



**SPINDEX INDUSTRIES LIMITED**

SUSTAINABILITY REPORT 2021

## CONTENTS

BOARD STATEMENT.....	2
REPORTING PRACTICE AND BOUNDARY .....	3
FEEDBACK .....	3
STRATEGIC APPROACH FOR SUSTAINABILITY .....	4
SUSTAINABILITY GOVERNANCE .....	4
GOALS AND ACHIEVEMENTS .....	5
STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT.....	5
ENERGY.....	8
EFFLUENTS AND WASTE .....	9
ENVIRONMENTAL COMPLIANCE.....	10
FAIR EMPLOYMENT.....	11
OCCUPATIONAL HEALTH AND SAFETY.....	12
TRAINING AND EDUCATION .....	14
ANTI-CORRUPTION.....	15
GLOBAL REPORTING INITIATIVE (“GRI”) CONTENT INDEX.....	16

## BOARD STATEMENT

The Board of Spindex Industries Limited (“Spindex” or together with its subsidiaries “the Group”) is pleased to publish the Group’s fourth sustainability report for the financial year ended 30 June 2021 (“FY2021”). The report is prepared with reference to the Global Reporting Initiative (“GRI”) Standards – Core option, and in line with the SGX sustainability reporting requirements. Through the report, the Group hopes to provide an overview of our approach, practices and performance of Environmental, Social and Governance (“ESG”) topics that are most material and relevant to our business.

The Board and Management of Spindex continues to maintain its commitment towards transparency in sustainability reporting and considers sustainability issues as part of strategic formulation. We are committed to sustainable development of the business. The Management team and functional units have the responsibility to identify, measure and address sustainability-related matters on an ongoing basis to ensure that all key areas are being monitored and addressed. The Board determines and endorses the material ESG topics presented in this report and maintains oversight of the management of these material ESG topics.

In FY2021, the Management together with an external sustainability consultant reviewed and assessed the materiality of Environmental, Social and Governance (“ESG”) topics identified. The review was referenced against requirements of stakeholders, business activities along the value change, and the Group’s operating environment and market where the Group operates. From this review, the Group has additionally identified Energy practices as a relevant and important topic to monitor and disclose under the Group’s sustainability report. This new topic has been incorporated into our sustainability performance management framework for FY2021.

The outbreak of the COVID-19 pandemic since early 2020 had caused disruptions and brought challenges to many businesses. Despite the challenges encountered (e.g. periodic shutdowns of manufacturing plants due to Movement Control Orders (“MCO”) / Safe Management Measures (“SMM”) imposed due to COVID-19 pandemic, compliance with Safe Management Measures at workplace, potential shortages of raw materials, delay in outgoing shipments and those in transit, increased commodity price), Spindex had actively managed the situation and performed well in FY2021 with record revenue growth. To this extent, Spindex has been working closely with suppliers and customers to minimise potential supply chain disruptions caused by the uncertainties faced.

Employees’ safety and wellbeing has always been the utmost priority for Spindex. We continually create a safe and healthy working environment for our employees. Besides providing a safe working environment, which is fundamental, we have also looked into the mental wellbeing of employees. Various initiatives have been introduced while adhering to the safety distance measures required by local countries to recognise the effort and hard work of our employees.

As the Group continues our sustainability journey, we remain committed to building a responsible business that delivers sustainable value to our stakeholders over the long term. We are committed to do our part to support the achievement of sustainable development initiatives for all countries we are operating in to create a sustainable future.

## REPORTING PRACTICE AND BOUNDARY

This report summarises our approach, management, and performance of the Group's material ESG topics for the period from 1 July 2020 to 30 June 2021 ("FY2021"). Historical performance data of previous 2 years, where applicable, are included for comparative purposes. The scope of this report focuses on the Group's major operations, namely head office in Singapore, operations in the People's Republic of China ("PRC"), as well as Malaysia and Vietnam.

This report was prepared in accordance with the Global Reporting Initiative ("GRI") Standards – "Core" reporting requirements. The GRI Standards is the most widely used and internationally accepted sustainability reporting framework. A GRI Index at the end of the report specifies the location of the relevant disclosures.

The ESG performance data presented in the report have mainly been extracted from internal information systems and original records. The Group has not sought external assurance for this sustainability report but have relied on internal verification to ensure the accuracy of data.

## FEEDBACK

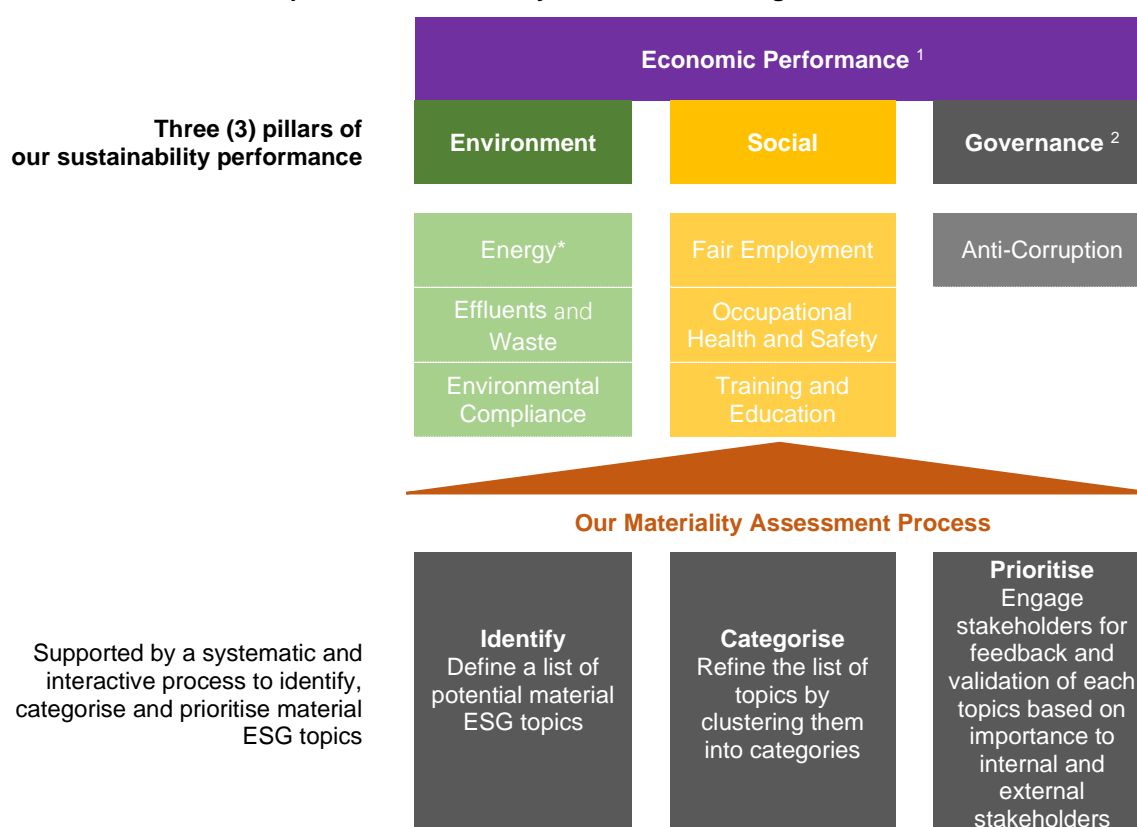
We are fully committed to our stakeholders and we welcome feedback on any aspect of our sustainability policies, processes and performance. Kindly address all feedback to [corporate@spindex.com.sg](mailto:corporate@spindex.com.sg). Your feedback is vital to us in achieving our goals to build a sustainable and thriving business. As an effort to promote environmental conservation, there will be no hard copies of this report.

## STRATEGIC APPROACH FOR SUSTAINABILITY

At Spindex, we continue to refine our management approach to adapt to the changing business landscape. Since FY2018, where we first embark on sustainability reporting, the Group continues to undertake an annual materiality review with an independent external consultant to ensure issues disclosed in our sustainability report remain current, material and relevant.

The review helped us to identify key areas that impact our ability to create value for our stakeholders. In FY2021, from this review, the Group identified Energy practices as a relevant and important topic to monitor and disclose under the Group's sustainability report. This new topic has been incorporated into our sustainability performance management framework (see Exhibit 1) for FY2021.

**Exhibit 1. Spindex's Sustainability Performance Management Framework**



\* New topic

1. Please refer to Financial Statements of Annual Report 2021.

2. Please refer to the Corporate Governance section of Annual Report 2021.

## SUSTAINABILITY GOVERNANCE

The Board considers sustainability issues as part of a larger strategy formulation for long-term value creation. The Group approaches sustainability by integrating it into our business decision making and operations and the Group's commitment towards sustainability comes from the top. The Board, with support from Audit Committee and Senior Management team will review material topics, evaluate the performance and provide strategic direction on the reporting process. Senior Management team has a direct reporting line to the Board and Audit Committee on sustainability-related matters.



## GOALS AND ACHIEVEMENTS

The Group aims to continuously seek business opportunities in line with our strategic growth and to deliver value to our customers and stakeholders as we continue to explore and expand our business operations. Within the industry, we continue to uphold a reputation for quality and high standards in our operations, as well as excellence in our operations management. We are equipped with advanced metrology equipment for the most exacting measurement in diameter, roundness and other intricate dimensions. The Group aims to ensure that our scrap costs are less than 1% of total sales turnover per year and to achieve 100% performance rating in terms of quality and delivery performance to our customers.

As a group and across our various subsidiaries, we are one of the first machining companies in the region to be certified by:

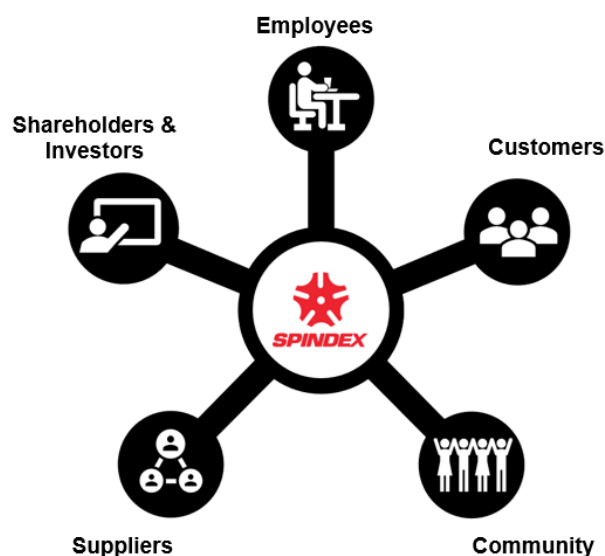
- ISO 9001;
- ISO 14001; and
- IATF 16949.

The Group is committed to comply with the requirements and continually improve the effectiveness of the quality management system.

## STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

We adopt a comprehensive approach to identify priority areas based on the business strategy outlined in our plan. Our materiality assessments were based on the AA1000 AccountAbility Principles of Inclusivity and Materiality, as well as the Global Reporting Initiative (“GRI”) Principles for Defining Report Content – stakeholder inclusiveness, sustainability context, materiality and completeness.

Materiality with respect to sustainability reporting, as defined by GRI Standards, includes topics and indicators that reflect the organisation’s significant environmental and social impacts; and would substantively influence the assessments and decisions of stakeholders. Guided by external sustainability consultant, Management have reviewed the stakeholders across the Group’s value chain and identified five (5) key stakeholder groups by their significance and impact of their interest on the Group’s business.



Our key stakeholder groups, how we engage with them, main concerns and expectation, and how we respond are summarised in the table below.

Key Stakeholder Groups	How We Engage	Main Concerns and Expectations	How We Respond
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Meetings</li> <li>• Training and development</li> <li>• Annual performance appraisals</li> <li>• Long-service awards</li> </ul>	<ul style="list-style-type: none"> <li>• Fair employment</li> <li>• Training and career development opportunities</li> <li>• Workplace safety and health</li> </ul>	By adopting sound human resource policies and best practices that promote fair treatment, safe working conditions, rewards and recognition for performance, work-life balance and career growth.
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Monitoring product sales</li> <li>• Contacts to our customer service</li> <li>• Feedback channels through email</li> </ul>	<ul style="list-style-type: none"> <li>• Reputation in the market</li> <li>• Quality control</li> </ul>	By establishing policies for quality control and assurance that ensure our goods are of excellent quality and to promptly address customer complaints.
<b>Shareholders and Investors</b>	<ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Meetings with institutional investors</li> <li>• Survey of institutional investors</li> </ul>	<ul style="list-style-type: none"> <li>• Group's strategic development</li> <li>• Current financial performance</li> <li>• Future business outlook</li> </ul>	By appointing an investor relations firm on a retainer basis, to communicate regularly with the analysts. They monitor the dissemination of material information to ensure that it is disclosed to the market in a timely manner. In addition, through such investor relations firm, the Company also holds meetings, on a quarterly basis, based on interest levels from analysts and shareholders to provide greater accessibility to the Company.
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>• Regular meetings</li> <li>• Visits</li> <li>• Emails</li> <li>• Tender process</li> </ul>	<ul style="list-style-type: none"> <li>• Transparency with tender process</li> <li>• Workplace safety and health</li> <li>• Energy-efficiency</li> <li>• Product and technology updates</li> <li>• Performance reviews</li> </ul>	By establishing policies and guidelines that ensure a fair selection and procurement process, and ethical business practices.
<b>Community</b>	<ul style="list-style-type: none"> <li>• Phone and email channels</li> <li>• Media relations</li> <li>• Volunteering activities</li> </ul>	<ul style="list-style-type: none"> <li>• Contribution to communities</li> <li>• Business decisions' impact on their environment</li> <li>• Pollution (air, land, water)</li> </ul>	By raising awareness through sustainable business practices and assessing the potential harmful impacts on the environment.

*Note - Due to COVID-19 situation, large group gathering such as annual dinner with employees were cancelled and all social activities with stakeholders were carried out according to guidelines imposed by the respective Government Authorities where the Group operates.*



## Membership of Associations

The Group also engages with industry and trade associations through participation as a member, which are:


- Singapore – Spindex Industries Limited is a member of the Singapore Precision Engineering and Technology Association (SPETA);
- China – Spindex Precision Engineering (Shanghai) Co., Ltd is a member of Shanghai Electro Plating Association and Shanghai Pudong Waisheng Investment Enterprise Association; and
- Malaysia - Synturn (M) Sdn. Bhd is a member of the Federation of Malaysia Manufacturers.

## Material ESG Topics

Guided by an external sustainability consultant and having considered the topics of concerns and expectation of identified key stakeholders, the Management together with the Board have assessed and prioritised the material topics to focus on for the Group.

Material ESG Topics	Commitment & Target	FY2021 Key Highlights
<b>ENVIRONMENT</b> 		
<b>Energy</b>	Continue to minimise carbon footprint and conserve energy consumption.	<ul style="list-style-type: none"> <li>• The Group continues to embed energy conservancy concept into daily operations. Please refer to Energy section for adopted initiatives.</li> </ul>
<b>Effluents and Waste</b>	Ensure waste disposal are in full compliance with local regulated requirements.	<ul style="list-style-type: none"> <li>• Achieved 100% conformance to local regulated requirements on waste disposal.</li> </ul>
<b>Environmental Compliance</b>	Zero cases of significant fines (i.e. more than 5% of revenue) or non-monetary sanctions for non-compliance with laws and regulations.	<ul style="list-style-type: none"> <li>• Maintained zero incident over the last 3 years.</li> </ul>
<b>SOCIAL</b> 		
<b>Fair Employment</b>	<p>Continue to promote diversity and equal opportunity in the workplace.</p> <p>Comply with local labour regulations across our operations.</p>	<ul style="list-style-type: none"> <li>• The Group continues to embrace diversity and equal opportunity in the workplace and remained compliant with respective local regulations across our operations.</li> <li>• There was no incident of complaints of discrimination against the Group. Please refer to Fair Employment for employee gender and age breakdown.</li> </ul>
<b>Occupational Health and Safety</b>	Zero workplace fatalities.	<ul style="list-style-type: none"> <li>• Achieved zero fatalities and 100% conformance to workplace and health safety requirements.</li> </ul>
<b>Training and Education</b>	Ensure learning and development roadmap account for future skills required to improve the efficiency of the business.	<ul style="list-style-type: none"> <li>• Conducted training needs analysis to ensure that there are necessary training interventions to enhance employee competencies and professional knowledge.</li> <li>• 100% of employees receiving regular performance and career development reviews.</li> </ul>



GOVERNANCE 		
<b>Anti-Corruption</b>	Zero tolerance for bribery, corruption, fraud and violation of laws and regulations.	<ul style="list-style-type: none"> <li>• Zero incident of corruption.</li> <li>• Zero confirmed whistle-blowing cases.</li> </ul>

Moving forward, to keep abreast of critical issues, Management will review annually its material ESG focus areas against the changing business environment, stakeholder opinions, and emerging global and local trends.

## ENVIRONMENT

Environmental sustainability forms an integral part of the Group's sustainability philosophy. With increased pressure on corporations to be accountable for their environmental footprint and rising cost of natural resources, we endeavour to integrate the best sustainability practices across business operations to reduce adverse environmental impact on the ecosystem.

The Group, headquartered in Singapore, has manufacturing plants in China (Suzhou and Shanghai), Malaysia (Johor) and Vietnam (Hanoi). As the Group's head office does not engage in manufacturing, the scope of the environment section will be focusing on these 4 manufacturing plants.

In our daily operations, the Group continues to be committed on recycling, energy-saving practices and undertaking measures to reduce wastages, pollution and harmful emissions. For instance, as part of effort to minimise waste generated from operations, Plant Managers at respective plant have created awareness campaign and initiatives to reuse and recycling, whenever possible.

At our Hanoi plant, we have managed to reuse and lengthened the lifetime of chemical. The Group strives to continue its effort to be accountable for their environmental footprint and rising cost of natural resources.

### ENERGY

In FY2021, majority (i.e. 35.9 million kWh) of the energy consumption were supplied by the local utilities service provider. Our manufacturing consumption includes using diesel for manufacturing purposes (e.g. operating forklift) and such energy consumption accounts for about <1% of total energy consumption in FY2021.

The Head Office and respective Plant Managers monitor energy consumption on a monthly basis. For respective plants, the energy consumption will be monitored and tracked with the production activities and output. In addition, month-to-month comparison will also be performed to detect irregularities, if any. In the event of such irregularities, the Managing Director and Group Financial Controller will discuss with the Plant Manager during their monthly meeting to further understand the root causes and identify if any other methods to improve energy efficiency.

Throughout the years, the Group has progressively introduced various energy-saving measures such as prioritise selection of energy-saving electrical devices, retrofitting current lighting with energy efficient LED light bulbs and switching off electrical device and machines during idle time.

In FY2021, solar panels were installed for both Synturn plants in Malaysia and was operational during the first half of FY2021.

### **Targets and Commitments:**

- ✓ Strive to maintain and achieve energy efficiency and a balance energy usage that correlates with business growth
- ✓ Continue to monitor energy consumption and embed energy conservancy concept in our operations

### **EFFLUENTS AND WASTE**

Effluents and waste management is critical for global sustainable development. The Group conscientiously monitors our wastes and discharges into the environment and seek to reduce any ecological impact. It is thus vital to prioritize waste disposal methods, such as reusing, recycling and recovery that minimize residual effects. Treatment of our effluents is also crucial in ensuring that hazardous substances do not leach into ecosystems and undergo bio-amplification along the food chain.

#### **Waste**

Hazardous waste generated is handled, stored and disposed in a manner that adheres to best practices and meets local regulatory requirements. At Spindex, we ensure that our wastes are safely disposed of in prevention of the risk of environmental contamination. Hazardous waste typically relates to waste from chemicals that may be harmful to human if consumed (e.g plating effluent).

All waste generated will be subject to reuse and recycle process. Hazardous waste will be channelled into containers and kept at the hazardous waste store. Non-hazardous waste will be stored in tanks, and the waste level is calculated based on how many trips the waste collectors make.

The Head Office and respective Plant Managers monitor waste generated on a monthly basis. For respective plants, the waste generated will be monitored and tracked with the production activities and output. In addition, month-to-month comparisons will also be made to detect irregularities. In the event of such irregularities, the Managing Director and Group Financial Controller will discuss with the Plant General Manager during their monthly meeting to further understand the root causes and identify if any other methods to minimise waste generation.

In FY2021, the amount of hazardous waste generated increased by approximately 49% to 7,413 tonnes, compared to 4,968 tonnes in FY2020. All hazardous waste generated were managed and disposed of in compliance with local regulations by authorised waste contractors.

Non-hazardous waste mainly relates to typical packaging and production waste, comprising of paper, plastic, and metallic materials. In FY2021, the amount of non-hazardous waste generated was approximately 3,924 tonnes (FY2020: 2,746 tonnes\*). All non-hazardous waste were disposed through licensed waste collectors for recycling and reuse whenever possible.

*\*FY2020 figure for non-hazardous waste has been re-instated for comparison.*

The increase for both hazardous and non-hazardous waste is attributable to both an increase in production from higher sales across all the plants, whereby our products are in higher demand due to COVID-19.

### **Targets and Commitments:**

- ✓ Strive to minimise waste generation and increase opportunities for reusing and recycling, as well as treat and dispose waste responsibly where other options are not practicable
- ✓ Continue to be vigilant on waste management and steadfast in managing waste efficiently
- ✓ Continue to review waste minimisation practices and strives towards reducing adverse environmental impact on the ecosystem

## **ENVIRONMENTAL COMPLIANCE**

Recognising that non-compliance with laws and regulations not only has significant financial risk but potentially detrimental reputational impact. Through constant monitoring, evaluation and auditing of ISO 14001 certified environmental management system, the Group actively ensures that all its activities and operations comply with existing regulatory requirements. All employees of Spindex, third parties' suppliers and/or vendors, are also encouraged to be proactive and forthcoming in managing and reporting environmental related issues and complaints.

In FY2021, there were no cases of significant fines or non-monetary sanctions for non-compliance with laws and regulations. We are committed to maintain the highest standard of environmental compliance, our commitment and target, the Board and Management will continue to review and improve current environmental management system and practices and ensure that all our activities and operations comply with existing regulatory requirements.

### **Targets and Commitments:**

- ✓ Committed to comply with ISO 14001 and all other applicable environmental legal requirements enforced by local authorities.

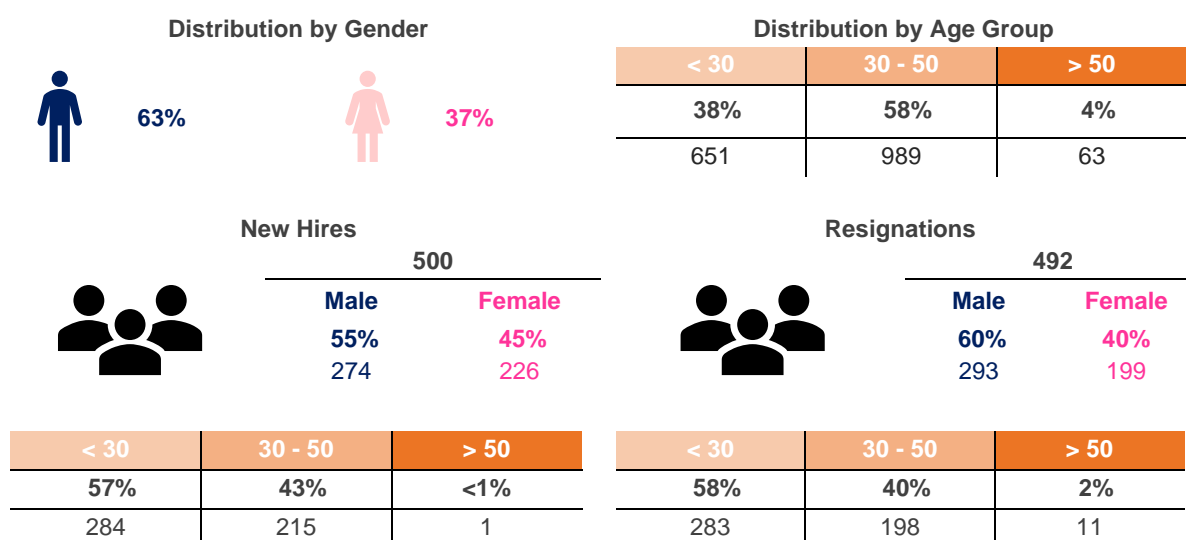
## SOCIAL

### FAIR EMPLOYMENT

As workforce demographics shift and global markets emerge, workplace diversity inches closer to becoming a business necessity instead of a banner that companies wave to show their commitment to embracing differences and change. Employees reap tangible and intangible benefits from workplace benefits, not the least of which include respect from co-workers and business gains.

The Group recognises employees as one of our most valuable assets and is committed to fair employment practices, upholding human rights principles, and investing in developing and training our people. As of 30 June 2021, the Group, inclusive of head office and all manufacturing plants, had a total of 1,703 headcount across our businesses, out of which 63% were male due to the nature of the industry.

#### Employee Demographics



*Note – The headcounts above excludes contract and temporary workers.*

The Group's recruitment process adheres to the strict guidelines on non-discrimination and fairness, regardless of gender, ethnicity, religion, or age. Beyond providing jobs and caring for our employees through comprehensive benefits schemes, we also invest significantly in training and upgrading employees to equip them with relevant skills for the future.

The Group maintains an open-door policy where employees are encouraged to speak-up or report grievances directly to their superior, head of department, human resource department, chief executive officer and/or independent directors. Across our business segments, there were no reported incidences of discrimination raised by our employees nor grievance cases in FY2021.

#### Targets and Commitments:

- ✓ Strive to foster an inclusive and performance driven work environment to attract, retain and develop our talents
- ✓ Strictly prohibits discrimination and maintain a track record of zero incidents of reported discrimination
- ✓ Continue to reinforce our commitment to providing a healthy, safe and secure workplace for our employees

## **Employee Remuneration and Benefit**

The Group recognises the valuable contribution of all employees. We strongly believe in fair remuneration and sets packages which are competitive and sufficient to attract, retain and motivate personnel with adequate experience and expertise to manage the business and operations of the Group. In setting remuneration packages, the Group takes into account the regulatory requirements, salary, and employment conditions within the same industry and in comparable companies.

The Group is in full compliance with local labour regulations across our operations, as well as minimum wage laws, where such laws exist. The Group endorses Singapore's Tripartite Guidelines on Fair Employment Practices and the Employers' Pledge of Fair Employment Practices and makes contributions to the Central Provident Fund scheme in Singapore, a defined pension scheme. For employees below 55 years old, Spindex makes an additional contribution of 17% as an employer on top of the employee's 20% contribution.

In support of the Singapore government's pro-family legislation, eligible working mothers and fathers who are legally married and whose new-born child is a Singapore citizen are entitled to 16 weeks of maternity leave and 2 weeks of paternity leave respectively. Eligible working parents of at least one Singapore citizen child who is less than seven years old; or between ages of 7 to 12 (by extension); and employed by are entitled to 6 days of paid childcare leave annually. As of 30 June 2021, 100% employees returned to work after parental leave.

In addition, the Group provides Group Hospital & Surgical insurance as well as supplementary coverage for COVID-19 and annual health screenings for all employees in head office and our manufacturing plants.

In FY2021, in view of COVID-19 pandemic, social activities and large group gathering with employees have been cancelled. As part of employees' wellbeing initiatives, respective subsidiaries have initiated different measures such as giving out shopping credits and birthday vouchers, distribution of festival goods to employees and organising small size celebration (i.e. lunch part for long service employees) with adherence to local safe distancing measures. In response to COVID-19, employees were given health care packs that included Vitamin C tablets, masks and test kits.

### **Targets and Commitments:**

- ✓ Committed to comply fully with local labour regulations across all operations, as well as minimum wage laws, where such laws exist

## **OCCUPATIONAL HEALTH AND SAFETY**

Safety and health at workplace are our topmost priority. The Group strives to raise awareness, maintain vigilance, and foster a strong safety awareness culture particularly at the ground level by ensuring proper trainings are provided to our employees.

Across our plants, we have processes in place to identify, mitigate and report safety risks, and we work closely with our third-party vendors and suppliers to ensure that they understand our requirements and expectations.

To facilitate the physical supervision of the workplace safety, and the relaying of workplace safety and health ("WSH") related messages; we have established a Safety Committee. Collectively as a Group, the Safety Committee comprises of both employee and employer representatives. The Safety Committee oversees the subsidiaries' operations to ensure that safety standards are always upheld and up to industry best practices. In addition, the role and responsibilities of the Safety Committee includes reviewing, effectively implementing and reinforcing safety standards and regulations to ensure

all areas of safety are adequately covered. The Committee members meet at least once a month to review safety inspection results, infrastructures, and incidents, as well as to coordinate and organise safety-related activities. Going forward, to facilitate the effectiveness of the supervision of workplace safety, the Group plans to have more workers join the Safety Committee.

The Group's initiative to encourage workers to join the Safety Committee empowers them on their own rights to workspace safety and encourages them to report any unsafe situations. Safety is primary priority and the Group ensures that all occurrences are investigated, with follow-up actions to improve where viable.

All near-miss incidents and accidents will be promptly reported to the Safety Committee. With timely reporting, the Group ensure that all injured workers are timely attended to, cause of incidents are investigated and incident analysis briefings are provided to the employees as soon as feasible. These safety briefings aim to strengthen the awareness of our employees' safety, and remind them of established safety measures and precautions, as well as safety protocols in the event of similar incidents.

In FY2021, there were no incidents of fatalities across the Group's business operations. We strive to maintain our safety commitment of zero incident and drive continuous improvement in safety practices.

Since the outbreak of the COVID-19 pandemic, it had caused a significant influence on numerous businesses and their employees. In order to safeguard the health and safety of our employees, customers and stakeholders, the Group adopted corresponding safety measures in accordance with the local government requirements such as safe distancing, temperature taking, regular disinfection and safety checks on visitors to our premises. The Group will continue to monitor and ensure adherence to safety measures as advised by local government authorities.

In FY2021, a cluster of confirmed COVID-19 cases were detected for our Malaysia plant, in which all cases have subsequently recovered. On top of regulatory requirements, the local management had immediately implemented additional safety measures, which included splitting its on-site teams further, isolating all the infected employees in dedicated lodging, providing adequate medical assistance and increased the frequency of testing. There were no reported cases of COVID-19 infections for our other plants.

Moving forward, the Group remains committed to maintain a safe and productive environment, free from harassment in which all individuals are treated with respect and dignity, and we expect all our employees and individuals who always work at our sites to follow our health and safety policies and procedures and be free from substance abuse. We will continue to monitor our plants' safety performance, as well as review existing practices to ensure necessary measures are taken to address health and safety risks at the workplace.

#### **Targets and Commitments:**

- ✓ Strive to raise awareness, maintain vigilance, and foster a strong safety awareness culture particularly at ground level by ensuring that proper trainings are provided to employees
- ✓ Have more workers to join the Safety Committee to facilitate the effectiveness of the supervision of workplace safety
- ✓ Strive to maintain our safety commitment to zero incident and drive continuous improvement in safety practices
- ✓ Continue to monitor and ensure adherence to COVID-19 safety measures advised by the local regulatory authorities

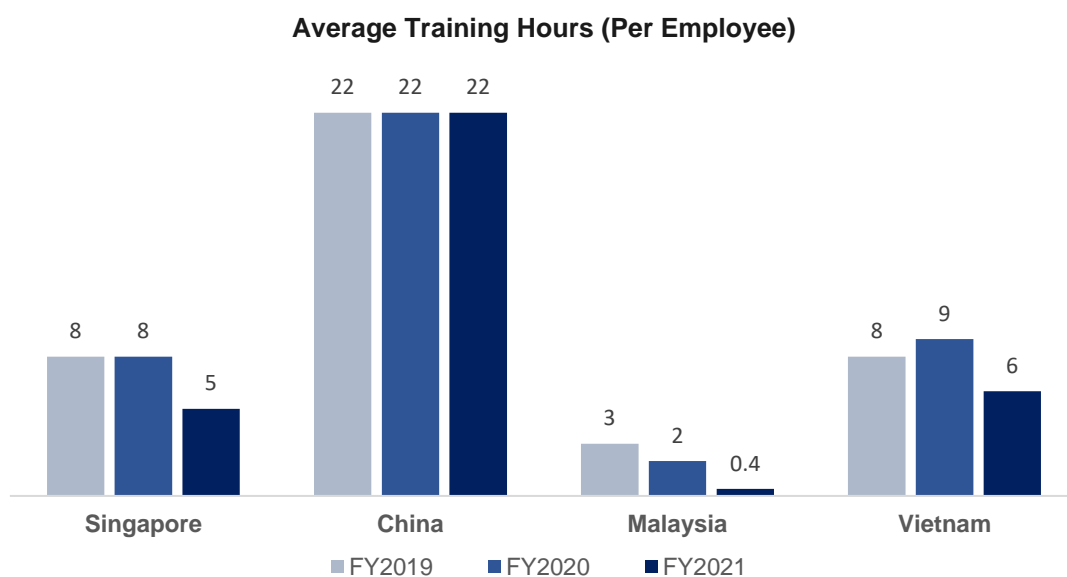


## TRAINING AND EDUCATION

Today's constantly changing business environment calls for a competitive workforce attuned to the latest developments in skills and manufacturing capabilities. The Group recognises and believes that an engaged workforce and strong leadership are key drivers for growth, innovation, and sustainability. Investing in employee learning and development helps build a resilient and future-ready workforce, which will in turn provide a competitive edge for the Group's future growth and success. Within the Group, training and development are identified on employees' training needs and work requirements.

In FY2021, the Group invested over approximately S\$69,147 (FY2020: S\$99,000) in training and development for its head office and all manufacturing plants prior to any government funding. The decrease in FY2021 training were mainly due to postponement of courses due to COVID-19 and safe distancing measures, which led to a reduction in average training hours. Majority of the workforce were provided the opportunity to attend training and skill upgrading programme. All new employees are required to attend our on-boarding program, which aims to integrate new hires into our organisation seamlessly.

Additionally, the Group also assesses all employees and remunerates fairly based on their experience, qualifications and performance. The Group will conduct training needs analysis to ensure that there are necessary training interventions to enhance employee competencies and professional knowledge. Our learning and development roadmap account for future skills required to improve the efficiency of the business.



\* Average training hours per employee (Vietnam) for FY2019 were restated due to exclusion of probation hours in calculation.

### Targets and Commitments:

- ✓ Continue to provide training and education opportunities through comprehensive development programmes going forward and promote a conducive corporate environment where everyone could achieve their potential

## GOVERNANCE (\*)

Recognising that non-compliance with laws and regulations not only has significant financial risk but potentially detrimental reputational impact on the Group. The Group maintains a zero-tolerance towards bribery, corruption, fraud and violation of laws and regulations and is committed to uphold the highest standards of corporate governance and business integrity in all our business activities, which we believe are essential for the long-term viability of our businesses and the enhancement of shareholder value.

The Management and Audit Committee assume the responsibility in supporting the Board in the implementation of internal controls and systems, as well as the monitoring of regulatory compliance,

Given the geographical diversity of our businesses, the Management and Audit Committee maintains oversight on the developments in the laws and regulations of countries where the Group operates to ensure that our businesses and operations comply with all relevant laws and regulations. The local offices also engage with the respective local government authorities and agencies where it operates, as a mean to keep abreast of changes to laws and regulations.

Every year 100% of our employees in all regions are required to declare and acknowledge that they are aware of, have read, and are in compliance with the policies, standards, and practices as set out in the company's corporate policies and guidelines.

\* Please refer to the Corporate Governance section of Annual Report 2021.

### ANTI-CORRUPTION

The Group maintains a whistle-blowing policy, which provides guidance on suspicion, reporting and investigation of fraudulent practices within the Group. Its objectives are to set forth a high standard of corporate governance; provide a channel of communication for employees to report fraudulent practices and guide employees on available process to address their concerns on suspicious fraudulent activities. The Group's orientation and induction programme for all new employees also includes information on Code of Business Conduct and Ethics and related corporate policies including entertainment, gifts and whistle-blowing.

The whistle-blowing policy set forth the process for investigation and management reporting. All cases reported are objectively and independently investigated, and appropriate remedial measures and follow-up are taken where warranted.

The Audit Committee maintains oversight of this policy and periodically review the adequacy of the whistle-blowing arrangements by which employees of the Company and its Group and any other persons may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters.

During the reporting period, there were no known incidents of corruption, fraud, and money laundering activity across the Group's business operations.

#### Targets and Commitments:

- ✓ Develop a culture where issues of professional ethics can be discussed openly
- ✓ Strictly prohibits corruption, fraud and money laundering and continue maintaining zero confirmed incidents

## GLOBAL REPORTING INITIATIVE (“GRI”) CONTENT INDEX

This report has been prepared in accordance with the GRI Standards: Core option

Category	Disclosure	Description	Page Reference and Remarks
GRI 102: General Disclosures	102-1 *	Name of the organization	Cover Page of SR FY2021
	102-2 *	Activities, brands, products, and services	Refer to Annual Report FY2021 Notes to The Financial Statements – Note 1
	102-3 *	Location of headquarters	8 Boon Lay Way 8@TradeHub 21, #10-03 Singapore 609964
	102-4 *	Location of operations	Singapore, China (Shanghai and Suzhou), Malaysia (Johor) and Vietnam (Hanoi)
	102-5 *	Ownership and legal form	Refer to Annual Report FY2021 Notes to The Financial Statements – Note 1
	102-6 *	Markets served	Refer to Annual Report FY2021 Disaggregation of Revenue by Geographical Segments
	102-7 *	Scale of the organization	Headquarters in Singapore with 4 production locations located in China, Malaysia, and Vietnam.  As at 30 June 2021, the Group has 1,703 employees.
	102-8 *	Information on employees and other workers	Majority of the organisation’s activities are performed by workers direct hire employees. The activities conducted are also supported by contract and temporary worker, whenever required.
	102-9 *	Supply chain	Each of the plant is responsible to manage its panel of suppliers and ensure resilience in supply chain to support day-to-day operations.
	102-10 *	Significant changes to the organization and its supply chain	In FY2021, there were no significant changes in the Group’s supply chain or relationship with suppliers.
	102-11 *	Precautionary principle or approach	SR FY2021 Page 4 – Strategic Approach for Sustainability Page 5 to 8 – Stakeholder Engagement & Materiality Assessment
	102-12 *	External initiatives	SR FY2021 – Page 5 Goals & Achievements
	102-13 *	Membership of associations	SR FY2021 – Page 7 Membership of Associations

Category	Disclosure	Description	Page Reference and Remarks
GRI 102: Strategy	102-14 *	Statement from senior decision-maker	Refer to Annual Report FY2021 – Chairman's Statement
GRI 102: Ethics and Integrity	102-16 *	Values, principles, standards, and norms of behaviour	Refer to Annual Report FY2021 Corporate Governance
GRI 102: Governance	102-18 *	Governance structure	SR FY2021 – Page 4 Sustainability Governance
GRI 102: Stakeholder Engagement	102-40 *	List of stakeholder groups	SR FY2021 Page 5 to 6 – Stakeholder Engagement
	102-41 *	Collective bargaining agreements	None
	102-42 *	Identifying and selecting stakeholders	SR FY2021 Page 5 to 6 – Stakeholder Engagement
	102-43 *	Approach to stakeholder engagement	SR FY2021 Page 5 to 6 – Stakeholder Engagement
	102-44 *	Key topics and concerns raised	SR FY2021 Page 6 – Stakeholder Engagement Page 7 to 8 – Material ESG Topics
GRI 102: Reporting Practice	102-45 *	Entities included in the consolidated financial statements	Refer to Annual Report FY2021 – Financial Reports
	102-46 *	Defining report content and topic Boundaries	SR FY2021 Page 3 – Reporting Practice and Boundary
	102-47 *	List of material topics	SR FY2021 Page 7 to 8 – Material ESG Topics
	102-48 *	Restatements of information	FY2020 non-hazardous waste date was reinstated Page 9 – Effluents and Waste
	102-49 *	Changes in reporting	No significant changes from previous reporting periods in the list of material topics and topic boundaries.
	102-50 *	Reporting period	SR FY2021 Page 3 – Reporting Practice and Boundary
	102-51 *	Date of most recent report	FY2021 Sustainability Report
	102-52 *	Reporting cycle	1 July 2020 to 30 June 2021
	102-53 *	Contact point for questions regarding the report	SR FY2021 Page 3 – Feedback
	102-54 *	Claims of reporting in accordance with the GRI Standards	Core Option
	102-55 *	GRI content index	Page 16 – 18
	102-56 *	External Assurance	The Group has not sought external assurance for this sustainability report.

Category	Disclosure	Description	Page Reference and Remarks
GRI 205 Anti-Corruption	DMA	Disclosure of Management Approach	SR FY2021 – Page 15 Anti-Corruption
	GRI 205-3	Confirmed incidents of corruption and actions taken	Zero incidents.
GRI 302 Energy	DMA	Disclosure of Management Approach	SR FY2021 – Page 8 Environment Section
	302-1	Energy consumption within the organization	SR FY2021 – Page 8 to 9 Environment Section - Energy
GRI 306: Effluents & Waste	DMA	Disclosure of Management Approach	SR FY2021 – Page 8 Environment Section
	306-2	Waste by type and disposal method	SR FY2021 – Page 9 Environment Section – Effluents & Waste
	306-3	Significant spills	Zero incidents of significant spills.
	306-4	Transport of hazardous waste	SR FY2021 – Page 9 Environment Section – Effluents & Waste
GRI 307: Environmental Compliance	DMA	Disclosure of Management Approach	SR FY2021 – Page 10 Environment Section – Environmental Compliance
	307-1	Non-compliance with environmental laws and regulations	SR FY2021 – Page 10 Environment Section – Environmental Compliance
GRI 401: Fair Employment	DMA	Disclosure of Management Approach	SR FY2021 – Page 11 to 12 Fair Employment
	401-1	New employee hires and employee turnover	SR FY2021 – Page 11 Fair Employment
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR FY2021 – Page 12 Fair Employment
	401-3	Parental leave	SR FY2021 – Page 12 Fair Employment
GRI 403: Occupational Health and Safety	DMA	Disclosure of Management Approach	SR FY2021 – Page 12 to 13 Occupational Health and Safety
	403-1	Occupational Health and Safety Management System	SR FY2021 – Page 12 to 13 Occupational Health and Safety
	403-2	Hazard identification, risk assessment and incident investigation	SR FY2021 – Page 12 to 13 Occupational Health and Safety
GRI 404 Training & Education	DMA	Disclosure of Management Approach	SR FY2021 – Page 14 Training and Education
	404-2	Programmes for upgrading employee skills and transition assistance programmes	SR FY2021 – Page 14 Training and Education
	404-3	Percentage of employees receiving regular performance and career development reviews	100%

