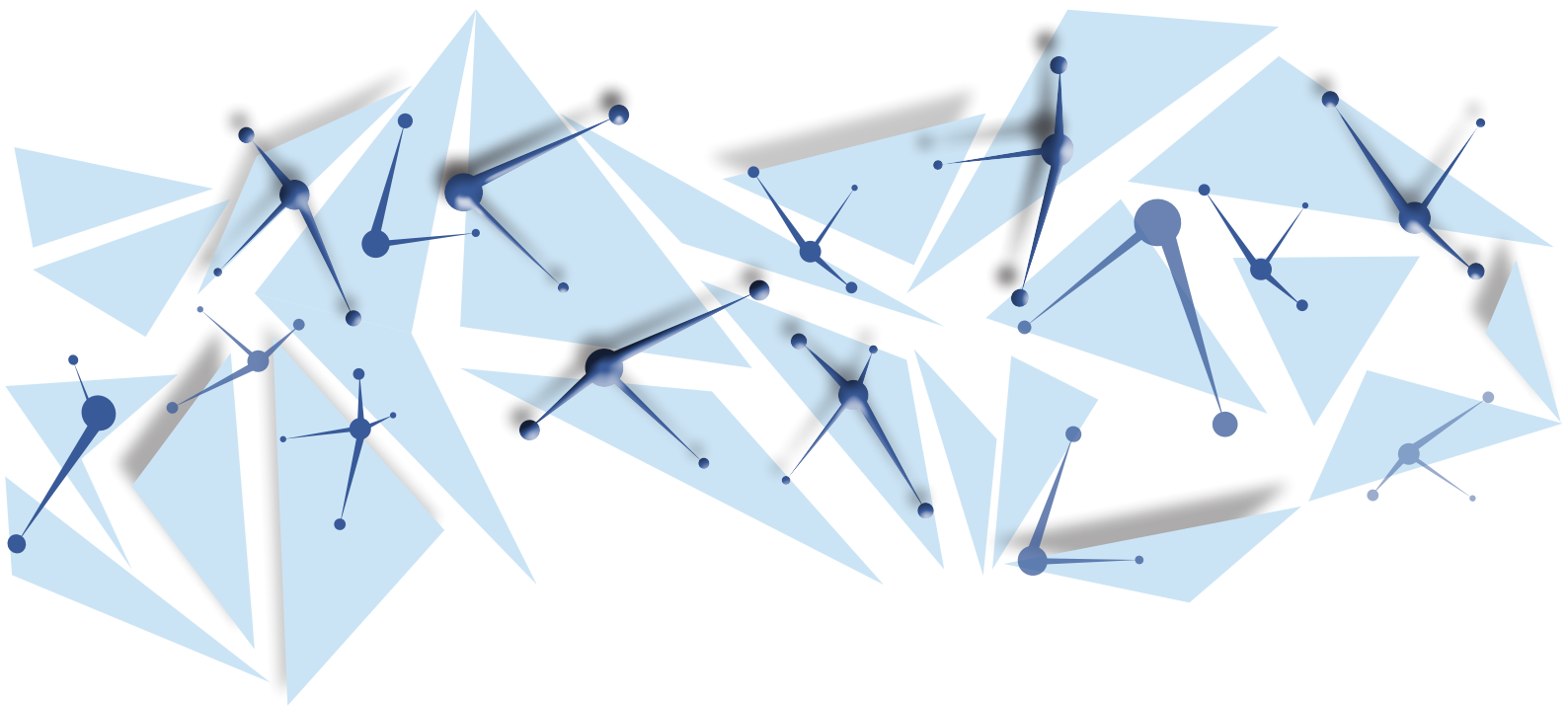




Manufacturing Integration Technology Ltd

# Sustainability Report

## 2017



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# Board Statement

Building sustainable businesses deliver long-term shareholder value and growth. We believe that a truly sustainable business not only makes good economic sense, but does so in a responsible way that enhances value for our MIT brand, business and stakeholders. Our Board of Directors oversees the business affairs of the Group and is collectively responsible for our long-term growth and success. The Board remains committed to advance our sustainability efforts by aligning social and environmental performance with the business and financial impact.

Manufacturing Integration Technology Ltd (hereafter referred to as “MIT” or the “Group”) presents our first annual Sustainability Report (the “SR Report”) which covers our Group’s operations and performance from 1 January 2017 to 31 December 2017 (the “reporting period”).

This Report examines the Group’s key sustainability issues, management approach, performance measures and outcomes. It is prepared in accordance with the GRI (4G) standards : Core Option and is guided by the SGX Sustainability Reporting Guide. Our inaugural Report provides information on the Group’s activities primarily in Singapore. Its only other overseas operations is in Shanghai, China where we operate a precision machining and equipment assembly facility. Sustainability performance in our Shanghai plant will be integrated into our subsequent SRs as its contributions to the restructured new core business become more significant, especially with the imminent divestment of the Group’s semiconductor business to a Chinese private equity fund. (Please see footnote 1 )

The formulation of a more complete set of sustainability targets on material Environmental, Social and Governance (ESG) issues still requires time and co-ordination amongst our process owners and we hope to share more about them in our subsequent reports. We have not sought external assurance for this reporting period.

Our Board of Directors appoints a Sustainability Steering Committee (SSC) headed by our Executive Director, Mr. Lim Chin Tong and supported by the SSC Corporate team. The SSC’s role is primarily to ensure that all ESG factors and material topics which are likely to impact the Group are determined and evaluated comprehensively with appropriate measures taken to address them.

The Board holds the belief that achieving superior ESG performance must be an ongoing process that will not only enhance the Group’s reputational capital but will also help drive the bottom line and long-term health of the business.

Our Committee had worked closely with all relevant stakeholders in our ecosystem to gather valuable material ESG factors and insights for our sustainability assessment. We are pleased that several new policies and initiatives had been developed from these discussions to form part of our overall business sustainability strategy.

Footnote 1 PROPOSED DISPOSAL OF THE ENTIRE ISSUED SHARE CAPITAL OF MIT SEMICONDUCTOR PTE. LTD.  
[http://infopub.sgx.com/FileOpen/MIT\\_SPA.ashx?App=Announcement&FileID=516788](http://infopub.sgx.com/FileOpen/MIT_SPA.ashx?App=Announcement&FileID=516788)

# Economic

## 2.1 Our Business

Manufacturing Integration Technology Ltd (MIT) was founded in 1992 by our Chairman and Managing Director, Mr Tony Kwong, to provide industrial automation services to the electronics industry. Over a span of 25 years, we have developed to become a capital goods supplier serving the semiconductor, solar and contract equipment manufacturing industries, not just in Singapore, but across Asia, Europe and USA. MIT became a public listed Company in 1999 with its shares traded on the Main Board of the Singapore Exchange Limited.

Today, we operate from three rented facilities, two in Ang Mo Kio (Singapore) and the other in Jiading District (Shanghai, China). Our corporate headquarters is in Singapore together with our R&D centre for semiconductor equipment. The semiconductor equipment are manufactured in Singapore while the more hefty solar machines are assembled in our Jiading facility. In recent years, we have deepened our local CEM capabilities to offer built-to-print manufacturing services under CASEM (Asia) Pte Ltd and customized factory automation solutions provided by Automated Manufacturing Solutions Pte Ltd; both wholly-owned subsidiaries of MIT.

## 2.2 Economic Performance, Financial Summary, Markets

We closed FY 2017 with sales of S\$65.929m and a net profit of S\$6.006m. The external environment will continue to remain uncertain that could impinge on demand growth in the global semiconductor industry especially in the near-term. Going forward, we should see stronger performance in our contract equipment manufacturing (CEM) business as it evolves to become the new centrepiece of MIT's core business.

Statement of Comprehensive Income (in S\$'000 )	FY2013	FY2014	FY2015	FY2016	FY2017
Total revenue	31,301	64,273	90,351	35,527	65,929
EBITDA (Earnings before interest, tax , dep & amort)	(5,207)	10,962	20,495	(3,345)	7,831
EBIT (Earnings before interest & tax)	(6,505)	9,493	18,772	(4,674)	6,422
Income (Loss) before tax	(6,491)	9,305	18,866	(4,556)	6,510
Income (Loss) net of tax	(6,491)	10,172	15,426	(5,496)	6,006
Earnings per share (cents)	(2.98)	4.65	6.79	(2.45)	2.61
Dividend payout ratio	N.A.	10.8%	14.7%	N.A.	38.3%
Gross dividend per share (cents)	N.A.	0.50	1.00	N.A.	1.00

**Figure 1:** Financial Highlights of the last five years

## 2.3 ISO9001 & ISO14001 (since 2005)

We have been ISO9001 (Quality Management) & ISO 14001 (Environment Management) certified under an Integrated Management System (IMS) since 2005. The primary focus of our IMS quality management is to meet customer requirements and to strive to exceed customer expectations. We measure our success by our ability to attract and retain the confidence of customers with the continuing strong support of our business and supply chain partners. Every aspect of our internal and external customer interaction provides an opportunity for continuous improvement thereby creating greater business value that is sustainable over the longer-term.

As a testament to our product assurance, our semiconductor equipment are also certified to SEMI S2/S8 and CE Mark standards to ensure a global standard of safety that are demanded from our equipment buyers. These stringent international standards cover a wide range of safety, health and environmental protection provisions, including regulatory requirements, electrical, mechanical, fire, chemical, radiation, noise and ergonomics hazards and more. This even includes warning labels and instructions on the proper decommissioning of our systems from active status or the disposal of the equipment (or its parts) at the end of its productive life.

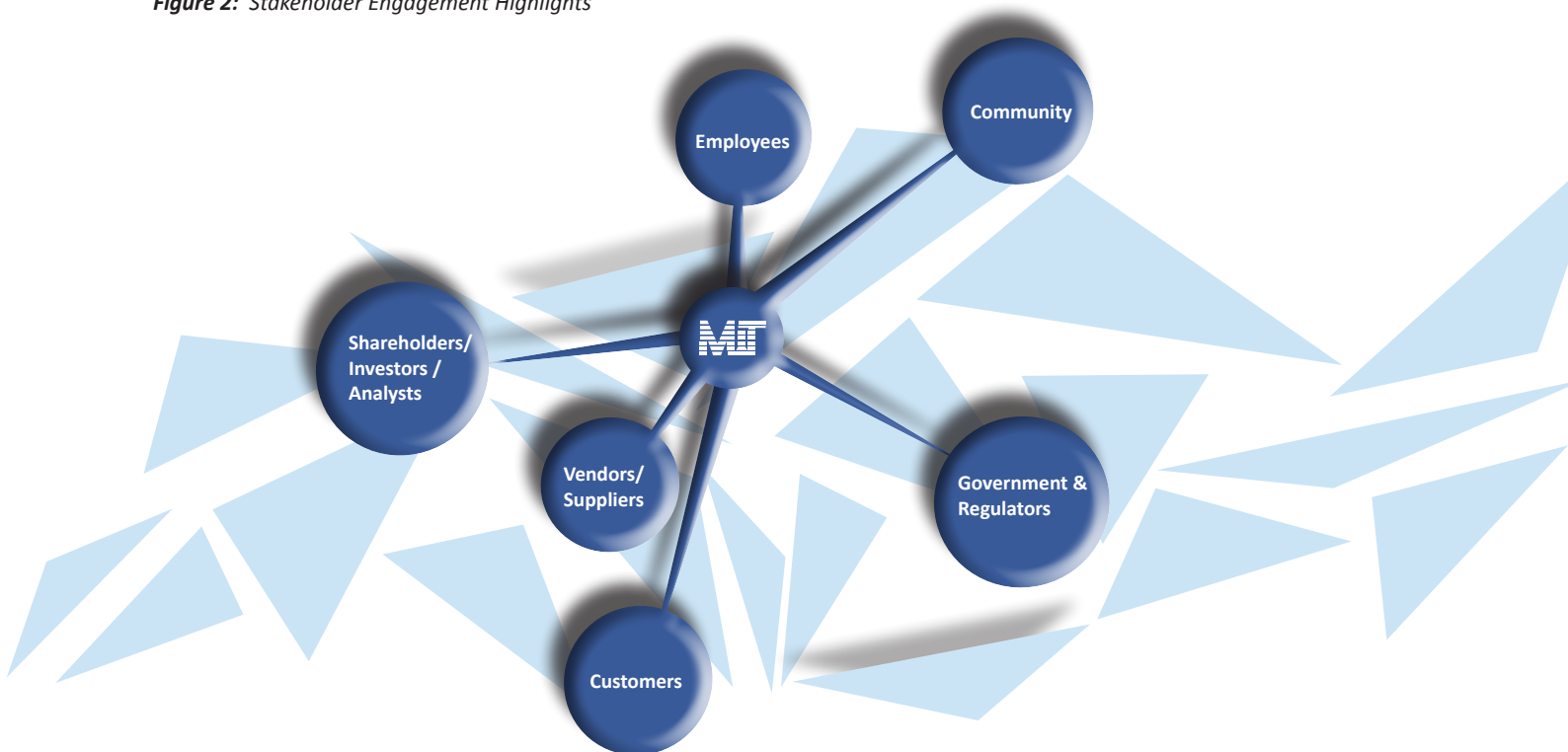
# Stakeholder Engagement

## 3. Stakeholder Engagement

To create sustainable value for our stakeholders, we actively engage them through the following channels:

S/N	Stakeholders	Engagement Channels/Platforms
1	Employees	Emails and bulletins, Bi-annual Managerial Open-Comm sessions, Departmental Meetings, MIT Intranet, Staff Recreation Programmes
2	Shareholders / Investors/Analysts	AGMs, Company Website (www.mit.com.sg), Annual Reports, Half-yearly financial report disclosure, SGXNet announcements, Investor relations talks
3	Customers	Supplier Evaluation /Key Equipment Group/ Technology roadmap meetings, site visits , customer audits, customer satisfaction surveys
4	Vendors/Suppliers	Meetings, vendor audits, supplier performance reviews, purchase agreements, supplier events
5	Community	Trade or business organizations such as SNEF, SBF, SEMI, SSIA. Collaboration with tertiary institutions on internship programmes
6	Government and Regulators	Meetings with local authorities, seminars/talks, consultations with regulatory bodies, Annual reports and press releases

Figure 2: Stakeholder Engagement Highlights



# Material Factors

## 4. Material Factors

### 4.1 Materiality Assessment

Our materiality assessment process for FY2017 involved the SSC team in consultation with our major stakeholders to establish ESG issues that are deemed material to our core businesses and that are also of major concern to the wider community (Fig.3). This is to ensure that our strategies and resources are better deployed in those areas that matter most. From this process, 16 attributes were identified and prioritized (Fig. 4) according to their materiality based on the GRI's Sustainability Reporting Standards 2016.

Stakeholders	Stakeholders' Concerns	Engagement Channels/Platforms
Employee	<ol style="list-style-type: none"> <li>1. Safe and conducive workplace</li> <li>2. Fair labor practices and compensation</li> <li>3. Job Satisfaction &amp; Career Development</li> </ol>	<ul style="list-style-type: none"> <li>✓ Training and development opportunities</li> <li>✓ Grievance handling/feedback channels</li> <li>✓ Regular reviews and performance appraisals incorporating people development and career planning</li> <li>✓ Progressive human resource management practices</li> </ul>
Shareholders/ Investors/ Analysts	<ol style="list-style-type: none"> <li>4. Stable and sustainable growth</li> <li>5. Reasonable returns to shareholders</li> <li>6. Good corporate governance</li> </ol>	<ul style="list-style-type: none"> <li>✓ Good financial discipline</li> <li>✓ Strong corporate governance practices</li> <li>✓ Sustainable business model</li> </ul>
Customers	<ol style="list-style-type: none"> <li>7. Quality, Cost &amp; Delivery</li> <li>8. Risk Management (Business Continuity)</li> <li>9. Ethical leadership</li> </ol>	<ul style="list-style-type: none"> <li>✓ Strengthen our quality management systems</li> <li>✓ Reinforce our Enterprise Risk Management framework</li> <li>✓ Maintain strong Internal controls</li> <li>✓ Zero tolerance on corruption and fraud</li> </ul>
Vendors/ Suppliers	<ol style="list-style-type: none"> <li>10. Fair Vendor Selection process</li> <li>11. Timely payment</li> <li>12. Ethical supply chain practices</li> </ol>	<ul style="list-style-type: none"> <li>✓ Ensuring integrity in all purchasing decisions.</li> <li>✓ Adhering to purchasing agreement terms</li> <li>✓ Internal Code of Conduct that also applies to supply chain partners</li> </ul>
Community	<ol style="list-style-type: none"> <li>13. Employment Opportunities</li> <li>14. Good corporate citizenship</li> </ol>	<ul style="list-style-type: none"> <li>✓ Creating new jobs and building a Singapore core</li> <li>✓ Re-employment of silver workforce</li> <li>✓ Participating in community events</li> </ul>
Government & Regulators	<ol style="list-style-type: none"> <li>15. Maintain high standards of corporate governance</li> <li>16. Support development of local industries</li> <li>17. Protection of environment</li> </ol>	<ul style="list-style-type: none"> <li>✓ Comply with all applicable laws and regulations</li> <li>✓ Added assurance from internal and external audits</li> <li>✓ Maintain and improve our Integrated Management System (IMS)</li> </ul>

**Figure 3:** Material Factors assessed by Stakeholders

# Material Factors

## 4.1 Materiality Assessment (cont'd)

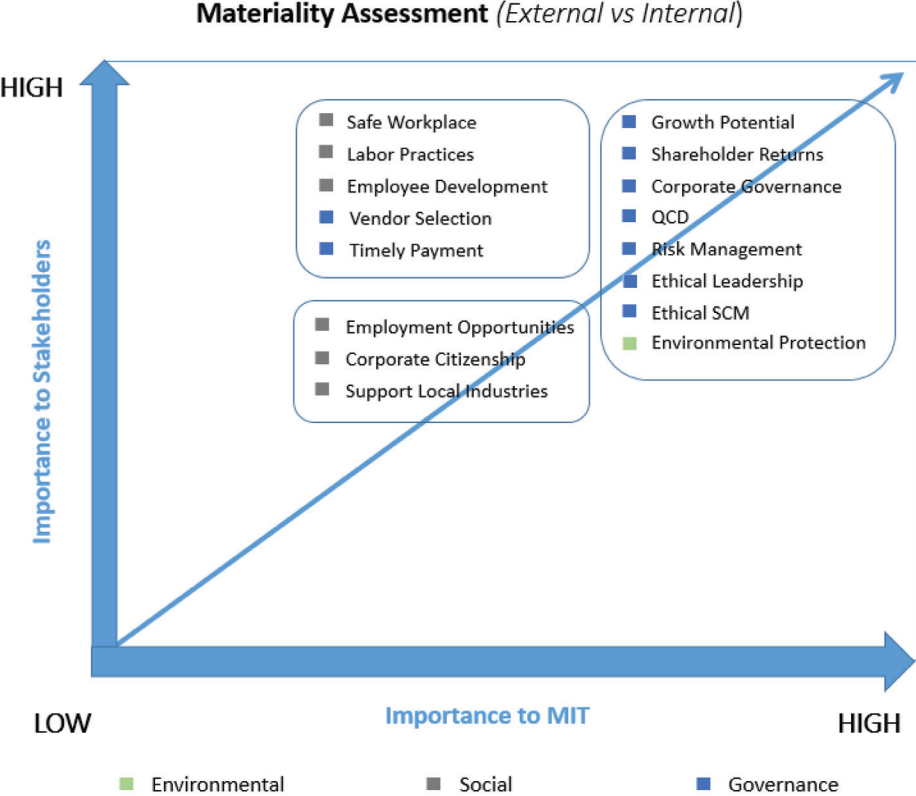


Figure 4: Materiality Assessment based on the 16 attributes identified in Figure 3

# Environmental

## 5. Environmental

### 5.1 Electricity and Water Conservation

On environmental management, we aim to comply fully with all legal regulations and requirements and to consume resources responsibly, focusing on minimizing impacts through prevention at source, reduction, re-use and recycling initiatives.

Our energy and water efficiency efforts also apply to our daily office activities as we actively seek to reduce our consumption of energy and water through responsible practices such as:

- Upgrading of equipment and lighting that are more energy efficient
- Separation of paper/plastic/metal/general waste for recycling
- Collection and recycling of office paper waste by authorized contractors
- Automation of business processes e.g. ERP, E-leave system etc
- Inculcating “Green Office and Green Home” habits such as switching off lights and electrical appliances when not in use, practicing air conditioning energy saving tips and even encouraging the use of recyclable bags and reusable cutlery sets or containers for meal takeaways

Our most direct environmental impact stems from the use of electricity. Our water consumption has been relatively minimal over the years. There are no water discharge or chemicals used in our equipment manufacturing processes.

Below are some statistics on our consumption trend and records of the last three years:

Year	Actual Consumption (KWh)	Turnover (S\$M)	(KWh/S\$)
2015	1,351,711.81	90.4	0.015
2016	1,396,202.14	35.5	0.039
2017	1,504,127.02	65.9	0.023
2018 (Target)	-	-	0.021

**Figure 5:** KWh Consumption vs Turnover

Year	Total direct CO2 or Carbon Equivalent Emissions (Metric Tons)	Total indirect CO2 or Carbon Equivalent Emissions (Metric Tons)	Turnover (S\$M)	Emissions Intensity (MT/S\$'000)
2015	N.A	1,006	90.4	0.0111
2016	N.A	1,039	35.5	0.0293
2017	N.A	1,119	65.9	0.0170
2018 (Target)	-	-		0.0150

**Figure 6:** Emissions Intensity

SOURCE: <https://www.epa.gov/energy/greenhouse-gas-equivalencies-calculator>



# Environmental

## 5. Environmental (cont'd)

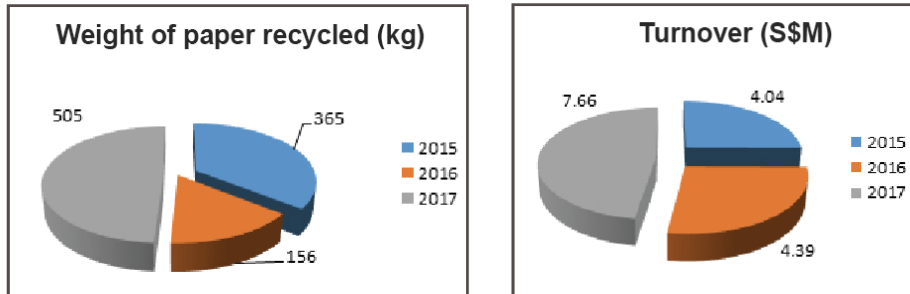


Figure 7: Collection and Recycling of Office paper waste

### 5.2 Work Place Air and Environment Certification

MIT has been certified ISO 14001 since 2005 to provide an assurance to all stakeholders that we have an effective environmental management system in place to minimize the impact our operations would have on the environment, to ensure that all applicable laws and regulations are complied with and to continually improve on our business processes to achieve higher level environmental standards that we have set for ourselves.

To ensure a safe and healthy physical work environment is being maintained, indoor air quality assessments have also been conducted within our premises on a periodic basis, last tested on 14th March 2017.

### 5.3 Laws and Regulations

In the area of WSHE, we comply fully with the relevant laws and regulations under the Fire Safety Act, Workplace Safety and Health Act, Environment Public Health Act and Environmental Protection and Management Act that regulates general waste collection, the control of trade effluents, ozone-depleting substances (ODS), noise, hazardous substances, air pollution and prevention of fire and others. There is no record of violation against any of the regulations during the reporting year.

### 5.4 Supply Chain

Our main suppliers consist of original equipment manufacturers (OEMs) and fabrication houses. OEMs supply us with standard parts or components such as motors, pneumatics, lasers, optics, actuators, sensors etc whereas fabrication suppliers provide mainly machined parts, sheet-metal parts, structures and covers according to our engineering specifications. We seek to influence our supply chain partners towards sustainable practices by outlining our expectations in the vendor selection process as well as through our annual evaluation of their performance. To remain in our Approved Vendor List (AVL), our top vendors had to meet a host of performance criteria ranging from quality assurance and service levels as well as adhering to best practices or internationally established Code of Conduct governing human rights, business and integrity, and safety, health and environmental standards. We aim to apply these standards to all our new major suppliers/vendors. It is our belief that securing a pool of like-minded suppliers that share our commitment to sustainability will mitigate risks to our operations and reputation. We are also broadening our vendor base for alternative parts supply to improve demand planning, cost competitiveness and ensure certainty of supply. We therefore aim to maintain at least one primary and one secondary supply source for critical parts and long lead items wherever possible.

### 5.5 International Environment Calendar

We promote international Environmental Days as special days to raise the awareness of environmental issues and environmental protection. We mark these environmental days to disseminate information, educate about risks in our ecosystem, and to encourage participation on “Car free days”, observing “Earth Hour/ Day”, “World Biological Diversity Day” and even “World Animal Day”, just to name a few.

Our next approach beyond awareness will be to encourage and measure the participation level of our staff in the various activities associated with these global initiatives so that these values can be imbibed into them at a personal level and also as part of our corporate DNA.

# Social

## 6. Social

MIT is committed to carrying out its business mission efficiently, effectively and responsibly with integrity and respect for the law, the environment and well-being of employees and the community at large. Our commitment to maintain the highest standards of business ethics and to continually improve our Corporate Social Responsibility practices is paramount. We expect the same level of commitment from every employee and our partners in the conduct of their daily work affairs and in their relationship with all our major stakeholders.

### Our Employees

#### 6.1 Fair Employment Practices

MIT adheres to the philosophy espoused in the Tripartite Guidelines on Fair Employment and other best HR practices that we had publicly pledged with Tripartite Alliance for Fair and Progressive Employment Practices (or TAFEP).

We also subscribe to the Responsible Business Alliance Code of Conduct (formerly the Electronic Industry Citizenship Coalition) to ensure that our working conditions are safe, that workers are treated with respect and dignity and that our business operations are environmentally responsible and conducted ethically.

MIT endeavors to uphold the spirit of these best practices and to conform to (and continually improve on) its standards in accordance with acceptable management practices within the jurisdiction of the local laws in which we operate. Some of the key principles are to:

- Recruit, select, promote, reward and train employees on the basis of merit such as skills, experience and ability, regardless of race color, age, gender, sexual orientation, ethnicity, national origin, disability, pregnancy, religion, political affiliation, union membership or marital status
- Treat employees fairly and with respect and implement progressive human resource practices
- Embrace the diversity of all members within the MIT family
- Provide employees with equal opportunities for training and development based on their individual needs to help them achieve their fullest potential
- Promote and provide a harassment free environment
- Reward employees fairly based on their ability, performance, contributions and experience
- Respect for privacy and protect personal information

- Provide transparency in and accountability for the Group's performance and practices
- Abide by local regulations including Safety, Health and Environmental laws

#### 6.2 Training and Education

We are focused on developing our people and getting the very best from our staff whilst helping them to achieve their individual career aspirations. We want our employees to feel that they are contributing to our purpose and believe the organization supports them in this endeavour. MIT operates in a technology space where we continually invest on R&D. Similarly, we believe that it is in our best interest to invest in the careers of our employees through continuous learning. We do this by investing in structured On-Job-Training, providing Core Skills Training (at both individual and group levels), as well as exposing them to development opportunities where they can get to undertake stretched projects or assignments, and even to lead them.

Year	Training Places	Training Hours	Avg no. of training hours	Avg No. of Training day (260 days/year)
2015	590	3344	18.37	12.86
2016	476	2131	11.40	8.20
2017	360	1675	8.54	6.44
2018	550	2700	15.0	10.00
			(Target)	

**Figure 8: Training Metrics**

Note: Training data only includes Orientation and external training conducted

#### 6.3 Compensation and Rewards

Our compensation policy is intended to be well-balanced, competitive, performance based and aligned with the achievements of each employee. While the approach reflects an emphasis on pay-for-performance, it is also designed to attract, motivate and retain high performing and high potential employees. Employees are also incentivized through annual bonus that are tied to financial and non-financial metrics as well as stock-option awards for key staff to enable them to benefit from the growth of the Group.

## 6. Social (cont'd)

### 6.3 Compensation and Rewards (cont'd)

In addition, a range of statutory and non-statutory staff benefits are offered to employees including medical and dental benefits, term life, personal accident plans, long service awards, paternity, maternity and other leave benefits etc. that we peg to industry practices. Beyond this, MIT provides paid-leave for employees attending work-related training courses making use of their own SkillFuture credits.

We believe it is also important to recognize the right behavior and reward them (either individually or groups) financially and by peer to peer recognition. Our “Spontaneous Award” program has worked well to ensure that exceptional efforts performed by employee(s) above and beyond the normal course of duty do not go unnoticed but are positively reinforced through these on-the-spot rewards.

### 6.4 Performance Management & Engagement

MIT is committed to carry out an objective and fair performance management system to align the Group’s objectives with individual performance, reward results and to support people development in the process. Even though the formal PA assessment is conducted once a year, managers and their staff are encouraged to review and discuss performance issues on an ongoing basis. Performance Improvement plans are also developed for under-performing employees.

Apart from one-on-one dialogues with employees, we also engage them through other media such as Open-Comm meetings with senior staff, regular department briefings, corporate updates through e-platforms (emails, intranet) and even during corporate social events.

Employee feedback is also encouraged to help MIT understand what makes them more engaged and to address real and latent disengagement risks in the process. Such feedback channels are not confined to engagement surveys but will also include all forms of open communications and focused groups (both formal and informal).

### 6.5 Safety, Health and overall well being, Employee Benefits

Our WSHE Committee includes representation from the various business units to help us in our endeavor to ensure that the workplace continues to remain free from industrial hazards and accidents.

Apart from monthly meetings and inspections, the Committee for the reporting year had been very much involved in other activities such as promoting WSHE awareness, reviewing our safety risk management framework, undergoing training in first aid (and AED), exercising vigilance over dengue and ZIKA outbreaks, and seeing to the conduct of emergency evacuation exercises. One of the many other recommendations that had been carried out was also to ensure that workplace safety policies and manufacturing work instructions are documented in at least two major languages for the benefit of our foreign workers.

### Number of Accidents and Man-Days Lost (2015-2017)

Year	Man-days Lost	Number of Accidents
2015	100	1
2016	6	2
2017	8	2
2018 (Target)	0	0

*Figure 9: Number of Workplace Accidents over last three years*

All of the incidents reported have been minor. Singular case in 2015 involved a minor ankle injury sustained outside of the office but in connection with employment requiring a period of hospitalization leave.

### 6.6 Leadership development for succession planning

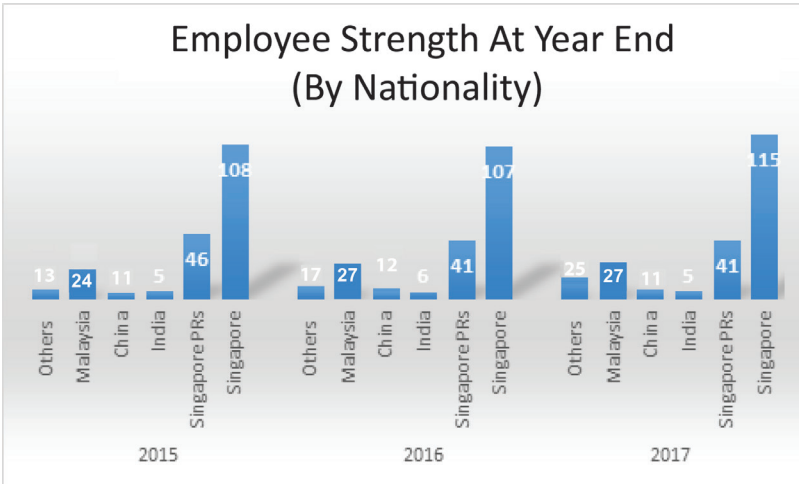
Our Board of Directors through its Nominating Committee has oversight of Senior Management (including the CEO) talent and succession plans which is reviewed annually. Ensuring a pipeline of effective leaders for the Group who will be ready and able to assume greater responsibility when critical positions become available is still work in progress for the Board and HR.

### 6.7 Work Force characteristics and Diversity

We view the diversity of our people as a source of strength. We seek to create an inclusive work environment that extends beyond just age and gender differences to include drawing on the range of cultural dimensions represented by the different nationalities and backgrounds.

# Social

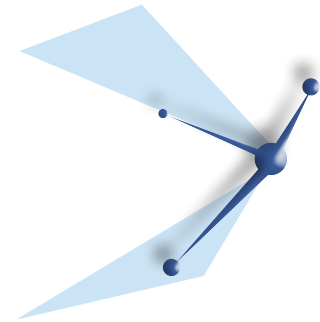
## 6.7.1 Work Force Strength



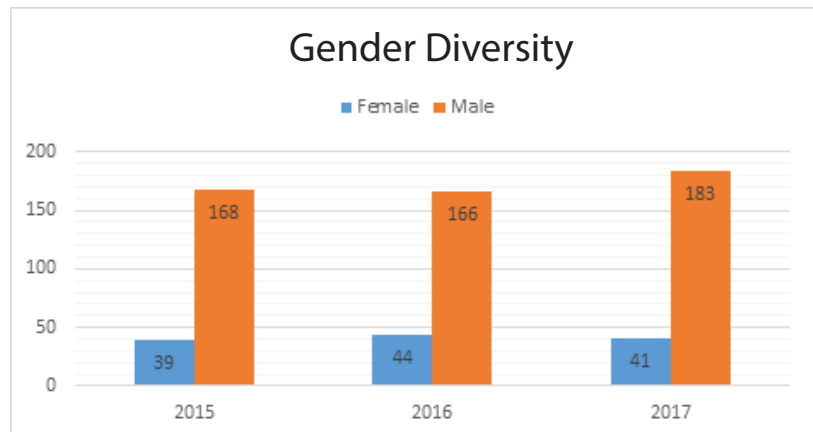
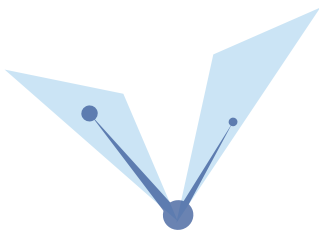
**Figure 10:** Employee Strength at year end

Footnotes: Employees located at Singapore HQ only (exclude MIT Shanghai)

\*2017 Others include nationalities from Myanmar, Indonesia, United States and Switzerland

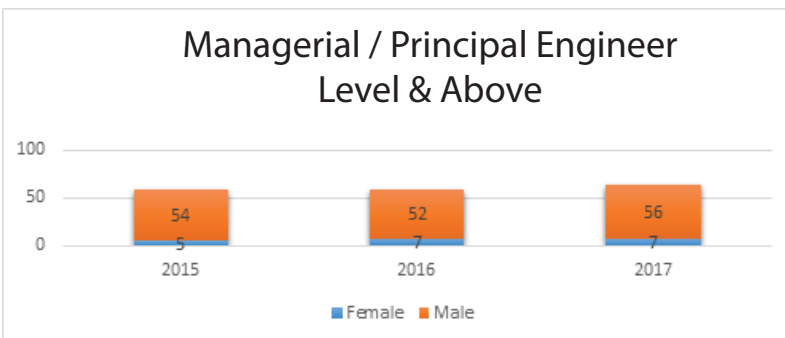


## 6.7.2 Gender Diversity



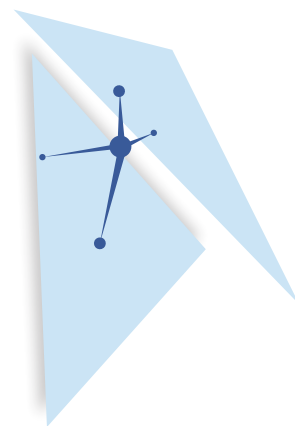
**Figure 11:** Gender Diversity

## 6.7.3 Number of Senior Positions held by Males/Females



**Figure 12:** Senior positions held by Male/Female staff

Our Executive Committee (EXCO) team is currently held by Singaporeans (male)



## 6.7.4 Age Distribution

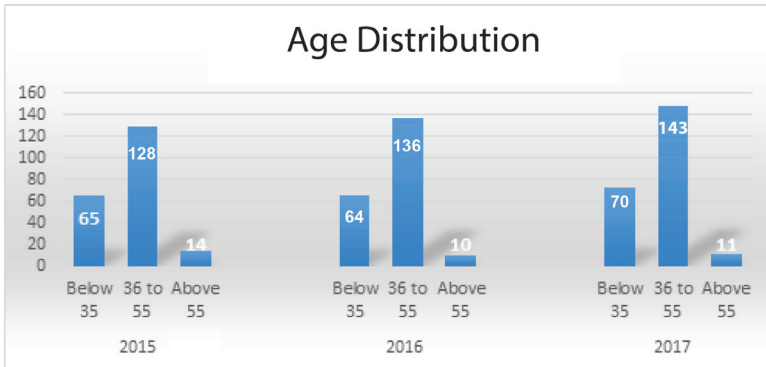
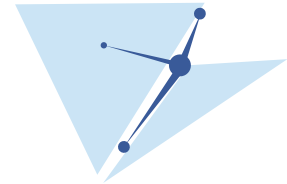


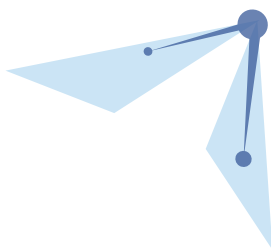
Figure 13: Age Distribution



## 6.7.5 Employees' Qualifications



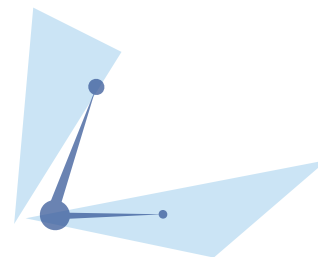
Figure 14: Employees' Qualifications



## 6.7.6 Attrition



Figure 15: Number of new hires vs resignations



# Social

## 6.7.7 Offering Re-Employment to the Silver Workforce

Recognizing the depth of knowledge and experience that our more senior colleagues bring to the workplace, we encourage them to continue working with us beyond the statutory retirement age. To-date, all eligible employees have been offered one to three years re-employment contracts.

## 6.8 Community Engagement

To support the community in which we operate, our employees are encouraged to contribute their personal time and experience meaningfully to benefit society. One of the ways is through charity work and to support causes for the needy or less fortunate in the spirit of volunteerism. MIT is also investing in our youths through internship programs and providing practical work experiences for these students.

### 6.8.1 Internship Collaboration with ITE and tertiary Institutions

- Nanyang Polytechnic School of Engineering 12 weeks ITP
- SP School of Mechanical & Aeronautical Engineering 22 weeks Internship
- RP School of Engineering 20 weeks internship
- NTU School of Electrical & Electronic Engineering 20 weeks Industrial Internship Programme
- SMU School of Management 15 weeks Internship Programme
- ITE School of Accountancy 22 weeks Internship Programme





### 6.8.2 Recruitment of graduating students

We furthermore encourage graduating students to apply for suitable positions within our Group of Companies that they had become familiar with during their internship with us.

### 6.8.3 Industrial Visits

MIT as a corporate citizen also actively collaborates with tertiary institutions particularly with Singapore Polytechnic, Ngee Ann Polytechnic and Nanyang Polytechnic where we regularly organize factory visits for students. We also host teaching delegates from within and outside of the region to enable them to gain first-hand insights into our local home-grown capabilities in the high-tech engineering space.

### 6.8.4 Membership of Associations

- Singapore National Employers Federation 
- Singapore Business Federation 
- SEMI 
- Singapore Semiconductor Industry Association 

### 6.8.5 Social and Economic Laws and Regulations

MIT complies with all governmental laws and regulations in this area. There is no record of any non-compliance or management labour dispute lodged with the Ministry of Manpower.

# Governance

## 7. Governance

### 7.1 Corporate Governance

A high standard of corporate governance is integral in ensuring sustainability of the Group’s business as well as safeguarding shareholders’ interest and maximizing long term shareholder value. We continually strive to ensure that the value of good corporate governance is deeply embedded into our corporate DNA. We are very heartened to note that our Governance and Transparency Index (GTI) rankings had steadily improved over the years culminating in having the prestigious “Transparency Award – Small & Mid Cap” conferred on us at the SIAS 18th Investors Choice Awards 2017. (Pictures Source: SIAS with permission)



Award winners of The SIAS 18th Investors Choice Awards 2017



Our Chairman & MD, Mr. Tony Kwong receiving the award from the SGX RegCo CEO Mr. Tan Boon Gin

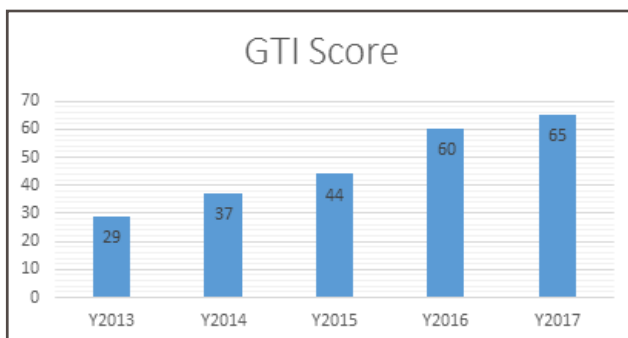


Figure 16: GTI Ranking and Scores

Source: SGX website 2018

GTI Year	Score	Ranking
2013	29	480
2014	37	366
2015	44	340
2016	60	152
2017	65	100
2018 (Target)	↑	

# Governance

## 7.2 Ethics and Integrity

MIT's Code of Conduct establishes an ethical framework for business practices and conduct to which all employees are required to adhere to without exceptions. Employees are expected to exercise good judgment, prudence and with clarity of intention and to seek to avoid even the appearance of any improper behavior in their daily interactions with their colleagues, customers, suppliers, business associates and with the general public. MIT expects the same high standards of business ethics and integrity to be upheld by our agents or partners and those that it does business with.

MIT's Code of Conduct covers ethical issues and guidance concerning:

- Outside employment and Personal Interest
- Conflict of interest
- Compliance with laws, rules and regulations
- Insider Trading prohibitions
- Disclosure requirements and Accuracy of records
- Investor Relations and Business Communications
- Social Media
- Discrimination and Harassment, and Privacy
- Workplace Violence
- Proper Use and Protection of Assets
- Competition and Fair Dealing
- Business Integrity and No improper Advantage
- Bribery and Corruption (Entertainment , Gifts and Gratuities)
- Purchasing Practices & Equal Business Opportunity
- Copyright and Licensing Compliance
- Confidential Information/Intellectual Property Protection

Awareness is created from the very first day of employment by way of basic ethics training at the time of on-boarding. Masterclasses on Business Ethics for senior staff are also being conducted periodically. As part of our internal audit compliance practices, all staff are required to sign an acknowledgement of their compliance to the Code and to declare any existing or potential conflict of interest on an annual basis. There are furthermore procedures to ensure that all transactions with interested parties are reported timely to the Audit Committee whilst ascertaining that transactions are being conducted on an arms-length basis

and are not deemed prejudicial to the interests of the Group or its shareholders.

In dealing with MIT's securities, our Directors and Officers are also expected to strictly abide by internal Code of Best Practices on Securities Transaction established in compliance with SGX listing rule 1207(19) to ensure that they do not run afoul of securities regulations especially on insider-trading. The Securities Transaction Code furthermore enables MIT to monitor such shares transactions by requiring them to report within two (2) business days whenever they deal in its securities. To-date, there has been no incident of corruption (alleged or otherwise) and no legal cases brought against the Group or our employees by the authorities.

## 7.3 Whistle-Blowing Policy

Bribery or corruption or ethical violations in any form will not be tolerated in any circumstances and any incident report will be looked into very seriously. We have established a direct whistle blowing channel that goes right up to the attention of the Audit Committee members (comprising Independent Directors) who will deal with these matters or any other serious acts of business impropriety. Whistle-blowers are assured of anonymity, confidentiality and non-retaliation. We are glad to report that since 2008 when our whistle-blowing policy was first introduced, there has been no official complaint or case lodged with the Committee.

## 7.4 Risk Management

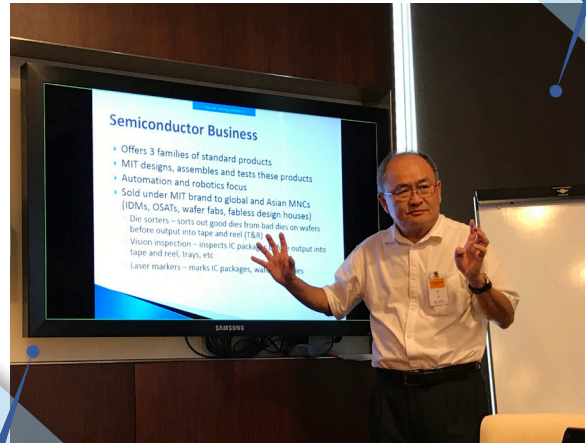
We have an Enterprise Risk Management (ERM) Committee in place, reporting to the Audit Committee of the Board. The ERM is responsible for identifying operational, compliance and financial risks areas affecting the Group and implementing measures to mitigate these risks. A 2-page summary of our risk management report has been highlighted in our Annual Report 2017. By identifying and managing these risks the Group will be able to take a balanced approach to managing risks and rewards and to make more informed decisions to better protect and safeguard the interests of our stakeholders.



# Governance

## 7.5 Investor Relations

We welcome all stakeholders to approach us and support the sustainability of our business. You may also read the Group's latest announcements at [www.sgx.com](http://www.sgx.com) or participate in our AGM and other corporate events to keep apprised on more current developments. If you have any questions, comments, suggestions or feedback relating to this report, please send them to Mr Lim Chin Tong, Executive Director at [limct@mit.com.sg](mailto:limct@mit.com.sg).



**Executive Director, Mr. Lim Chin Tong**  
during one of his IR Talk

# GRI (G4) Standards Content Index

GRI Standards	General Disclosures	Annual Report Section Reference
	<b>Organization Profile</b>	
102-1	Name of the organization	Cover Page
102-2	Activities, brands, products, and services	Company Profile Page 1
102-3	Location of headquarters	Corporate Information Inner back page
102-4	Location of operations	Chairman's Message Page 2-3 and Operating Review Page 8
102-5	Ownership and legal form	Shareholders' Information Page 89
102-6	Markets served	Company Profile Page 1, Chairman's Message Page 2-3
102-7	Scale of the organization	Page 9 and Notes to Financial Statements Page 77
102-8	Information on employees and other workers	SR Report Page 8-13
102-9	Supply chain	Page 1-3 and SR Report Page 7
102-10	Significant changes to the organization and its supply chain	Chairman's Message Page 2-3 Operating Review Page 8 Financial Summary Page 9
102-11	Precautionary principle or approach	Risk Management Page 11-12
102-12	External initiatives	Chairman's Message Page 2-3
102-13	Membership of associations	SR Report Page 12
	<b>Strategy</b>	
102-14	Statement from senior decision-maker	SR Report Page 1 Board Statement
102-15	Key impacts, risks, and opportunities	SR Report Page 4-5 Materiality
	<b>Ethics and Integrity</b>	
102-16	Values, principles, standards, and norms of behaviour	SR Report Page 8-15 Social & Governance
102-17	Mechanisms for advice and concerns about ethics	SR Report Page 13-15 Governance
	<b>Governance</b>	
102-18	Governance structure	Board of Director Page 4-5 Key Executive Page 6-7
102-19	Delegating authority	Corporate Governance Page 14-26
102-20	Executive-level responsibility for economic, environmental	SR Report - Board Statement Page 1
102-21	Consulting stakeholders on economic, environmental, and social topics	SR Report - Board Statement Page 1
102-22	Composition of the highest governance body and its committees	Corporate Governance Page 14-26
102-23	Chair of the highest governance body	Board of Directors Page 4-5
102-24	Nominating and selecting the highest governance body	Corporate Governance Page 19-20
102-25	Conflicts of interest	SR Page 14
102-26	Role of highest governance body in setting purpose, values, and strategy	Corporate Governance Page 14-26

# GRI (G4) Standards Content Index

GRI Standards	General Disclosures	Annual Report Section Reference
	<b>Governance</b>	
102-27	Collective knowledge of highest governance body	Board of Directors / Key Executives Page 4-7
102-28	Evaluating the highest governance body's performance	Corporate Governance Page 15 and 22-24
102-29	Identifying and managing economic, environmental, and social impacts	SR Report Page 1-15
102-30	Effectiveness of risk management processes	Risk Management Page 11-12 and Corporate Governance Page 26-31
102-31	Review of economic, environmental, and social topics	SR Report - Page 2-12
102-32	Highest governance body's role in sustainability reporting	SR Report - Page 1
102-33	Communicating critical concerns	SR Report - Page 3-4
102-34	Nature and total number of critical concerns	SR Report Page 4-5
102-35	Remuneration policies	Corporate Governance Page 22-23 and Statement By Directors Page 27-31
102-36	Process for determining remuneration	Corporate Governance Page 22
102-37	Stakeholders' involvement in remuneration	Nil
102-38	Annual total compensation ratio	Not disclosed due to commercial sensitivity
102-39	Percentage increase in annual total compensation ratio	Not disclosed due to commercial sensitivity
102-40	List of stakeholder groups	SR Report - Stakeholder Engagement, Page 3-4
102-41	Collective Bargaining Agreements	NA
102-42	Identifying and selecting stakeholders	SR Stakeholder Engagement Page 3
102-43	Approach to stakeholder engagement	SR Stakeholder Engagement Page 3
102-44	Key topics and concerns raised	SR Stakeholder Engagement Page 4-5
102-45	Entities included in the consolidated financial statements	Notes to the Financial Statements Page 41-88
102-46	Defining report content and topic boundaries	SR Board Statement Page 1
102-47	List of material topics	SR Stakeholder Engagement Page 4-5
102-48	Restatements of information	N.A., first report
102-49	Changes in reporting	N.A., first report
102-50	Reporting period	SR Board Statement Page 1
102-51	Date of most recent report	N.A. as this is the first report issued
102-52	Reporting cycle	SR Board Statement Page 1
102-53	Contact point for questions regarding the report	SR Page 20
102-54	Claims of reporting in accordance with the GRI Standards	SR Board Statement Page 1
102-55	GRI content index	SR Report Page 16-19
102-56	External assurance	We have not engaged external assurance

# GRI (G4) Standards Content Index

GRI Standards	General Disclosures	Annual Report Section Reference
	<b>Market Performance</b>	
201-1	Direct economic value generated and distributed	Chairman's Message Page 2-3, Operating overview Page 8, Financial Summary Page 9, 5 Year Financial Highlight Page 10
201-4	Financial assistance received from government	Page 54
	<b>Market Presence</b>	
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	NA
202-2	Proportion of senior management hired from the local community	SR Social Page 10-11
	<b>Anti-Corruption</b>	
205-1	Operations assessed for risks related to corruption	SR Governance Page 13-14
205-2	Communication and training about anti-corruption policies and procedures	SR Governance Page 13-14
205-3	Confirmed incidents of corruption and actions taken	Nil
	<b>Environment</b>	
302-1	Energy consumption within the organization	SR Environmental Page 6-7
302-3	Energy intensity	SR Environmental Page 6-7
302-4	Reduction of energy consumption	SR Environmental Page 6-7
	<b>Emissions</b>	
305-1	Direct (scope 1) GHG emissions	NA
305-2	Energy Indirect Greenhouse Gas Emissions (Scope 2)	SR Environment Page 6
305-4	Greenhouse Gas Emissions Intensity	SR Environment Page 6
305-5	Reduction in GHG emissions	SR Environment Page 6
305-7	Nitrogen oxides (NOX), sulfoxides (SOX), and other significant air emissions	SR Environment Page 6
	<b>Effluents and Waste</b>	
306-1	Water discharged by quality & destination	SR Environment Page 7
	<b>Environmental Compliance</b>	
307-1	Non-compliance with environmental laws and regulations	Nil
	<b>Supplier Environmental Assessment</b>	
308-1	Percentage of new suppliers that were screened using environmental criteria	SR Supply Chain Page 7
308-2	Negative environmental impacts in the supply chain and actions taken	SR Supply Chain Page 7

# GRI (G4) Standards Content Index

GRI Standards	General Disclosures	Annual Report Section Reference
	<b>Employment</b>	
401-1	New employee hires and employee turnover	SR Social Page 11
401-2	Benefits provided to full time employees that are not provided to temporary or part-time employees	NA
401-3	Parental leave	SR Social Page 9
	<b>Occupational Health &amp; Safety</b>	
403-1	Workers representation in formal joint managements worker	NA
403-2	Injury and incidents	SR Social Page 9
403-4	Health & safety topics covered in formal agreements with trade union	SR Social Page 9
	<b>Training and Education</b>	
404-1	Average hours of training per employee	SR Social Page 8
404-2	Programs for upgrading employee skills and transition assistance programs	SR Social Page 8
404-3	Percentage of employees receiving regular performance and career development reviews	SR Social Page 8
	<b>Diversity and Equal Opportunities</b>	
405-1	Diversity of governance bodies and employees	SR Social Page 11
	<b>Local Community</b>	
413-1	Operations with local community engagement, impact assessments, and development programs	SR Social Page 12
	<b>Supplier Social Assessment</b>	
414-1	New suppliers screened using social criteria	SR Supply Chain Page 7
	<b>Socioeconomic Compliance</b>	
419-1	Non-compliance with laws and regulations in the social and economic area	Nil

# Sustainability Steering Committee 2017

## **Chairperson:**

**Mr Lim Chin Tong** (Executive Director)

## **Committee Members:**

**Tan Ban Hee** (Chief Financial Officer)

**Cavin Teo Siew Heng** (Head, Corporate Services)

**Tommy Ng Fook Keong** (Senior Finance Manager)

**Jessica Ng Choon Mui** (Head, Cash Management & Secretariat)