



# Sustainability Report

MEDTECS INTERNATIONAL CORPORATION LTD  
(Incorporated in Bermuda)

2019

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# 1 Message from the Chairman

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Time flies. It seemed only yesterday when I shared with you in our 2018 Sustainability Report a poem as a token of the commitment of Medtecs International Co Ltd (**Company**, and together with its subsidiaries, the **Group**) to sustainability, and here we are again. I am pleased to be sharing with you our sustainability efforts of the past 12 months in our 2019 Sustainability Report.

This 2019 edition is the Group's third annual Sustainability Report. Following the preparation and submission of the previous reports, the Group as a whole acted more efficiently and with more clarity in the preparation of this year's 2019 Sustainability Report, from engagement with our stakeholders, identification of material environmental, social and governance (**ESG**) factors, as well as collection of data and information from various offices and production sites.

The preparation and putting together of the Group's 3 Sustainability Reports have made us realize that it is an inevitable but much welcomed global trend for listed companies to share their sustainability efforts as part of their corporate disclosure. This is because sustainability reporting covers non-financial aspects of our performance, which complements the more traditional financial reporting in the form of annual reports which focus mostly on financial performances. We understand that the success of a company is no longer being evaluated solely by its profitability (in terms of earnings per share, for instance), but also by its overall management approach for ESG factors .

In light of this, the Group has worked hard to identify and tackle relevant ESG issues. Through honest and disciplined planning and execution of ESG-driven strategies which we believe we will be able to lay a solid foundation for the Group's sustainable development. As part of our commitment to sustainability, we have formed our own sustainability reporting team, led by the Chief Executive Officer of the Group, to draft and prepare our Sustainability Reports with guidance and assistance from the Board of Directors, as opposed to engaging external parties in the preparation of our Sustainability Reports. We have not sought external assurances for this Report, and will consider seeking external assurance for future reporting periods.

On several occasions where the topic of sustainability reporting had come up, I was asked by friends and business associates on why we had decided to spend so much effort on preparing the Reports on our own, with no external help. As a matter of fact, after going through 3 reporting cycles, notwithstanding that our sustainability reporting journey is still in its infant stage, I have already begun to see the following benefits:

## **I. Increased understanding of risks and opportunities**

Preparing a Sustainability Report requires understanding of the ESG issues, the 17 Sustainable Development Goals (SDGs) set by the United Nations, together with the tangible risks and opportunities that our business may face, which can in turn shape our business model and improve risk management. For example, with many countries facing issues arising from falling birth rates and aging population, the Group's labour needs are harder to meet; on the flip side, though, these problems represent opportunities to further increase sale of our medical consumables and related products.

## **II. Developed the ability to issue integrated reports in the future**

In order to prepare the Group's Sustainability Reports, we have required and coordinated with each production site to record and summarize their performances and results in relation to the targets set for the material ESG factors in a timely manner. Should integrated reporting become mandatory, the Group will by then be well equipped to in fulfilling our reporting obligations accordingly.

### **III. Enhanced corporate image and employee engagement and morale**

Sustainability reporting to us means disclosure on the Group's strategies and risk-management actions for ESG factors that materially affect our performance and stakeholders. The Group's continued commitment to preparing and issue the Sustainability Reports will lead to increased transparency that can build and maintain trust in the Group and lead to better corporate image in the eyes of our stakeholders. At the same time, sustainability reporting will keep our staff informed about the Group's sustainable efforts, leading to strengthened identification with the Group, and possibly better talent retention.

### **IV. Increased business opportunities**

The Group's business partners include mostly reputable hospitals whose tender process increasingly incorporate sustainability considerations. By reporting on our sustainability or corporate social responsibility (CSR) efforts, the Group has shown customers its commitment to sustainability, which could have a positive impact on the chances of the Group being awarded a contract.

### **V. Improved the Group's operations to build competitiveness**

In the process of preparing the past Sustainability Reports, various issues have been identified and remained at the forefront of concern among the Group's employees. In 2019, we re-launched the 5-S program (sort, streamline, shine, standardize and strive) to manage our workplace across all offices and production sites. At the same time, we launched initiatives aimed at reducing our overall consumption of water, electricity, fuel, and paper so as to reduce the Group's environmental impact. Moreover, installation of an enterprise resource planning (ERP) system and customer relationship management (CRM) system in 2019, which meant our order processing and information recording methods in paper form have been phased out and replaced with electronic means. This has led to reduced paper consumption, an overall cost reduction and increased efficiency.

### **VI. Increased awareness by employees that giving back to the community involves leveraging on the Group's strengths**

Corporate social responsibility used to mean primarily monetary or in-kind donation to local charities. In preparing our Sustainability Reports, however, we have realized that CSR is more than just community outreach. Only by leveraging on our expertise and strengths and aligning our business and social interests with those of the communities we operate in can we make the most impact on environmental and social improvements for the long run. This realization has greatly inspired and re-focused the Group's philanthropic endeavors.

Among domestic and foreign companies that have issued sustainability reports, our Group is relatively small in terms of corporate scale, meaning we have limited resources to spare. However, as a manufacturer of medical consumables and a provider of integrated hospital services, we are confident as long as we are committed to working hard toward our set vision, mission, goals and strategies to manage the ESG factors that impact all stakeholders, we will be able to combine entrepreneurship with social responsibility and help preserve our environment and make lives better all around for our stakeholders and communities that support us.

Yours,



Chairman of the Board of Directors

## 2 About the Report

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### 2.1 Report Methodology

Pursuant to the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (**Catalist Rules**), we have been issuing our sustainability reports on an annual basis (most recently issued on 29 May 2019) to increase transparency in our sustainability operations such as energy reduction, staff training, and supplier management to confront social and environmental issues.

This 2019 Report presents the Group's sustainability performance for the period between 1 January 2019 and 31 December 2019 (**FY2019**) and its targets for the upcoming year. It has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core Options.

Please refer to the Index of GRI Standards at the end of this Report for each of the GRI Standards used and all the disclosures included in this Report.

### 2.2 Board Statement

The Board of Directors is pleased to present Medtecs' 2019 Sustainability Report, which confirms the Group's commitment to sustainability. This commitment is reflected in the Group's sustainable business strategies and objectives that the management have identified after determination and consideration of key environmental, social and governance (ESG) issues.

The Board of Directors had considered sustainability issues in its strategic formulation, approved these material ESG factors and overseen their management and monitoring by the management. This Report has been prepared in accordance with the guidelines of the Global Reporting Initiative, which are well-known and credible standards for reporting on environmental, social and governance issues that are most important to the Group's business and stakeholders.

### 2.3 Report Scope

This Report covers the environmental and social aspects of the Group and its related performance data, policies, practices and performance of its business segments from January 1 to December 31, 2019. The Report applies to the operations of Medtecs International Corporation Limited and its major subsidiaries in Taiwan, the Philippines and Cambodia. Our subsidiaries in Singapore, China and Malaysia are not covered in this Report due to the relatively small percentage of revenue they contributed to the Group.

### 2.4 Sustainability Reporting Framework

This Report has been prepared in accordance with the requirements set out in Rule 711B and Practice Note 7F to the Catalist Rules. In 2019, we continued to focus our sustainable development efforts on issues identified in 2018, such as energy, automation, education and training, and supplier management. These four aspects form a multi-disciplinary approach that corresponds to key ESG factors. Key business units of the Group have reviewed their performance and targets in relation to these ESG factors and their findings are disclosed in this Report.

## **2.5 Contact and Feedback**

We welcome your feedback on this Report. For more information or to provide comments, please contact [christine@medtecs.com](mailto:christine@medtecs.com) or call +886-2-27392222.

## 3 Corporate Profile

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### 3.1 About Medtecs

We are well-known healthcare product and service provider and a leading manufacturer of medical consumables, including protective clothing, isolation gown, medical bandages and workwear. We commenced operations in the Philippines in 1989 and have since established a strong presence in the United States, Europe and Asia Pacific. Medtecs is a company incorporated in Bermuda in 1997 and currently is headquartered in Taipei, Taiwan. We have offices and facilities spanning across Asia – in Taiwan, the Philippines, China and Cambodia, and have a representative office in Singapore. Medtecs was listed on the Singapore Dealing and Automated Quotation System (SESDAQ) of the Singapore Exchange Securities Trading Limited on 6 October 1999 and transitioned to Catalyst-sponsored regime with R & T Corporate Services Pte. Ltd. on 26 February 2010. Our Taiwan Depositary Receipts were listed on the Taiwan Stock Exchange (TWSE) on 31 December 2002.

Medtecs' main lines of business include manufacturing original products and providing integrated hospital services. As an original product manufacturer (OPM) of a wide range of medical consumables, hospital workwear and apparels, Medtecs has manufacturing facilities in the Philippines, China and Cambodia. 81% of our products are exported to the EU, 10% to the Asia Pacific and 9% to the US. As a hospital services provider, Medtecs provides hospitals in Taiwan and the Philippines with integrated services which include rental and laundry of linens, management of laundry facilities, hospital automation and other non-core hospital functions (also known as 3L (leasing, laundry, logistics) services). Our Hospital Services division in Taiwan generates 90% of the revenue from hospital services while that in the Philippines accounts for 10%.

This year, the Group's revenue was up by 1.0% compared to that of the previous year, reaching US\$ 69 million. Revenues from the OPM business increased by 1.3% to US\$52.9 million due to higher orders from our existing customers. Revenues from the Hospital Services division improved by 2.2% to US\$14.3 million attributable to higher linen consumptions in Taiwan and additional hospital contracts in the Philippines. The Group's net profit increased to US\$1.2 million in 2019 as a result of overall higher revenues and improved efficiency. For the total assets of the Group and for the identity and percentage of ownership of the Group's largest shareholders, please refer to pages 47 to 49 of the Annual Report for FY2019 available for download on the Group's website.

As at 2019, the Group had 4,357 employees worldwide, with 370 employees on the payroll in Taiwan, 3,401 in Cambodia and 586 in the Philippines, respectively. There have been no significant changes to the size, structure, ownership or supply chain of the Group for 2019.



### 3.2 Vision, Mission and Values

#### 【Vision】

Providing world-class medical products, services and protective wear to ensure that every worker returns home safe.

#### 【Mission】

Providing safe, comfortable and stylish protective clothing and equipment for workers; providing support services with speed and soul to hospitals.

#### 【Value】

Our values are customer focus, valuing our people, sustainable practices, KUNGFU and TARPS. These values inspire us to do the right thing and inform every decision we make.



**KUNGFU** will transform us ordinary to extraordinary

**K**now your customer  
**U**nderstand the transaction  
**N**ever give up  
**G**ood for stakeholders



**TARPS** will take us from “GOOD” to “GREAT”

- ⊙ **T**eamwork
- ⊙ **A**ccountability
- ⊙ **R**eward & **P**unishment
- ⊙ **S**olution-oriented





### 3.3 Certification, Awards and Membership

#### 3.3.1 Certification

Our high-quality products and services have been recognized by various well-known international certificates such as ISO 9001, ISO 13485, CE, WCA and Dun & Bradstreet Certificate, confirming our compliance with established workplace standards.

##### **ISO 9001**

ISO 9001 is a set of international quality management tools used to maintain the consistency of the quality of products and services provided by an organization.

##### **ISO 13485**

This confirms our ability in design, development, production, installation and delivery of medical devices and related services that consistently meet customer and applicable regulatory requirements.

##### **CE**

The CE marking shows that our products meet the health, safety, and environmental protection standards of the European Economic Area (EEA).

##### **WCA**

The WCA certification is to confirm that our working conditions meet the human rights norms of the international community.

##### **Dun & Bradstreet Certificate**

Medtecs obtained the Dun & Bradstreet third-party enterprise certification (D-U-N-S® Registered™), which verifies items such as the Group's basic business information, operational and management details, production capacity, R&D (research and development) capabilities, awards and certificates received, and corporate social responsibility efforts.

### 3.3.2 Awards

- 2019 ● Medtecs won the Silver Award for the 2019 Taipei Neo Trade Award given out by the Taipei City Government. Medtecs was recognized for transforming itself into a company empowered with cross-border e-commerce capability and for redefining its business model to reach more overseas markets through data-driven strategies, thus setting a good example for medium and large enterprises in Taiwan.



Figure 1 : 2019 Taipei Neo Trade Award

- 2018 ● Medtecs entered the 2018 Alibaba Taiwan Top-Ten B2B E-Commerce Companies Competition sponsored by the New Taipei City Government and Alibaba B2B. In the final round, we shared how the Medtecs Group had used e-commerce platforms for more effective supply chain management and for generating leads and business opportunities, and won first place.



Figure 2 : 2018 Alibaba Taiwan Top-Ten B2B E-Commerce Companies Competition Award

- 2016 ● Medtecs has been operating in the Philippines for over 30 years. Our subsidiary, Universal Weavers Corporation based in Bataan, was recognized as the Top Exporter by the Authority of the Freeport Area of Bataan in 2016 for its contribution to the local export and job market.



Figure 3 : 2016 Top Exporter Award

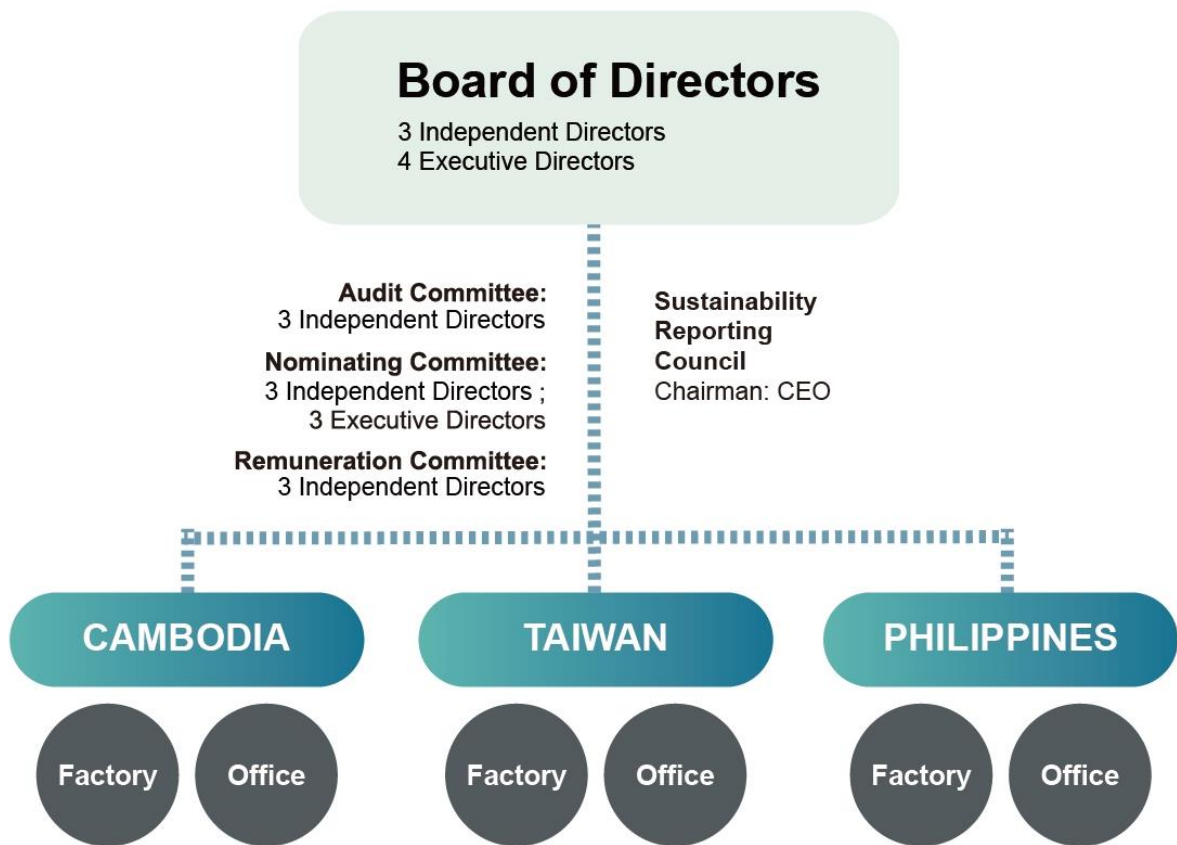
### **3.3 Membership**

- The Chinese International Economic Cooperation Association
- Taiwan Technical Textiles Association
- Taipei Textiles Association
- Taipei Medical Instruments Commercial Association
- Miaoli County Industrial Association
- Miaoli County Laundry Association

### **3.4 Sustainability Governance**

As part of the tenets of good governance, the Board is responsible for setting strategic objectives for the Group with the appropriate focus on sustainability as well as determining the ESG factors identified as material to the business of the Group and overseeing the Group's sustainability disclosure by monitoring the ESG issues that impact the Group's sustainable development.

In 2017, we established the Sustainability Reporting Council made up of the Planning Department of the Group and senior executives, led by the Group's Chief Executive Officer, which is responsible for coordinating our sustainability reporting efforts and ensuring that the Board and the Group's senior management are informed and engaged on ESG factors which will be influenced by or have an impact on our business planning, strategy and operations.



### 3.5 Management of Risks and Opportunities

The Group adopts a precautionary approach to financial and business risk management. The Board, supported by the Audit Committee, oversees the Group's risk management and internal controls system, which includes reviewing and discussing potential business risks and opportunities identified by the management team to come up with action plans. The Audit Committee is responsible for making recommendations to the Board regarding the adequacy and effectiveness of the risk management and internal control system of the Group, as well as actions proposed to be taken by the management team to explore business opportunities. Further details on our management approach to business risks can be found in the Business Outlook and Prospects section (pages 10-12 of the Annual Report for FY2019, available for download on our corporate website) and the Risk Management and Internal Controls sub-section under the Report on Corporate Governance (page 39 of the Annual Report for FY2019, available for download on our corporate website).

The Group's General Management Office collects and collates the information from all business and production units and recommends from time to time appropriate strategies and business

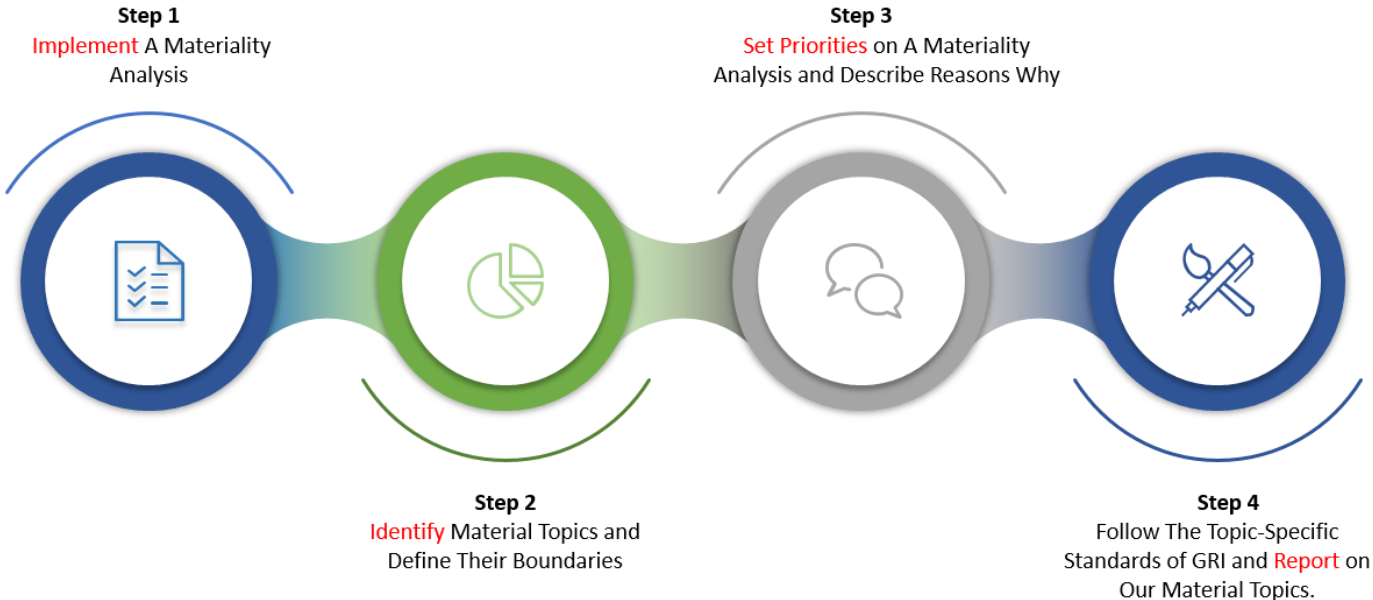
plans for consideration by the Group CEO, taking into account sustainability policies and regulations in countries where we operate. The Group CEO then reports these strategies and plans to the Board for further discussion and refinement.

To predict and manage risks that may disrupt our business operations, we also plan to review and update our Business Continuity Plan, which has been implemented across all business units and operations and ensures that each business unit has a contingency plan in place in case of natural disasters and emergencies which may negatively affect the Group's business continuity.

# 4 Stakeholders and Material ESG Factors

## 4.1 Analysis and Identification Process

Through regular and active engagement with our stakeholders, the Group was able to identify material ESG factors that the stakeholders are concerned with. We then analyzed quantitatively the impact of each ESG factor with regard to the Group's performance to come up with a materiality matrix. Our Sustainability Reporting Council discusses, identifies and updates the relevant material ESG factors on an ongoing basis, taking into consideration their relevance to the business, strategy, business model and key stakeholders. The material ESG factors prioritized according to their impact and those with higher priority will be addressed, relevant measures be implemented according to plan. Throughout the reporting cycle, the implementation of these measures are monitored continuously, and data is collected to ensure that the targets set for such material ESG factors have been achieved . Such achievements or updates to the material ESG factors will be communicated to our stakeholders.



## 4.2 Stakeholder Engagement

In identifying stakeholders who are impacted by the Group's business and operations as well as those who have a material impact on the success of the Group's business and operations, taking into account the need for diverse representation of functions, influences and relationships with the Group, we have identified seven major categories of stakeholders, which includes the investing public, customers, employees, government agencies and policy-makers, local communities, suppliers and financial institutions. We value communication with all stakeholders, and have set up a multitude of communication channels, including a Corporate Social Responsibility section on our corporate website, so as to answer stakeholders' concerns to us directly. The table below details how we communicate and engage with our stakeholders:



Table 1: Stakeholder Engagement

Stakeholder Groups	Engagement Channels and Frequency of Interactions	Main Concerns Raised	How We Have Responded
<b>Investors and Shareholders</b>	<ul style="list-style-type: none"> <li>Annual General Meetings</li> <li>Public announcements on financial results (on a half-yearly basis), and from time to time other material matters such as business developments, and other relevant disclosures via SGXNet and our corporate website, and press releases</li> <li>Engagement through our Investor Relations team at investor.relations@medtecs.com.</li> </ul>	<ul style="list-style-type: none"> <li>Financial performance</li> <li>Risk management</li> <li>Sustainable strategy</li> <li>Energy efficiency</li> <li>Automation</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure of financial performance, group strategies and sustainability initiatives in our annual reports and sustainability reports</li> <li>Implemented our Business Continuity Plan</li> <li>Implemented equipment upgrade in our factories</li> </ul>
<b>Customers</b>	<ul style="list-style-type: none"> <li>Environmental and social audits commissioned by customers on an ad-hoc basis</li> <li>Customer feedback and surveys obtained on an ad-hoc basis</li> <li>Regular trade shows and exhibitions in different countries (at least once a year)</li> <li>Engagement through our corporate website and social media pages (including our Facebook pages) on an ad-hoc basis</li> <li>Customer contact through Alibaba.com, Global Sources, and Taiwantrade.com on a daily basis</li> </ul>	<ul style="list-style-type: none"> <li>Product management</li> <li>Innovation</li> <li>Energy efficiency</li> <li>Environmental protection</li> </ul>	<ul style="list-style-type: none"> <li>Obtained relevant industry certification as proof of our ability to provide high-quality products using recognized Quality Management System</li> <li>Through our sustainability initiatives, specifically identification of energy as a material ESG factor in our sustainability reports.</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>Company annual dinner</li> <li>Bi-weekly Town Hall meetings</li> <li>Annual performance reviews</li> <li>Monthly staff birthday parties</li> <li>Company trip</li> <li>Induction programmes</li> <li>Training programmes</li> <li>Engagement through our corporate website, social media pages (including our Facebook pages), and LINE groups on an ad hoc basis</li> </ul>	<ul style="list-style-type: none"> <li>Labor relations and education</li> <li>Occupational safety</li> <li>Employee benefits</li> <li>Diversity of employees</li> </ul>	<ul style="list-style-type: none"> <li>Provided professional skill enhancement courses and workshops (see page 35 of this Report for further details).</li> <li>Provided orientation for new hires so they are familiar with the Group's vision, and corporate culture</li> </ul>
<b>Government agencies and policy-makers</b>	<ul style="list-style-type: none"> <li>Public announcements on financial results (on a half-yearly basis), and from time to time other material matters such as business developments, in accordance with listing requirements of the SGXNet</li> <li>Verbal and written communications with relevant authorities in relation to obtaining or renewal of licences</li> </ul>	<ul style="list-style-type: none"> <li>Risk management</li> <li>Corporate governance</li> <li>Regulatory compliance</li> <li>Labor relations</li> </ul>	<ul style="list-style-type: none"> <li>Disclosure of our corporate governance structure in our annual report</li> <li>WCA certification</li> </ul>
<b>Local Communities</b>	<ul style="list-style-type: none"> <li>Annual donations to charitable causes</li> <li>Volunteer programs on an ad hoc basis</li> </ul>	<ul style="list-style-type: none"> <li>Environmental protection</li> <li>Waste/Water treatment</li> <li>Job opportunity</li> </ul>	Please refer to our Corporate Social Responsibility Statement in pages 13 to 14 of our Annual Report for FY2019
<b>Suppliers</b>	<ul style="list-style-type: none"> <li>Continuous communication through relationship managers and our procurement team</li> <li>International exhibitions</li> </ul>	<ul style="list-style-type: none"> <li>Procurement practice</li> <li>Supplier social assessment</li> <li>Supplier environmental assessment</li> </ul>	Implementation of the Supplier Policy and Procedures (for further details please refer to pages 20 to 23 of this Report)

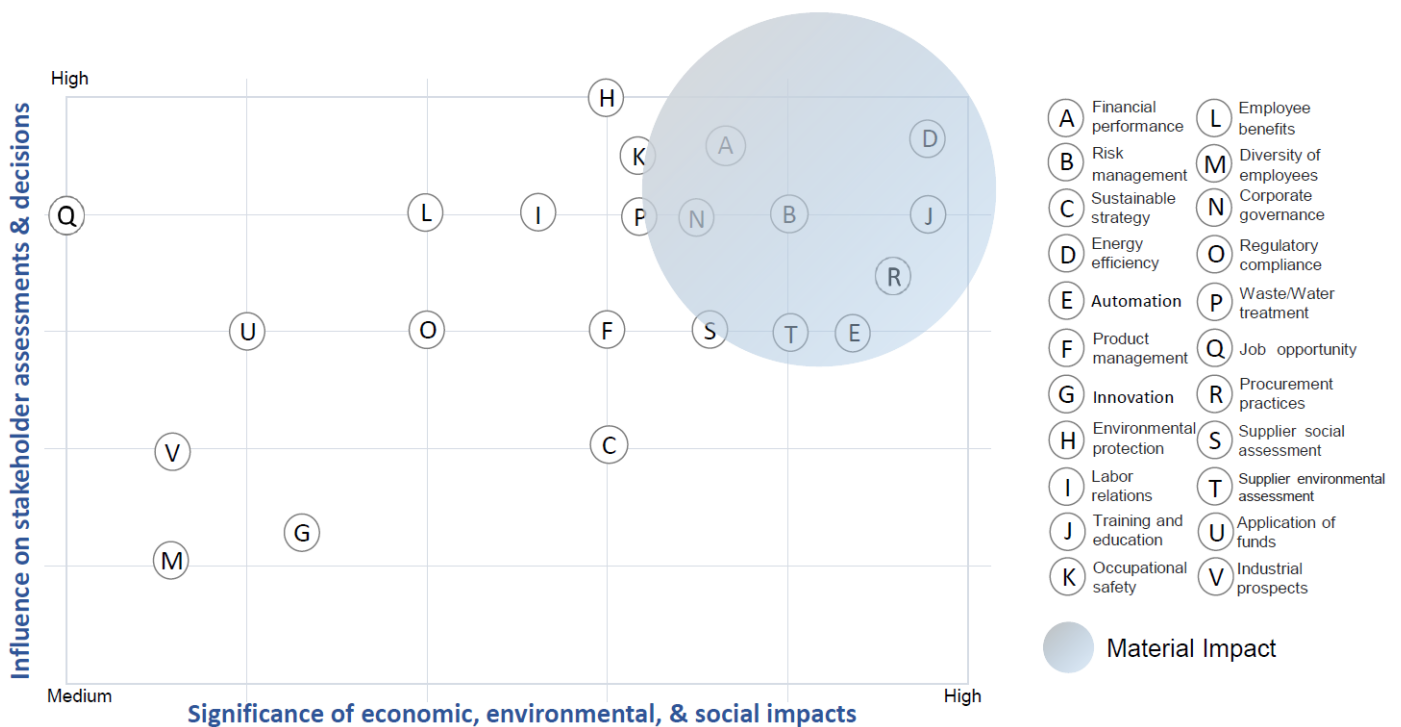
<b>Financial Institutions</b>	<ul style="list-style-type: none"> <li>• Through regular meetings</li> <li>• Public announcements on financial results (on a half-yearly basis), and from time to time other material matters such as business developments, and other relevant disclosures via SGXNet and our corporate website, and press releases</li> </ul>	<ul style="list-style-type: none"> <li>• Financial performance</li> <li>• Application of funds</li> <li>• Industrial prospects</li> </ul>	<ul style="list-style-type: none"> <li>• Quarterly financial results announcements</li> <li>• Annual report</li> </ul>
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### 4.3 Management of Material ESG Factors

#### 4.3.1 Materiality Analysis

Based on the feedback that we have collected through our engagement with the stakeholders, we have identified and prioritised the material ESG factors that may impact our business and long-term development as well as those that require urgent attention and action. We evaluate the strategies adopted by the Group to ensure that they are sufficient to address the material ESG factors of the stakeholders. The results of the analysis in FY2019 are shown in the following materiality matrix:

Figure 2 : Materiality matrix of concerned issues



#### 4.3.2 Identification and Prioritization of Material ESG Factors


We are committed to reviewing our material ESG factors annually for continued relevance

and on-going dialogues with external and internal stakeholders to identify emerging concerns or priorities. After considering the list of sustainability topics covered by the GRI Standards, conducting a materiality analysis and taking into account the industry we operate in, for 2019, we have decided to focus on addressing the concerns raised in the four key areas such as (i) supplier management, (ii) automation, (iii) environment/energy, (iv) training and education for employees. Please refer to the following sections for more detailed discussion of the material ESG factors.

Table 2 : Concerned issues and material factors

Concerned Issue and Topic	GRI Specific Topic	SDGs <sup>1</sup>	Significance / Value	Boundaries	
				Internal	External
Financial performance	Please refer to the Annual Report for FY2019 a		Improved operation can help stimulate more business transactions and boost the economy.	Employees, Group	the Competent authority, investors and shareholders
Risk Management	No specific topic is applicable.		Negative impact caused by natural disasters and emergencies needs to be properly managed so that such events will not affect the operations of the Group and its bases.	Employees, Group	the Communities where our production units are located
Energy Efficiency	302 Energy	  	Our main production sites are in Cambodia, the Philippines, and Taiwan. In the production process, energy is required. With the wide-ranging and adverse effects of climate change due to global warming gaining attention and urgency, , countries around the world are migrating towards adopting more energy conservation and carbon reduction policies. As part of our responsibility to protect the environment, and in compliance with the relevant laws and regulations, we must also adopt an effective approach to energy consumption.	Employees, Group	the Community where our production units are located, Suppliers
Automation	No specific topic is applicable.		Labor cost management is important to the Group's profitability. However, with falling fertility rate and an aging population in Taiwan, as well as increasing wages in Cambodia and the Philippines over the years, we must optimize our workforce to prevent loss of profit. We have sought to address these issues by increasing our productivity through systematically automating our manufacturing processes. We will aim to strengthen training and improve integration of our automated and manual processes, while increasing the proportion of automated equipment.	Employees, Group	the Investors
Training and Education	404 Training and Education	 	To address the difficulty of recruiting international talent, the Group aims to enhance our employee training and education programme for employees in order to remain competitive in hiring talent.	Employees, Group	the Competent authority

Concerned Issue and Topic	GRI Specific Topic	SDGs <sup>1</sup>	Significance / Value	Boundaries	
				Internal	External
					
Occupational Health And Safety*	403 Occupational Health And Safety	 	Employees are our Group's most valuable asset. To protect the safety and health of employees, we offer flexible and family-friendly leave system and health benefits. We strive to create a workplace where employees thrive under pressure, so that they can devote themselves to the Group, while improving team cohesion and enhancing overall efficiency.	Employees, Group	the Competent authority
Corporate Governance	No specific topic is applicable.		Strengthen corporate governance and the function of the Board, establish a positive image of the Group's sustainable operation, and stimulate more business transactions to enhance corporate value.	Employees, Group	the Competent Authority, Investors
Waste/Water Treatment*	306 Effluent Waste and	   	If the effluent and waste generated during our factory operations are not properly treated and managed, it may result in pollution of the environment, which would potentially lead to ecological imbalance.	Employees, Group	the Community where production units are located, Competent Authority
Procurement Practices	204 Procurement Practices	  	By incorporating sustainability criteria in our purchasing evaluations, we hope to work with suppliers to make sure that the products and services we buy are as sustainable as possible, with the lowest environmental impact.	The Group	Community where production units are located, Suppliers
Supplier Environmental Assessment	308 Supplier Environmental Assessment	 	We seek to lower the negative environmental impact of suppliers through contract review, bilateral conversation, and audits to work towards sustainable development.	The Group	Community where production units are located, Suppliers

Concerned Issue and Topic	GRI Specific Topic	SDGs <sup>1</sup>	Significance / Value	Boundaries	
				Internal	External
Supplier Social Assessment*	414 Supplier Social Assessment	 	We seek to value justice and harmony in society by suppliers through contract review, bilateral conversation, and audits, building the foundation for sustainable development.	The Group	Community where production units are located, Suppliers

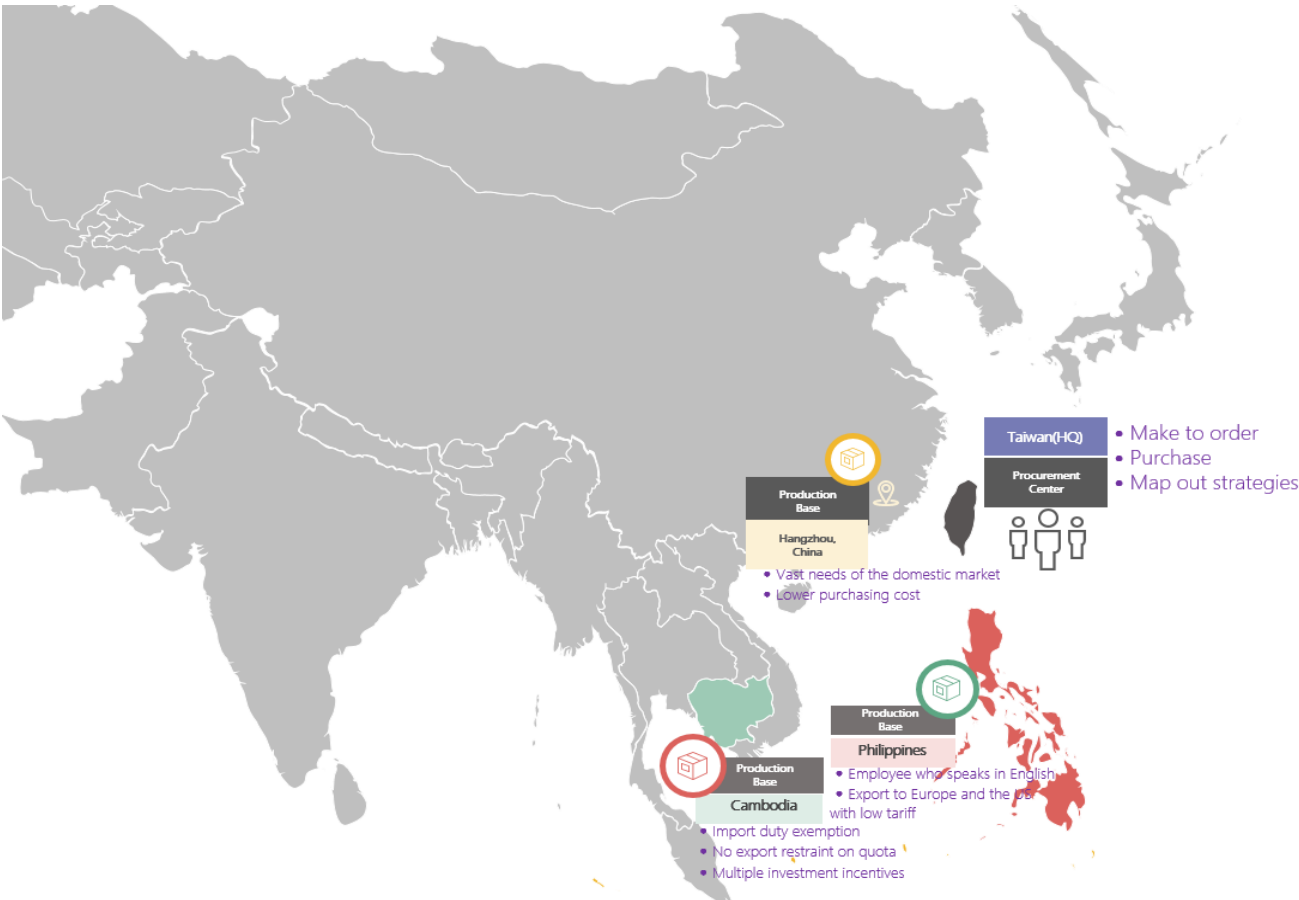
Note 1: UN Sustainable Development Goals (SDGs)

Note 2: The issues and topics in bold in Column 1 2 are material topics for this year, and the results will be reported later in this Report. Those marked with \* are issues or topics identified as highly concerned, the management of which are still being planned. The results will be reported in next year's report.

### 4.3.3 Material ESG Factors

Category	Factors addressed in 2019	Additional factors to be addressed in 2020
Environmental	302 Energy	306 Effluent and Waste
Social	404 Training and Education	403 Occupational Health and Safety
Governance	308 Supplier Environmental Assessment	414 Supplier Social Assessment
	204 Procurement Practices	
	Enterprise Customized: Automation	

# 5 Sustainable Supply Chain



## 5.1 Supplier Management

### 5.1.1 Policy and Purpose

The Group's procurement costs account for more than 30% of our total operational costs. We are fully aware that supplier management is key to a sound procurement process, cost reduction, and optimized performance. For this reason, supplier management was identified as an important topic back in 2018. Group purchases from suppliers each year can be divided into two categories: materials and trimmings. Raw materials account for about 60% of the total purchase cost, while trimmings account for 40%. All of our materials are transported by sea; 59% of the raw materials and trimmings are sourced from China, and the rest are purchased from Taiwan, Europe, North America and other Asian countries, accounting for approximately 14%, 10%, 1% and 16%, respectively. Supplier management is crucial to the Group's procurement process, operational efficiency, cost reduction scheme, and business performance, which all impact our business growth and the value that we can create for our shareholders.

The Philippines and Cambodia are considered significant locations of operation for the Group because of the large percentage of revenue that the production units located in these countries contribute to the Group. However, due to a lack of efficient and mature supply chains in these locations, the Group has encountered difficulty sourcing or procuring our materials and trimmings from local suppliers. Recently, the Group's local business units have been encouraged to, and have purchased packaging materials such as cartons, printing labels and poly bags from qualified local Cambodian or Filipino vendors, which has helped boost the local economy, saved the Group's freight costs and minimized the Group's environmental impact. In Cambodia, for example, the amount of packaging materials we purchased from local Cambodian suppliers was US\$1,036,403, accounting for 5.85% of the total procurement costs.

As the Group mainly provides hospital logistics services and has no manufacturing facility in Taiwan, there is no need to procure and import any raw materials or trimmings for our Taiwan operation.

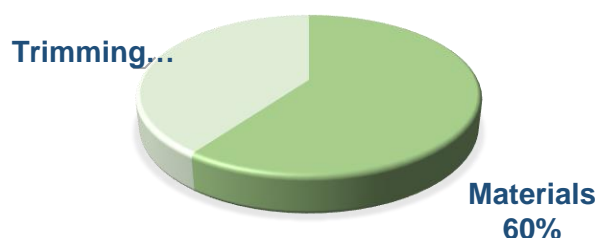


Topic boundary	Specific limitation	Policy and procedure
<p>The Group, Suppliers and customers</p>	<p>The procurement costs associated with the Group's integrated healthcare services (including leasing, laundry and logistics) accounted for only a fraction of the Group's procurement costs, and thus have not been included in this Report.</p>	<p>'Supplier Selection Principle The Group's selection of suppliers is based on the principles of fairness, impartiality and openness. A supplier is chosen after comprehensive evaluation of its quality, pricing, lead time, sustainability indicators, and financial health.</p> <p>'Supplier Qualification Evaluation To ensure their quality of products and services remains high, new suppliers must be subject to a probationary period, during which we may conduct supplier audits regularly or from time to time on their products and services in order to monitor any changes in quality.</p> <p>'Supplier Assessment - material ESG factors After the probationary period, a supplier assessment will be carried out by the Procurement Department, which will take into consideration, amongst others, financial position, quality of products/services, lead time, pricing, and flexibility in accommodating our requests, as well as a supplier's sustainability efforts in environmental and labor protection, social welfare and corporate governance, and any relevant sustainability certifications, which may be given additional weight in the overall evaluation.</p> <p>'Preparation of the Qualified Supplier Report Procurement Manager will prepare the "Qualified Supplier Report" which is prepared based on the Supplier Performance Evaluation after discussing the suppliers' performance with relevant personnel at the end of each year. The report will be reviewed and approved prior to implementing corresponding measures.</p>

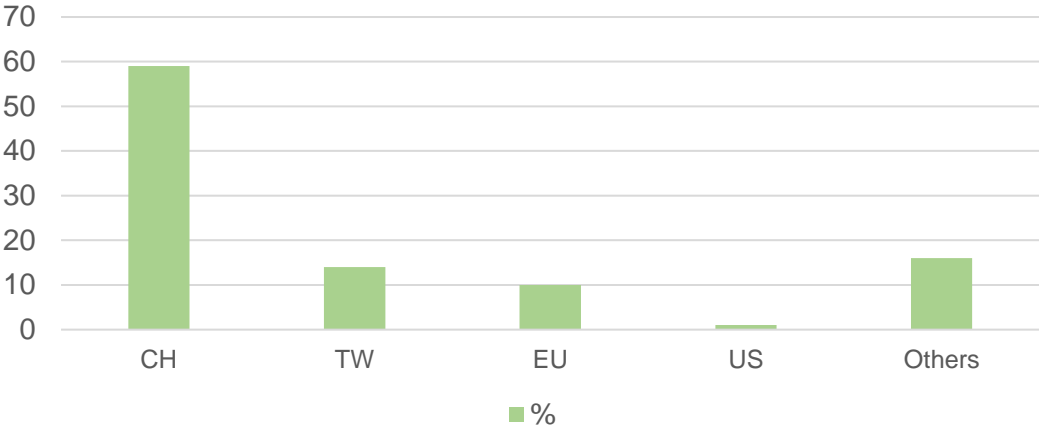
Evaluation mechanism	Results of the evaluation	Related adjustments
Supplier Management Operating Procedures	Valid	The Supplier Management Operating Procedures for this year are still valid; therefore, no adjustment is required.
2019 Targets	2019 Results	
Adding 7 new suppliers	We have added 15 new suppliers in 2019, exceeding the original target by 114%.	
3% increase in total purchase from like-minded suppliers	<p>We have added new suppliers that have obtained industry-related environmental certifications, and the amount of transactions with these suppliers exceeded 40% of our total purchasing costs. 70% of all of our suppliers have pledged to ethical, sustainable sourcing, and fair labor practices by signing and returning commitment letters.</p> <p>The target set for 2019 has been surpassed due to an internal restructuring of our sales and procurement departments, and the employment of a new Head of Procurement since the beginning of 2019, who has sought to engage reliable suppliers that share the Group's commitment to sustainability.</p>	
Medium- and long-term targets	Note	
Adding 5 new suppliers	The original target for 2020 was to add 9 new suppliers. Since we have added more suppliers than expected in 2019, our current focus is on cultivating these new suppliers who we will deal with in the following years. Therefore, we have revised 2020 target to adding 5 more new suppliers.	
5% increase in total purchase from like-minded suppliers		

### 5.1.2 Type of supplier and local procurement

Group suppliers are divided into raw material suppliers and trimmings suppliers. Most of the purchased materials are raw materials, with purchase amount in 2019 accounting for 60% of the total amount. See the pie chart below for details.



Breakdown of Suppliers by Country



5.2 Automation

5.2.1 Policy and Purpose

The Group operates in a labor-intensive industry. With falling fertility rate and an aging population in Taiwan, as well as the increase in wages in our major production sites such as Cambodia and the Philippines year by year, we must optimize our labor and productivity to minimize any potential loss of profit. The solution is to increase our productivity by systematically automating our manufacturing processes.

Topic boundary	Specific limitation	Policy and procedure
The Group, Employees	No specific limitation is identified	<ul style="list-style-type: none"> <li>• Before the end of January every year, each subsidiary will submit its automation plan to the Group Management Office. The plan will be reviewed by the CEO and then submitted for approval by the Chairman.</li> <li>• Before the end of July every year, each subsidiary will submit its half-year implementation results to the Group Management Office for reference and review.</li> <li>• Before the end of January in the following year, the whole-year implementation results will be submitted to the Group Management Office for review and approval by the CEO and the Chairman.</li> </ul>

		<ul style="list-style-type: none"> <li>Failure to implement the approved plan without reasonable excuse will lead to negative performance review of the most senior local officer in charge of that particular office.</li> </ul>
<b>Evaluation mechanism</b>	<b>Results of the evaluation</b>	<b>Related adjustments</b>
Internal audit	Valid	The internal audit mechanism for automation of this year is still valid; therefore, adjustment is not required.
<b>2019 Targets</b>		<b>2019 Results</b>
Installation of 3 sets of suspension systems in Cambodia factories		We installed 5 sets of suspension systems in total.
Perform equipment upgrade for 262 machines		We upgraded 267 sets of equipment for the Group, exceeding the original target by almost 2%.

The improvement is mainly due to equipment upgrade in factories in Cambodia, the Philippines and Taiwan which have purchased a total of 262 manufacturing equipment, and system optimization. Since the improvement plan is from 2017 to 2020, the total number of equipment upgraded for the Group is 1,050, and the completion rate in 2019 is 26%, which is in line with the plan. Compared with the original equipment, the sewing efficiency has been improved by 10%, reducing the labor cost for thread trimming. For system optimization, the Group's improvement plan was to complete the installation of eight sets of suspension systems in Cambodia factories from 2017 to 2020. As of 31 December 2019, six sets have been installed, and the efficiency of certain equipment has increased by 25-45%.

<b>Medium- and long-term targets</b>	<b>Note</b>
Installation of two sets of suspension systems in Cambodia factories	By 2020, eight sets of suspension systems should be installed at the Cambodian factory for improved production efficiency. However, the installation progress in 2019 was already ahead of schedule; therefore, we have revised 2020 target to address the remaining two sets of suspension systems.
Perform equipment upgrade for 273 machines	





## 6 Environment

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### 6.1 Energy

#### 6.1.1 Policy and Purpose

We are committed to improving our energy efficiency and reducing our carbon footprint to help address the threat of climate change and to protect the environment. The Group's major production sites are located in Taiwan, Cambodia, the Philippines and Mainland China, in which the environmental laws and regulations of these respective countries have put in place increasingly stricter compliance obligations and related penalties. As a result, in tandem with our strong commitment to environment protection, the Group has implemented company-wide measures across our business activities to improve our energy efficiency.

Topic boundary	Specific limitation	Policy and procedure
<p>The Group, employees, Community where the operating base is located, suppliers</p>	<p>No specific limitation is identified</p>	<ul style="list-style-type: none"> <li>● By the end of January every year, each subsidiary will submit the energy efficiency improvement plan to the Group Management Office. The plan will be reviewed by the CEO and then submitted for approval by the Chairman.</li> <li>● By the end of July every year, each subsidiary will submit its half-year implementation results to the Group Management Office for reference and review.</li> <li>● By the end of January in the following year, the whole-year implementation results will be submitted to the Group Management Office for review and approval by the CEO and the Chairman.</li> <li>● Failure to implement the approved plan without reasonable excuse will lead to negative performance review of the most senior local officer in charge of that particular office.</li> </ul>
Evaluation mechanism	Results of the evaluation	Related adjustments
<p>Internal audit</p>	<p>Valid</p>	<p>The internal audit mechanism for energy improvement of this year is still valid; therefore, adjustment is not required.</p>
2019 Targets		2019 Results
<p>Refurbish boilers to reduce fuel costs by 7%</p>		<p>In May 2019, the boiler and clothes dryer efficiency improvements were completed, and the on/off times of equipment were strictly controlled, the air pipe of clothes dryer was cleaned, and heat exchanger of the dryer was repaired as well as upgraded to improve the efficiency of the dryer, which reduced energy consumption by 12.4%.</p>



Install 300 LED tubes to replace traditional lighting	425 LED tubes were replaced, 42% ahead of the expected installation schedule.
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**6.1.2 Energy intensity (energy consumed per employee)**

We aim to gradually reduce the Group’s overall energy consumption. The energy intensity ratio is calculated by dividing the absolute energy (which consists mainly of electricity) consumed in KWh by all the business and production units in one country by the number of full-time employees hired in that country. The table below is a breakdown by country of the energy intensity ratio for the Group between 2017 and 2019.

Country	2017 (KWh/per employee)	2018 (KWh/per employee)	2019 (KWh/per employee)
Taiwan	7,484	7,168	6,801
Philippines	10,205	8,176	8,496
Cambodia*	765	793	829

*\*Increase in the energy intensity ratio for Cambodia is due to installation of 2 sets of cooling fans which has improved the working conditions of our employees.*

Medium- and long-term targets to reduce energy consumption	Note
Reduction in energy consumption by 6.5% after boiler maintenance	For more energy-efficient generation of heat, a natural gas boiler will be installed by July 1 <sup>st</sup> , 2020
Installation of LED lights in place of traditional ones	

## 7 Employees

### 7.1 Manpower Statistics

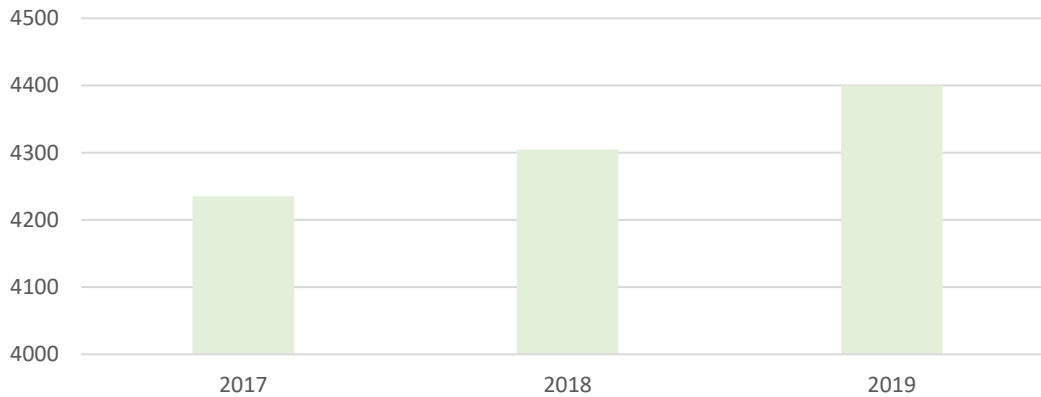
As at 31 December 2019, the Group had 4,357 employees worldwide, with 370 employed in Taiwan, 3,401 employed in Cambodia and 586 employed in the Philippines; of which 20% of the Group's total employees were male and 80% of them were female. 451 of the Group's employees located in the Philippines have entered into collective bargaining agreements. There was no significant change in the overall composition of employees in FY2019 from the previous reporting cycle. The Group had hired over 1,000 new employees in comparison to the turnover of over 300 employees due to increased manpower needs arising from increased orders from existing customers. A detailed breakdown based on data compiled from the Group's records is set out below.

Table 3: Key employment metrics for FY2019

Category		Male	Female	
Total workforce	Worldwide	4,357		
	Subtotal	864	3,493	
	%	20%	80%	
Employment contract	Permanent	850	3,478	
	Temporary	14	15	
Country	Taiwan	152	218	
	Philippines	286	300	
	Cambodia	426	2,975	
Position	Senior-level	12	2	
	Middle-level	26	64	
	Junior Staff	826	3,427	
Employment type	Full-time	817	3,433	
	Part-time	47	60	
Age	Managerial	< 30	4	6
		30-50	21	52
		> 50	12	8
	Non-managerial	< 30	359	1,559

30-50	379	1,722
> 50	89	146

### Comparison by Year



### By Employment Type (Full-Time and Part-Time)

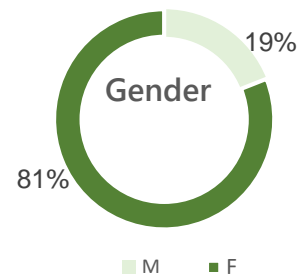
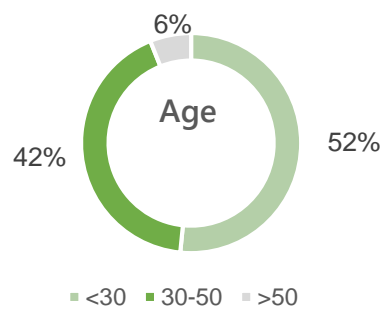
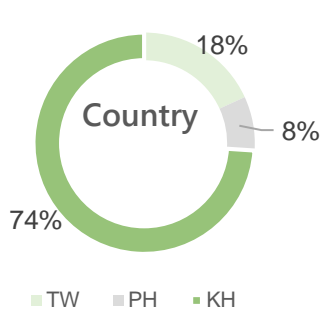
	Male			Female			Total
	Full-time	Part-time	Subtotal	Full-time	Part-time	Subtotal	
Taiwan	150	2	152	216	2	218	370
Philippines	241	45	286	242	58	300	586
Cambodia	426	0	426	2,975	0	2,975	3,401
Worldwide total	817	47	864	3,433	60	3,493	4,357

### By Country and By Age

	Male				Female				Total
	<30	30-50	>50	Subtotal	<30	30-50	>50	Subtotal	
Taiwan	44	61	47	152	46	97	75	218	370
Philippines	73	176	37	286	50	208	42	300	586
Cambodia	247	162	17	426	1,469	1,469	37	2,975	3,401
Worldwide total	364	399	101	864	1,565	1,774	154	3,493	4,357

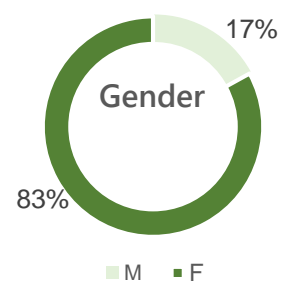
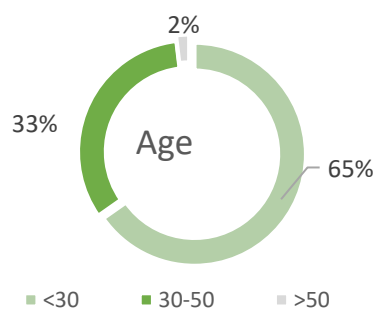
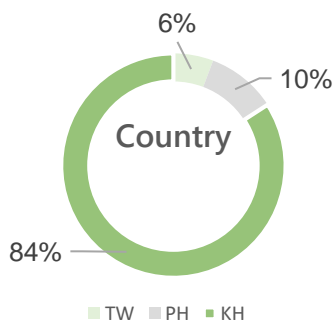
## Staff Turnover

Category		Male	Female	Total
Age	< 30	31	165	196
	30-50	28	133	161
	> 50	15	8	23
Country	Taiwan	42	27	69
	Philippines	14	16	30
	Cambodia	18	263	281
Worldwide total		74	306	380



## New Hires

Category		Male	Female	Total
Age	< 30	106	585	691
	30-50	66	282	348
	> 50	12	8	20
Country	Taiwan	33	28	61
	Philippines	56	51	107
	Cambodia	95	796	891
Worldwide total		184	875	1,059



## 7.2 Training and Education

### 7.2.1 Policy and Purpose

Employees are our most important assets. As our operations span across several jurisdictions, in order to leverage local talent to create synergy and ensure our current employees are able to remain current with market developments, our aim is to build a team that shares our vision and goals through the provision of various training and education opportunities for employees. The localization of our management team has been implemented to create synergy.

Topic boundary		Specific limitation	Policy and procedure
The Group employees	Group,	No specific limitation is identified	<ul style="list-style-type: none"> <li>● By the end of January every year, each subsidiary will submit the next year's employee training plan to the Group Management Office. The plan will be reviewed by the CEO and then submitted for approval by the Chairman.</li> <li>● By the end of July every year, each subsidiary will submit its half-year implementation results to the Group Management Office for reference and review.</li> <li>● By the end of January in the following year, the whole-year implementation results will be submitted to the Group Management Office for review and approval by the CEO and the Chairman.</li> <li>● Failure to implement the approved plan without reasonable excuse will lead to negative performance review of the most senior local officer in charge of that particular office.</li> </ul>
Evaluation mechanism		Results of the evaluation	Related adjustments
Internal audit		Valid	The internal audit mechanism for employee training of this year is still valid; therefore, adjustment is not required.
2019 Targets		2019 Results	
13,000 hours of training		Please see the tables below.	

Table 4-1: Average hours of training for employees in 2019 categorized by gender

Training method	Taiwan			Cambodia			Philippines			Total training hours
	Male	Female	Subtotal	Male	Female	Subtotal	Male	Female	Subtotal	
Internal	6,854	4,395	11,249	790	6,321	7,111	979	883	1,862	20,222
External	173	214	387	-	-	-	-	-	-	387
Total	7,027	4,609	11,636	790	6,321	7,111	979	883	1,862	20,609
Number of employees	152	218	370	426	2,975	3,401	286	300	586	4,357

Table 4-2 : Average hours of training for employees in 2019 categorized by position

Training method	Taiwan			Cambodia			Philippines			Total training hours
	Junior	Middle	Senior	Junior	Middle	Senior	Junior	Middle	Senior	
Internal	9,744	347	1,157	6,797	268	46	1,355	450	58	20,222
External	251	125	11	-	-	-	-	-	-	387
Total	9,995	472	1,168	6,797	268	46	1,355	450	58	20,609
Number of employees	356	7	7	24	5	2	565	16	5	4,357

## 7.2.2 Fundamental skills / Corporate Culture / Specialized knowledge

In order to quickly familiarize new employees with the Group's corporate culture, new employees are required to go through an orientation process, which is designed to introduce Medtecs' vision, mission, and regulations and help new employees to quickly assimilate to our organization. The courses offered are as follows:

- **Fundamental skills:** The courses include "Introduction to Human Resources Regulations", and "On-the-job Occupational Health and Safety Training". They help familiarize new employees with the new environment and adapt accordingly.
- **Corporate culture:** The courses include "Medtecs Vision, Mission, and Core values", and "Corporate Social Responsibility". They are intended to give employees a better understanding of Medtecs culture and increase loyalty.
- **Specialized Knowledge:** Courses are designed by individual departments, and on-the-job training is provided according to specific job description and work scope. The courses cover products, quality, and practical training. Some teaching materials are available in digital form, allowing employees to learn beyond the constraints of space and time; employees can adapt quickly to their new environments and positions and make contributions.

### Medium- and long-term targets

13,500 hours of training

### Note

We have decided to acquire more training resources for our employees and thus have adjusted the total training hours

Strengthen human rights, occupational health and work place safety training;

Table 5 : Summary of Material ESG Factors, Results & 2020 Goals

Category	FY 2018		FY 2019		FY 2020
	Target	Performance	Target	Performance	Target
<b>Automation</b>					
Equipment Upgrade (set)	262	262	262	267	273
Installation of Suspension System (%)	12.5	12.5	37.5	62.5	25
<b>Energy</b>					
Reduction in energy consumption after boiler maintenance (%)	5	7	7	12	N/A*
Upgrade to LED Lights (Number of LED Tubes Installed) (%)	3,210 (80)	3,210 (80)	3,510 (88)	3,635 (91)	4,000 (100)
A natural gas boiler will be installed and put to work					For more environmentally friendly way of generating heat, we will complete the installation of a natural gas boiler and start to use it to supply fuels by July 1st, 2020.
<b>Training and Education Provided</b>					



Total Training Hours	12,320	12,400	13,000	20,609	13,500
<b>Supplier Management</b>					
Supplier Management Optimization	Formulation and introduction of Relevant Supplier Policy and Procedures	Relevant Supplier Policy and Procedures were put in place	Full implementation of the Supplier Policy and Procedures	Complete full implementation of the Supplier Policy and Procedures	Review and revision of the Supplier Policy and Procedures
Increase in Number of Brand Name Suppliers	17	17	7	15	5
Increase in Total Purchase from Like-Minded Suppliers (%) **	N/A	N/A	3	52	55

*\*After assessment, use of natural gas boilers is more efficient than boiler maintenance for air pollution reduction.*

*\*\*In the previous Report, to come up with the target for FY2020, we divided our transaction amount with those like-minded suppliers by the Group's total amount of procurement costs in FY2019 and calculated the percentage to see if it reached 3% and we achieved our goal. After further discussion between the Sustainability Committee and the Procurement Department, it was agreed that the Group has been dealing with suppliers nominated by our clients for years; as such, we have little room for adding new suppliers of our own choosing so we have adjusted the calculation formula for the current Report. We have replaced the total procurement amount with the transaction amount of new suppliers as the denominator. This accounts for the significant percentage increase between the target and the performance result for FY2019.*

## 8 GRI Content Index

GRI Standard	Disclosure	Section	Page reference	Omissions
<b>General Disclosure</b>				
<b>GRI 102 General Disclosures 2016</b>				
Organizational Profile	102-1	Name of the organization	Cover Page About Medtecs	- 5
	102-2	Activities, primary brands, products, and services	About Medtecs	5
	102-3	Location of headquarters	Cover Page	-
	102-4	Location of operations	About Medtecs	5
	102-5	Ownership and legal form	About Medtecs	5
	102-6	Markets served	About Medtecs	5
	102-7	Scale of the organization	About Medtecs	5
	102-8	Information on employees and other workers	Manpower Statistics	30 to 33
	102-9	Supply chain	Sustainable Supply Chain	20 to 24
	102-10	Significant changes to the organization and its supply chain	Sustainable Supply Chain	6
	102-11	Precautionary Principle or approach	Risk Management	10
	102-12	External initiatives	Report Methodology	4
	102-13	Membership associations of	Certification, Awards and Memberships	8
Strategy	102-14	Statement from senior decision-maker	Message from the Chairman	2
	102-15	Key impacts, risks and opportunities	N.A.	N.A.
Ethics and Integrity	102-16	Values, principles, standards, and norms of behavior	Vision, Mission, and Value	6
	102-17	Mechanisms for advice and concerns about ethics	N.A.	N.A.
Governance	102-18	Governance structure	Sustainability Governance	9
	102-19	Delegating Authority	N.A.	N.A.
	102-20	Executive-level responsibility for economic, environmental, and social topics	Message from the Chairman	2
	102-21	Consulting stakeholders on economic, environmental, and social topics	Stakeholder Engagement	14

GRI Standard	Disclosure	Section	Page reference	Omissions	
	102-22	Composition of the highest governance body and its committees	Sustainability Governance	10	-
	102-23	Chair of the highest governance body	Sustainability Governance	10	-
	102-24	Nominating and selecting the highest governance body	N.A.	N.A.	-*
	102-25	Conflicts of interest	N.A.	N.A.	-*
	102-26	Role of highest governance body in setting purpose, values, and strategy	N.A.	N.A.	-*
	102-27	Collective knowledge of highest governance body	N.A.	N.A.	-*
	102-28	Evaluating the highest governance body's performance	N.A.	N.A.	-*
	102-29	Identifying and managing economic, environmental, and social impacts	Please refer to the Risk Management and Internal Controls sub-section under the Report on Corporate Governance in page 39 of the Annual Report for FY2019	N.A.	-*
	102-30	Effectiveness of risk management processes	N.A.	N.A.	-*
	102-31	Review of economic, environmental, and social topics	Please refer to the Risk Management and Internal Controls sub-section under the Report on Corporate Governance in page 39 of the Annual Report for FY2019	N.A.	-*
	102-32	Highest governance body's role in sustainability reporting	This report is reviewed and approved by the Group's Chairperson of the Sustainability Reporting Council (Chief Executive Officer).	N.A.	-*
	102-33	Communicating critical concerns	Stakeholders and Material Factors	13	-
	102-34	Nature and total number of critical concerns	Stakeholder Engagement	14	-

GRI Standard	Disclosure	Section	Page reference	Omissions	
	102-35	Remuneration policies	Please refer to the Annual Report for FY2019	N.A	-*
	102-36	Process for determining remuneration	Please refer to the Annual Report for FY2019	N.A	-*
	102-37	Stakeholders' involvement in remuneration	N.A	N.A	-*
	102-38	Annual total compensation ratio	N.A	N.A	-*
	102-39	Percentage increase in annual total compensation ratio	N.A	N.A	-*
Stakeholder Engagement	102-40	List of stakeholder groups	Stakeholder Engagement	14	-
	102-41	Collective bargaining agreements	Manpower Statistics	30	-
	102-42	Identifying and selecting stakeholders	Stakeholders Engagement	14	-
	102-43	Approach to stakeholder engagement	Stakeholders Engagement	14	-
	102-44	Key topics and concerns raised	Stakeholders Engagement	14	-
Reporting Practice	102-45	a. Entities included in the consolidated financial statements b. Any entities included in the consolidated financial statements or equivalent documents not included in this report	Report Scope	4	-
	102-46	Defining report content and topic Boundaries	Material Topic Management	12	-
	102-47	List of material topics	Material Topic Management	12	-
	102-48	Restatements of information	N.A.	N.A.	There are no restatements made in respect of information given in previous reports.
	102-49	Changes in reporting	N.A.	N.A.	There have been no significant changes from previous reporting periods in the list of material ESG factors and boundaries.
	102-50	Reporting period	Report Scope	4	-
	102-51	Date of most recent	Report	4	-

GRI Standard	Disclosure	Section	Page reference	Omissions	
	report	Methodology			
	102-52 Reporting cycle	Report Methodology	4	-	
	102-53 Contact point for questions regarding the report	Contact and Feedback	4	-	
	102-54 Claims of reporting in accordance with the GRI Standards	Report Methodology	4	-	
	102-55 GRI content index	Index of GRI Standards	37 to 40	-	
	102-56 External assurance	-	-	We have not sought external assurances for this Report, and will consider seeking external assurance for future reporting periods.	
<b>Material Topics</b>					
<b>Supplier Management</b>					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Supplier Management	20 to 23	-
	103-2				
	103-3	The management approach and its components Evaluation of the management approach			
GRI 204 : Procurement Practice 2016	204-1	Proportion of spending on local suppliers	Supplier Management	21 to 23	-
GRI 308: Supplier Environmental Assessment 2016	308-1	NEW suppliers that were screened using environmental criteria	Supplier Management	23	-
<b>Energy</b>					
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Energy	27 to 28	-
	103-2				
	103-3	The management approach and its components Evaluation of the management approach			
GRI 302: Energy 2016	302-3	Energy intensity	Energy Intensity	29	-
<b>Training and Education</b>					
GRI 103: Management Approach	103-1	Explanation of the material topic and its Boundary	Training and Education	33 to 34	-
	103-2				

GRI Standard	Disclosure	Section	Page reference	Omissions
2016	103-3	The management approach and its components Evaluation of the management approach		
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Training and Education	34
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Manpower Statistics	30

*\*Note: The Company has taken a phased approach to the adoption of the GRI indicators and will review the relevance of indicators marked as "N.A." to its operations annually.*