

EINDECKYODO

英德集团

SUSTAINABILITY
REPORT 2021



EINDEC CORPORATION LIMITED

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This sustainability report is prepared by Eindex Corporation Limited ("**Company**") and its contents have been reviewed by the Company's sponsor, ZICO Capital Pte. Ltd. ("**Sponsor**"), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst.

This sustainability report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this sustainability report, including the correctness of any of the statements or opinions made or reports contained in this sustainability report.

The contact person for the Sponsor is Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 77 Robinson Road, #06-03 Robison 77, Singapore 068896, telephone (65) 6636 4201.





CORPORATE PROFILE

Eindec Corporation Limited ("**Eindec**" or the "**Company**", and together with its subsidiaries the "**Group**") is a regional clean air environmental technology solutions manufacturer and distributor with customised proprietary products for residential, commercial and industrial customers.

Established since 1984, the Group has expertise in design, manufacturing and distribution capabilities in cleanroom equipment ("**CRE**") as well as heating, ventilation and air-conditioning ("**HVAC**") equipment for the real estate sector.

Tapping on its technological expertise and customisation capabilities in cleanroom and HVAC equipment and systems, the Group broadened its product range to include air purification integrated solutions ("**AP**") under its 'Eindec Kyodo' proprietary brand. These air purification systems are designed, manufactured and sold in the Southeast Asia region and the People's Republic of China (the "**PRC**").

Headquartered in Singapore, the Group's marketing and pursuit of projects for the HVAC equipment and CRE in Singapore and overseas markets are carried out by the Singapore operations, Eindec Singapore, and supported by its manufacturing subsidiary in Johor, Malaysia, while AP, managed under Eindec China, focuses on providing air purification system solutions to residential property developments in the PRC.

Eindec is listed on the Singapore Exchange Securities Trading Limited on 15 January 2016 under stock code 422.

CORPORATE PROFILE

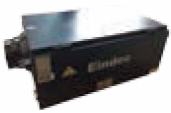
The Group offers a diversified range of air environmental solutions:

Air purification and ventilation



Air Purifier

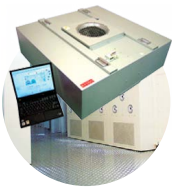
Equipped with four stages of filtration, our air purifiers are able to capture up to 99% of allergens and remove PM 2.5 to improve the quality of the indoor air. Our air purifiers are low in power consumption, ultra-quiet in operation and easy to maintain, which are perfect for uses in residential and commercial properties



Air Purification & Ventilation System

Our air purification and ventilation system have a small footprint, but efficient in generating fresh clean air through its sophisticated technology. This product is easy to install and maintain, which is suitable for residential, commercial and industrial properties.

Clean Room



Fan Filter

A self-contained ceiling unit used in turbulent mixing and laminar flow cleanroom applications that delivers high quality air filtration and air movement performance in cleanrooms.

Air Shower

Our air shower system is designed and manufactured to meet your specific requirements and comes with high degree of flexibility. The system uses blowing air jet to remove fine particles on clean room clothing and footwear before entry into the cleanroom.

Heating, ventilation, and air-conditioning



Grilles & diffusers

Our range of grille & diffuser products provide thermal comfort in buildings, where temperature, humidity, air cleanliness and freshness satisfy the operational and thermal environment required for machinery or production processes.



Dampers & Vav terminal unit

This range of products are used to vary the volume of air passing through a confined cross section by varying the cross-sectional area to maintain the thermal environment for people and business equipment.

Fire/smoke, marine damper



Our range of dampers complement the comprehensive range of automatic fire and smoke dampers and associated controls, providing the complete solution for ventilation and air conditioning systems on shipboards as part of their fire safety and engineering programs.

At Eindec, we are committed to delivering value and quality clean air control management solutions and systems in buildings and even vessels for our customers to benefit the end-users with a quality air environment. As we transformed from an equipment manufacturer to a customised clean environmental air solutions provider, we have developed a full suite of solutions and services within our core product segments including analysis of airflow management for buildings, design, and manufacturing of customised equipment, installation, monitoring and maintenance of environmental air systems.

We continue to strive towards our vision of becoming a leading clean environmental air solutions provider under our proprietary "Eindec" and "Kyodo" brands with our transformation. While we emphasise on better cost management, we also strengthen our overall capabilities progressively through (i) product innovation and development - improving clean environmental air solutions and systems for our proprietary brands of products across our three product segments, (ii) marketing and distribution capabilities - understanding the evolving requirements of end-users and increasing market reach for our proprietary brands of products, and (iii) engineering and production capabilities - strengthening our abilities to meet the increasing sophistication of equipment and systems.

BOARD STATEMENT

The board of directors ("**Board**" or "**Directors**") of Eindec is pleased to present the annual sustainability report for the financial year ended 31 December ("**FY**") 2021.

As the COVID-19 pandemic continued to persist with the emergence of new variants, our business operations, particularly in Singapore and Malaysia, were disrupted from time to time when heightened safe management measures were implemented in FY2021.

During the year under review, the Group faced headwinds in our business operations: (i) our Singapore operations faced delays in the awards of orders amid the spread of the Delta variant in countries where we participated in the tender of the projects, (ii) our Malaysia manufacturing facility saw an estimated 30% decline in production output when the mandated 60% workforce capacity and shorter working hours were implemented from 28 May 2021 to the end of September 2021, and (iii) our China operations were affected with the implementation of a ceiling on the selling prices of the equipment and/or products by the Chinese authorities, amid the heightened pressure of a liquidity crunch among real estate developers in China. Despite these adversities, we remain committed to conducting our business in a responsible manner.

We continue to place the health and safety of our stakeholders, especially our employees, customers, and suppliers, as our utmost priority. All the recommendations set out by the health ministries of the respective countries in which we

operate, continue to be in place as we work towards normalcy with the government initiatives.

Whilst the Group is upbeat with the reopening of borders of Singapore and Malaysia in the recent months in 2022, the lockdowns and travel restrictions implemented by the Chinese authorities on the back of the resurgence of high infections in China are likely to undermine the Group's overall progress. Nevertheless, we are hopeful that our customised clean environmental air solutions will continue to drive sustainable growth in the long term.

The Board will continue to oversee the management and monitoring of key factors in our sustainability practices, improving on our disclosures as well as progressively including metrics and updating targets that are material to our business.

This sustainability report is prepared with reference to the Global Reporting Initiative ("**GRI**") Standards and in compliance with Rules 711A and 711B of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalist (the "**Catalist Rules**") as well as the SGX-ST's Sustainability Reporting Guide. We have chosen the GRI framework as it is a well-known and globally recognised sustainability reporting standard.

This sustainability report highlights our key economic, environmental, social, and governance ("**EESG**") performance during the 12-month period, from 1 January 2021 to 31 December 2021, focusing on the Group's manufacturing facility in Malaysia, and operations in Singapore.

We have not included the performance data from our China operations, which is primarily the air purification system solutions segment ("**AP**"), as part of the report. This is because the operations are usually on project basis and our broadened range of solutions and services in the AP segment to encompass 'smart home' or home automation solutions and services take time to stabilise. Nevertheless, we intend to expand the scope of our sustainability performance of the operations in China in the future, when more activities take place.

No external assurance was sought for this report. This sustainability report is done in good faith and to the best of our knowledge.

This sustainability report will not be printed as part of Eindec's commitment to environmental conservation. The report is available on Eindec's corporate website at www.eindec.com.sg, and on the SGX-ST's website (under company announcements) at www.sgx.com.

We welcome feedback from our stakeholders with regards to our sustainability and reporting, which could potentially assist us to further improve our policies and systems. You may reach out to us at enquiry@eindec.com.sg.

On behalf of the Board

Zhang Wei
Non-Executive Chairman

30 May 2022

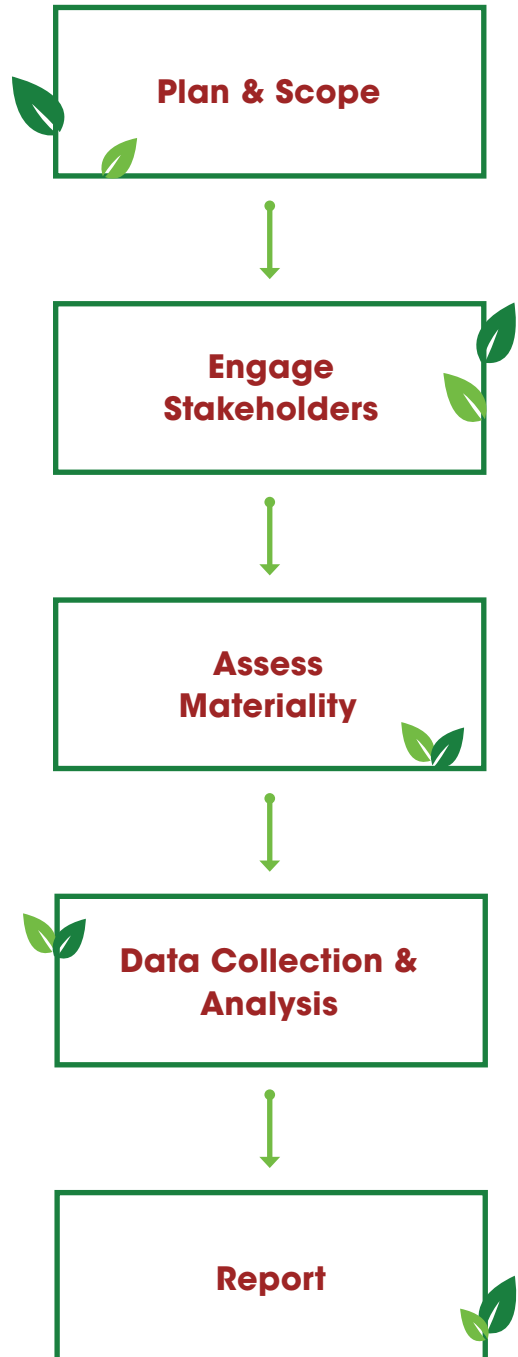
SUSTAINABILITY GOVERNANCE

Sustainability Approach

The Group's sustainability approach is focused on generating stable and sustainable value for our stakeholders by managing the EESG impact, as well as assessing the risks and opportunities present in our businesses.

We take a strategic and comprehensive approach towards sustainability as we acknowledge the importance of effective EESG strategy and management across our business operations. The Board will review and consider sustainability issues raised by the Sustainability Committee during board meetings, and will deliberate on the possible solutions that could be adopted into our day-to-day operations.

We also strive to improve our sustainability performance through regular review of our policy and operational processes to deliver positive values for our stakeholders, particularly our end customers who place their trust in our air environmental products and solutions to improve their living environment.



SUSTAINABILITY GOVERNANCE



Stakeholder Engagement

We believe sustainable operations require regular interaction of both internal and external stakeholders. It is important for the Group to establish efficient communication platforms, and achieving mutually beneficial goals. We remain committed to establish communications and strengthen mutually beneficial relationships with our stakeholders through a variety of channels and platforms to facilitate better understanding of their concerns.

Our engagements with our key stakeholders are summarised as follows:

Key Stakeholders	Engagement Platforms	Stakeholders' Expectations	Our Initiatives
INTERNAL			
Board of Directors	<ul style="list-style-type: none"> Board meetings Regular updates via electronic communications (emails, phone calls, video conferencing) 	<ul style="list-style-type: none"> Ensure that the internal policies and systems are effective and implemented throughout the organisation 	<ul style="list-style-type: none"> Regular update on corporate activities, developments, and financial performance Seek advice and approvals from the Board on all material proposed developments
Employees	<ul style="list-style-type: none"> Regular internal communications through meetings and electronic communications (emails, phone calls, video conferencing) Training & development programmes Recreational activities Employee feedback 	<ul style="list-style-type: none"> Career growth Training opportunities Competitive remuneration and benefits Pleasant and safe working environment 	<ul style="list-style-type: none"> Ensure effective implementation of internal systems and policies Regular meetings to review health and safety measures Sponsor employees to attend courses and conferences regularly Formal and informal get-togethers to strengthen working relationships among employees Annual review on work performance

SUSTAINABILITY GOVERNANCE

Key Stakeholders	Engagement Platforms	Stakeholders' Expectations	Our Initiatives
EXTERNAL			
Shareholders & Investors	<ul style="list-style-type: none"> • Announcements on SGXNet • Annual general meeting or extraordinary general meeting • Company website • Annual report 	<ul style="list-style-type: none"> • Higher financial returns • Industry conditions and prospects • Market presence • Business sustainability and profitability • Transparency and corporate governance 	<ul style="list-style-type: none"> • Ensure all public disclosures on corporate results and developments are factual, timely and accurate to provide fair and equitable treatment to all shareholders
Customers	<ul style="list-style-type: none"> • Customer feedback via surveys, dialogue sessions, and meetings • Regular follow-up via calls and face-to-face meetings • Email enquiries • Networking events 	<ul style="list-style-type: none"> • Quality control • On-time delivery, installation and postproject services • Technical support • Reasonable payment terms • Competitive pricing 	<ul style="list-style-type: none"> • Product and quality certifications to ensure a consistent level of product quality • Active follow-ups with customers on product applications and requirements • Update customers on new products • Provide timely feedback to customers
Suppliers / Business Partners	<ul style="list-style-type: none"> • Regular meetings • Electronic communications (emails, phone calls, video conferencing) 	<ul style="list-style-type: none"> • Timely payment and adherence to agreed terms • Competitive pricing • Quality of goods and services 	<ul style="list-style-type: none"> • Regular review, assessment and feedback • Ensure compliance with safety standards and environmental laws and regulations • Perform periodic evaluation
Government & Regulators	<ul style="list-style-type: none"> • Meetings • Electronic communications • Through external professionals and agencies • Announcements on SGXNet 	<ul style="list-style-type: none"> • Regulatory compliance • Occupational health & safety • Environmental issues • Social issues 	<ul style="list-style-type: none"> • Ensure compliance with applicable laws • Meeting relevant authorities as and when necessary

SUSTAINABILITY GOVERNANCE

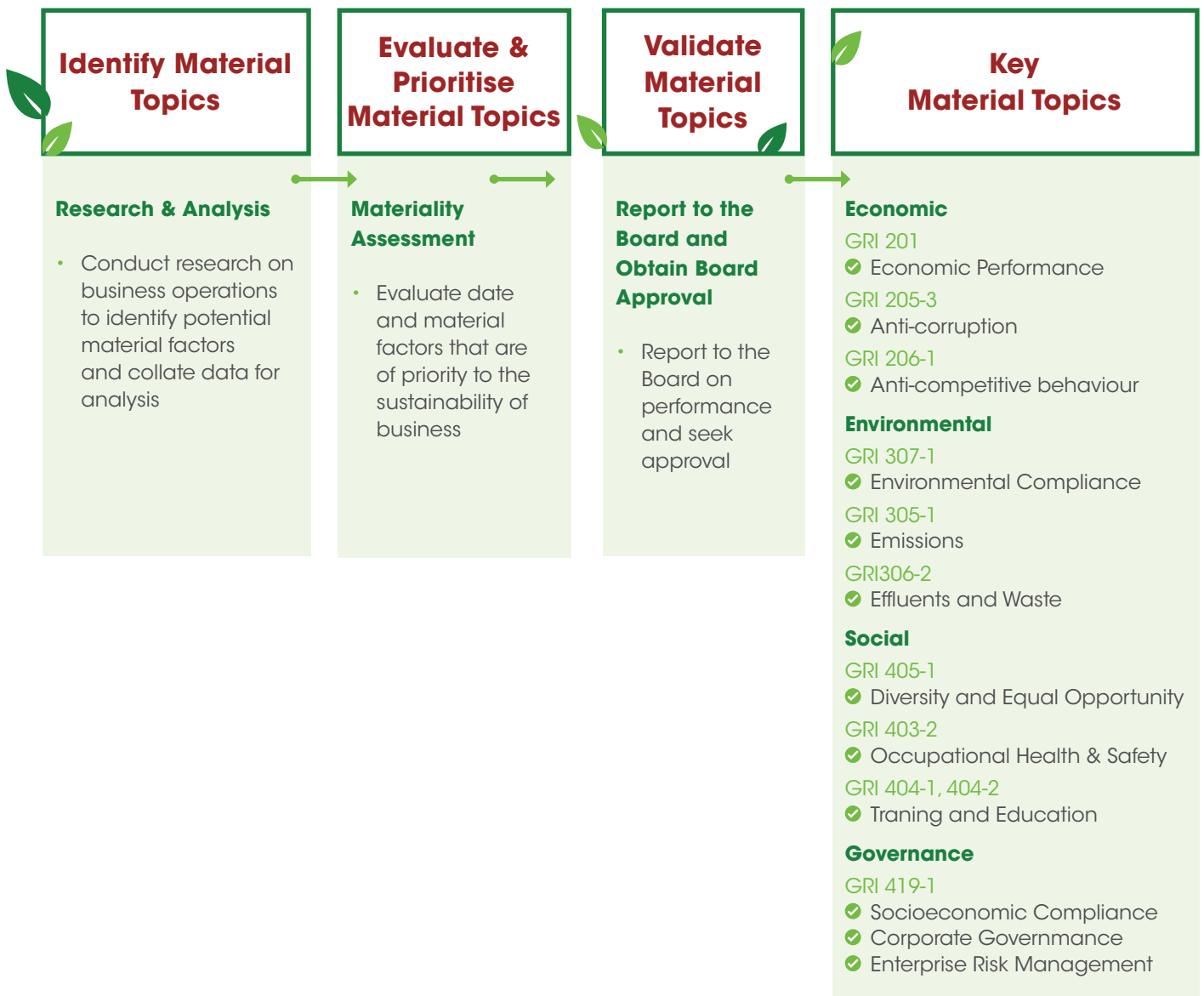
Materiality Assessment

The Board approves the Group’s general policies and strategies including those relating to sustainability. We have in place a Sustainability Committee which is led by key management executives including the Chief Financial Officer cum Acting Chief Executive Officer, who is supported by representatives from the various departments in the Group. The Sustainability Committee reports to the Board and is responsible for reviewing the Group’s sustainability performance, material topics, stakeholder concerns, setting targets for material topics, and establishing systems to collect, verify, and monitor the information required for the sustainability reports.

The adoption of the matrix-based approach, which is based on the likelihood and impact of occurrences to address the Group’s sustainability risk profile and priority issues, allows the Group to continue to use this method to monitor our risk profile on a regular basis.

Notwithstanding the new COVID-19 variants prolonging the pandemic in 2021 and travel restrictions as well as safe management measures, we strived to improve connectivity with our stakeholders through electronic communications.

To ensure that our material topics were still relevant, we reviewed them in FY2021 based on internal stakeholders’ discussion. The material topics reviewed continue to have an economic, environment and social influence on our business activities.



MANAGING SUSTAINABILITY: ECONOMIC

Economic Performance

We continue to advance together in unity to overcome the evolving business conditions, utilise every possible opportunity to be of service to our business partners and customers, and rise above challenges to deliver our commitments to our stakeholders..

Amid the emergence of new COVID-19 variants that prolonged the pandemic in FY2021, the Group's operations in Singapore and Malaysia were adversely affected with travel curbs and safe management measures, as well as mandatory 60% workforce capacity and shorter working hours in Malaysia. Whilst the Group's operations in China resumed normalcy, the slowdown in the real estate sector resulting from the Chinese government implemented credit tightening measures, undermined the performance of the broadened solutions and services in the air purification integrated solutions ("AP") segment, which focuses primarily on the Chinese market.

In FY2021, the Group registered a 17.5% year-on-year decline in revenue from S\$20.40 million for the financial year ended 31 December 2020 ("FY2020") to S\$16.84 million. The lower revenue from the cleanroom equipment ("CRE") and AP segments was buoyed by the higher contribution from the heating, ventilation and air-conditioning ("HVAC") segment, where the increase was due to a delay in the delivery of secured projects and Additions and Alterations works in Singapore in FY2020, which were subsequently recognised in FY2021.

Despite the adverse business conditions, we continued to achieve progress with an outstanding balance-of-works on hand of approximately S\$17.4 million as at 28 February 2022.

We remain cautiously positive with our growth prospect as the prevailing supply chain disruptions are likely to hinder growth. We continue to face manpower shortage and supply of key electrical components required for the fabrication of our proprietary branded equipment, as well as higher operating costs with the increase in energy prices and minimum wage in Malaysia. Barring unforeseen circumstances, the Group remains committed and expects to deliver the bulk of the sales orders in the financial year ending 31 December 2022 ("FY2022"), and strives to return to profitability.

Please refer to the following sections in our annual report for FY2021, which can be downloaded from the SGXNet for more details on our operations and financial information:

- ✔ Operations Review on pages 4 to 6
- ✔ Financial Review on pages 7 to 9
- ✔ Financial Statements and Notes to the Financial Statements on pages 49 to 112

Performance in FY2021

- Did not achieve economic performance as planned due to the emergence of new COVID-19 variants that led to heightened safe management measures affected our business operations in Singapore and Malaysia.
- Recorded a higher net loss attributable to shareholders of S\$0.95 million in FY2021, increased by 55.7% from S\$0.61 million in FY2020.

Targets for FY2022

- The uncertainties arising from resurgence of new COVID-19 variants, geopolitical tensions, supply chain disruptions, and rising operating costs, are likely to affect the operations and financial performance of the Group.
- The Group will strive to improve financial performance through higher secured sales orders, cost management, and fulfilment of secured orders as countries reopened borders.
- The Group will continue to expand its market outreach to drive growth with its existing range of proprietary products.

MANAGING SUSTAINABILITY: ECONOMIC



Anti-corruption GRI 205-3

We are committed to conducting our business with integrity and transparency with no compromise on corruption. The Group has zero-tolerance on fraudulent and corrupt practices that may disrupt business operations and impede the growth of the business.

We have in place several policies including the Conduct and Discipline Policy, the Conflict of Interest Policy, and the Fraud and Whistle-Blowing Policy, as preemptive measures to prevent, govern, and facilitate the reporting of any illegal or unethical practices in the organisation.

There was zero non-compliance relating to bribery, extortion, fraud, and money laundering.

Anti-competitive Behaviour GRI 206-1

The Group is committed in ensuring our businesses are conducted in an ethical and fair manner. We continue to seek improvement in our clean air environmental solutions and services to satisfy the requirements of our customers.

The Group has implemented a Fraud and Whistle-blowing Policy whereby a designated mailing address and email address are provided for all employees to raise concerns about possible improprieties in matters of financial reporting or any other matters of concern, which they become aware and to ensure that:

1. independent investigations are carried out in an appropriate and timely manner;
2. appropriate action is taken to correct the weakness in internal controls and policies which allowed the perpetration of fraud and/or misconduct and to prevent a recurrence; and
3. administrative, disciplinary, civil, and/or criminal actions that are initiated following the completion of investigations are appropriate, balanced, and fair while providing reassurance that employees will be protected from reprisals or victimisation for whistle-blowing in good faith and without malice.

Please refer to the Corporate Governance Report section in our annual report for FY2021, which can be downloaded from the SGXNet for more details on the following Group's policies and practices:

- The Board's Conduct of Affairs from pages 13 to 15
- Risk Management and Internal Controls on pages 28 to 33

Performance in FY2021

- Achieved the target set for FY2021.
- Recorded zero incidence of non-compliance with the relevant laws and regulations that cover corruption, bribery, extortion, fraud, and money laundering.

Targets for FY2022

- To review and keep all policies relevant and updated.
- To maintain zero incidence of non-compliance with the relevant laws and regulations involving corruption, bribery, extortion, fraud and money laundering.

Performance in FY2021

- Achieved the target set for FY2021.
- Recorded zero incidence of anti-competitive behaviour or anti-trust violation in FY2021.

Targets for FY2022

- To maintain zero incidence of anti-competitive behaviour or anti-trust violation.

MANAGING SUSTAINABILITY: ENVIRONMENTAL

Environmental Compliance GRI 307-1



We are committed to safeguard our environment with proactive efforts in our daily operations.

We remain committed to our role and responsibility in the management of our operations and we are mindful of the impact our operations have on the environment. As we continue to strive for sustainable growth in our business, we will continue to do our part to care for the environment.

In FY2021, the Group recorded zero incidence of non-compliance with the relevant laws and regulations relating to environmental in all the respective countries where we operate. We continue to ensure that all our operating entities continue to abide all the relevant rules and regulations in the respective countries.

Greenhouse Gas (“GHG”) Emissions GRI 305-1

The Group remains committed to taking positive and proactive actions on climate change and reducing carbon emission in our operations.

We collected energy data from our operations in both Malaysia and Singapore, and computed the total annual greenhouse gas emissions. Electricity in our Malaysia equipment manufacturing facility uses natural gas. The emission mainly arose from fuel consumption of vehicles for the business operations in Malaysia and Singapore as there were higher level of activities in FY2021 as compared to FY2020, where stringent safe management measures were implemented by the respective governments.

In FY2021, the Group generated a carbon footprint of 122.42 tonnes of carbon emissions, 24% higher than 98.56 tonnes of carbon emissions in FY2020. The increase was due to higher activity in both the Singapore’s and Malaysia’s operations in FY2021 despite the mandated 60% workforce capacity and shorter working hours from 28 May 2021 to end September 2021 in our manufacturing operations in Malaysia.

Performance in FY2021

- Achieved target of maintaining zero incidence of non-compliance with the relevant laws and regulations for environmental protection, which could result in internal disciplinary action or public allegation.

Targets for FY2022

- To maintain zero incidence of non-compliance with the relevant laws and regulations on environmental protection.

Performance in FY2021

- The Group generated a carbon footprint of 122.42 tonnes of carbon emission in FY2021, which was 24% higher than 98.56 tonnes of carbon emission in FY2020. This was due to the increase in activities in the Singapore and Malaysia operations.

Targets for FY2022

- To lower or at least maintain the carbon footprint level by improving production efficiency and better economic performance amidst the rising operating costs and uncertainties in the current business environment.

MANAGING SUSTAINABILITY: ENVIRONMENTAL

Waste GRI 306-3

Our manufacturing facility in Malaysia that manufactures our proprietary range of clean air environmental products and systems, continues to abide the rules and regulations applicable to Licensed Manufacturing Warehouse under the Malaysian Customs Act.

The waste materials generated from our production activities are classified and separated into hazardous and non-hazardous wastes for proper handling and disposal. Hazardous waste consists mainly paint, while non-hazardous waste includes aluminium and paper related materials. We have engaged third-party service providers to manage all proper disposal of our waste materials.

In FY2021, our manufacturing facility in Malaysia resumed operations to fulfill the secured orders recorded by the Singapore operations. The total amount of waste materials increased by 92.5% from 30,115 kilograms in FY2020 to 57,982 kilograms in FY2021.

Types of waste (in kilograms)	FY2021	FY2020	Variance
Hazardous	25,218	7,257	247.5%
Non-hazardous	32,764	22,858	43.3%
Total	57,982	30,115	92.5%

As part of our environmental conservation effort, we have implemented energy savings and recycling within our offices. These include maintaining unnecessary wastage such as two-sided printing, using recycled paper for printing, and switching off lights in office premises when not in use.

Performance in FY2021

- The Group generated a total of 57,982 kilograms of waste in FY2021 from the manufacturing facility in Malaysia as operations resumed from the lockdowns in FY2020.

Targets for FY2022

- To review and work towards reducing the amount of waste generated through improving production process and efficiency.

MANAGING SUSTAINABILITY: SOCIAL

Diversity and Equal Opportunity GRI 401-1, 405-1

We remain committed to nurturing a workplace that advocates fairness, justice, respect, and inclusiveness regardless of race, religion or nationality, as our diverse workforce reflects the diversity of markets and customers we serve.

We believe our employees are essential for the continual growth of our business and maintaining long-term success.

At Eindec, we prohibit any form of forced labour, human trafficking and modern slavery in our Group. We do not discriminate against our employees or potential recruits according to their race, age, gender, religion, ethnicity, facial attractiveness, physical impairments, sexual preference, political viewpoints, or nationality.

We have in place our staff handbook and human resources manual that adhere to the legislation and guidelines in the country of operations. Discretionary incentives are granted to eligible employees based on their performance and contributions to the Group. Remuneration policies and packages are reviewed regularly to ensure that compensation and benefits are in line with the industry. This helps the Group in our recruitment and retention of talent.

As at 31 December 2021, the Group has a staff strength of 125 for our operations in Singapore and Malaysia, a decline from 131 employees as at 31 December 2020. Approximately 77.2% of our employees in FY2021 are fulltime employees, a decline from 84.5% in FY2020. This was due to the natural attrition and an increase of contract employees for the manufacturing operations in Malaysia amid the border closure in the year under review. All our employees are paid fair wages in line with the respective local regulations and overtime work is optional and our employees are given the option to decide if they wish to work overtime in accordance with the local employment law in the respective countries of operations.

Due to the nature of the work, the diversity by gender for FY2021 continues to be male dominated, particularly the manufacturing operations in Malaysia.

Performance in FY2021

- No staff engagement activities were held due to the heightened safe management measures amid the emergence of highly transmissible new COVID-19 variants.
- Continue to maintain Tripartite Standard on flexible work arrangements to promote better work-life balance.

Targets for FY2022

- To monitor the COVID-19 pandemic situation and adhere to safe management measures as a preventive measure.
- Aim to resume group activities to foster better relations and team work among employees.

MANAGING SUSTAINABILITY: SOCIAL

Diversity and Equal Opportunity GRI 401-1, 405-1

Employees by Gender

Location / Gender	FY2021		FY2020	
	Male	Female	Male	Female
Singapore	64.3%	35.7%	59.4%	40.6%
Malaysia	76.3%	23.7%	77.8%	22.2%
Group Average	73.6%	26.4%	73.3%	26.7%

Employees by Age Group

Location / Age Group (years old)	FY2021			FY2020		
	< 30	30 - 50	> 50	< 30	30 - 50	> 50
Singapore	17.9%	46.4%	35.7%	18.8%	50.0%	31.2%
Malaysia	40.2%	51.5%	8.3%	38.4%	52.5%	9.1%
Group Average	35.2%	50.4%	14.4%	33.6%	51.9%	14.5%

New Employees by Gender and Location

Location / Gender	FY2021		FY2020	
	Male	Female	Male	Female
Singapore	0%	0%	44.4%	55.6%
Malaysia	100%	0%	37.5%	62.5%

New Employees by Age Group and Location

Location / Age Group (years old)	FY2021			FY2020		
	< 30	30 - 50	> 50	< 30	30 - 50	> 50
Singapore	0%	0%	0%	44.4%	55.6%	0%
Malaysia	100%	0%	0%	50%	25%	25%

New Employees and Employee Turnover for FY2021

Gender	New Hires	Left	Employee Turnover
Male	0%	57.1%	4.3%
Female	100%	42.9%	5.9%
Total			4.7%

Board Diversity

Gender	Male	Female
Male	80%	80%
Female	20%	20%

MANAGING SUSTAINABILITY: SOCIAL

Occupational Health and Safety GRI 403-9



The health and safety of our employees are of utmost priority. The Group remains committed to manage health and safety risks to provide a healthy and safe working environment for our employees.

We continue to stay vigilant in managing and monitoring the health and safety risks through various policies and procedures including Office Environment, Office Order and Safety Management Policy, and Employee Behaviour and Responsibilities Guidelines.

The Group has insured our employees with employee liability insurance, accident and injury insurance, and hospitalisation and surgery insurance as part of employees' welfare. Our employees are also encouraged to go for annual health checks to monitor their health status and well-being.

We also continue to enforce good hygiene practices and safe management measures including physical distancing and sanitizing workplaces regularly, to provide a safe working environment and minimise risks of COVID-19 transmission for our employees.

The Safety and Health Committee is put in place to be involved in the Occupational Safety and Health Workplace inspection and related activities, to promote the importance of occupational safety and health in the workplace. Regular committee meetings are held for the representatives and toolbox briefings are conducted every quarterly to remind employees of important safety measures. In addition, all workers have to attend emergency response training.

In FY2021, we recorded four reportable work-related injuries and an aggregate of 17 lost days at our manufacturing facility in Malaysia. Whilst these cases were minor injuries, we continue to conduct refresher training for all our employees to emphasise safe work procedures on the importance of using personal protective equipment. We will continue to strive to minimise occurrences and remain committed to promote safety measures in our operational facilities.

Performance in FY2021

- Recorded four reportable work-related minor injuries at the manufacturing operations in Malaysia.
- Aggregate lost days decreased from 119 days in FY2020 to 17 days in FY2021.

Targets for FY2022

- To maintain zero incidence of significant work-related injuries and fatalities.
- To maintain zero incidence of noncompliance with the relevant laws and regulations relating to occupational health and safety, providing a safe working environment and protecting employees from occupational hazards.

MANAGING SUSTAINABILITY: SOCIAL

Training and Education GRI 404-1, 404-2

The Group remains committed to provide opportunities for our employees to attend courses to upgrade and equip themselves, and to improve their knowledge, qualification and skills to perform better in their roles and responsibilities. We believe enhancing the value of our employees is essential as the success of our business and sustainable growth are dependent of human capital.

In the year under review, most of the courses continue to be conducted through virtual classrooms and/or web conferencing. The courses attended by the executives in FY2021 include IFRS 16 and Jet Report Training, which recorded a total of 27 hours for five employees.

We have planned to carry out two courses for our employees in Singapore and Malaysia in FY2022. These trainings include Microsoft Dynamic NAV and Welding.

Performance in FY2021

- Achieved target set in FY2021 to conduct skills enhancing programmes virtually for employees.

Targets for FY2021

- To explore activities and skills enhancing programmes that can be conducted through online/ virtual platforms for employees.
- To increase the number of training hours for employees.



MANAGING SUSTAINABILITY: GOVERNANCE

Socioeconomic Compliance GRI 419-1

We remain committed to operate our business in compliance with the relevant social and economic laws and regulations through regular internal checks and balances.



The Group continues to strive on having good corporate governance and observing compliance with applicable laws and regulations, and performing beyond these requirements. We remain committed to conducting the business with integrity and safeguarding the interest of all our stakeholders, both internal and external.

Please refer to the Corporate Governance Report in our annual report for FY2021, which can be downloaded from the SGXNet for details on the following policies and practices of the Group:

- The Board's Conduct of Affairs, pages 13 to 15
- Risk Management and Internal Controls, pages 28 to 33

Performance in FY2021

- Achieved target set for FY2021.
- Recorded zero incidence of non-compliance with the relevant laws and regulations in the social and economic area that could potentially result in internal disciplinary action or public allegation.

Targets for FY2022

- To maintain zero incidence of noncompliance with the relevant laws and regulations in the social and economic area that could potentially result in internal disciplinary action or public allegation.

Corporate Governance

The Board and the management of Eindex remain committed to the best practices in corporate governance to ensure the sustainability of the Group's operations. We believe our consistent motivation for corporate excellence will continue to reinforce a more transparent, accountable, and equitable system, and thereby delivering higher value to our stakeholders.

Please refer to the Company's annual report for FY2021 (pages 13 to 37) for details of the Group's corporate governance principles and practices.

The Corporate Governance Report outlines the Company's corporate governance structures and practices that were in place during FY2021, with specific reference made to the principles and the provisions of the Singapore Code of Corporate Governance 2018.

Performance in FY2021

- Achieved target set for FY2021.
- Recorded zero incidence of non-compliance with management controls and procedures.

Targets for FY2022

- To maintain zero incidence of noncompliance with management controls and procedures.
- Continue to monitor and update the adequacy of the risk management framework as and when appropriate.

MANAGING SUSTAINABILITY: GOVERNANCE



Enterprise Risk Management

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group had engaged third party professional to establish the Group's Risk Control Assurance Framework. Risk management policies have been established to identify and analyse the key risks faced by the Group, to set appropriate risk limits and controls, develop a risk control matrix, and to implement procedures to monitor and report risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through our training and management standards and procedures, aims to develop a disciplined and constructive control environment whereby all employees understand their roles and obligations.

The Audit Committee of the Company oversees how the management monitors compliance with the Group's risk management policies and procedures, and from time to time, reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by the internal auditor. The internal auditor undertakes both regular and adhoc reviews of the Group's risk management controls and procedures and reports its findings to the Audit Committee.

The Group will continue our practice of performing risk assessment at least once per year, either internally or with the assistance of a third party professional as determined by the Audit Committee.

GRI CONTENT INDEX

GRI Standards	Disclosure	Reference / Description	
GENERAL DISCLOSURE			
GRI 102: General Disclosures	102-1	Name of organisation	Eindec Corporation Limited
	102-2	Activities, brands, products and services	Sustainability Report 2021 (" SR "): Corporate Profile, page 3
	102-3	Location of headquarters	Singapore
	102-4	Location of operations	Singapore, Malaysia, China
	102-5	Ownership and legal form	Annual Report 2020 (" AR "): Statistics of Shareholdings, pages 113 to 114
	102-6	Markets served	AR – Operations Review, pages 4 to 6
	102-7	Scale of the organisation	AR – Financial Review, pages 7 to 9 SR – Economic Performance, page 10
	102-8	Information on employees and other workers	SR – Social, pages 14 to 15
	102-9	Supply chain	SR – Corporate Profile, page 3
	102-10	Significant changes to the organisation and its supply chain	AR – Letter to Shareholders, pages 2 to 3 SR – Economic Performance, page 10
	102-11	Precautionary Principle or approach	Eindec supports the intent of the Precautionary Principle, but has not expressed a specific commitment.
	102-12	External initiatives	None
	102-13	Membership of associations	Eindec is a member of Singapore Business Federation and Federation of Malaysian Manufacturers
	102-14	Statement from senior decision maker	SR – Board Statement, page 4
	102-16	Values, principles, standards and norms of behaviour	AR – Corporate Governance, pages 13 to 37
102-18	Governance structure	AR – Corporate Governance, pages 13 to 37	
102-40	List of stakeholder groups	SR – Stakeholder Engagement, pages 7 to 8	
102-41	Collective bargaining agreements	None	

GRI CONTENT INDEX

GRI Standards	Disclosure	Reference / Description	
GENERAL DISCLOSURE			
GRI 102: General Disclosures 2016	102-42	Identifying and selecting stakeholders	SR – Stakeholder Engagement, pages 7 to 8
	102-43	Approach to stakeholder engagement	SR – Stakeholder Engagement, pages 7 to 8
	102-44	Key topics and expectations raised	SR – Stakeholder Engagement, pages 7 to 8
	102-45	Entities included in the consolidated financial statements	AR – Notes to Financial Statements, pages 54 to 112
	102-46	Defining report content and topic boundaries	SR – Board Statement, page 4
	102-47	List of material topics	SR – Materiality Assessment, page 9
	102-48	Restatement of information	None
	102-49	Changes in reporting	None
	102-50	Reporting period	SR – Board Statement, page 4
	102-51	Date of most recent previous report	28 May 2021
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions about the report	SR – Board Statement, page 4
	102-54	Claims if reporting in accordance with the GRI Standards	SR – Board Statement, page 4
	102-55	GRI content index	SR – GRI Content Index, pages 20 to 22
102-56	External Assurance	We may seek external assurance in the future.	
MATERIAL TOPICS			
GRI 204: Procurement practices 2016	204-1	Proportion of spending on local supplier	SR – Suppliers and Business Partners, page •
GRI 205: Anti-corruption 2016	205-3	Communication and training about anticorruption policies and procedures	SR – Anti-corruption, page 11
GRI 206: Anti-competitive Behaviour 2016	206-1	Legal actions for anti-competitive, antitrust, and monopoly practices	SR – Anti-competitive Behaviour, page 11
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	SR – GHG Emissions, page 12

GRI CONTENT INDEX

GRI Standards		Disclosure	Reference / Description
MATERIAL TOPICS			
GRI 306: Waste 2020	306-3	Waste generated	SR – Waste, page 13
GRI 307: Environmental compliance 2016	307-1	Non-compliance with environmental laws and regulations	SR – Environmental Compliance, page 12
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	SR – Diversity and Equal Opportunity, page 16
GRI 403: Occupational health and safety 2018	403-9	Work related injuries	SR – Occupational Health and Safety, page 16
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	SR –Training and Education, page 17
	404-2	Programs for upgrading employee skills and transition assistance programs	
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	SR – Diversity and Equal Opportunity, page 18
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	SR – Socioeconomic Compliance, page 18

CORPORATE INFORMATION

Board of Directors

Mr. Zhang Wei

Non-Executive Chairman

Ms. Jiang Nan

Non-Independent and Non-Executive Director

Mr. Ong Kian Guan

Lead Independent Director

Mr. Wong Chee Meng Lawrence

Independent Director

Mr. Jeffrey Ong Shen Chieh

Independent Director

Audit Committee

Mr. Ong Kian Guan (Chairman)

Mr. Wong Chee Meng Lawrence

Mr. Jeffrey Ong Shen Chieh

Nominating Committee

Mr. Jeffrey Ong Shen Chieh (Chairman)

Mr. Wong Chee Meng Lawrence

Mr. Ong Kian Guan

Remuneration Committee

Mr. Wong Chee Meng Lawrence (Chairman)

Mr. Jeffrey Ong Shen Chieh

Mr. Ong Kian Guan

Principal Place of Business and Registered Address

10 Bukit Batok Crescent,

#06-05 The Spire

Singapore 658079

Tel: (65) 6265 1311

Fax: (65) 6265 8100

Website: www.eindec.com.sg

Email: enquiry@eindec.com.sg

Company Secretary

Shirley Tan Sey Liy (FCS, FCG)

External Auditors

Moore Stephens LLP

10 Anson Road

#29-15 International Plaza

Singapore 079903

Partner-in-charge: Lao Mei Leng

(Public Accountants and

Chartered Accountants Singapore)

(Appointed since financial year ended

31 December 2019)

Sponsor

ZICO Capital Pte. Ltd.

77 Robinson Road

#06-03 Robinson 77

Singapore 068896

Share Registrar and Warrant Agent

IN.CORP CORPORATE SERVICES PTE. LTD.

30 Cecil Street

#19-08 Prudential Tower

Singapore 049712

Principal Banker

United Overseas Bank Limited

80 Raffles Place

UOB Plaza Singapore 048624

Investor Relations

Octave FinComm Private Limited

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EINDECKYODO

—— 英德集团 ——

EINDEC CORPORATION LIMITED

(Company Registration No.: 201508913H)

(Incorporated in the Republic of Singapore on 2 April 2015)

10 Bukit Batok Crescent, #06-05

The Spire

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