across our business operations and drives towards creating long-term value for our stakeholders, society and the environment.

In line with the growing recognition of the need for transparent climate-related disclosures, we are proud to announce that this year, we have incorporated the Task Force on Climate-related Financial Disclosures ("**TCFD**") framework into our sustainability reporting. This addition further strengthens our commitment to addressing climate-related risks and opportunities and aligns our reporting practices with global recognised standards.

Commitment to Sustainability

At Nanofilm, sustainability is embedded in our strategic vision through the adoption of a four-pillar sustainability strategy comprising, 'Sustainable Innovation', 'Environment', 'Social' and 'Responsible Business'. We have made significant strides in advancing our sustainability efforts and preparing for future success.

Key initiatives during the year include:

- **Integration of TCFD:** We have worked to integrate the TCFD framework into our risk management and reporting processes, which will guide our approach in identifying, assessing and disclosing climate-related risks and opportunities in the years ahead.

- **Ongoing Sustainability Commitments:** We continue to focus on foundational work, including reviewing our sustainability goals, engaging with stakeholders and assessing our current environmental impact and social responsibility practices.

- Continuous Improvement and Sustainability Milestones Achieved: Throughout the year, Nanofilm has achieved notable environmental sustainability milestones, particularly in our commitment to clean energy initiatives.

  √ In FY2024, we have utilised approximately 80,012 MWh of clean electricity, achieving 100% renewable energy sourcing for our Shanghai plants, while our Yizheng facility made progress with 13% of its electricity consumption coming from green energy.

  √ In Shanghai, our 2.4 MWp solar system continued to perform well, even withstanding the typhoon that struck the city in late 2024. Since its installation, the solar system has generated approximately 4,510 MWh of electricity, marking a significant contribution to reducing our carbon footprint.

  √ An annual Nanofilm Technology Forum was convened in Shanghai, bringing together our global technical staff to exchange knowledge, foster collaboration, and deepen their understanding of the cutting-edge deep technologies developed across the Group. This initiative continues to play a key role in enhancing our capabilities in the commercialisation of deep tech innovations.

- **Long-term Strategy:** The adoption of TCFD is a key part of our ongoing commitment to building a resilient and sustainable business model that balances environmental, social and financial performance.

Sustainability Report

Governance and Oversight

We, the Board of Nanofilm, have considered sustainability issues in the Group's business and strategy, determined the material ESG factors, and remain deeply engaged in overseeing sustainability matters. We are particularly focused on addressing climate-related risks and ensuring effective governance of these issues. We have strengthened our governance framework by incorporating the TCFD recommendations into our sustainability strategy, with our Board Risk Committee providing oversight on the implementation and ongoing reporting of these disclosures.

Nanofilm maintains a robust sustainability governance structure, overseen by its Board and the CEO with other senior management (collectively, the "**Senior Leaders**" or "**Management**"). The Senior Leaders are responsible for managing sustainability and climate-related matters, including formulating strategies, goals, policies and guidelines. The CEO, supported by the Chief Strategy Officer ("**CSO**"), chairs the sustainability team, which executes the work plan and monitors key performance indicators. The CSO provides leadership on sustainability strategy, goals and targets, ensuring a holistic approach across Nanofilm's operations. In accordance with Rule 720(7) of the SGX-ST Listing Rules, all the Directors of the Company have attended sustainability training courses to equip themselves with knowledge on sustainability matters.

Looking Ahead

As we continue to enhance our sustainability practices, we recognize that further efforts are required. The TCFD integration is a critical step in our journey, and we are committed to refining our reporting and risk management processes as we move forward. In the coming year, we will:

- Set and publish more specific climate-related goals, aligned with TCFD recommendations.
- Further integrate climate risk considerations into our business strategy and operations.
- Work to improve our data and metrics related to climate impacts, disclosures and stakeholder engagement.

This Report is a valuable tool for engaging with stakeholders and addressing issues that matter most to them and our business. It enhances our risk management, strategy development and stakeholder engagement activities, helping us to focus and prioritise sustainability and corporate social responsibility initiatives.

The scope of this Report encompasses material sustainability aspects from 1 January 2024 to 31 December 2024, with performance data from operations in China, Singapore, Vietnam and Japan. We believe this Report adequately addresses stakeholders' concerns related to sustainability issues arising from our major business operations.

This Report is prepared in compliance with the SGX-ST Listing Rules 711A & 711B and with reference to the latest Global Reporting Initiative ("**GRI**") Standards as it provides an extensive framework that is widely accepted as a global standard for sustainability reporting. The Report also takes into account Sustainability Reporting Guide of Practice Note 7.6 of the SGX-ST Listing Manual and align with the recommendations as set out by the Task Force on Climate-Related Financial Disclosures (TCFD). In addition, Nanofilm quantifies and reports its organisational greenhouse gas ("**GHG**") emissions in alignment with the World Resources Institute's Greenhouse Gas Protocol Corporate Accounting and Reporting Standard and the Scope 2 Guidance. The selection of multiple reporting frameworks mentioned above is aimed at helping our organisation understand and communicate our efforts and impacts in a manner that meets the requirements of diverse stakeholders.

With the transition from TCFD to International Sustainability Standards Board (ISSB) International Financial Reporting Standards (IFRS) S2 on Climate-related Disclosures as the basis for climate disclosure requirements under the Singapore Exchange (SGX), we will continue to monitor regulatory developments, refine our reporting approach, and enhance disclosures to provide stakeholders with clear and decision-useful climate information. We remain committed to integrating climate considerations into our business strategy and decision-making processes to drive sustainable growth and long-term shareholder value.

This Report has not undergone external assurance. Our commitment to transparency and accuracy is demonstrated through internal data monitoring, verification processes and a regular internal audit of our sustainability reporting processes. In FY2024, the Company engaged Baker Tilly Consultancy (Singapore) Pte. Ltd. as an external internal auditor to conduct an internal review of the Company's sustainability reporting processes, in accordance with Practice Note 7.6 of the Listing Rules. We welcome your views and feedback on our sustainability practices and reporting at sustainability@nti-nanofilm.com.

We believe the steps we are taking today will position us to contribute meaningfully, ensuring a sustainable future for our business and communities. Thank you for your continued support as we work towards a sustainable and responsible future.

Board of Directors

NANOFILM TECHNOLOGIES INTERNATIONAL LIMITED

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Approach to Sustainability

Sustainability Governance

Sustainability is a core priority at Nanofilm, and we are committed to building a robust governance framework to ensure that the entire organisation aligns with sustainability principles, with the aim of generating positive and long-term impacts.

BOARD OVERSIGHT

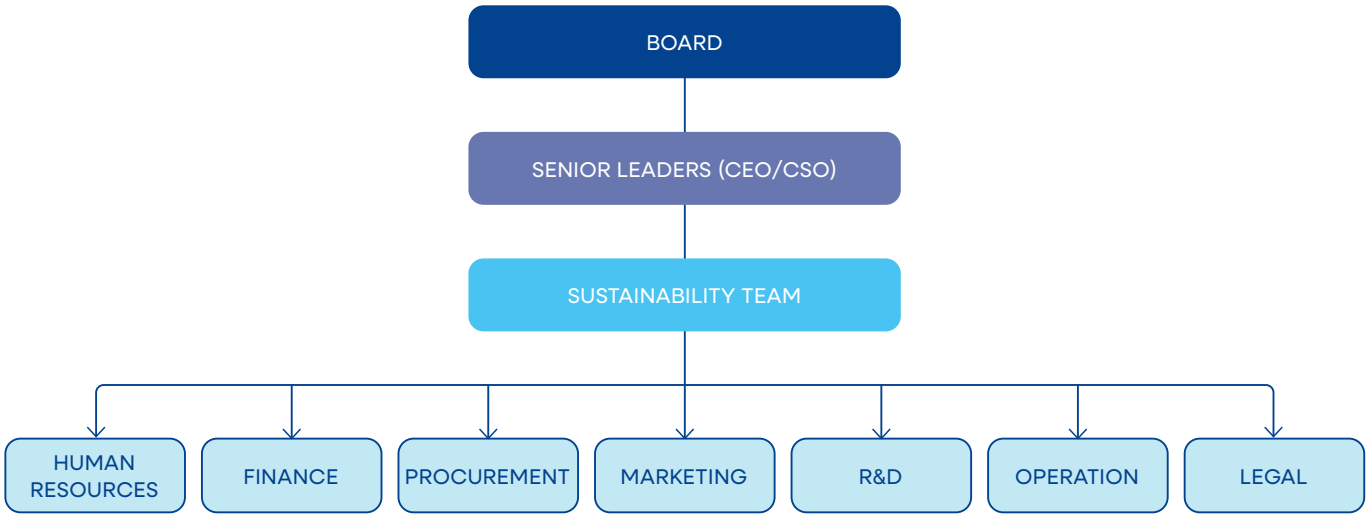
The Board provides oversight on the management of sustainability and climate-related matters, including the development of strategies, principles, goals, policies and guidelines. The Board convenes at least twice a year to approve Nanofilm's sustainability plans, and reviews progress reports presented by the CEO and Chief Strategy Officer (CSO). The Board's oversight extends to material ESG factors which are subject to annual revision to ensure they remain relevant and aligned with the Group's evolving needs. These factors are crucial in shaping the Group's strategic direction and policy decisions. Senior Leaders actively contribute to the preparation and review of this Report, ensuring it reflects a comprehensive and informed viewpoint before final approval and publication.

MANAGEMENT'S ROLE

The CEO leads the sustainability efforts and chairs the sustainability team while the CSO is responsible for guiding the development of sustainability and climate-related strategies, goals and targets. Additionally, the CSO regularly evaluates and tracks the Group's key performance indicators related to sustainability and climate.

The sustainability team, working firmly with the experts from various closely connected departments such as human resources, finance, procurement, marketing, R&D, operations and legal, is tasked with executing the sustainability and climate-related action plan. They provide timely updates on key performance indicators to the CSO, ensuring a unified and comprehensive approach to sustainability across Nanofilm's operations.

FIGURE 1: SUSTAINABILITY GOVERNANCE AT NANOFILM



Sustainability Report

Sustainability Pillars

Sustainability is a vital part of our corporate strategy for achieving long-term sustainable growth through value creation for our people, environment and society. We have established a dedicated organisational structure to lead and implement our sustainability framework:

SUSTAINABLE INNOVATION:

Advancing technological solutions and innovations with a commitment to sustainability. Drive the commercialisation of deep tech solutions and position Nanofilm as a leader in sustainable innovation. In addition, Nanofilm continues to make significant investment into Sydrogen to develop and deliver new solutions for the hydrogen economy.

ENVIRONMENT:

Minimising environmental impact and conserving resources. Contribute to a cleaner and more sustainable environment through innovative technological advancements.

SOCIAL:

Promote knowledge sharing, fostering education and enhancing societal well-being. Empower individuals with future-ready skills and contribute positively to society through collaboration and education initiatives.

RESPONSIBLE BUSINESS:

Embedding sustainable and responsible practices throughout our business operations. Cultivate a culture of responsibility, innovation and excellence, positioning Nanofilm as a leader in both social and environmental responsibility.

FIGURE 2: NANOFILM'S FOUR SUSTAINABILITY PILLARS

Sustainability Report

Nanofilm is committed to reviewing and evaluating material sustainability topics on an annual basis.

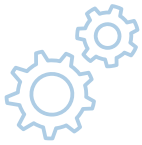
Materiality Assessment

The materiality assessment is an essential process that helps us stay responsive to emerging sustainability issues and effectively manage risks and opportunities that are critical to our long-term business success.

Nanofilm is committed to reviewing and evaluating material sustainability topics on an annual basis. This ongoing process ensures that our sustainability efforts remain aligned with both our business objectives and the expectations of our stakeholders.

The materiality assessment followed a three-step approach: firstly, identified the sustainability topics most relevant to Nanofilm; next, prioritised these topics based on stakeholder input; and finally, the selected material topics were reviewed and approved by the Board.

TABLE 1: THREE-STEP APPROACH FOR MATERIALITY ASSESSMENT PROCESS



Step 01	Step 02	Step 03
REVIEW AND IDENTIFY • Conduct peers benchmarking. • Review ESG rating agencies' requirements and mainstream sustainability reporting standards.	ALIGN AND PRIORITISE • Shortlist sustainability topics through a broad stakeholders' engagement. • Conduct stakeholder interviews to obtain their input and expectation on Nanofilm's sustainable practices.	VALIDATE • Review the material topics by the Board and CSO to ensure that the shortlisted material topics remain relevant and pertinent for Nanofilm.

Sustainability Report

In FY2024, no new material topic has been identified and we maintained our focus on the core material topics identified in FY2023 which remain aligned with our sustainability strategy across four pillars: sustainable innovation, environment, social and responsible business. This approach reflects our ongoing commitment to an adaptable business framework and a sustainability strategy with a clear, focused direction.

TABLE 2: NANOFILM'S MATERIAL SUSTAINABILITY TOPICS

Sustainability Pillar	Material Topic	Relevant Section Of The Report
Sustainable Innovation	Sustainable Innovation	Sustainable Innovation
Environment	GHG Emissions & Climate Strategy	Environment - Carbon Emissions and Climate Change
	Energy Consumption	Environment - Energy Management
	Water Consumption	Environment - Water Management
	Waste Management	Environment - Waste Management
Social	Human Capital Development	Social - Human Capital Development Social - Employee Profiles and Employee Welfare
	Diversity and Inclusion	Social - Diversity and Inclusion
	Health and Safety	Social - Health and Safety
	Human Rights and Labour Management	Social - Human Rights and Labour Management
	Local Communities	Social - Local Communities
Responsible Business	Corporate Governance	Responsible Business - Corporate Governance
	Business Ethics	Responsible Business - Business Ethics

Sustainability Report

Stakeholder Engagement

We deeply value our stakeholders and understand the critical importance of responsible business growth. To achieve this, it is essential to comprehend stakeholders' expectations across economic, environmental and social dimensions. We consistently engage with our stakeholders through a comprehensive framework to identify key issues.

Our stakeholders are categorised into internal and external groups. Internally, we engage with the Board, management and employees. Externally, we collaborate with customers, strategic business partners, regulatory authorities, shareholders, investors, media, analysts, suppliers and vendors.

TABLE 3: NANOFILM'S INTERNAL AND EXTERNAL STAKEHOLDERS

Stakeholders	Engagement Method	Stakeholders' Expectation	Nanofilm's Responses
Customers and Strategic Business Partners	• Direct feedback via sales channel engagement • Site visits to our production facilities • Co-development of research and development projects • Periodic assessment and audits performed by customers relating to impacts on environment, health, safety and social factors	• Continue to develop innovative solutions that are mission critical in nature • Establish green factory • Ensure business continuity	• Provide a sustainable factory environment while providing solutions needed by customers • Creating value in a sustainable and responsible manner • Ensure that we meet customers' ESG requirements
Employees	• Employee's survey and interactions • Internal updates and communication • Events and functions	• Provide training and education • Manage occupational health and safety • Maintain work life balance	• Ensure workplace health and safety enable employees to work comfortably and safely • Employment benefits to address basic needs and help to manage stress and improve health • Training and career development are in place to improve effectiveness and productivity
Regulatory Authorities	• Regular updates and communication • Reports and compliance • Periodical meetings with government bodies • Dialogue with government bodies	• Contribute to regulatory landscape shaping as a market participant	• Attending market events to increase communication, visibility and transparency • Play a part in contributing to economy activities and value-adding output in countries we have presence in
Shareholders/ Investors, Media and Analysts	• Announcements via SGX • Shareholders' meeting • Annual reports and circulars • Company's corporate website • Regular updates and communication	• Long-term profitability • Sustainability matters • Group's performance against targets • Compliance with all relevant requirements	• Committed to delivering economic value to our capital providers through strong financial performance and proactive engagement • Regular and effective communication
Suppliers, Vendors	• Periodic supplier's assessment • Supplier's meetings	• Ability to meet Company's quality standards • Ability to meet Company's delivery timelines	• Periodic suppliers' assessments to ascertain quality of products and services acquired to ensure that they are free from hazardous substances • Supply chain due diligence to ensure our suppliers uphold human rights and are free from child labour violation

Sustainability Report

In FY2024, we have maintained our 2030 targets, ensuring they continue to align with our long-term sustainability objectives and advance our progress toward achieving the goals.

Our Targets and Performance

The United Nations Sustainable Development Goals ("**UNSDGs**") form a central part of the 2030 Agenda for Sustainable Development, a global framework unanimously adopted by the World Leaders at the United Nations Sustainable Development Summit in September 2015. The framework addresses key social, environmental, and economic challenges by 2030. They aim to eradicate poverty, protect the planet, and ensure inclusive prosperity, guiding collective action towards a sustainable and equitable future.

At Nanofilm, we are fully committed to supporting the UNSDGs. Our focus extends beyond climate action to include promoting social and economic development in the communities where we operate, alongside maintaining responsible business practices.

In FY2024, we have maintained our 2030 targets, ensuring they continue to align with our long-term sustainability objectives and advance our progress toward achieving the goals. For a clear overview of our sustainability efforts, the table below outlines our focus areas, targets and contributions to the SDGs. This commitment underscores our proactive stance in addressing global challenges and contributing to a sustainable future in line with the United Nations' ambitious agenda.

Sustainability Report

OUR 2030 TARGETS MEASURED AND FY2024 PERFORMANCE AGAINST 2022 BASE YEAR

TABLE 4: OUR 2030 TARGETS MEASURED AND FY2024 PERFORMANCE AGAINST 2022 BASE YEAR

Nanofilm's Sustainability Pillars	UN SDGs	Metrics	FY2023 Performance	FY2024 Performance	2030 Target
Sustainable Innovation		Research and Development ("**R&D**") and engineering expenses as a percentage of total revenue	9%	7%	>7%
Environment		GHG emissions intensity (tCO_2e/'000 production hours)	6.38 (market-based)	5.78 (market-based)	40% reduction in GHG intensity to achieve 24.64 tCO_2e/'000 production hours[1]
		Percentage of total energy used from renewable sources or purchased carbon credits	86.6%	88.2%	At least 50%
		Production wastewater discharge intensity (m^3/'000 production hours)	409.68	347.38	80% reduction in production wastewater discharge intensity to achieve 129.8 m^3/'000 production hours
Social		Annual staff training (average hours/employee)	21.07	14.04	40
		Rate of recordable work-related injuries (per 1,000,000 hours worked)[2]	0.84	0.99	<1.0
Responsible Business		% of critical direct suppliers covered by human rights, environmental, health and safety due diligence screening	100%	100%	100%
		% of new employees who have completed the Compliance and Code of Conduct training within 6 months of employment	100%	100%	100%
		No. of instances of forced and child labour in operations	Zero Instances	Zero Instances	Zero Instances

1 Production hours refer to machine production hours.

2 Number of total recordable work-related injuries over the total man hours for the period (per 1,000,000 hours worked)

Sustainability Innovation

Core Principles

Striving for innovation and operational excellence in a sustainable and responsible way

Continue R&D of technologies to create solutions with positive sustainability impact and improve lives

Sustainability Report

Sustainable Innovation

As a deep-tech company, we recognise that innovation and sustainability are interconnected. At Nanofilm, we are dedicated to pioneering solutions that foster both technological progress and environmental stewardship. Our goal is to drive meaningful change by advancing innovation while minimising any potential risks to people and the environment.

Techonology-Based Solutions

Founded in 1999, Nanofilm has established itself as a leading provider of nanotechnology solutions, leveraging proprietary technologies and expertise in R&D, engineering and production to deliver cutting-edge technology solutions across a diverse range of industries. Our commitment spans a wide range of industries, where we provide technology-driven solutions that set new industry standards.

Our comprehensive portfolio includes cutting-edge solutions in advanced materials, nanofabrication and equipment engineering. Through innovative materials development and nanofabrication processes, we actively contribute to environmental sustainability. Our technologies serve as catalysts, empowering customers to achieve breakthroughs in custom products by replacing finite materials, enhancing functionalities and extending product lifespans.

The adaptability of our proprietary technologies allows for seamless application across industries, opening doors to markets previously unattainable by conventional technologies. At Nanofilm, we continuously push technological boundaries by integrating new materials and methods to explore novel applications.

Key Highlights:

- Nanofilm has invested **$14.3 million** to drive R&D, demonstrating our commitment to advancing technology and innovation
- R&D investments accounted for **7%** of our total revenue

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Our strategic vision includes a substantial increase in investment in clean technology R&D, particularly in the hydrogen economy and alternatives to electroplating. This initiative highlights our commitment to addressing critical environmental challenges and aligns with our sustainability goals. We strictly adhere to our policy and guideline that governs clean technology investments, reaffirming our dedication to sustainable innovation.

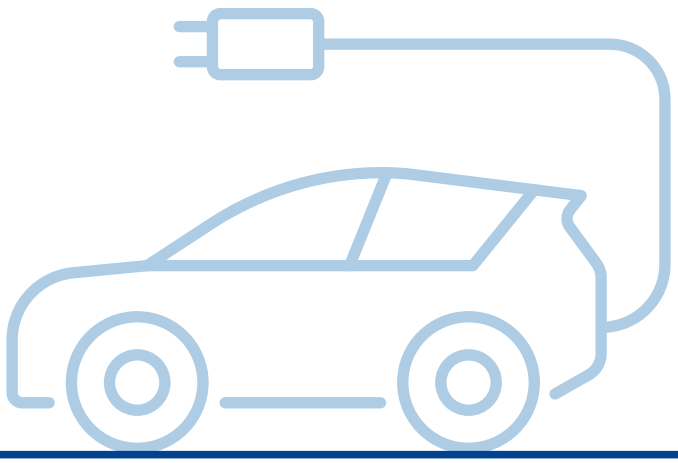
To further strengthen our R&D capabilities, we have assembled a highly skilled team dedicated to advancing technical innovations across all areas. In FY2024, more than 370 employees globally contributed to R&D and engineering efforts, ensuring that Nanofilm remains at the forefront of nanotechnology advancements and sets benchmarks in the field.

Currently, Nanofilm holds an impressive portfolio of over 60 granted patents, more than 70 granted utility models, and over 80 trademark registrations, with additional applications pending, reflecting our ongoing commitment to innovation. In FY2024, we invested $14.3 million in R&D, underscoring our drive to push technological boundaries. Notably, our R&D investments accounted for 7% of our total revenue. Looking towards 2030, we aim to continue investing more than 7% of our total revenue in R&D and engineering to fuel innovative and sustainable growth.

Hydrogen Economy

The World Bank has highlighted the critical role of clean hydrogen in addressing climate change and enabling the decarbonisation of sectors that are traditionally reliant on fossil fuels. Unlike intermittent renewable energy sources like solar and wind, which are subject to natural variability, clean hydrogen offers a more reliable and scalable solution. Nanofilm acknowledges the challenges posed by conventional clean energy sources, particularly in terms of predictability and the long-term storage limitations of batteries.

At Nanofilm, we believe hydrogen fuel cell technology is key to achieving carbon neutrality, as it uses hydrogen as a storable and transportable fuel. To advance this vision, Sydrogen Energy Pte. Ltd. had been established to bring this technology forward. Sydrogen is dedicated to developing and manufacturing fuel cell components that address current limitations, enabling the widespread adoption of hydrogen as a clean and sustainable energy solution.



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SUSTAINABLE EV CHARGER POWERED BY FUEL CELL TECHNOLOGY

At Sydrogen, we are excited to unveil a groundbreaking advancement in sustainable transportation: an EV charger powered by our fuel cell technology. The power station only produces water, which results in zero pollution and zero carbon emissions. This innovative solution features smart energy management between the station and charging pile, also addressing the challenges of fast charging in areas with limited grid access, providing a clean, efficient and reliable alternative to meet the rapidly increasing demand for fast-charging infrastructure. Our hydrogen fuel cell-powered charging station was also proudly featured at the Nanofilm Technology Forum 2024, showcasing our commitment to pioneering sustainable energy solutions.

Our zero-emission energy source not only contributes to reducing environmental impact but also supports the development of a more sustainable and resilient transportation ecosystem. This milestone represents a significant step forward in accelerating the adoption of electric vehicles and fostering a cleaner, greener future.

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Reducing the Demand for Precious Metals in PEM Water Electrolysers

SydroPEARL®: Proprietary Precious Metal-free Metallic Alloy Coating

PRECIOUS METAL-FREE COATINGS FOR PEM WATER ELECTROLYSERS

Another key innovation, SydroPEARL®, is an advanced coating solution for Proton Exchange Membrane (PEM) Water Electrolyser components proudly presented by Sydrogen. This technology enhances the performance and longevity of critical parts such as Proton Exchange Membrane Water Electrolysis (PEMWE) Bipolar Plates and Porous Transport Layers. SydroPEARL® offers superior corrosion resistance, outperforming platinum, and excellent conductivity, making it an ideal alternative to precious metals. Free from materials like Gold, Iridium and Platinum, SydroPEARL® aligns with our commitment to sustainability by reducing reliance on scarce resources.

In FY2024, we have continued to make significant progress in the development of this technology, furthering our efforts to optimise electrolyser performance using abundant materials. With innovations like SydroPEARL®, we are advancing the growth of the hydrogen economy, supporting the transition to clean energy and contributing to a sustainable, carbon-neutral future.

Ongoing Operational Enhancements

At Nanofilm, environmental sustainability is not just a goal – it is an integral part of our innovations and technologies. Beyond our products, we are dedicated to continuously enhancing our operational processes and systems to drive efficiency and reduce environmental footprint. To support this, we have established the Operational Excellence Suite, a comprehensive framework that brings together key areas such as manufacturing systems (MES, QTS, PTS), LEAN principles, process transformation, customer engagement, talent development, sustainability and technology. By integrating these key elements, we ensure that sustainability is embedded into every aspect of our daily business operations, driving both environmental responsibility and business excellence.

Environment

Core Principles

Protecting the environment to preserve it for future generations

Committed to continuously reducing our carbon footprint and improving water efficiency

Environment

Carbon Emissions and Climate Change

RESPONDING TO CLIMATE CHANGE

Nanofilm is committed to tackling the challenges of climate change with a proactive and responsible approach. As advocates for sustainability, we recognize the significant impact that climate change can have on our operations and the broader business landscape.

Understanding the increasing importance of transparency regarding climate-related risks and opportunities, we are taking steps to strengthen our climate disclosures. While we are in the process of fully aligning with the Task Force on Climate-Related Financial Disclosures (TCFD) recommendations, we have already incorporated its strategic pillars in this section and are committed to further enhancing our climate-related disclosures going forward.

Key Highlights:

- **6,019.76** tonnes of carbon dioxide equivalent ("tCO_2e") in total from Scope 1 and Scope 2 GHG emissions (market-based)
- GHG Intensity: **5.78** tCO_2e/'000 machine production hours (market-based)
- Achieved **100%** renewable electricity sourcing for our Shanghai site
- **15.2%** reduction in wastewater discharge intensity in FY2024 compared to FY2023
- Achieved **33.4%** waste recycling in FY2024

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CLIMATE SCENARIOS SELECTION

As a first step in assessing our climate resilience, we have selected two climate scenarios derived from the Shared Socioeconomic Pathways (SSPs) and the Network for Greening the Financial System (NGFS) for our analysis. These internationally recognised frameworks are widely used in global climate risk assessments, offering structured pathways to evaluate potential future climate conditions and their implications for our operations.

BELOW 2°C SCENARIO (NGFS BELOW 2°C)

This scenario envisions a future where ambitious climate action successfully limits global warming to below 2°C by 2100, aligning with the Paris Agreement. In this pathway:

- Regulators and the private sector demonstrate heightened climate awareness.
- Stringent policies and ambitious net-zero commitments are implemented.
- Technological advancements are driven by renewable energy and clean innovations, supporting a global shift toward sustainable industrial practices.

4°C SCENARIO (SSP5-8.5)

This scenario represents a future characterised by high greenhouse gas (GHG) emissions and severe climate impacts with an increase in temperature by more than 4°C by 2100. It assumes:

- Continued reliance on fossil fuels, with limited climate policies and a business-as-usual approach.
- Economic growth and technological advancements that remain heavily dependent on carbon-intensive industries.
- Minimal regulatory intervention to curb emissions, leading to accelerating climate change.
- Increasing frequency and intensity of extreme weather events, rising sea levels, and long-term disruptions to ecosystems and economies.

TIME HORIZONS FOR SCENARIO ANALYSIS

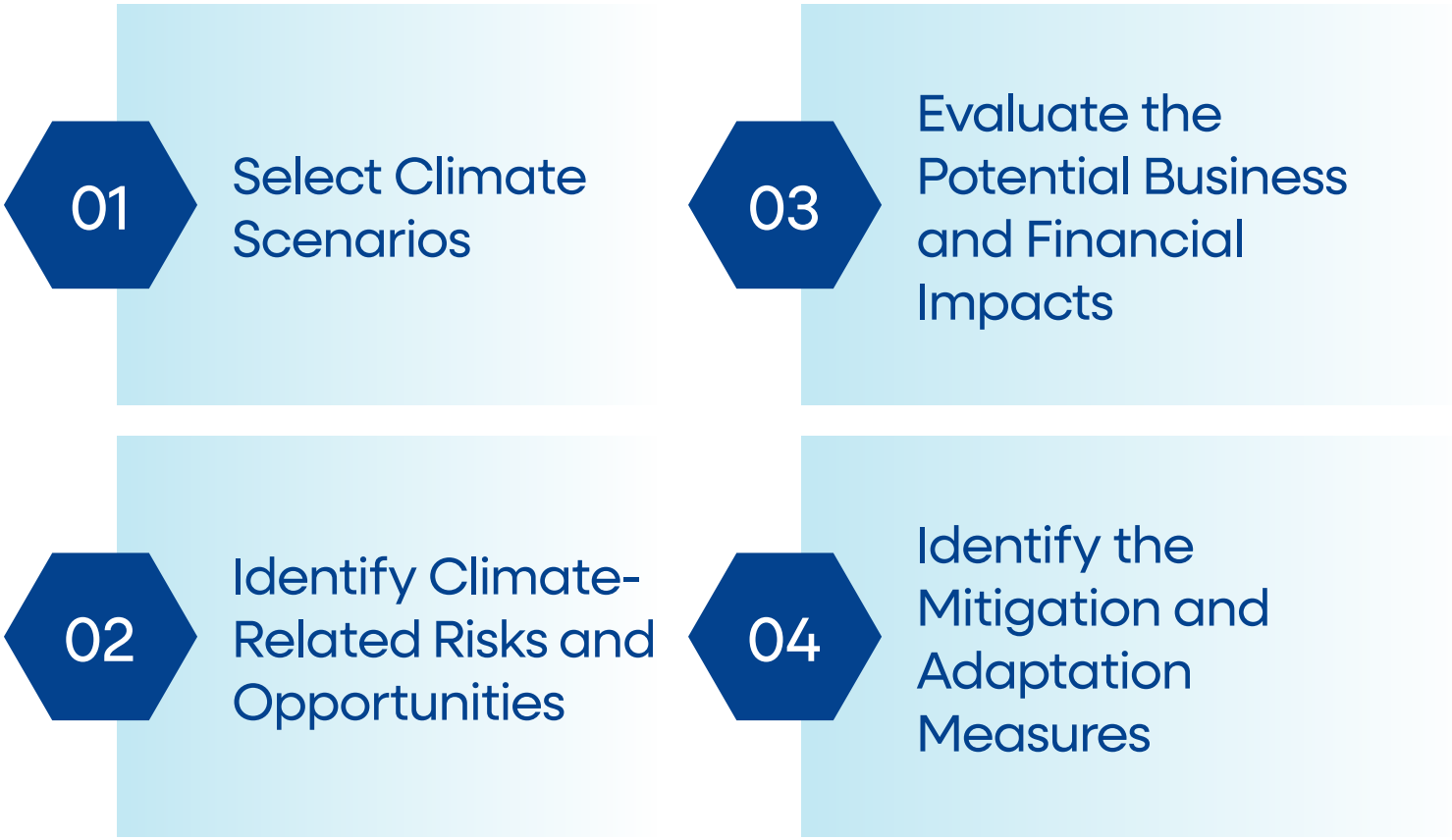
We have also determined the following time horizons for our upcoming climate-related risks and opportunities assessment.

- **Short-term:** The current reporting year
- **Medium-term:** Up to 2030
- **Long-term:** 2031 to 2050

ONGOING CLIMATE RISK AND OPPORTUNITY ASSESSMENT

We are in the process of identifying climate-related risks and opportunities across our operations and value chain. This assessment will help us better understand potential financial and strategic implications under different climate scenarios. Over time, we aim to enhance the transparency of our climate-related disclosures and develop a comprehensive climate strategy to support informed decision-making and strengthen our long-term climate resilience.

FIGURE 3: ILLUSTRATIVE CLIMATE SCENARIO ANALYSIS PROCESS



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CARBON EMISSIONS

GRI 305-1, GRI 305-2, GRI 305-4, GRI 305-7

Nanofilm is dedicated to adopting sustainable practices aimed at reducing GHG emissions in both Scope 1 and Scope 2 categories. Our continuous efforts are aligned with global standards, as we continuously seek innovative solutions to further reduce our environmental impact.

Our manufacturing operations contribute to a portion of our overall GHG emissions, and we are committed to reducing this footprint while sustaining high manufacturing performance. As part of our ongoing commitment, our reporting scope in FY2023 covered operations in Singapore, Shanghai, Yizheng, Vietnam and Japan, reflecting our dedication to covering all key operations across the Group. In FY2024, we will maintain these reporting boundaries, ensuring full Group coverage, while further strengthening our production data collection systems.

SCOPE 1 AND 2

Scope 1 emissions refer to direct GHG emissions from owned sources within the Group, such as the consumption of petrol and diesel. Scope 2 emissions arise from the use of purchased electricity from third parties at our operations. Since FY2023, we have adopted the "dual reporting" methodology for calculating Scope 2 GHG emissions, in accordance with the GHG Protocol Corporate Standard (2015 revision), and continue to apply this methodology in this Report.

In FY2024, Nanofilm reported a combined total of 6,019.76 tCO_2e in Scope 1 and Scope 2 GHG emissions (market-based) across our operations in Singapore, China, Vietnam and Japan. A detailed breakdown of performance across all categories over the past three years is shown in the following table. The slight increase in total Scope 1 and Scope 2 GHG emissions was primarily driven by the surge in production. Notably, the use of solar and hydropower electricity in our Shanghai operations resulted in zero Scope 2 emissions from indirect energy consumption at that location. As we continue to expand our global presence, we plan to explore market-based carbon abatement opportunities wherever available and suitable.

TABLE 5: NANOFILM'S FY2023 AND FY2024 GHG EMISSIONS

	FY2024					FY2023
	Singapore	China (Shanghai + Yizheng)	Vietnam	Japan	Group	Group
Total Scope 1 GHG emissions (tCO_2e)	8.78	73.49	1.75	0.55	84.57	78.09
Total Scope 2 GHG emissions (Location based) (tCO_2e)	1,451.96	36,387.19	1,208.51	196.89	39,244.55	34,365.99
Total Scope 2 GHG emissions (Market based) (tCO_2e)	**1,451.96**	**3,077.83**	**1,208.51**	**196.89**	**5,935.19**	**5,558.19**
Total Scope 1 and Scope 2 GHG emissions (Location based) (tCO_2e)	1,460.75	36,460.68	1,210.26	197.44	39,329.12	34,444.08
Total Scope 1 and Scope 2 GHG emissions (Market based) (tCO_2e)	**1,460.75**	**3,151.32**	**1,210.26**	**197.44**	**6,019.76**	**5,636.28**

Our GHG emissions intensity levels are measured in tCO_2e per 1,000 machine production hours. In FY2024, the GHG emissions intensity level was reported at 5.78 tCO_2e per thousand ('000) machine production hours using the market-based method. We are committed to closely monitoring emissions intensity across our sites while enhancing the efficiency of our operations. Our target is to achieve a 40% reduction in GHG emissions intensity by 2030, targeting 24.64 tCO_2e per 1,000 machine production hours, based on a 2022 baseline using the market-based method.

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AIR EMISSIONS REDUCTION

Certain operations within our facilities generate air emissions as by-products of chemical reactions, including volatile organic compounds (VOCs), sulphuric acid and hydrogen chloride. At all of our permitted sites, we actively monitor these emissions to ensure full compliance with local regulations. In FY2024, we continued to prioritise transparency by openly disclosing the key air emissions from our operations. During this reporting period, our Shanghai operations recorded a total of 717.42 kg of air emissions, with the following breakdown by emission type.

TABLE 6: EMISSION TYPES

Type	Emissions (kg)
Volatile organic compounds (VOC)	508.32
Sulphuric acid	3.60
Hydrogen chloride	205.50

ENERGY MANAGEMENT

GRI 302-1, GRI 302-3, GRI 302-4, GRI 302-5

Recognising the growing importance of environmental responsibility in our industry, Nanofilm places a strong emphasis on energy efficiency as a key focus area. While our advanced coating technologies require energy consumption, we are dedicated to minimising our environmental impact and continuously identifying opportunities to optimise energy usage.

Nanofilm has achieved ISO 14001[3] certification at our sites in Singapore, China and Vietnam, and we have implemented environmental policies that align with national and local regulations. Our commitment to sustainability includes pollution prevention, waste reduction, energy conservation and fostering environmental awareness among our employees.

Nanofilm is committed to sourcing at least 50% of its total energy consumption from renewable sources or purchased carbon credits by 2030. To support this goal, we have rolled out a variety of energy conservation initiatives across our operational locations.

RENEWABLE ENERGY

In line with our commitment to sustainability, Nanofilm is taking significant steps to implement renewable energy across our production plants. Starting with Shanghai, we have successfully installed solar panels on the roofs of both plants, covering a total area of 19,000 m² and providing a combined capacity of 2.4 MWp to support operations at both locations. The solar panels have generated approximately 2,682.32 MWh of electricity, which is equivalent to 1,126.57 tCO_2e avoidance[4].

In FY2024, Nanofilm consumed a total of 327,809.60 GJ of energy, with an energy intensity of 314.69 GJ per thousand ('000) machine production hours. This represents a 2.9% reduction compared to FY2023, where energy intensity was 324.06 GJ per thousand ('000) machine production hours. Of the total energy consumed, 1,136.72 GJ was derived from fuel, while 326,672.88 GJ came from electricity. Notably, 88.2% of this electricity was sourced from clean energy, including solar and hydropower, underscoring our commitment to environmentally responsible energy use. This significant proportion of clean energy consumption is a key driver in advancing our sustainability objectives and further demonstrates our ongoing efforts to reduce our carbon footprint.

3 ISO 14001 is the international standard for environmental management systems (EMS) that assists organizations address climate change by providing a framework to systematically manage their environmental performance and responsibilities, including climate-related risks and opportunities.

4 Emissions avoidance in this report is defined as the full displacement or prevention of GHG emissions expected to be generated by planned GHG emitting actions in energy from the Electric Grid. The Shanghai regional grid emission factor (4.2t CO_2/ 104kWh, source: Shanghai Municipal Bureau of Ecology and Environment.) is selected for the emission avoidance calculation. Source: UNFCCC A.6.4 and A.6.2 Issues on Emissions Avoidance.

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FIGURE 4: ENERGY CONSUMED FUEL (GJ)

FIGURE 5: ENERGY CONSUMED FROM ELECTRICITY (GJ)

FIGURE 6: ENERGY INTENSITY (GJ/'000 MACHINE PRODUCTION HOURS)

Sustainability Report

WATER MANAGEMENT

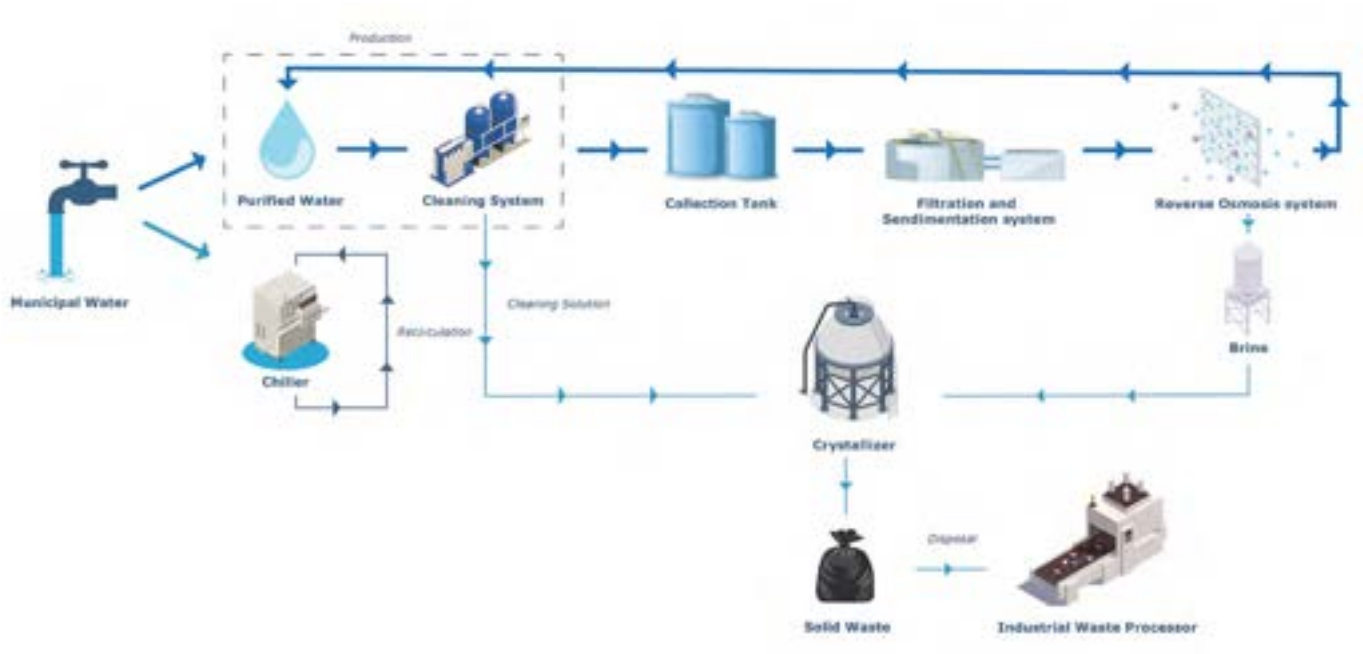
GRI 303-1, GRI 303-2, GRI 303-3, GRI 303-4, GRI 303-5

Nanofilm is committed to the responsible management of our planet's natural resources and strives to uphold high environmental standards. In response to growing concerns about water conservation, we are working towards zero production liquid waste discharge and have implemented various measures to reduce water consumption across our factories. These include installing water-efficient system and raising awareness among our employees about the importance of sustainable water management.

We recognise that improper management of water discharge from our production processes can cause contamination, aquatic life disturbance, community health concerns and lead to other environmental challenges. To mitigate these risks, we prioritise adherence to environmental standards, conduct regular monitoring and testing of water discharge, and invest in sustainable practices to ensure that our operations remain environmentally responsible.

Since 2015, Nanofilm has been actively recycling water used in our cleaning operations. The wastewater from the cleaning process (prior to coating) is collected, filtered and repurposed for daily use. In 2022, we took our water recycling efforts a step further by installing a reverse osmosis system. This advanced system purifies the wastewater, transforming it into high-quality water that is suitable for reuse in future cleaning processes. Any cleaning solutions that cannot be reused are combined with the brine from the reverse osmosis system and sent to a crystalliser, where they are turned into solid waste for disposal. As a result, this initiative has led to a notable reduction in water consumption, with a 45% decrease in FY2024 since commencement of the system in 2022.

FIGURE 7: NANOFILM WATER RECYCLING SYSTEM AND PROCESS



Sustainability Report

Nanofilm is dedicated to sustainable water management through a series of comprehensive measures across its global operations. In China, all water discharged from production is treated as a result of significant investments in evaporative wastewater treatment and water recycling systems, which have effectively minimised overall water discharge. Building on this success, the Company is focused on further enhancing its efforts by planning the installation of additional water recycling systems, with the goal of achieving zero production water discharge globally.

In Shanghai, Nanofilm closely monitors sewage and wastewater discharge in compliance with Shanghai's Comprehensive Sewage Discharge Standard (DB31/199-2018). The wastewater is crystallised and safely disposed of through licensed third-party contractors. Notably, our production processes do not release or generate chemicals classified as high-concern substances.

In Vietnam, water usage in production is minimal, primarily used during the grinding stage. The water used for grinding is continuously recirculated and reused, ensuring no wastewater is generated. Domestic wastewater undergoes preliminary treatment before being managed in collaboration with the industrial park management board, ensuring compliance with Vietnamese regulations. Regular sampling and analysis are conducted by third-party agencies and local authorities to uphold quality standards in accordance with the Vietnamese Environmental Law and QCVN 14:2008 Column B, the National Technical Regulation on Domestic Wastewater.

In Singapore, Nanofilm adheres to the environmental standards set by the National Environment Agency (NEA). We maintain strict oversight of sewage and wastewater discharge, ensuring full compliance with national environmental regulations.

In FY2024, our total water withdrawal amounted to 410,501.00 cubic meters (m^3), exclusively sourced from third-party (municipal) water supplies. Of the total water consumed, 361,861.00 m^3 is used for production.

The total volume of water discharged from our production facilities in FY2024 was lower than in FY2023, totalling 361,861.00 m^3. Our production wastewater discharge intensity for FY2024 was 347.38 m3 per thousand ('000) machine production hours, indicating a 15% reduction in wastewater discharge intensity compared to FY2023, attributed to the implementation of our in-house water recycling system.

TABLE 7: PRODUCTION WATER WITHDRAWAL AND DISCHARGE (M^3)

Site	FY2022		FY2023		FY2024	
	Water Withdrawn	Water Discharged	Water Withdrawn	Water Discharged	Water Withdrawn	Water Discharged
Singapore	18,228.00	18,228.00	9,663.51	9,663.51	3,512.00	3,512.00
China	634,498.44	576,463.00	355,896.00	350,241.00	355,386.00	355,386.00
Vietnam	1,949.00	1,559.00	2,423.00	1,938.00	2,741.00	2,741.00
Japan	7.00	7.00	32.00	32.00	222.00	222.00
Group	654,682.44	596,257.00	368,014.51	361,874.51	361,861.00	361,861.00

Sustainability Report

FIGURE 8: WATER WITHDRAWAL AND DISCHARGE (M^3)

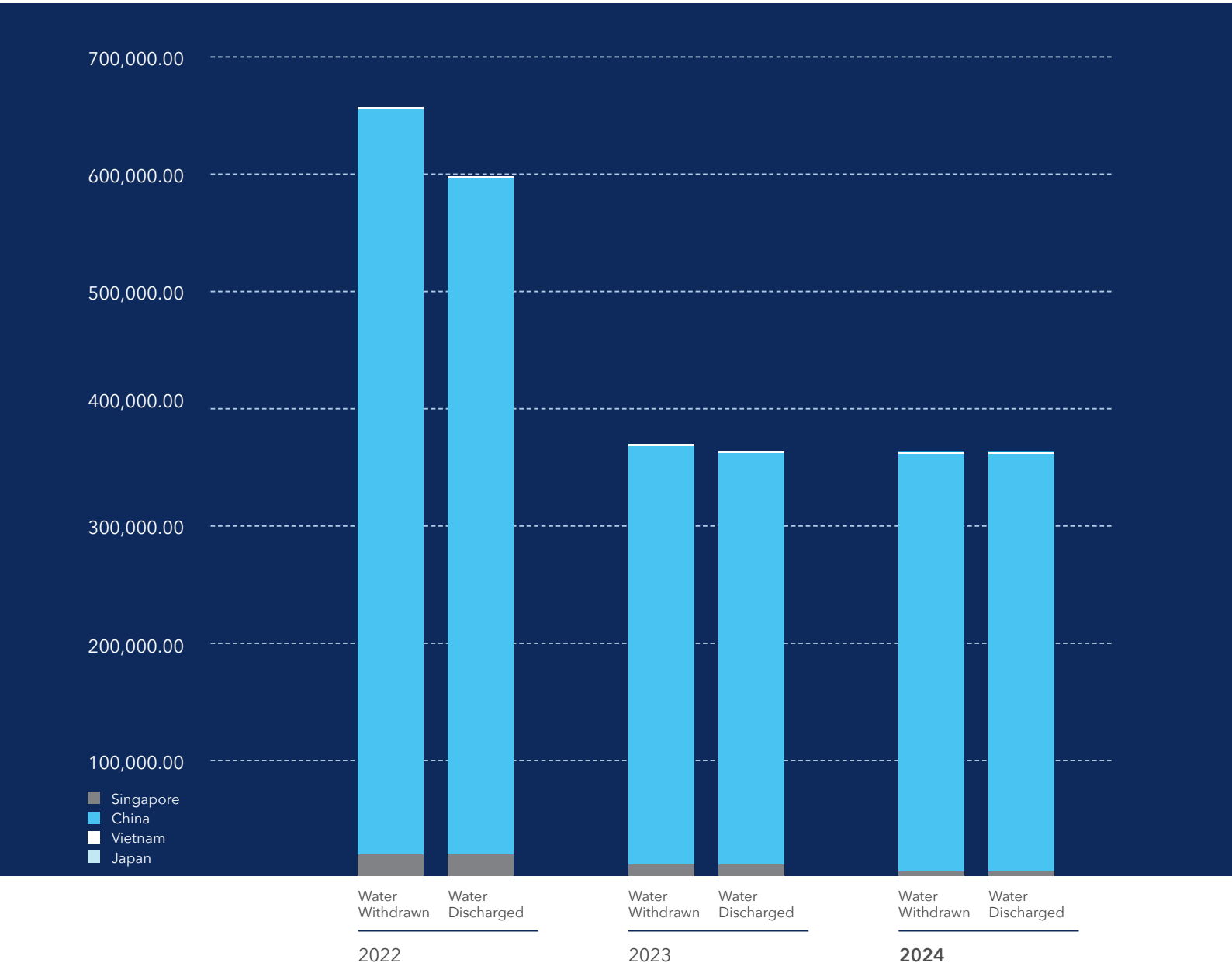
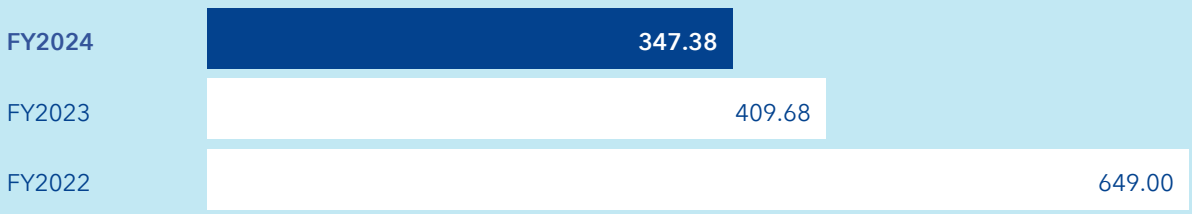


FIGURE 9: WATER DISCHARGE INTENSITY (M^3/'000 MACHINE PRODUCTION HOURS)



Sustainability Report

WASTE MANAGEMENT

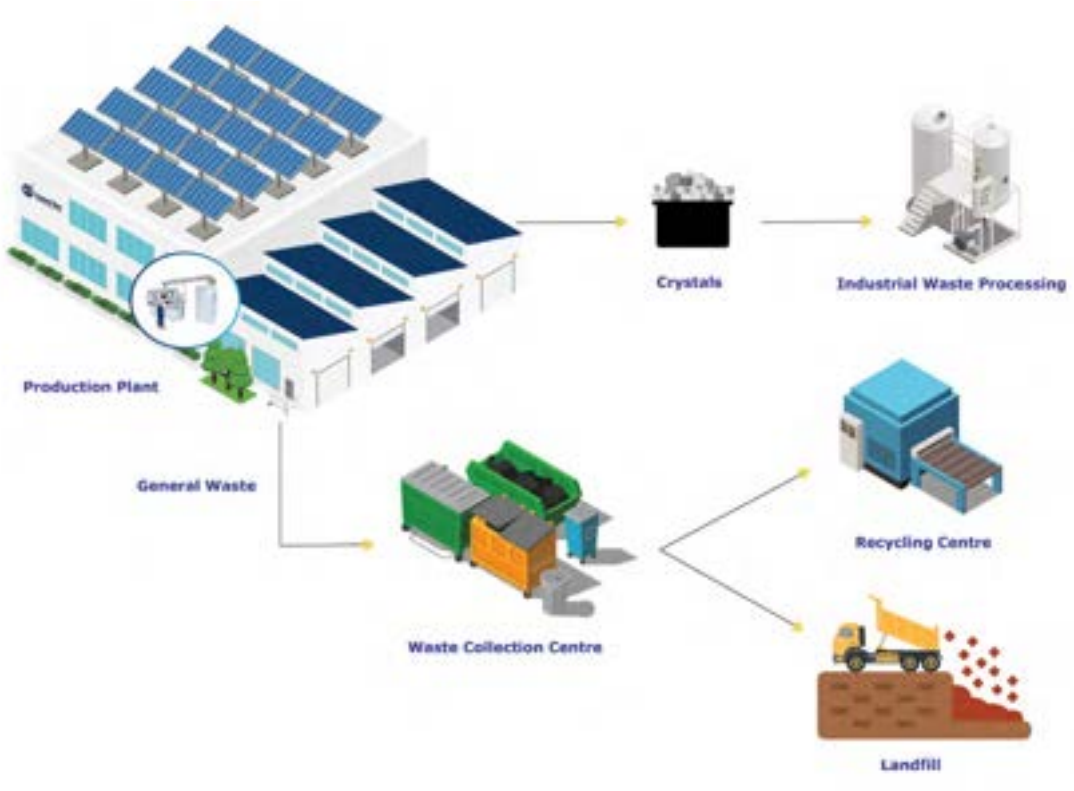
GRI 306-1, GRI 306-2, GRI 306-3

Efficient waste management has become a cornerstone of sustainability and responsible business practices in industrial production. As our global production continues to expand, Nanofilm has taken proactive steps to address waste generation and disposal with care and diligence. While the volume of waste produced in our operations is relatively small and non-hazardous, we are committed to continuously refining our waste management practices to minimise environmental impact and protect the ecosystem.

At Nanofilm, we focus on responsible management of materials such as engine oils and those resulting from machinery maintenance. These materials are carefully collected in designated containers and disposed of through the appropriate industrial channels. For any hazardous waste, we ensure safe and proper disposal by working with certified third-party contractors.

We are committed to proactively identify and address the factors that contribute to waste generation. After assessing these factors, control measures are implemented to minimise their impact. A key example of this commitment is demonstrated at our Shanghai site, where national regulations are adhered to, and qualified third-party contractors are engaged for waste processing.

FIGURE 10: NANOFILM'S WASTE MANAGEMENT SYSTEM



Sustainability Report

Promoting a culture of recycling is another important initiative at Nanofilm. We provide recycling bins across our offices and production sites, and our employees actively support this by ensuring proper sorting of recyclables. Before incineration, recyclables are carefully sorted to ensure they are processed appropriately. At our production site in Shanghai, metal, non-metal, paper and wood waste are recycled by licensed third-party contractors. This focus on recycling has led to a remarkable increase in our recycling efforts, from 206.08 tonnes in FY2023 to 272.93 tonnes in FY2024.

In our Shanghai site, all aspects of waste treatment adhere to Chinese national waste regulations governing generation, collection, storage and processing.

In Singapore, waste management follows ISO 14001 certification requirements, while in Vietnam, the Water & Wastewater Management OHS-10 procedure guides our operations.

In FY2024, we generated a total of 460.62 tonnes of hazardous waste, with our China sites contributing the majority at 458.33 tonnes. Non-hazardous waste totalled 357.52 tonnes, and contributions from our China sites amounted to 305.65 tonnes. The increase in waste generated are mainly due to the surge in production. In FY2024, we diverted 211.73 tonnes of hazardous waste and 60.31 tonnes of non-hazardous waste from disposal. Overall, there has been an increase in waste recycling from FY2023 to FY2024, amounting to 32%. This highlights Nanofilm's commitment and continuous improvement of the waste management initiatives.

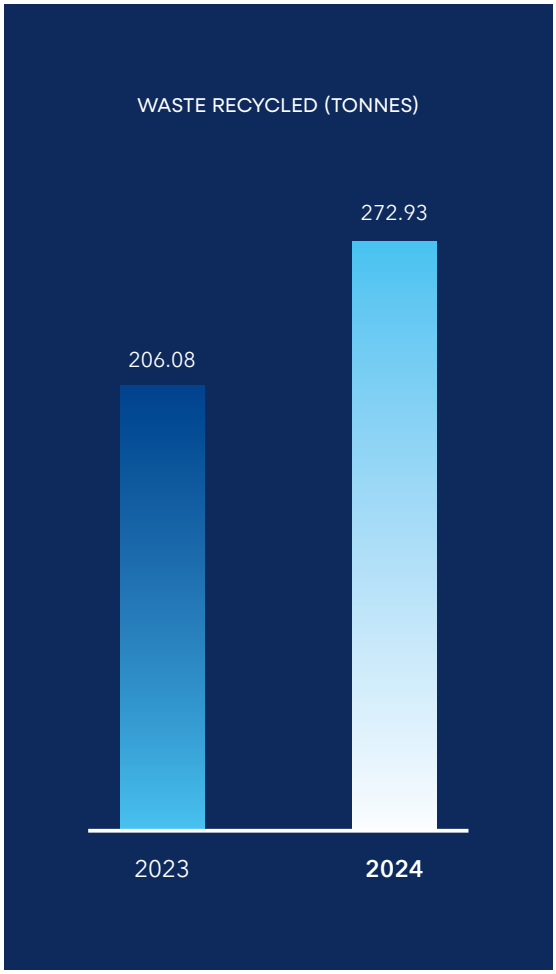


TABLE 8: HAZARDOUS WASTE (TONNES)

	FY2022			FY2023			FY2024		
	TONNES	LITER	PCS	TONNES	LITER	PCS	TONNES	LITER	PCS
Singapore	1.10	5,508.00	90.00	--	4,245.00	143.00	-	11,835.30	215.00
China	330.70	-	-	306.21	-	-	458.33	-	-
Vietnam	1.20	-	-	1.09	-	-	2.29	-	-
Japan	-	-	-	-	-	-	-	-	-
Total	333.00	5,508.00	90.00	307.30	4,245.00	143.00	460.62	11,835.30	215.00

TABLE 9: NON-HAZARDOUS WASTE (TONNES)

	FY2022	FY2023	FY2024
Singapore	-	-	-
China	298.30	194.13	305.65
Vietnam	38.00	40.30	49.42
Japan	-	2.55	2.45
Total	336.30	236.98	357.52

Sustainability Report

CLIMATE RISK MANAGEMENT

At Nanofilm, we employ a structured approach to risk identification and assessment, considering internal and external factors, including environmental risks. Our framework proactively identifies emerging risks, evaluates third-party dependencies, and assesses the likelihood and impact of risk events.

Risk management measures are tailored to assessed risk levels, with defined mitigation timelines and clear accountability. Regular monitoring, reporting, and alignment across business units ensure effective implementation. We also conduct periodic reviews of high-priority risks, continuously refining our Risk Management Framework to enhance resilience and drive ongoing improvements in enterprise risk management.

Risk Identification and Assessment

Begins with identifying risks associated with our strategy, business objectives, internal and external environments, and third-party dependencies. This includes assessing climate risks such as regulatory changes, extreme weather events, and shifts in market dynamics. We also create processes to identify new and emerging climate risks and assess the likelihood and impact of each risk to prioritize them effectively

Risk Management

Focuses on developing tailored, risk-based measures that address the assessed climate and non-climate risk levels, with clear timelines for implementation. We design climate risk responses that consider their impact on other risks and broader operational factors, ensuring a holistic approach to mitigation

Implementation, Monitoring, and Reporting

Involves assigning accountability for each risk response and ensuring proper implementation. Regular follow-ups are conducted to confirm responses, and climate-related measures are carried out as designed. The risk management team maintains consistent communication with business units, and performance is monitored with regular reporting to management and the board, particularly on climate risks and their evolving impact

Assessment and Evaluation

Includes regular reviews of high-priority climate risks based on their likelihood and impact. We also periodically assess the overall effectiveness of the risk management framework to ensure continuous improvement in addressing both climate and operational risks

This framework is integrated into our daily operations, driving resilience and ongoing enhancement of enterprise risk management, with a strong focus on managing and mitigating climate-related risks.

Social

Core Principles

Caring for our employees' well-being and providing for their training and development

Caring for the community that we operate in through various community involvement

Sustainability Report

Social

EMPLOYEE PROFILES AND EMPLOYEE WELFARE

GRI 2-7, GRI 401-1, GRI 401-2, GRI 401-3

In FY2024, our workforce consists of 2,390 permanent employees and 1,586 outsourced workers, who are mainly stationed at our Shanghai and Vietnam sites. The overall hiring rate for permanent employees across the Group was 57%, while the turnover rate stood at 48%.

Employee Profile

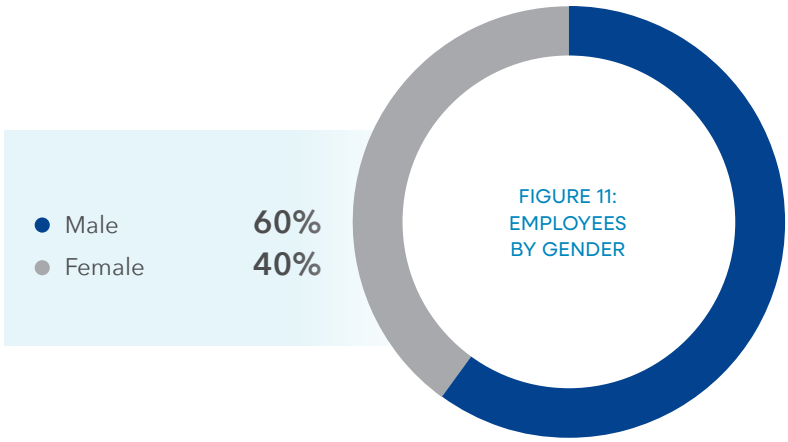


FIGURE 11: EMPLOYEES BY GENDER

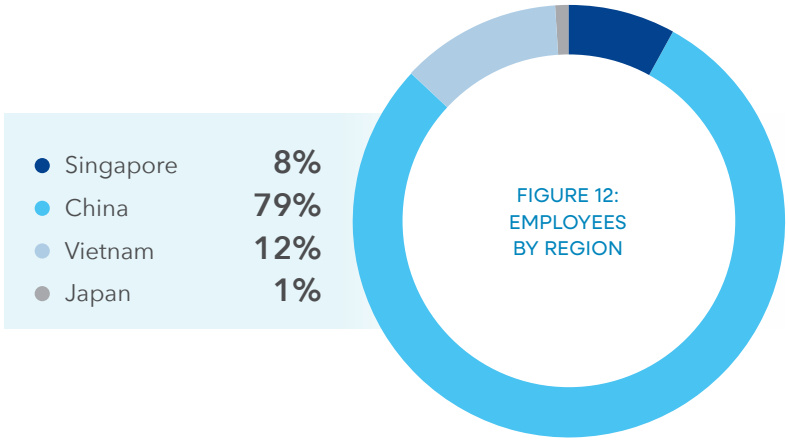


FIGURE 12: EMPLOYEES BY REGION

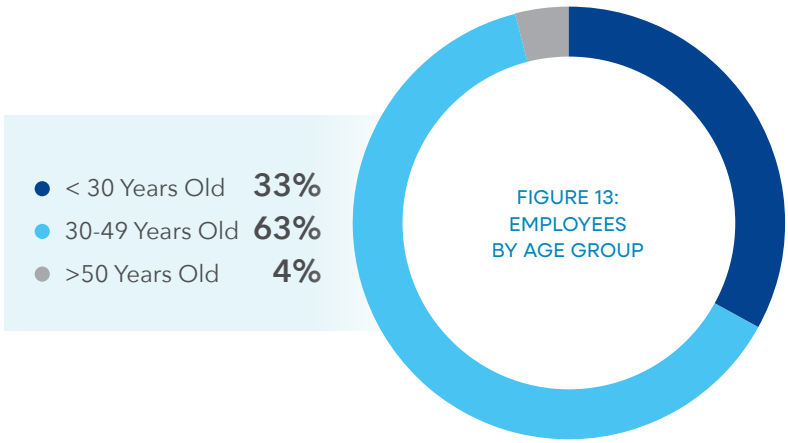


FIGURE 13: EMPLOYEES BY AGE GROUP

Key Highlights:

- Employment of **20 individuals** with disabilities across various teams
- Rate of recordable work-related injuries (per 1,000,000 hours worked): **0.99**

Sustainability Report

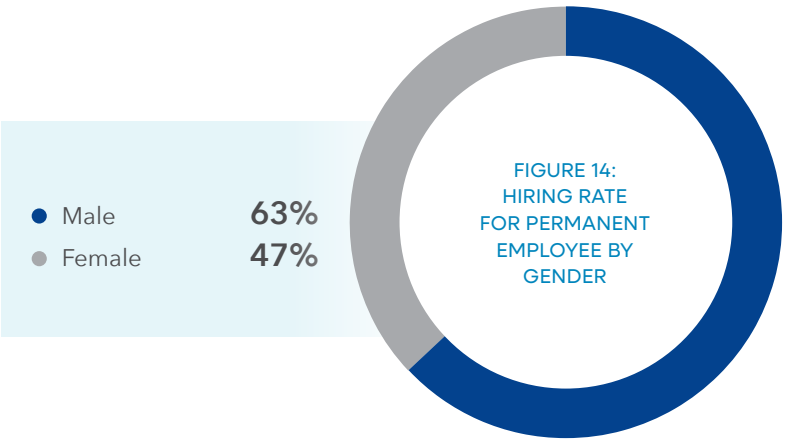


FIGURE 14: HIRING RATE FOR PERMANENT EMPLOYEE BY GENDER

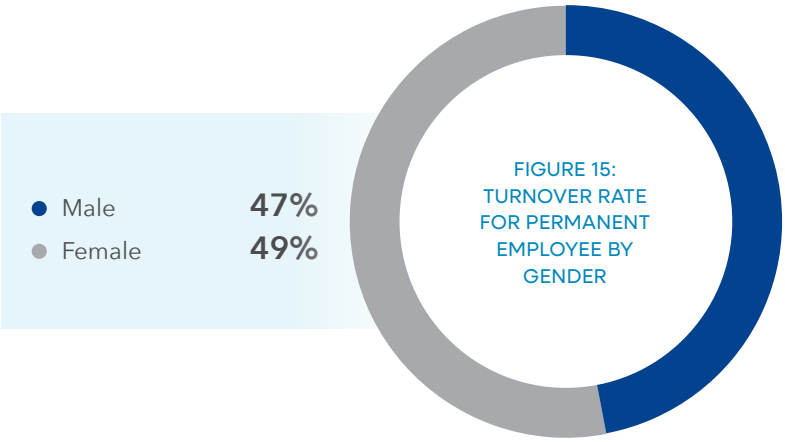
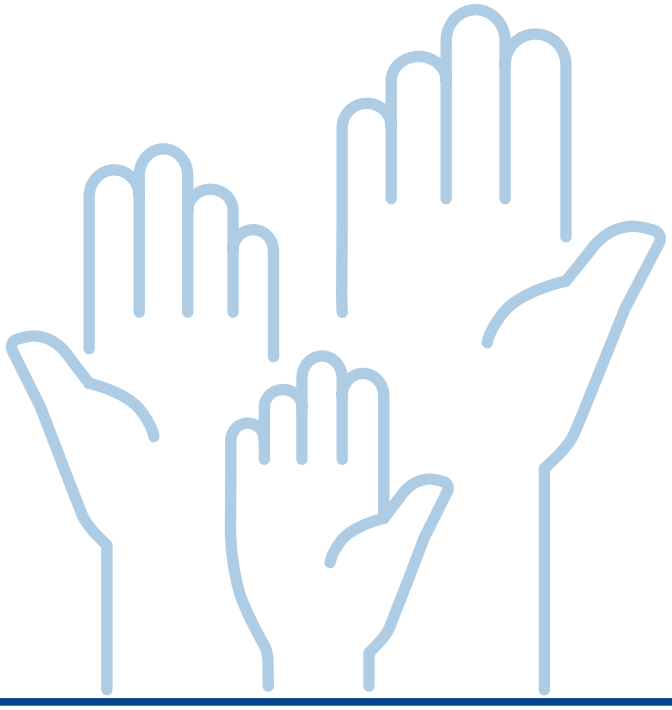


FIGURE 15: TURNOVER RATE FOR PERMANENT EMPLOYEE BY GENDER



EMPLOYEE WELFARE

We recognize that our employees are the cornerstone of our success and we are committed to fostering a work environment that supports their well-being and long-term growth. By adhering to industry-leading frameworks, we have developed a comprehensive employment program that aligns with our sustainability goals, focusing on both individual employee development and our company's long-term viability.

In line with our commitment to employee health and well-being, our new office at Tai Seng Drive is designed according to The WELL Building Standard, with a focus on Water, Light and Comfort. The office design prioritises a distraction-free and comfortable work environment, featuring breakout areas and meeting rooms for collaboration, quiet zones to support concentration and minimised building system noise to enhance emotional well-being. These efforts reflect our commitment to creating a sustainable and supportive workplace.

Our full-time employees are provided with a range of benefits that support their overall well-being, including healthcare coverage, group hospital insurance, disability and invalidity coverage and various leave types such as annual leave, parental leave, medical and hospitalisation leave and compassionate leave. We adopted flexi-work arrangement, allowing employees to stagger their working hours based on individual needs. In FY2024, 162 employees were entitled to parental leave, with 106 employees taking and returning to work after their parental leave. These initiatives are part of our broader sustainability strategy, ensuring a positive and inclusive work environment for all employees.

As part of our commitment to employee welfare, we offer a range of welfare benefits, including health screenings. These screenings help employees gain a better understanding of their health status, enabling them to take proactive steps in managing potential health risks.

Sustainability Report

DIVERSITY AND INCLUSION

GRI 405-1, GRI 406-1

At Nanofilm, diversity and inclusion are not just policies but are fundamental to our core values, reflecting our dedication to social justice and anti-discrimination. This commitment resonates throughout our Company and is embodied in a workplace culture that is built on fairness, respect and dignity for every individual. Our unwavering adherence to our code of conduct, which strictly prohibits discrimination and harassment, is demonstrated by our FY2024 record of zero incidents of discrimination.

Inclusion at Nanofilm means ensuring every team member feels valued and integral to the organization. We foster an environment where individuals are empowered to be their authentic selves and where their voices are heard and respected. We understand that diverse teams and inclusive cultures not only meet our employees' expectations but also provide a significant competitive advantage for our business.

Our approach to promoting diversity and inclusion is systematic and embedded in key human resources processes such as recruitment, succession planning, performance management and leadership development. This ensures these values are reflected throughout every aspect of our workforce strategy.

In FY2024, Nanofilm's global workforce consisted of 2,390 employees, with females representing approximately 40% of the total workforce. Our staff predominantly falls within the age range of 30s to 40s years, accounting for 63% of our employees. Geographically, a significant 79% are based in China, followed by 12% in Vietnam, 8% in Singapore and the remainder in Japan. Reflecting the current composition of our governance structure, our Board and senior management team are composed of 80% male and 20% female members.

We are deeply committed to inclusive hiring practices, recognising their essential role in enriching our Company culture. As part of our efforts to promote Diversity, Equity and Inclusion (DEI), we actively recruit individuals with disabilities for various operational and corporate roles at our Shanghai operations. This initiative currently employs 20 individuals with disabilities who contribute significantly across diverse functions such as operations, administration, procurement, human resources, EHS and marketing. By embracing diversity in all its forms, we continue to foster a more inclusive and equitable work environment.

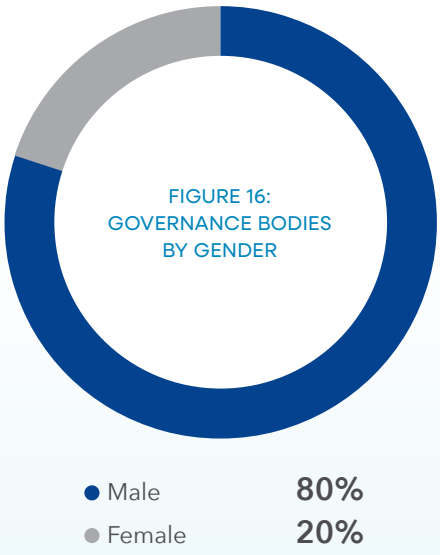
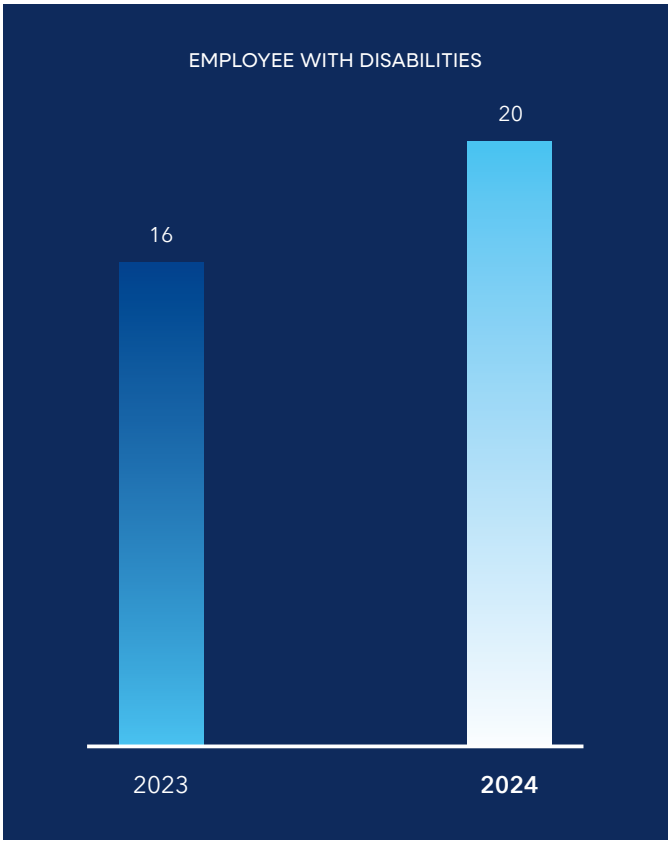


FIGURE 16:
GOVERNANCE BODIES
BY GENDER



Sustainability Report

HUMAN CAPITAL DEVELOPMENT

GRI 404-1, GRI 404-2, GRI 404-3

We believe that talent is invaluable and essential to driving our success. To nurture and develop our talent, we have established a comprehensive in-house training and development program called "Nanofilm College." This initiative is led by our Group Chief Executive Officer, supported by a Dean and a Director of Training. The organisational structure of Nanofilm College is outlined in the chart below.

FIGURE 17: NANOFILM COLLEGE STRUCTURE

Sustainability Report

Nanofilm College offers a structured and continuous training and development system that starts as soon as a new employee joins our Group. The process begins with an orientation program, followed by on-the-job training (OJT). This system is not a one-time event but a continuous journey that evolves with the employee's career. It includes specialised training at each career stage, with a focus on the skills and knowledge necessary for advancement. This approach ensures our team members are consistently equipped to excel and succeed as they grow within the organisation. Nanofilm continues to enhance employee capabilities through a diverse range of training programs, which include trainings in technical skills development, compliance, environmental health & safety, professional software proficiency, labour safety, firefighting and project management.

TABLE 10: OVERVIEW OF NANOFILM COLLEGE TRAINING PROCESS

Communication & Feedback

- Performance review
- Job application assessments
- Development and training mechanisms
- Salary adjustments
- Job objectives

Nurture & Development

- Self learning
- OJT
- Role expansion
- Programme participation
- Training & job rotation

Talent Selection

- Result, capabilities, quality assessment
- Potential and trends
- Development and training mechanism

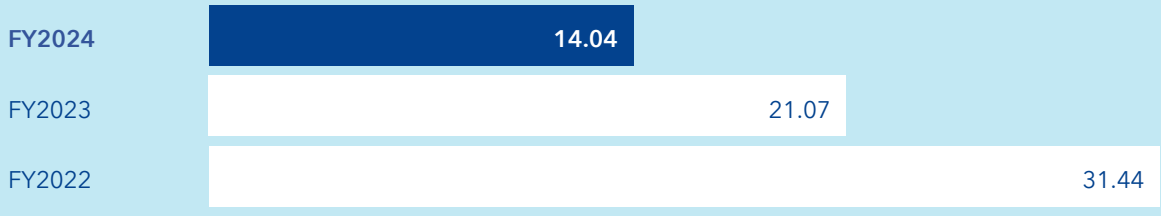
Talent Pool & Review

- Recommend suitable employees for promotion by looking at role matchings, track records and past results of employees

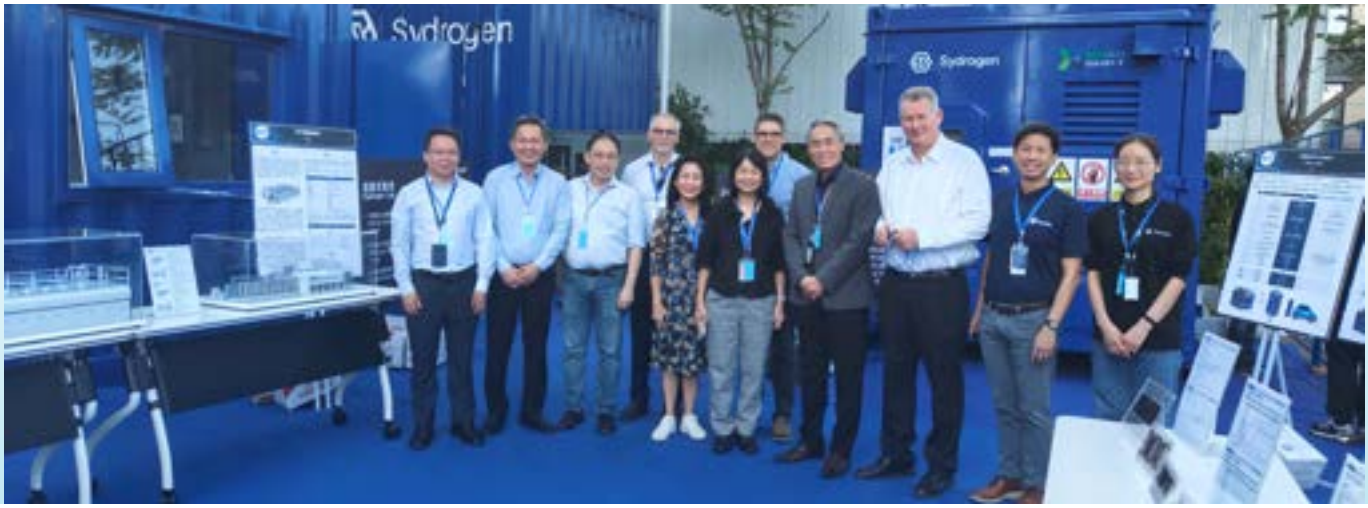
Our training programs are carefully crafted to strengthen both the technical and professional competencies of our employees while also nurturing essential soft skills. This holistic approach ensures that our team members are equipped for their current roles and responsibilities while also preparing them for future challenges and opportunities for growth.

In FY2024, we invested an average of 14.04 hours per employee in training. Looking ahead, our goal is to ensure that by 2030, each employee receives an average of at least 40 hours of training annually, aligning with our steadfast commitment to nurturing a skilled and empowered workforce. To achieve this, we will continuously assess the training needs, diversify training methods and allocate necessary resources to foster a continuous learning culture and regularly track progress to ensure we meet our goal.

FIGURE 18: AVERAGE HOURS OF TRAINING PER EMPLOYEE



Sustainability Report



NANOFILM TECHNOLOGY FORUM: A PLATFORM FOR INTERNAL TRAINING AND TECHNOLOGY EXCHANGE

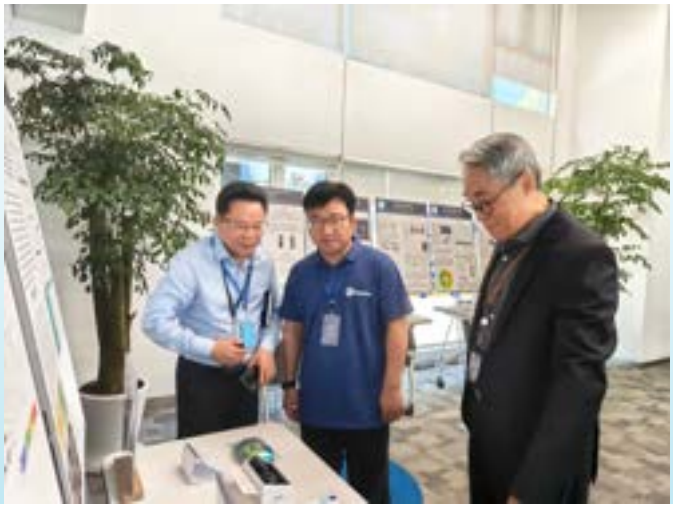
The Nanofilm Technology Forum 2024 was held at our Shanghai site on May 17th and 18th, bringing together invitees from our global sites to foster a dynamic platform for sharing technological insights and knowledge across the Group. This inaugural event celebrated the technological achievements of our R&D centres and Business Units, highlighting the remarkable progress made.

The forum introduced a fresh and engaging format, featuring exhibitions with displays and poster boards, each station staffed by engineers enthusiastic to interact with participants. The primary aim was to foster collaboration between R&D teams and business units, enabling a deeper understanding of the products and processes under development for commercialisation. The exhibition showcased notable innovations from the IE, ATRC, AMI, AMC, Nanofab and Sydrogen business units, highlighting significant advancements being made across the Group.

The forum reached its pinnacle with the Chairman's Innovation Award ceremony, where the prestigious Diamond Prize was awarded to the Micro Lens Array (MLA) team for enhancing MLA production through advanced replication and die-cut technology. In addition, three teams were honoured with Gold Prize for their innovative work in PFAS-free coatings, semiconductor lead frame coatings and wear-resistant anticorrosive coatings.

The technical presentations from the award-winning teams, paired with a panel discussion on technology, innovation and business strategy, significantly enhanced the knowledge-sharing experience for all attendees. With 97 participants engaging in networking sessions, the forum became a vital platform for idea exchange and fostering meaningful connections. It was a proud moment to witness leaders and business representatives from across all units actively participating as speakers and attendees, contributing their valuable insights and enriching the event with diverse perspectives and experiences.

Sustainability Report



NANOFILM SCHOLAR PROGRAMME

Nanofilm is proud to introduce the Nanofilm Scholars Programme (NSP), a prestigious initiative dedicated to nurturing industry-ready talent and supporting professional growth. The NSP includes various funding opportunities, such as the Economic Development Board - Industrial Postgraduate Program (EDB-IPP), which offers exceptional opportunities for higher education, skill development and career advancement for talented employees.

Through the NSP, graduate research projects span across a wide range of cutting-edge fields, including advanced plasma technologies, nanocomposites, optical design, hydrogen fuel cell technologies and other emerging innovations. The program is designed to help participants achieve both their academic and career goals while contributing to the Company's growth and success.

As part of the NSP, Nanofilm has fully sponsored two Senior Process Engineers, Zhao Sheng Fu and Tan Yik Kai, for postgraduate study and training under the EDB-IPP program. This sponsorship provides them with valuable opportunities for advanced education and career development, reinforcing Nanofilm's commitment to cultivating talent and driving innovation within the organization.

In addition to the sponsorship of Zhao Sheng Fu and Tan Yik Kai, Nanofilm is excited to announce the sponsorship of another Engineer, Lum Ya Woon, for her postgraduate studies in 2025, further highlighting Nanofilm's ongoing commitment to empowering its employees and fostering a culture of continuous learning and innovation.

Sustainability Report

PERFORMANCE APPRAISAL

We have developed a comprehensive performance appraisal system, supported by a rewards program that links employee recognition and incentives directly to their appraisal results. This system plays a crucial role in driving the achievement of our corporate performance goals, aligning employee interests with meaningful rewards, and assessing the skill levels of our workforce. It also help to identify areas for targeted training to address any skill gaps.

Our commitment to employee growth and career progression is a top priority. To support this, we have established various two-way communication channels to maintain an ongoing dialogue that considers employees' career development needs whenever possible. All employees are provided with tailored training opportunities based on their individual needs.

These initiatives demonstrate our dedication to fostering a supportive and enriching work environment. Beyond our internal objectives, we also recognise the broader impact of our efforts on the local community, contributing to economic development and the creation of a skilled labour force. In FY2024, every permanent employee at Nanofilm received an annual performance appraisal following their probation and confirmation.

Sustainability Report

Health and Safety

OCCUPATIONAL HEALTH AND SAFETY SYSTEM
GRI 3-3, GRI 403-1

Nanofilm is committed to maintaining a healthy and safe working environment across all business operations. This dedication extends to our employees, customers and contractors, as outlined in our Health and Safety Policy. This policy applies universally, ensuring that everyone within Nanofilm adheres to the highest health and safety standards.

In compliance with national laws and regulations, our operations in Singapore align with the Ministry of Manpower's (MOM) Workplace Safety & Health Act. In 2022, MOM introduced a workplace safety and health code of practice, consisting of four principles and seventeen measures for companies to incorporate into their business practices. Likewise, our operations in China rigorously comply with local health and safety regulations.

Shanghai Site
is certified to ISO 45001:2018

Singapore and Vietnam Sites
holding an ISO 14001:2015 certification

Our commitment to occupational health and safety (OHS) is further reinforced by our ISO certifications across all factory and office locations, demonstrating our dedication to comprehensive OHS management. Our Shanghai site is certified to ISO 45001:2018, a globally recognised standard for OHS management systems, with the Singapore and Vietnam sites holding an ISO 14001:2015 certification. In Vietnam, our OHS system is tailored to local activities and workplaces, incorporating emergency preparedness measures, annual training and drills in compliance with both legal and customer requirements. We also adhere to the Emergency Preparedness and Response NFV-E-03 procedure. In Singapore, our system aligns with Singapore Workplace Safety and Health Act, ensuring a robust and proactive approach to workplace safety.

To strengthen our commitment to safety, we have established safety committees at our sites in Shanghai, Yizheng, Singapore, Vietnam and Japan. These committees, made up of employee representatives from different departments, play a key role in overseeing safety practices, and they conduct monthly safety inspections and ensure that we consistently meet and improve upon our stringent safety standards.

OCCUPATIONAL HAZARD IDENTIFICATION AND RISK ASSESSMENT
GRI 403-2

Nanofilm employs a structured approach to identifying and assessing work-related hazards, ensuring compliance with country-specific regulations. Our strategy follows the hierarchy of controls to effectively eliminate hazards and minimise risks across all operations.

In Shanghai, we have implemented a hazard identification and evaluation management procedure, conducting annual assessments using the LEC method to systematically evaluate risks. Control measures are applied to mitigate major hazards and safeguard employee well-being. Our safety management system emphasises preventing "three violations" (violations of regulations, operating procedures and labour discipline), fostering a culture of proactive reporting. To protect whistle-blowers, strict anti-retaliation measures are in place. Employees' rights are explicitly safeguarded under HR protocols, allowing them to refuse unsafe work and report concerns anonymously via suggestion boxes and through our grievance mechanisms, including email and phone channels, to ensure employees can raise concerns securely. Our accident investigation procedures, guided by the "Four No-Misses" principle, aim to prevent recurrence and continuously improve workplace safety.

In Vietnam, we have established a comprehensive risk assessment process to identify and control high-risk activities. Workers receive training on associated risks in alignment with our OHS-01 risk assessment procedure. Employees are encouraged to anonymously report hazards and near-misses, while robust investigative procedures ensure that all work-related incidents are thoroughly addressed.

In Singapore, our risk management and assessment process identify both routine and non-routine work hazards, apply the controls in order to eliminate hazards and minimise risks, ensuring that appropriate measures are in place to eliminate risks and enhance workplace safety.

Approach to Hazardous Substances/Chemical Safety

At Nanofilm, we uphold the highest standards of regulatory compliance to ensure the sustainable management of our operations. This commitment includes the careful identification and regulation of substances used in our processes. We ensure that all chemical substances are properly registered and fully comply with local regulations in the countries where we operate. This includes securing and renewing necessary permits and licenses for the handling, storage and use of these chemicals, as required by local authorities. Importantly, Nanofilm does not use substances classified as of concern or high concern, making the need for phasing out such chemicals or introducing alternatives non-applicable to our operations.

As part of our routine workplace risk assessments, we thoroughly evaluate key indicators related to hazardous material storage and chemical usage. This proactive approach enables us to effectively identify and mitigate potential risks, ensuring a safe and secure working environment for our employees. We strictly adhere to all regulations governing the storage and use of hazardous materials and chemicals, reinforcing our commitment to workplace safety and environmental protection.

OCCUPATIONAL HEALTH SERVICES
GRI 403-3

Pre-employment health checks are provided for employees in roles exposed to occupational hazards, such as prolonged exposure to loud noises that could lead to noise-induced deafness. Regular health monitoring is conducted to ensure our employees remain safe and free from occupational health risks. Beyond workplace safety, we are also committed to fostering a health-conscious work environment through local initiatives that promote overall well-being and encourage healthy lifestyle choices.

In China, our canteens offer nutritionally balanced menus to support employees in maintaining a healthy diet. Regular health check-ups are organised to help staff detect minor health concerns early, enabling them to take preventive measures. These initiatives serve as proactive reminders for employees to prioritise their well-being and embrace a healthier lifestyle.

Sustainability Report

COMMUNICATION ON OCCUPATIONAL HEALTH AND SAFETY
GRI 403-4

In Shanghai, a joint labour union committee has been established alongside internal and external communication management procedures that mandate employee participation in Occupational Health and Safety (OHS) activities. Monthly meetings, attended by the labour union chairman and department managers, provide a platform to discuss and make decisions on OHS-related matters.

In Vietnam, bi-weekly meetings are held with employee representatives to address environmental, health and safety concerns. These discussions ensure compliance with both legal and customer requirements while actively incorporating employee feedback into workplace safety improvements.

In Singapore, stakeholder engagement includes monthly Workplace Safety and Health (WSH) reviews and line walks with Safety Committees, ensuring that employee perspectives are continuously heard and integrated into safety initiatives. A monthly site inspection is conducted, and a representative is selected from each department to act as safety committee member and be responsible for safety matters.

OHS TRAINING
GRI 403-5

Nanofilm implements comprehensive health and safety training programs to ensure all employees are equipped with the necessary knowledge to maintain a safe working environment. New hires undergo mandatory training that covers emergency preparedness, hazard identification and risk assessments, along with an annual occupational health and safety session to reinforce best practices.

In Shanghai, an annual Environmental, Health and Safety (EHS) training plan is developed and employees receive regular training in accordance with the plan. Detailed records are maintained to track participation and compliance.

In Vietnam, we adhere to Vietnamese Law and customer requirements, conducting extensive training:

- Annual safety training for 6 groups according to ND144/2016/ND -CP
- Chemical safety training for relevant subjects
- Electrical safety training for relevant subjects
- Fire safety and rescue training

In Singapore, Safety Awareness Training is conducted regularly, either monthly or bi-monthly, as part of new hire orientation and on-the-job training. This training covers risk assessments, safe work procedures and safety requirements related to work processes. Additionally, Workplace Safety and Health (WSH) training is attended by top executives to ensure that all employees follow procedures safely and effectively.

PROMOTION OF WORKER HEALTH
GRI 403-6

In Shanghai, we offer annual non-occupational physical examinations for all employees to ensure their well-being and encourage proactive health management. Employees receive their medical check-up results along with explanations provided by medical examiners.

In Vietnam, we conduct yearly health examinations to ensure they are fit and in good health. Employees are also educated on the benefits of regular health check-ups through safety training courses, reinforcing the importance of preventive healthcare.

In Singapore, we adhere to the Group and HR policies, ensuring that all confirmed and permanent employees receive Group Hospital and Surgical insurance coverage. Annual health screening exercise is organised and provided to all permanent staff at no cost, with medical reports shared by the practitioner directly with employees. This initiative allows employees to gain a better understanding of their health status and take proactive measures to manage any potential risks or concerns.

In Japan, our employees are fully enrolled in the statutory National Health Care System, ensuring that they have access to comprehensive health care services, including preventive care, treatment and medical support. This enrolment provides employees with the security of affordable health services, reducing financial barriers to accessing necessary medical care.

GRI 403-8: WORKERS COVERED BY AN OCCUPATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM

The health and safety of our employees in the workplace remain a top priority at Nanofilm. We have established a robust Occupational Health and Safety (OHS) management system that aligns with our site-specific health and safety policies, statutory regulations, industry standards and the stringent requirements of our global customers. This system ensures compliance with legal obligations while fostering a safe and healthy work environment.

Our OHS management system extends to all 2,390 employees and 1,586 workers who, while not direct employees, operate under the organisation's control as of December 2024. Through this comprehensive approach, we are committed to safeguarding the well-being of our workforce and maintaining the highest standards of workplace safety.

GRI 403-9: WORK-RELATED INJURIES

In FY2024, we achieved a record of zero fatalities from work-related injuries. However, there were 5 cases of high-consequence work-related injuries and 6 cases of recordable work-related injuries, all of which occurred in Shanghai. These incidents were primarily due to falls and machinery or equipment operations. In response, the site has developed a comprehensive list of major health and safety risks, along with appropriate control measures. Through focused risk mitigation and regular evaluations, we ensure the continued effectiveness of these measures in maintaining a safe work environment.

Notably, we recorded zero cases of recordable work-related ill health for all employees and non-employee workers whose work or workplace is controlled by the organisation.

Nanofilm aims to achieve a recordable work injury rate of less than 1.0 (per one million man-hours worked) by 2030, reflecting our dedication to continuous improvement in workplace safety. We work towards improving on this by implementing comprehensive safety training programs, conducting regular safety checks, promoting a culture of safety awareness and ensure a safer working environment for all employees.

Sustainability Report

TABLE 11: HEALTH AND SAFETY PERFORMANCE

	FY2022	FY2023	FY2024
Rate of fatalities as a result of work-related injury (per 1,000,000 hours worked)	0	0	0
Rate of high-consequence work-related injuries (excluding fatalities) (per 1,000,000 hours worked)	0.13	0.84	0.83
Rate of recordable work-related injuries (excluding high-consequence work-related injuries) (per 1,000,000 hours worked)	1.64	0.84	0.99
Total Recordable Injury Rate (TRIR) (per 100 workers)	0.33	0.34	0.36
Lost Time Incident Rate (LTIR) (per 1,000,000 hours worked)	Not reported	0.84	0.83

HUMAN RIGHTS AND LABOUR MANAGEMENT
GRI 408-1, GRI 409-1

We are strongly committed to ensuring a safe and ethical work environment that upholds the rejection of human trafficking, slavery, forced labour and unlawful child labour across all areas of our operations. To ensure that our employees are aware of the responsibilities expected of them and understand their role in ensuring human rights' ethical compliance and behaviour, all our new employees are required to complete the Code of Business Conduct and Ethics training.

Our organisation unequivocally condemns these practices, and we actively collaborate with our customers to conduct regular reviews, aiming to prevent any incidents of human rights violations. To mitigate the risk of child labour and forced labour within our supply chain, we require our operations and critical direct suppliers located in high-risk countries to undergo annual social compliance audits as part of our human rights due diligence process. These audits are designed to evaluate whether their business practices align with our Supplier Code of Conduct and adhere to internationally recognised human rights standards.

Our goal is to ensure zero instances of forced labour and child labour in both our operations and across our critical direct suppliers. We are committed to working closely with our suppliers to improve their practices, offer support for corrective actions when necessary and continuously enhance the transparency and integrity of our supply chain.

SUPPLY CHAIN DUE DILIGENCE
GRI 308-1, GRI 414-1

At Nanofilm, we uphold rigorous standards across our factories, prioritising fair working hours, a safe work environment and zero tolerance for discrimination based on job roles or locations. We also enforce responsible sourcing policies for all raw materials, expecting both our factories and suppliers to adhere to these principles. Before onboarding any supplier, we conduct comprehensive due diligence screenings to ensure ethical practices, including a strict zero-tolerance stance on bribery and corruption, as well as the responsible sourcing of raw materials from non-conflict areas.

Our approved suppliers are periodically reviewed internally to ensure they continue to meet our stringent criteria. We establish anti-bribery and environmental agreements with critical vendors to maintain compliance throughout our long-term relationships.

In FY2024, all critical direct material suppliers underwent screening based on social and environmental criteria, including factors like environmental policies, waste management practices, prohibition of forced and child labour and adherence to health and safety standards. Our commitment is to maintain 100% due diligence screening for human rights, environmental, health and safety practices for all new critical direct material suppliers.

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CONFLICT MINERALS POLICY

We are fully committed to adhering to the relevant regulations set forth by international organisations and industry, taking proactive measures to mitigate the risk of conflict minerals. To ensure compliance, we have implemented specific regulations and policies that mandate our suppliers to strictly adhere to legal requirements regarding the prohibition of conflict minerals. During the supplier selection process, we require all suppliers to complete the Conflict Minerals Questionnaire and sign the Commitment Letter on Not Using Conflict Minerals, which includes an investigation into the presence of conflict minerals.

For suppliers dealing with raw metal materials, we request suppliers to trace back to the source of smelting plants and to ensure the traceability of raw materials. In cases where necessary, we work closely with our customers to conduct relevant audits and inspections. During the reporting period, 100% of our suppliers met the compliance requirements, reinforcing our dedication to ethical sourcing and minimising the risk of conflict minerals in our supply chain.

LOCAL COMMUNITIES

GRI 413

Rooted in a strong sense of corporate responsibility, we are dedicated to building meaningful connections and driving positive change in community development. Our initiatives range from supporting local projects to empowering educational initiatives, all of which are key components of Nanofilm's sustainability framework. These efforts reflect our commitment to creating shared value, while working towards a more sustainable, inclusive and prosperous future for all.

COMMUNITY GIVE BACK GOLF & APPRECIATION DINNER 2024

Nanofilm proudly sponsored the "Community Give Back Golf & Appreciation Dinner", organised by the North East Community Development Council. This event successfully raised over $600,000, which will be directed towards supporting lower-income families in the North East community. The funds will provide support to the underprivilege, including essential milk and diaper supplies for children up to 6 years old, alleviating transportation costs for students and empowering individuals with disabilities to pursue their artistic aspirations. Our involvement in this initiative reflects our ongoing commitment to fostering social responsibility, empowering families and contributing to the development of a more inclusive and compassionate society.

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CONTRIBUTION TO THE ONE MILLION TREES MOVEMENT

In 2024, Nanofilm participated in a tree planting activity organised by the National Parks Board to support the One Million Trees movement, a key pillar of the Singapore Green Plan 2030. This initiative plays a vital role in improving local air quality, expanding green spaces and creating a more liveable environment in our city. Our volunteers dedicated their time and effort planting trees in designated areas identified for environmental rehabilitation. This project has helped mitigate urban heat island effects, provide shade for local parks and support biodiversity, contributing to a more sustainable and thriving urban ecosystem.

Responsible Businesses

Core Principles

Ensure a sound corporate governance structure to drive the overall strategy of the Group

Compliance with rules and regulations to ensure the continued operation of the Group

Sustainability Report

Responsible Businesses

CORPORATE GOVERNANCE
GRI 2

We continue to adopt a meticulous approach to governance and responsible business practices in FY2024. Our governance structure ensures that we effectively monitor compliance, manage risks and uphold the trust and confidence of our customers and society. Under the active leadership of our Group CEO, and in close collaboration with the Board of Directors and its committees responsible for performance and compliance reviews, we remain committed to the highest standards of economic, environmental and societal performance. We also ensure compliance with laws, regulations and corporate policies that govern our operations worldwide.

The Board plays a key role in overseeing and ensuring the Group's adherence to sound corporate governance practices. The Board is supported by its Board Committees comprising independent directors with specialised expertise, enabling them to thoroughly review and address complex matters. By delegating specific responsibilities to these Board Committees, the Board can ensure that decisions are made with the necessary attention to detail and in accordance with best practices. Regular reports from the Board Committees help the Board stay informed and make well-informed, strategic decisions that uphold the integrity and transparency of the organisation's governance framework.

In addition to the Board Committees, the Board is assisted by relevant committees within the organisation, including the Investment Committee, Confidentiality Committee and Internal Audit Committee, which exercises oversight in various areas of the Company's business and ensures ethical decision-making across all levels of the organisation. We reaffirm our commitment to aligning our corporate governance framework with the principles and provisions of the Code of Corporate Governance 2018 and accompanying Practice Guidance, as part of our ongoing obligations under the Listing Rules of the SGX-ST. For further details on our Board of Directors, board independence, and other corporate governance policies and practices, please refer to the Corporate Governance Report in our Annual Report 2024.

Key Highlights:

- **Zero cases** of significant fines or non-monetary sanctions related to environmental and socio-economic areas
- **Zero confirmed incidence** of corruption
- **Zero cases** of legal actions relating to anti-competitive behaviour, anti-trust, and monopoly practices
- **100%** of new employee completing the Compliance and Code of Conduct training

Sustainability Report

BUSINESS ETHICS
GRI 205

At Nanofilm, we prioritise strong business ethics and foster a competitive yet fair environment as the foundation for our continued growth. We are committed to upholding the highest standards of integrity and transparency in every aspect of our operations. This includes strict adherence to anti-corruption laws and regulations in all the countries and regions where we operate. Our CEO actively oversees and drives our efforts in business ethics and anti-corruption, ensuring these efforts are reported to the Board on an annual basis.

Throughout the reporting period, Nanofilm has upheld its commitment to ethical business practices with no significant fines or sanctions related to environmental or socio-economic matters. There were zero confirmed incidents of corruption or legal actions linked to anti-competitive behaviour, anti-trust or monopoly practices. We also successfully met our target for 100% of new employees completing the Compliance and Code of Conduct training.

To ensure ongoing compliance with legal and regulatory requirements, as well as our internal policies, we have established comprehensive procedures across the Group. Our Code of Business Conduct and Ethics provides clear guidelines for ethical behaviour, covering areas such as work ethics, conflicts of interest, confidentiality, related party transactions, handling gifts and the Group securities. The full Code of Business Conduct and Ethics is available on the Company's website at https://www.nti-nanofilm.com/wp-content/uploads/2023/11/Nanofilm-Supplier-Code-of-Conduct.pdf. We are committed to conducting business fairly and competitively, cultivating positive relationships with customers, suppliers, competitors and employees. As part of this commitment, we require critical vendors to sign an anti-bribery and environmental agreement to ensure continued alignment with our policies.

We actively invest in building a strong culture of ethics and integrity within the organisation. We communicate our policies clearly to all employees through ongoing training, communications and consultations. Our goal is to ensure 100% of new employees to complete the Compliance and Code of Conduct training within six months of joining. For existing employees, annual refresher training ensures that everyone remains up to date on compliance standards and ethical expectations.

Sustainability Report

Nanofilm's compliance and integrity program is supported by significant resources and is built upon three key pillars:

FIGURE 19: NANOFILM'S THREE KEY PILLARS OF COMPLIANCE AND INTEGRITY PROGRAM

Prevention:

Enforce policies, code of conduct, risk assessment and internal controls metrics when we onboard new employees and periodically during their tenure

Early Detection:

Whistle-blowing platform is in place and each reported incident is independently reviewed and investigated. Internally, we have continuous compliance reviews, controls and internal audits to ensure we pick up any irregularities early

Response:

Disciplinary action on compliance breaches, process adaptation, resolution plans, and remediation of internal control systems. We are committed to continuously fine-tune the policies to seek further improvements going forward

We also have a Whistle-Blowing Policy to ensure independent investigations into complaints related to:

- Fraud and corruption
- Financial reporting improprieties
- Legal and regulatory breaches
- Non-compliance with the Group's code of conduct and business practices
- Any wrongful acts by employees

Any suspected non-compliance or misconduct involving the Group or its employees may be reported through the following channels:

1. By submitting the completed reporting form (available on the Company's corporate website) via email to whistleblow@nti-nanofilm.com.

2. Directly to the AC Chairman and/or the Compliance Officer at:

    - AC Chairman: siewkoon.ong@nti-nanofilm.com
    - Compliance Officer: yihsen.gian@nti-nanofilm.com

The Company ensures that all whistle-blowing reports undergo independent investigation, and appropriate remedial actions will be taken to address any substantiated concerns.

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Sustainability Performance Summary

Standard	Metrics	Unit of Measurement	FY2021	FY2022	FY2023	FY2024
/	Revenue	S$' million	247	237	177	204
Sustainable Innovation						
/	R&D and engineering expenses	Percentage	7.1	7.1	9.0	7.0
/	Patents and trademarks	Number	> 80	> 90	>100	>200
/	Employees engaged in R&D and engineering	Number	> 300	> 400	> 400	>370
Responsible Business						
GRI 205-2	Management Committee	Percentage	100	100	100	100
	All Employees	Percentage	100	100	100	100
GRI 205-3	Confirmed incidents of corruption	Number of incidents	0	0	0	0
/	Human rights incidents in supply chain	Number	0	0	0	0
GRI 204-1	Sourcing from local suppliers	Percentage	72	60	71	82
Environment						
GRI 302-1	Total energy consumption	GJ	322,334	317,384	286,247.22	327,809.60
GRI 302-4	Energy consumption intensity	GJ/ 1,000 machine production hours	243.40	345.46	324.06	314.69
GRI 303-3	Total water withdrawal	m^3	516,820.00	708,827.20	406,887.51	410,501.00
GRI 303-4	Total water discharge to all areas	m^3	361,940.00	596,257.00	361,874.51	361,861.00
GRI 303-5	Total water consumption from production	m^3	489,809	654,683	368,014.51	361,861.00
GRI 305-1	Total Scope 1 GHG emissions	tCO_2e	2,463	272	78.09	84.57
GRI 305-2	Total Scope 2 GHG emissions (Location-based)	tCO_2e	66,545	37,461.62	34,365.99	39,244.55
GRI 305-2	Total scope 2 GHG emissions (Market-based)	tCO_2e	Not reported	37,461.62	5,558.19	5,935.19
GRI 305-1, 305-2	Total Scope 1 and scope 2 GHG emissions (Location-based)	tCO_2e	69,007	37,733.44	34,444.08	39,329.12
GRI 305-1, 305-2	Total Scope 1 and scope 2 GHG emissions (Market-based)	tCO_2e	Not reported	37,733.44	5,636.28	6,019.76
GRI 305-4	Total GHG emission intensity (Location-based)	tCO_2e/ 1,000 machine production hours	52.1	41.07	38.99	37.75
GRI 305-4	Total GHG emission intensity (Market-based)	tCO_2e/ 1,000 machine production hours	Not reported	41.07	6.38	5.78
GRI 306-3	Total waste generated	tonne	419.7	669.3	544.29	818.14
GRI 306-4	Total waste diverted	tonne	Not reported	Not reported	447.38	272.04
Social						
GRI 2-7	Total employees	Number	Not reported	2,658	2,215	2,390
GRI 401-1	New employees hire rate	Percentage	Not reported	34	32	57
	Employee turnover rate	Percentage	Not reported	30	44	48
GRI 403-9 GRI 403-10	Rate of fatalities as a result of work-related injury (per 1,000,000 hours worked)	Rate	Not reported	0	0	0
	Rate of high consequence work-related injuries (excluding fatalities) (per 1,000,000 hours worked)	Rate	Not reported	0.13	0.84	0.83
	Rate of recordable work-related injuries (per 1,000,000 hours worked)	Rate	2.14	1.64	0.84	0.99
	Total recordable incident rate (TRIR)	Rate	0.43	0.33	0.34	0.36
GRI 404-1	Average hours of training per employee	Hours	26.5	31.44	21.07	14.04
GRI 404-2	Employees groupwide subject to regular performance appraisal	Percentage	Not reported	100	74.09	89

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TCFD CONTENT INDEX

Pillars	Details of Pillar Areas	Page Reference
Governance	Disclose the organisation's governance around climate-related risks and opportunities.	Please refer to Sustainability Report Pg. 32
Strategy	Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material.	Please refer to Sustainability Report Pg. 46-47
Risk Management	Disclose how the organisation identifies, assesses, and manages climate-related risks.	Please refer to Sustainability Report Pg. 56
Metrics and Targets	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities, where such information is material.	Please refer to Sustainability Report Pg. 38, 48

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GRI Content Index

Statement of use Nanofilm has reported the information cited in this GRI content index for the period from 1st January 2024 to 31st December 2024 with reference to the GRI Standards.

GRI 1 used GRI 1: Foundation 2021

Index	GRI Disclosure	Page Reference/Remarks
2-1	Organisational details	SR: Board Statement (Pg. 30-31)
2-2	Entities included in the organisation's sustainability reporting	SR: Board Statement (Pg. 30-31)
2-3	Reporting period, frequency and contact point	SR: Board Statement (Pg. 31)
2-4	Restatements of information	There is no restatement of information for FY2024.
2-5	External assurance	Nanofilm did not seek for external assurance.
2-6	Activities, value chain and other business relationships	Please refer to Annual Report Pg. 6-8
2-7	Employees	SR: Employee Profiles and Employee Welfare (Pg. 58-60)
2-8	Workers who are not employees	SR: Employee Profiles and Employee Welfare (Pg. 58)
2-9	Governance structure and composition	SR: Board Statement (Pg. 31) SR: Corporate Governance (Pg. 74)
2-10	Nomination and selection of the highest governance body	Please refer to Annual Report Pg. 98-101
2-11	Chair of the highest governance body	Please refer to Annual Report Pg. 22
2-12	Role of the highest governance body in overseeing the management of impacts	SR: Sustainability Governance (Pg. 32)
2-13	Delegation of responsibility for managing impacts	SR: Sustainability Governance (Pg. 32)
2-14	Role of the highest governance body in sustainability reporting	SR: Sustainability Governance (Pg. 32)
2-15	Conflicts of interest	SR: Business Ethics (Pg. 74-76)
2-16	Communication of critical concerns	SR: Business Ethics (Pg. 74-76)
2-17	Collective knowledge of the highest governance body	Please refer to Annual Report Pg. 88-89
2-18	Evaluation of the performance of the highest governance body	Please refer to Annual Report Pg. 104-105
2-19	Remuneration policies	Please refer to Annual Report Pg. 106-112
2-20	Process to determine remuneration	Please refer to Annual Report Pg. 106-107
2-21	Annual total compensation ratio	Please refer to Annual Report Pg. 110
2-22	Statement on sustainable development strategy	SR: Sustainability Pillars (Pg. 33)
2-23	Policy commitments	SR: Health and Safety (Pg. 66-67) SR: Human Rights and Labour Management (Pg. 70) SR: Business Ethics (Pg. 75-76)

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Index	GRI Disclosure	Page Reference/Remarks
2-24	Embedding policy commitments	SR: Health and Safety (Pg. 66-67) SR: Human Rights and Labour Management (Pg. 70) SR: Business Ethics (Pg. 75-76)
2-25	Processes to remediate negative impacts	SR: Business Ethics (Pg. 75-76)
2-26	Mechanisms for seeking advice and raising concerns	SR: Business Ethics (Pg. 75-76)
2-27	Compliance with laws and regulations	SR: Business Ethics (Pg. 75-76)
2-28	Membership associations	The information is not available for FY2024.
2-29	Approach to stakeholder engagement	SR: Stakeholder Engagement (Pg. 36)
2-30	Collective bargaining agreements	The information is not available for FY2024.
3-1	Process to determine material topics	SR: Materiality Assessment (Pg. 34)
3-2	List of material topics	SR: Materiality Assessment (Pg. 35)
3-3	Management of material topics	The management of material topics can be found in each pillar across the report.
204-1	Proportion of spending on local suppliers	SR: Sustainability Performance Summary (Pg. 77)
205-1	Operations assessed for risks related to corruption	SR: Business Ethics (Pg. 75-76)
205-2	Communication and training about anti-corruption policies and procedures	SR: Business Ethics (Pg. 75-76)
205-3	Confirmed incidents of corruption and actions taken	SR: Business Ethics (Pg. 75)
302-1	Energy consumption within the organisation	SR: Energy Management (Pg. 49-50)
302-2	Energy consumption outside of the organisation	The information is not available for FY2024.
302-3	Energy intensity	SR: Energy Management (Pg. 49-50)
302-4	Reduction of energy consumption	SR: Energy Management (Pg. 49)
302-5	Reductions in energy requirements of products and services	SR: Energy Management (Pg. 49)
303-1	Interactions with water as a shared resource	SR: Water Management (Pg. 51-53)
303-2	Management of water discharge related impacts	SR: Water Management (Pg. 51-53)
303-3	Water withdrawal	SR: Water Management (Pg. 52-53)
303-4	Water discharge	SR: Water Management (Pg. 52-53)
303-5	Water consumption	SR: Water Management (Pg. 52-53)
305-1	Direct (Scope 1) GHG emissions	SR: Carbon Emissions and Climate Change (Pg. 48)
305-2	Energy indirect (Scope 2) GHG emissions	SR: Carbon Emissions and Climate Change (Pg. 48)
305-3	Other indirect (Scope 3) GHG emissions	The information is not available for FY2024.
305-4	GHG emissions intensity	SR: Carbon Emissions and Climate Change (Pg. 48)

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Index	GRI Disclosure	Page Reference/Remarks
305-5	Reduction of GHG emissions	SR: Carbon Emissions and Climate Change (Pg. 48)
305-6	Emissions of ozone-depleting substances (ODS)	The information is not available for FY2024.
305-7	Nitrogen oxides (NOx), sulphur oxides (SOx) and other significant air emissions	SR: Carbon Emissions and Climate Change (Pg. 49)
306-1	Waste generation and significant waste-related impacts	SR: Waste Management (Pg. 54-55)
306-2	Management of significant waste-related impacts	SR: Waste Management (Pg. 54-55)
306-3	Waste generated	SR: Waste Management (Pg. 55)
306-4	Waste diverted from disposal	SR: Waste Management (Pg. 55)
306-5	Waste directed to disposal	The information is not available for FY2024.
401-1	New employee hires and employee turnover	SR: Employee Profiles and Employee Welfare (Pg. 59)
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR: Employee Profiles and Employee Welfare (Pg. 59)
401-3	Parental leave	SR: Employee Profiles and Employee Welfare (Pg. 59)
403-1	Occupational health and safety management system	SR: Health and Safety (Pg. 66)
403-2	Hazard identification, risk assessment and incident investigation	SR: Health and Safety (Pg. 67)
403-3	Occupational health services	SR: Health and Safety (Pg. 67)
403-4	Worker participation, consultation and communication on occupational health and safety	SR: Health and Safety (Pg. 68)
403-5	Worker training on occupational health and safety	SR: Health and Safety (Pg. 68)
403-6	Promotion of worker health	SR: Health and Safety (Pg. 69)
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	The information is not available for FY2024.
403-8	Workers covered by an occupational health and safety management system	SR: Health and Safety (Pg. 69)
403-9	Work-related injuries	SR: Health and Safety (Pg. 69)
403-10	Work-related ill health	The information is not available for FY2024.
404-1	Average hours of training per year per employee	SR: Human Capital Development (Pg. 62)
404-2	Programs for upgrading employee skills and transition assistance programs	SR: Human Capital Development (Pg. 62-64)
404-3	Percentage of employees receiving regular performance and career development reviews	SR: Sustainability Performance Summary (Pg. 77)
405-1	Diversity of governance bodies and employees	SR: Diversity and Inclusion (Pg. 60)
405-2	Ratio of basic salary and remuneration of women to men	The information is not available for FY2024.

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Index	GRI Disclosure	Page Reference/Remarks
408-1	Operations and suppliers at significant risk for incidents of child labour	SR: Human Rights and Labour Management (Pg. 70-71)
412-1	Operations that have been subject to human rights reviews or impact assessments	SR: Human Rights and Labour Management (Pg. 70-71)
412-2	Employee training on human rights policies or procedures	SR: Human Rights and Labour Management (Pg. 70-71)
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	SR: Human Rights and Labour Management (Pg. 70-71)
413-1	Operations with local community engagement, impact assessments and development programs	SR: Local Communities (Pg. 71-72)
414-1	New suppliers that were screened using social criteria	SR: Human Rights and Labour Management (Pg. 70-71)

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