



Sustainability Report 2018

CONTENTS

1.	<u>INTRODUCTION</u>	Page
1.1	A-Sonic Group Profile	1
1.2	CEO Statement	2
2.	<u>OUR SUSTAINABILITY APPROACH</u>	
2.1	Sustainability Governance	3
2.2	Stakeholders	3
2.3	Our Material Issues	4
2.4	Report Period and Scope	5
3.	<u>ECONOMIC PERFORMANCE</u>	
3.1	Management Approach To Economic Performance	6
3.2	Economic Performance	6
3.3	Direct Economic Value	9
3.4	Understanding Climate Change on Our Business	9
4.	<u>ETHICAL CONDUCT</u>	
4.1	Management Approach To Ethical Conduct	10
4.2	Combating Anti-Corruption	11
5.	<u>EMPLOYEE HEALTH, SAFETY & WELLNESS</u>	
5.1	Management Approach To Employees	12
5.2	Workforce Diversity & Inclusion	13
5.3	Employee Health, Safety & Well Being	15
5.4	Recruitment, Training & Development	17
	<i>GRI Content Index</i>	19

INTRODUCTION

1.1 A-Sonic Group Profile

A-Sonic Aerospace Limited (“A-Sonic”) and its Group of Subsidiaries (“A-Sonic Group”) are engaged in two areas of businesses, aviation and logistics. We currently operate in 28 cities in 16 countries, spanning four (4) continents in Asia, North Americas, Sub-Continent India, and Europe. Our headquarters is in Singapore. [\[102-1\]](#) [\[102-3\]](#) [\[102-4\]](#) [\[102-6\]](#)

Aviation Business

We are engaged in the sale, lease and purchase of aircraft and aircraft engines. Our customers are mainly airlines. [\[102-2\]](#) [\[102-6\]](#) [\[102-9\]](#)

Logistics Business

We are engaged in providing supply chain management services. We specialize in various aspects of logistic solutions, including international and domestic multi-modal transportation, warehousing, distribution, customs clearance, and airport ground services. Our customers are mainly corporates and business enterprises. [\[102-2\]](#) [\[102-6\]](#) [\[102-9\]](#)

More detailed information on the A-Sonic Group are set out in our Annual Report 2018. [\[102-4\]](#)

Profile of our employees as at 31 December 2018 and 31 December 2017 are as follows : [\[102-8\]](#)

Number of employees	Permanent		Temporary		Full time		Part time	
	2018	2017	2018	2017	2018	2017	2018	2017
Female	299	218	10	5	293	215	16	8
Male	434	464	1	10	433	464	2	10
Total	733	682	11	15	726	679	18	18

Number of employees	Permanent		Temporary	
	2018	2017	2018	2017
China	298	289	6	9
Singapore	267	243	0	0
Australia	15	11	2	3
Hong Kong	22	13	0	0
USA	27	31	3	3
Other countries	104	95	0	0
Total	733	682	11	15

None of the employees are covered by collective bargaining agreements. [\[102-41\]](#)

1.2 CEO Statement [\[102-14\]](#)

Dear Stakeholders

The United Nations adopted its Sustainable Development Goals (“**SDGs**”), officially known as “Transforming our world: the 2030 Agenda for Sustainable Development”. These bold moves cover four broad dimensions as part of a global vision for sustainable development: (i) Inclusive Economic Development; (ii) Inclusive Social Development; (iii) Environmental Sustainability; and (iv) Peace and Security.

With challenging headwind expected in 2019, we have a Herculean task ahead of us- to turn adversity into advantage.

We believe that sustainability is the foundation of good management practices, and serves to guide us:

- (i) to achieve long-term economic value for our business;
- (ii) how our actions and solutions help people - our employees, customers, suppliers, and the community; and
- (iii) to conduct our business ethically.

While we operate on an ongoing, pragmatic basis, we commit, albeit in our small way, to make the world a better place for all. We went through our first cycle of sustainability management in year 2017.

The three pillars that motivate and inspire us in our sustainability efforts are:

- (i) Performance – Provide solutions to our customers and leverage on innovative technology to develop sustainable long-term economic value for our business;
- (ii) People – Cultivate inclusion and holistic wellness of our staff members, their families and the community; and
- (iii) Ethical Conduct – Integrity of our employees.

You can find more information on the A-Sonic sustainability efforts in this report.

JANET TAN
Chief Executive Officer

OUR SUSTAINABILITY APPROACH

2.1 Sustainability Governance [\[102-18\]](#)

The A-Sonic Board of Directors delegates authority for day-to-day management of economic performance, people and environmental topics to the Chief Executive Officer (“CEO”). The CEO leads the Executive Directors.

With guidance from the Board of Directors, the CEO, supported by the other Executive Directors, set the A-Sonic sustainability strategy, and drive progress company-wide. These executive leaders also provide the interface to our business segments.

The Executive Directors further delegate our relevant sustainability commitments relating to economic, people and ethics, to each business unit head to embed these into our activities and operations.

Our Board-level Committee meets annually to review the effectiveness of our sustainability strategy, and seek to areas for further improvement.

2.2 Stakeholders [\[102-40\]](#) [\[102-42\]](#) [\[103-1\]](#)

Within this sustainability approach, A-Sonic takes broader economic, governance and social aspects into account. Our focus is to deliver long-term value for all our stakeholders: employees, customers, suppliers, investors and community in which we operate on an on-going, pragmatic basis.

Stakeholder Groups	Impact
Our Employees	Our staff members constitute our human capital to drive our business. We aim to foster holistic well-beingness of staff.
Our Customers	We aim to provide solutions to address the needs of our customers, and followed through with our actions to provide quality service.
Our Suppliers	We work closely with our service providers to act responsibly in line with international and industry standards, including security and safety.
Our Investors	We strive to improve our economic performance, maintain good corporate governance, and comply with all regulatory requirements.
Our Community	While we operate on an ongoing commercial entity, we conduct our business responsibly, and to support the community.

2.3 Our Material Issues [\[102-42\]](#) [\[102-43\]](#) [\[102-44\]](#) [\[102-46\]](#) [\[102-47\]](#) [\[103-1\]](#)

Our stakeholders provides us with valuable insights for improving our business and sustainability strategy through a range of engagement activities – including collaboration on industry initiatives, customer and supplier site visits as well as updates, supplier audits and assessment, international conference participation, employee sessions and feedbacks, annual and extraordinary general meetings with investors, and more.

Resulting from the interactions and communications with various stakeholders, we identify and shape material issues that affect our business, and emerging trends in sustainability.

Based on relative importance to sustainable development and to A-Sonic's business success, the following issues have been identified to be material for the purpose of this report.

A-SONIC MATERIALITY CONTENT TABLE			
Key Material Issues for A-Sonic	Topics Under GRI Standards	Impact and Boundaries	Addressed in this Report
Economic	• Economic Performance • Direct Economic Value • Understanding Climate Change on Our Business	All stakeholders across our value chain.	Page 6 to 9
Ethical Conduct	• Anti-Corruption	All stakeholders across our value chain.	Page 10 to 11
Employees Health, Safety & Wellness	• Workforce Diversity & Inclusion • Employee Health, Safety & Well Being • Recruitment, Training & Development	Employees, government and regulators.	Page 12 to 18

Topics below the materiality threshold have less significant impact on our sustainability, and are not covered in this report. Disclosure is made in the GRI Content Index.

2.4 Report Period and Scope

This report has been prepared in accordance with the GRI Standards: Core options. This report contains a full year's data from 1 January to 31 December 2018. It focuses on the business owned by A-Sonic, including our subsidiaries, but not our associated companies. We are a publicly listed limited company in Singapore. [\[102-5\]](#) [\[102-50\]](#) [\[102-54\]](#)

The scope covers our two areas of businesses activities: aviation and logistics. Monetary values in this report are presented in United States Dollars, which is A-Sonic's functional currency. We have provided the latest year's and previous year's historical data.

In each reporting cycle, the Executive Directors, under the guidance of the Board of Directors review the content of this Report to determine its relevance to our business.

The information in this Report is current as of the date of its initial publication. This Report has not been updated to reflect any changes that may have occurred after such date, including any changes to A-Sonic business or strategy. A-Sonic assumes no obligation and does not intend to update this Report to reflect any such changes, until the next annual review. [\[102-52\]](#)

As part of environmental conservation efforts, our current edition of the Report is available at www.asonic-aerospace.com.

We welcome any feedback on this report. Please address any feedback to corporate@asonic-aerospace.com. [\[102-53\]](#)

ECONOMIC PERFORMANCE

3.1 Management Approach to Economic Performance [\[103-2\]](#)

Economic performance is defined as our most material aspect because, like most companies, our economic success enables the execution of our sustainability strategies.

Our primary role in society is to build an integrated team in diverse markets working to provide seamless aviation and logistics solutions. We currently operate in 28 cities in 16 countries, spanning four (4) continents in Asia, North Americas, Sub-Continent India, and Europe. We provide employment to over 700 staff as at 31 December 2018. [\[102-7\]](#)

3.2 Economic Performance [\[103-2\]](#) [\[103-3\]](#)

3.2.1 Aviation Business

Our aviation business improved in its performance in financial year (“FY”) 2018. Turnover increased by US\$6.598 million from US\$1.162 million in FY 2017 to US\$7.760 million in FY 2018, resulting from the sale of aircraft and aircraft engines. We will continue to pursue potential buyers globally for our aircraft and aircraft engines.

Our aviation business deals with sale, lease and purchase of pre-owned aircraft and aircraft engines. We deal with owners of aircraft and aircraft engines around the world (“**Suppliers**”). We engage with the Suppliers through emails and tele-communication. [\[102-9\]](#)

Our aviation business contributes to sustainability by adopting the following: [\[102-12\]](#)

- Verifying that the suppliers that we deal with adopt anti-corruption and anti-bribery practices.
- We select aircraft and aircraft engine suppliers based on the safety certification for each aircraft or aircraft engine, including the parts or components in compliance with Federal Aviation Administration (“FAA”) and/or European Aviation Safety Agency (“EASA”) standard.
- We repair or maintain our aircraft engines at third-party maintenance organizations that possess FAA and/or EASA compliance certification(s).
- We ensure that our aircraft and aircraft engine prepared for a sale or lease to a customer have been certified by FAA and/or EASA standards.

3.2.2 Logistics Business

Ongoing geopolitical tides, and economic uncertainties around the world, are constantly changing. We have to be more agile to prepare ourselves for more disruptions from geopolitical tensions, policy uncertainty, financial market volatility, and rapid changes in technology.

As we move forward under such challenging economic environment, we need to stay focused to maintain positive momentum. To achieve this goal, we are centering our efforts on two overarching strategies:

- First, to continue building strength-on-strength to execute our enterprise initiative. More offices in our network must operate efficiently, effectively and productively.
- Second, to stretch ourselves beyond, and leverage on the qualitative sources of growth with investment in technology and business productivity.

We stayed focus to streamline our logistics business model to solidify our foundation. With the storied previous three (3) financial years, from FY 2016 to FY 2018, as inspiration for the future, “A-Sonic Logistics” sub-business unit is driven to strive even harder now. The logistics sub-business unit operating under “A-Sonic Logistics” brand recorded “Profit attributable to equity holders of the Company” of US\$1.082 million in FY 2018, an improvement of US\$0.053 million compared to US\$1.029 million for FY 2017. This gain was offset by another sub-business unit operating under “UBI Logistics” brand, which incurred a “Loss attributable to equity holders of the Company” of US\$0.869 million in FY2018, compared to US\$0.841 million in FY 2017. As a result, the combined logistics business unit registered a “Profit attributable to equity holders of the Company” of US\$0.213 million in FY 2018 compared to US\$0.188 million in FY 2017.

We challenge ourselves further because we know there is still a lot of work to be done. We shall relentlessly continue to executive with clear strategy and consistent focus across the logistics business unit.

Our logistics business contributes to sustainability by making our logistics-related activities as resource-efficient as possible. To do so, we: [\[102-11\]](#)

- Provide customers with solutions to meet their needs. We utilize a wide range of transportation modes, including aircraft, ocean carriers, trucks and rail, to reduce our impact on the environment;
- Aim to achieve optional routing for the motor vehicles that we own to maximize cargo on board and minimize the fuel utilized and emission;
- Participate in government-led initiatives to adopt reduced-emission technology. We upgrade our trucks to reduce our impact on the environment;

- Minimize material use at our work place, such as shrink wraps, pallets, and paper. We educate our staff to reuse and recycle these materials for cost saving objectives, and to reduce our impact on the environment;
- We also conduct ourselves responsibly to dispose end-of-service pallets, and other hazardous waste such as motor-vehicle batteries; and
- Compliance with international and national standards promulgated in the countries that we operate in. These include: [\[102-12\]](#) [\[102-13\]](#)
 - (i) International Air Transport Association (“**IATA**”), a trade association for the world’s airlines, representing some 275 airlines or 83% of total air traffic;
 - (ii) The Federal Maritime Commission of The United States;
 - (iii) The Customs-Trade Partnership Against Terrorism of The United States;
 - (iv) Transportation Security Administration of The United States; and
 - (v) The various logistics associations at national levels, for example, Singapore Logistics Association, British International Freight Association.

We report on the structure of our group, changes in structure, and financial performance primarily through our Annual Report. In this Report, we focus on economic performance as it relates to sustainability. The organizational entities covered in this Report are those presented in our Annual Report. [\[201-1\]](#)

A-SONIC Financial Highlights* (US\$'000)		
	<u>FY 2018</u>	<u>FY 2017</u>
Revenue	\$219,631	\$208,126
Expenses	\$(219,866)	\$(210,364)
Staff costs	\$(18,004)	\$(17,282)
Taxation	\$(182)	\$(216)

* Details of A-Sonic’s financial information is described in our Annual Report 2018

We target to attain sustainable economic growth annually.

3.3 Direct Economic Value

We are committed to create jobs and career path for employees, and offer competitive remuneration. As at 31 December 2018, A-Sonic Group employed more than 700 (2017: 690) people. We paid US\$18.004 million (2017: US\$17.282million) in compensation and benefit for full-time and part-time employees. Of the US\$18.004 million (2017: US\$17.282million), US\$1.392 million (2017: US\$1.336 million) relate to retirement plans. [201-3]

In addition, we pay taxes to local and national government in certain countries, that help fund community infrastructure and public services.

We received a total of approximately US\$0.146 million (2017: US\$0.089 million) of financial assistance from various government, interims largely for incentive and development grants. [201-4]

3.4 Understanding Climate Change on Our Business [201-2]

Climate change presents both opportunity and risk to the economic performance of our business. From an opportunity perspective:

- (i) we conserve fuel utilization and reduce emission;
- (ii) we minimize material usage at our work place, such as shrink wraps, pallets and paper; and
- (iii) we act responsibly to dispose end-of-service pallets, and other hazardous waste such as motor-vehicle batteries.

These actions achieve two goals: (i) economic cost savings; and (ii) reduce our impact on the environment, hence climate change. [102-11]

Our main economic risk currently related to climate change is a regulatory risk. Countries are likely to increase regulation on emission to include new taxes, levies, or other costs for transportation and logistics companies. Today, it is not feasible to quantify the risk because different countries adopt different public policies. We aim to manage this risk by upgrading, at the appropriate time, the motor vehicles we utilize for our transportation business. We also continue to support public policies to own more carbon-efficient motor vehicles. [102-11]

ETHICAL CONDUCT

Fundamental to our sustainability is to conduct our business with integrity and protect our reputation. We strive daily to earn our trust from our employees, customers and suppliers. We adopt strong measures to prevent corruption and comply with applicable laws and regulations.

4.1 Management Approach to Ethical Conduct [\[102-16\]](#) [\[103-2\]](#) [\[103-3\]](#)

(a) Governance

Our management approach to ethical conduct is to adhere to our corporate governance structures, policies and processes in a transparent manner. The senior management of A-Sonic executives set a tone of compliance and ethical conduct from the top. A-Sonic is committed to comply with the applicable law and regulation wherever we operate.

A-Sonic has in place an internal code of conduct applicable to all employees. The code of conduct embraces principles on integrity, responsibility and accountability at all levels of the group in the conduct of the group's business activities when dealing with other colleagues customers and suppliers.

The code provides guidance on issues such as:

- Conflicts of interest and appropriate discussion to be made;
- Our policies against corruption and bribery;
- Our policies and procedures, including internal controls and accounting;
- Safeguarding and proper use of our assets and confidential information; and
- Internal code on dealings in securities by all employees and directors.

(b) Reporting ethic concerns

We maintain open communication and transparency. Anyone with a concern is encouraged to speak up without fear of retaliation. Our employees and other stakeholders such as business partners, or customers, may raise any query or report a concern. These options include email, in-person meeting, or tele-communication. We will provide prompt follow up and responses.

(c) Review Concerns

We take alleged violations seriously and respond quickly, with disciplinary or remedial actions where appropriate. A senior representative from an office in a country that we operate in, and a senior representative from our head office, including a legal counsel may be engaged, to participate in the review.

4.2 Combating Anti-Corruption [\[102-11\]](#) [\[102-16\]](#) [\[205-1\]](#)

A-Sonic's policy is to comply with applicable laws, rules and regulations in countries where we operate. Corruption is a business risk that undermines our values. A-Sonic has zero tolerance for corruption behaviours, including bribery and kickbacks. Our Code of Conduct includes policies and procedures that prohibit employees, and people acting on our behalf, from engaging in corruption or any unlawful activities, including violations of the Corruption Act in Singapore, U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act, and other applicable anti-bribery laws, rules and regulations.

In conducting our business in 16 countries, we work through numerous third parties. In order to mitigate the risk of corruption from third parties, we employ a due diligence process to review their background. We adopt the policy of "know our customers and suppliers". The process starts with identifying and taking ownership of risks, then documenting the information, and verifying the information with independent third parties such as credit agencies, authorities, where feasible.

Periodically, we analyze 100% (2017: 100%) of our business units for compliance risks. One of our primary tool is to rely on multiple internal audits to seek methodically for specific evidence of fraud, corruption, and other operational or process deficiencies. As part of our internal audit process, we also pay particular attention to significant changes in an A-Sonic business entity or its regulatory environment that is likely to increase the risk of unethical practices or inadequate controls.

In addition, we conduct annual surprise special external audit on A-Sonic entity which we have identified to be more susceptible to multiple internal and external factors in any given year. In FY2018, there were zero incidents of non-compliance with relevant laws and regulations, including anti-corruption. We target to maintain this trend for the forthcoming year.

EMPLOYEE HEALTH, SAFETY & WELLNESS

5.1 Management Approach to Employees [\[103-2\]](#) [\[103-3\]](#)

The value that continues to guide us as we grow A-Sonic enterprise is the corporate culture that we build together. Our culture aspires us to make lives better, and at the same time, be pragmatic, to be profitable. While we work hard, push ourselves, we must enjoy our work and have fun. We look to each and every employee to incorporate our sustainability principles into their work.

Our priority is to promote from within the group as a means of engaging and retaining our people, as well as bringing valuable external experience and continuity to our business. We aim to promote from within means that we emphasize on developing our people within their current positions of greater responsibility. However, we may have to bring in outside specialists to expand our skill set and meet new challenges.

We continually evaluate how we work, how we engage our people, how we provide development opportunities, and how we define and deliver rewards.

We face a few issues in reality. These include:

- (i) The rapidly transforming industry trends relating to the logistics industry, particularly in the sphere relating to e-commerce and e-fulfilment;
- (ii) Growth in new geographic and new emerging market trends in various industries. The evolving and changing global market place means that we must develop a more diverse, global workforce that is aligned to the dynamic industry trends in the logistics industry;
- (iii) We strive to offer attractive and holistic experiences and opportunities to continually enhance our employee retention and engagement strategies;
- (iv) While we promote internally, we are mindful of the need to acquire specialized skills sets. New technologies and innovations are emerging daily, and faster, and we strive to develop the skills needed for the next-generation logistic solutions. Hence, we may recruit externally, to reinvigorate our talent pool.

We strive to align our human capital strategy with our business strategy, and to continue to evolve to address the rapidly changing marketplace realities.

We focus on two (2) strategic initiatives, as well as the transformation of the HR function and its on-going support required to run the business:

- (a) First initiative - build a strong global talent pool, which is vital to our ability to grow and create value. Our management team is directly involved in this initiative; and

- (b) Second initiative - align our remuneration to incentivize and drive our employee engagement and business outcomes. We adopt a holistic remuneration approach, including compensation, healthcare, retirement, voluntary benefits, insurance, and various staff benefits.

Our human capital strategy also emphasizes on effective two-way communication with employees to:

- (a) help us define and execute our strategies;
- (b) identify and address issues as they may arise; and
- (c) measure the effectiveness of the policies and practices.

We often use employee feedbacks to better understand the changing needs of our workforce, improve operational processes, and match the rewards and recognition programmes. Our top management is directly involved in such meet-the-employee sessions. [102-43]

5.2 Workforce Diversity & Inclusion [103-2] [103-3] [405-1]

Cultivating a diverse workforce and inclusive work environment can help increase talent engagement, foster innovation, and offer different perspectives to an issue, or problem-solving approaches.

We operate in 16 countries, and we recognize that diversity is defined differently in varying countries. We believe that the process of building a diverse workforce begins with recruiting talented people regardless of their race, religion, gender identity, nationality or age. We reward base on merits and performance.

STATISTICAL SNAPSHOT OF A-SONIC DIVERSITY

Employee Categories	Age Group (Global)					
	< 30 yrs		30 – 50 yrs		> 50 yrs	
	2018	2017	2018	2017	2018	2017
	%	%	%	%	%	%
Senior Management	0%	0%	1.7%	0.1%	1.2%	1.1%
Middle Management	0.7%	0%	8.6%	2.7%	3.5%	1.7%
Admin / Technical	1.9%	2.2%	9.3%	2.2%	0.7%	1.6%
Operations / Business Development / Sales / Customer Service	20.0%	33.0%	39.1%	45.2%	13.3%	10.2%
Total	22.6%	35.2%	58.7%	50.2%	18.7%	14.6%

Employee Categories	Gender			
	Male		Female	
	2018	2017	2018	2017
	%	%	%	%
Senior Management	1.9%	0.3%	1.1%	1.0%
Middle Management	5.2%	2.0%	7.5%	2.4%
Admin / Technical	4.3%	0.7%	7.5%	5.2%
Operations / Business Development / Sales / Customer Service	48.1%	65.0%	24.3%	23.4%
Total	59.5%	68.0%	40.4%	32.0%

We believe that diversity and inclusion supports the economic sustainability of our business by helping us to better understand and meet customer needs, as well as strengthening our workplace environment. Each employee is free to bring their ideas to the table, and is not constrained to hold back in any way.

While we advocate diversity, we must connect, integrate and align our shared corporate vision. Hence, our corporate culture is inclusion to further strengthen the engagement of our workforce.

5.3 Employee Health, Safety & Well Being [\[401-1\]](#) [\[401-2\]](#)

Our corporate culture aspire us to make lives better, and at the same time, be pragmatic, to be profitable. We adopt a holistic wellness approach for our employees. Our holistic programme focuses on three critical aspects:

- (i) physical health and safety;
- (ii) work-life balance; and
- (iii) financial wellness.

During the year ended 31 December 2018 and 31 December 2017, the data on the new employee hires and turnover is as follows : [\[401-1\]](#)

Number and Rate of Employee Hires by Age Group

Age Group	Number of new hires		% of new hires	
	2018	2017	2018	2017
Under 30 years old	68	74	9.1%	10.6%
30 -50 years old	86	55	11.6%	7.9%
Over 50 years old	39	15	5.2%	2.2%
Total	193	144	25.9%	20.7%

Number and Rate of Employee Hires by Gender

Gender	Number of new hires		% of new hires	
	2018	2017	2018	2017
Male	128	98	17.2%	14.1%
Female	65	46	8.7%	6.6%
Total	193	144	25.9%	20.7%

Number and Rate of Employee Hires by Region

Countries	Number of new hires		% of new hires	
	2018	2017	2018	2017
Singapore	101	68	13.5%	9.9%
China	63	49	8.4%	7.0%
Australia	2	5	0.3%	0.7%
USA	2	3	0.3%	0.4%
Hong Kong	2	0	0.3%	0.0%
Other countries	23	19	3.1%	2.7%
Total	193	144	25.9%	20.7%

Number and Rate of Employee Turnover by Age Group

Age Group	Number of employee turnover		% of employee turnover	
	2018	2017	2018	2017
Under 30 years old	61	65	8.2%	9.3%
30 -50 years old	96	90	12.9%	12.9%
Over 50 years old	37	17	5.0%	2.5%
Total	194	172	26.1%	24.7%

Number and Rate of Employee Turnover by Gender

Gender	Number of employee turnover		% of employee turnover	
	2018	2017	2018	2017
Male	130	128	17.5%	18.4%
Female	64	44	8.6%	6.3%
Total	194	172	26.1%	24.7%

Number and Rate of Employee Turnover by Region

Countries	Number of employee turnover		% of employee turnover	
	2018	2017	2018	2017
Singapore	94	99	12.6%	14.2%
China	73	59	9.8%	8.5%
Australia	2	4	0.3%	0.6%
USA	5	1	0.7%	0.1%
Hong Kong	2	0	0.3%	0.0%
Other countries	18	9	2.4%	1.3%
Total	194	172	26.1%	24.7%

We target to maintain our employee turnover rate and provide them with opportunities to learn and grow in the forthcoming year.

(i) Physical Health and Safety

In 2018, A-Sonic Group provided health benefits for more than 700 (2017: 690) employees. We participate in several employee benefit plans to meet the health and wellness needs of our employees. In addition, we make contributions on behalf of employees in statutory provident funds. While there are variations in each country, the following is an overview of A-Sonic employee benefits:

- Medical care, including hospitalization and surgery
- Term life insurance
- Workmen injury compensation
- Supplemental group life insurance
- Business travel accident insurance
- Parental leave

In many countries that we operate, we contribute to the social security systems that generally provide health, unemployment, disability, and retirement benefits for employees in that country.

At A-Sonic, safety begins with a healthy individual who takes safety precautions at home and at work. We are mindful to focus on fitness, adequate rest, and stress management, when assigning work schedules for our employees. In certain countries that we operate, we allow certain flexibility in working hours to better manage their stress owing to extenuating personal circumstances.

An on-going focus is to enforce stringent internal policies governing working hours, rest hours, rest facilities, for employees who drive and operate vehicles. These policies are tailored to different types of work we do, as well as to the law and regulations in the countries and states that we operate.

(ii) Work-life balance

Work-life balance helps our employees better manage daily stress. Apart from striving to automate routine work schedules, we work towards more flexible and shorter work-week by increasing productivity.

Our Human Resource Department also provides counseling to employees that require help to manage stress. We empower managers to support troubled employees during times of personal or professional upheaval.

(iii) Financial Wellness

Financial issues can be a major source of stress. To support employees, our Human Resource Department provides counseling.

5.4 Recruitment, Training & Development [\[103-2\]](#) [\[103-3\]](#) [\[404-2\]](#)

We strive to recruit good people and retain them with us for the long-term. Our management approach includes:

- Promoting from within;

- Offering a range of on-the-job training and development opportunities; and
- Identifying an employee's potential early to accelerate career development.

We adopt an unwritten policy to promote from within before considering a new hire, transferring employees into equivalent positions, job-rotation to train them for higher positions, or new assignments. We encourage continuous learning and on-the-job training by job rotation where feasible.

We recruit people with the requisite skill sets and attributes regardless of their race, nationality, gender identity, age or religion. We strive to recruit people from within the local community in the country that we operate.

We leverage on technology to improve our recruitment process. For example, a candidate from anywhere in the world may access our website to submit an employment application. We also engage in advertising, social media, recruitment events, and other communication modes.

Our approach to training and development is one of shared responsibility among the company, individual employees, and their managers. To prepare our employees for their tasks and assignments, we combine training and development opportunities with exposure and on-the-job training.

We are evolving towards a more self-directed development model in which our employees and their managers collaborate to determine beneficial training programmes and development opportunities. Training and development include constructive feedback, coaching, and counseling from managers and co-workers.

We encourage management employees to continue their career development and job-related education. We also offer interns from higher learning institutions on-the-job programmes.

GRI Content Index				
GRI Standard	Disclosure Number	Disclosure Title	Page reference and reasons for omissions, if applicable	Externally Assured (Y/N)
GRI 101: Foundation 2016				
General Disclosures				
GRI 102: General Disclosures 2016	Organisational Profile			
	102-1	Name of the organization	1.1, page 1	N
	102-2	Activities, brands, products, and services	1.1, page 1	N
	102-3	Location of headquarters	1.1, page 1	N
	102-4	Location of operations	1.1, page 1	N
	102-5	Ownership and legal form	2.4, page 5	N
	102-6	Markets served	1.1, page 1	N
	102-7	Scale of the organization	3.1, page 6, Annual Report	N
	102-8	Information on employees and other workers	1.1, page 1	N
	102-9	Supply chain	1.1, page 1, 3.2.1, page 6	N
	102-10	Significant changes to the organization and its supply chain	There were no significant changes.	N
	102-11	Precautionary Principle or approach	3.2.2, page 7-8, 3.4, page 9, 4.2, page 11	N
	102-12	External initiatives	3.2.1, page 6, 3.2.2, page 8	N
	102-13	Membership of associations	3.2.2, page 8	N
	Strategy			
	102-14	Statement from senior decision-maker	1.2, page 2	N
	Ethics and integrity			
	102-16	Values, principles, standards, and norms of behaviour	4.1, page 10, 4.2, page 11	N
	Governance			
	102-18	Governance Structure	2.1, page 3	N
	Stakeholder engagement			
	102-40	List of stakeholder groups	2.2, page 3	N
	102-41	Collective bargaining agreements	1.1, page 1	N
	102-42	Identifying and selecting stakeholders	2.2, page 3, 2.3, page 4	N
	102-43	Approach to stakeholder engagement	2.3, page 4, 5.1, page 13	N
	102-44	Key topics and concerns raised	2.3, page 4	N
	Reporting practice			
	102-45	Entities included in the consolidated financial statements	Annual Report	N
	102-46	Defining report content and topic Boundaries	2.3, page 4	N
	102-47	List of material topics	2.3, page 4	N
	102-48	Restatements of information	There was no restatement of information.	N
	102-49	Changes in reporting	There was no change in reporting.	N
	102-50	Reporting period	2.4, page 5	N

GRI Standard	Disclosure Number	Disclosure Title	Page reference and reasons for omissions, if applicable	Externally Assured (Y/N)
	Reporting practice			
	102-51	Date of most recent report	Our last sustainability report was published in August 2018.	N
	102-52	Reporting cycle	2.4, page 5	N
	102-53	Contact point for questions regarding the report	2.4, page 5	N
	102-54	Claims of reporting in accordance with the GRI Standards	2.4, page 5	N
	102-55	GRI content index	Page 19-21	N
	102-56	External assurance	No external assurance on this report has been engaged.	N
Material topics				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	2.2, page 3, 2.3, page 4	N
	103-2	The management approach and its components	3.1, page 6, 3.2, page 6-8	N
	103-3	Evaluation of the management approach	3.2, page 6-8	N
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	3.2.2, page 8	N
	201-2	Financial implications and other risks and opportunities due to climate change	3.4 page 9	N
	201-3	Defined benefit plan obligations and other retirement plans	3.3 page 9	N
	201-4	Financial assistance received from government	3.3 page 9	N
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	2.2, page 3, 2.3, page 4	N
	103-2	The management approach and its components	4.1, page 10-11	N
	103-3	Evaluation of the management approach	4.1, page 10-11	N
GRI 205 : Anti-corruption	205-1	Operations assessed for risks related to corruption	4.2, page 11	N
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	2.2, page 3, 2.3, page 4	N
	103-2	The management approach and its components	5.1, page 12-13	N
	103-3	Evaluation of the management approach	5.1, page 12-13	N
GRI 401 : Employment	401-1	New employee hires and employee turnover	5.3, page 15-16	N
	401-2	Benefits provided to full time employees that are not provided to temporary or part-time employees	5.3, page 15-17	N
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	2.2, page 3, 2.3, page 4	N
	103-2	The management approach and its components	5.4, page 17-18	N
	103-3	Evaluation of the management approach	5.4, page 17-18	N
GRI 404 : Training and Education	404-2	Programs for upgrading employee skills and transition assistance programs	5.4, page 17-18	N

GRI Standard	Disclosure Number	Disclosure Title	Page reference and reasons for omissions, if applicable	Externally Assured (Y/N)
Material topics				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	2.2, page 3, 2.3, page 4	N
	103-2	The management approach and its components	5.2, page 13-14	N
	103-3	Evaluation of the management approach	5.2, page 13-14	N
GRI 405: Diversity and Equal opportunity	405-1	Diversity of governance bodies and employees	5.2, page 13-14	N



A-SONIC AEROSPACE LIMITED

Co. Reg. No. 200301838G

10 Anson Road #24-07 International Plaza

Singapore 079903

T (65) 6226 2072 F (65) 6226 2071

www.asonic-aerospace.com