



SUSTAINABILITY REPORT 2017

HUAN HSIN HOLDINGS LIMITED

INTRODUCTION

ABOUT HUAN HSIN HOLDINGS LIMITED

Huan Hsin Holdings Limited ("Huan Hsin") was founded in 1980 as an integrated contract manufacturer of telecommunications and electronic products.

We provide one-stop solutions to original equipment / design manufacturers, mainly plastic injection and finished product assembly for notebook casing. We also manufacture various types of cords and wires.

Our manufacturing plants are located in the People's Republic of China, and marketing offices are located in Taiwan. Our current headquarters are located in Singapore.

[This material references Disclosures 102-1, 102-2, 102-3, 102-4, 102-6, and 102-7 from GRI 102: General Disclosure 2016]

OUR MISSION AND STRATEGY

We aim to achieve sustainable growth for Huan Hsin, as well as enhance stakeholder value, by providing quality products and services. We constantly upgrade and adapt our business to anticipate and meet evolving customer needs in an increasingly challenging business environment, and ensure the highest levels of customer satisfaction.

[This material references Disclosures 102-14 from GRI 102: General Disclosure 2016]

CONTACT US

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[This material references Disclosures 102-53 from GRI 102: General Disclosure 2016]

ABOUT THIS REPORT

This sustainability report ("report") of Huan Hsin has been prepared in accordance with the Global Reporting Initiative ("GRI") Standards: Reference Claims, the international standard for sustainability reporting. This report is developed with reference to the primary components set in Singapore Exchange Securities Trading Limited's ("SGX-ST") Listing Rule 711B on a 'comply or explain' basis. For further information on the relevant references, kindly refer to the GRI Content Index found on [GRI Content Index](#).

This report aims to provide a holistic overview of our initiatives and strategies related to sustainability and responsible business. Through the report we aim to demonstrate how we aim to address the key concerns and issues of our stakeholders. We have identified five material Environmental, Social and Governance ("ESG") aspects in regard to our businesses operations and we are committed to addressing these material aspects so as to achieve long-term value creation for all our stakeholders.

This report covers the sustainability performance of our operations for the financial year 2017. All data and activities reported were from 1 January 2017 to 31 December 2017, unless stated otherwise.

The content of this report was defined by the four reporting principles established by GRI Standards: (1) Stakeholder Inclusiveness; (2) Sustainability Context; (3) Materiality; (4) Completeness.

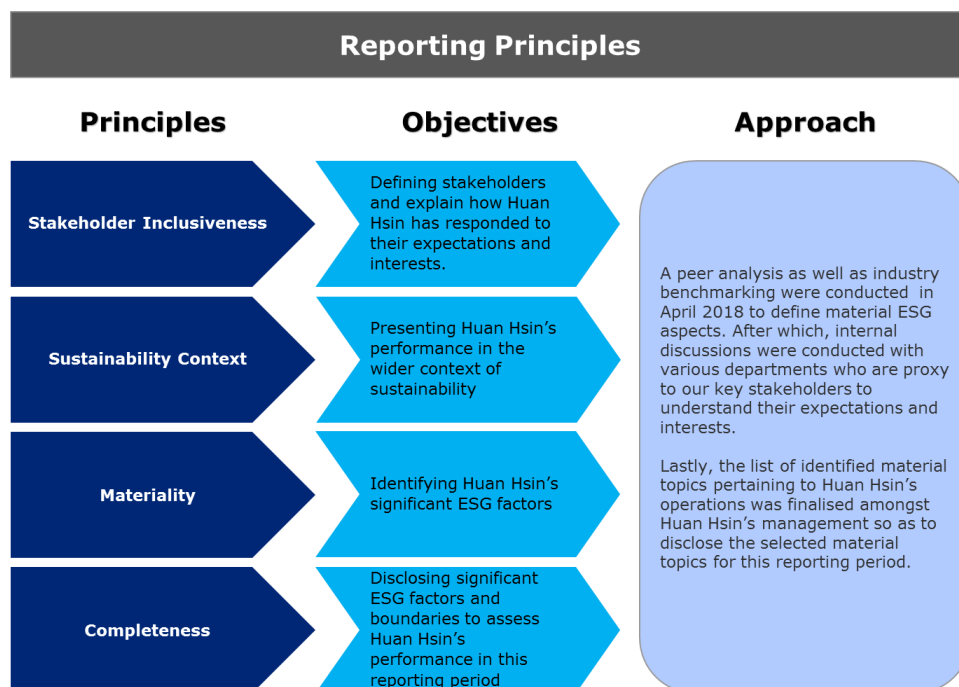


Figure 1: Reporting Principles

This report has not been externally assured. However, we intend to seek external assurance for future sustainability reports.

[This material references Disclosures 102-46, 102-50, 102-52 and 102-54 from GRI 102: General Disclosure 2016]

MESSAGE FROM BOARD

BOARD STATEMENT



Huan Hsin Holdings Limited proudly presents our 2017 Sustainability Report. This report is our company's very first Sustainability Report being published as a requirement mandated by the Singapore Stock Exchange (SGX), demonstrating our commitment to sustainable business operations. It highlights Huan Hsin's sustainability initiatives, best practices, and performance. This is aligned with the ever-increasing importance and emphasis on sustainability across global financial markets. At Huan Hsin, we view this increased emphasis on sustainability as an opportunity to further improve our business operations and address material ESG issues relevant to our stakeholders.

Currently, at Huan Hsin, we are working towards achieving sustainable growth for the Group by continuously upgrading our business model and strategies. We intend to integrate sustainability into the vertical integration of our manufacturing operations, to deliver high-quality finished products that will not only maximise operations, but also satisfaction of all stakeholders. Our ISO 9001 and ISO 14001 certifications are also clear testimonies to our focus on quality products and customer satisfaction.

Our Board and Management are also committed to strengthening relationships with our valued stakeholders – investors, customers, employees and all business associates. We believe that ensuring synergy throughout our value chain is essential for our company to overcome the challenges faced, and enable us to prosper together. We are always open to feedback and would welcome any suggestions for the company moving forward.

Although the idea of sustainability is relatively new, we will improve our performance and proactively intertwine sustainable practices with our business strategy. In the future, we will progressively include more metrics and quantitative targets to measure our sustainability performance – with the ultimate goal to build a sustainable business for the future.

[This material references Disclosures 102-14 from GRI 102: General Disclosure 2016]

CERTIFICATION OBTAINED

CERTIFICATION AND RECOGNITIONS

ISO 9001	2008 Quality Management System
OHSAS 18001	2007 Health and Safety Management System
ISO 14001	2004 Environmental Management System Requirement

[This material references Disclosures 102-12 from GRI 102: General Disclosure 2016]

STAKEHOLDER ENGAGEMENT AND MATERIALITY REVIEW

STAKEHOLDER ENGAGEMENT

We recognise that stakeholders play an important strategic role in maintaining our company's long-term growth as well as responsible business development in ESG aspects.

Our business activities involve a diverse range of stakeholders, such as our shareholders, suppliers, customers, regulators, and employees. These stakeholders are instrumental to the success of our business and able to influence sustainability performance. Therefore, maintaining effective communication channels with our stakeholders are of utmost importance to Huan Hsin.

We communicate regularly with our stakeholders by providing an open and transparent channel for their concerns, reviewing and considering those concerns and responding in a timely manner. This allows us to continuously improve our business processes.

[This material references Disclosures 102-42, 102-43 and 102-44 from GRI 102: General Disclosure 2016]

RESULTS FROM MATERIALITY ASSESSMENT

The materiality assessment process was conducted to identify the material Environment, Social, and Governance ("ESG") factors. The identification of ESG factors was performed by conducting an industry benchmarking against peers. This allowed us to understand what are the common main concerns faced by similar companies and their stakeholders.

Next, internal discussions were conducted with employees from departments that were proxy to the various stakeholder groups. For example, the Human Resources department represented the opinions of our employees, the Procurement department gave feedback from our suppliers and the Customer Service department represented our customers.

Our management followed up by revising the ESG factors raised by respective stakeholders. We evaluated and prioritised the importance of the factors raised by considering the company's significant economic, environmental and/or social impacts in our daily operations. The top ESG factors consolidated and subsequently endorsed by our management.

[This material references Disclosures 102-42, 102-43, 102-44 from GRI 102: General Disclosure 2016]

MATERIAL ASPECTS AND INDICATORS IDENTIFIED

TOP PRIORITIES	
GRI 201-1	Direct economic value generated and distributed
GRI 302-1	Energy consumption within the organisation
GRI 308-1	New suppliers than were screened using environmental criteria
GRI 401-1	New employee hires and employee turnover
EMERGING PRIORITIES	
GRI 303-1	Water withdrawal by source
GRI 307-1	Non-compliance with environmental laws and regulations
GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities
GRI 404-1	Average hours of training per year per employee

[This material references Disclosures 102-44 and 102-47 from GRI 102: General Disclosure 2016]

REPORTING SCOPE AND BOUNDARIES

Material Aspects	List of ESG Indicators	Aspect Boundary
Economic Performance	GRI 201-1: Direct economic value generated and distributed	Within organisation
Energy	GRI 302-1: Energy consumption within the organisation	Within organisation
Supplier Environmental Assessment	GRI 308-1: New suppliers that were screened using environmental criteria	Within organisation
Employment	GRI 404-1: New employee hires and employee turnover	Within organisation

[This material references Disclosures 102-46 and 102-47 from GRI 102: General Disclosure 2016]

ECONOMIC PERFORMANCE

HIGHLIGHT ON ECONOMIC PERFORMANCE

Huan Hsin achieved total revenue of SGD 24.4 million for the year ended 31 December 2017.

Direct economic value generated:	SGD 24.4 million
Economic value distributed*:	SGD 26.1 million
Economic value retained (lost):	(SGD 1.7 million)

**Note: Economic value distributed refers to the total sum of our company's operating costs, employee wages and benefits, payments to providers of capital, and community investment.*

For a detailed breakdown of its 2017 financial results, please refer to the relevant sections in Huan Hsin Holdings Limited Annual Report 2017.

[This material references Disclosures 103-1, 103-2, 103-3 from GRI 103: Management Approach 2016; Disclosure 201-1 from GRI 201: Economic Performance 2016]



PEOPLE

OUR APPROACH

At Huan Hsin, we are committed to maximising their employment capabilities. We achieve this by organising comprehensive training programmes, not only when they first join the company, but throughout their career here. This training is also necessary to ensure the highest standards of workplace safety and product quality. Furthermore, we believe in establishing a strong team culture at work, where all our employees respect and look out for one another.

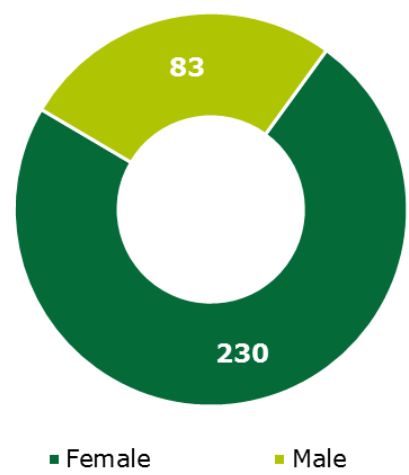
[This material references Disclosures 103-1, 103-2, 103-3 from GRI 103: Management Approach 2016]

EMPLOYMENT DATA

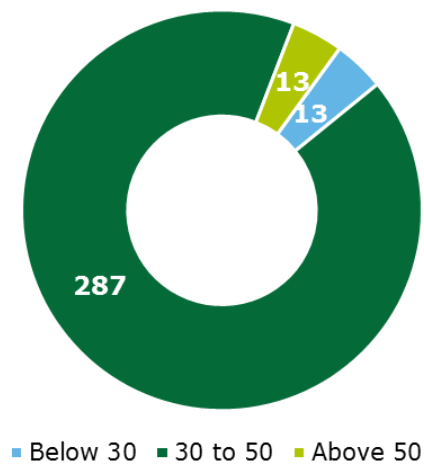
Due to restructuring efforts this year, Huan Hsin had a turnover of 101 employees and two new hires. Recruitment of new employees is conducted in line with Huan Hsin’s Human Resource Policy. This policy is aligned with Singapore’s fair employment guidelines laid out by the Ministry of Manpower.

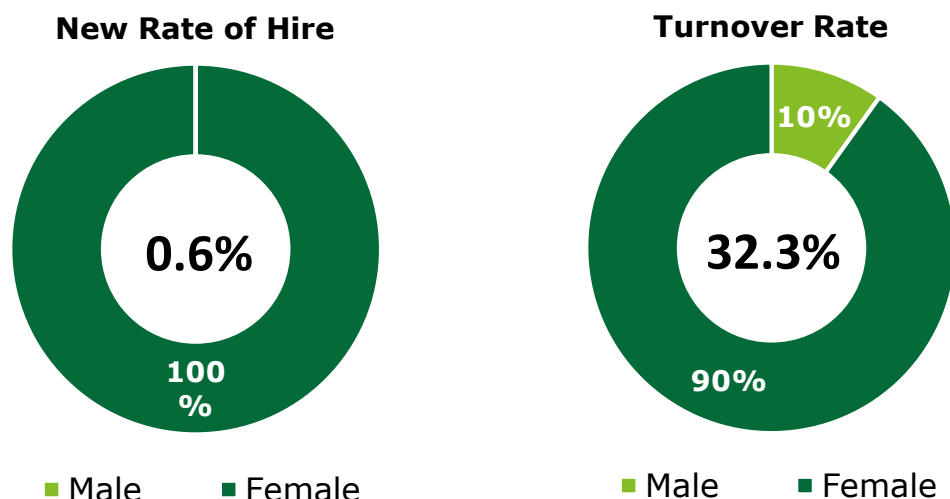
The below charts show the detailed breakdown of our employment statistics.

Number of Employees by Gender



Number of Employees by Age Group





[This material references Disclosures 102-8 from GRI 102: General Disclosure 2016; Disclosure 401-1 from GRI 401: Employment 2016]

EMPLOYEE DEVELOPMENT

Huan Hsin is fully committed to ensuring that all our employees receive on-the-job training so that they can be equipped with relevant skills. We provide technical training to ensure that our employees can be efficient and effective in their respective roles at work.

Our training programmes also ensure that employees understand the importance of workplace safety and responsible usage of energy, which are key priorities in our organisation. We provide training to our employees to ensure that they are aware of potential hazards and respective safe operating procedures.

We also encourage employees to participate in teambuilding workshops to foster greater workplace cohesion and trust. These activities help managers to better understand the employees working under them and tailor their leadership style to match their needs. The graphs below show our employees broken down by gender and category.

We plan to expand our training programmes to provide more personal development opportunities for our employees in the future. We are currently developing a management training programme to prepare high-performing individuals with great leadership potential for the next step in their careers.

ENVIRONMENT

OUR APPROACH

Huan Hsin is fully aware of the increased environmental consciousness within the manufacturing industry and has identified the ESG aspect as one of our top priorities. We are ISO 14001 certified and have company policies on environmental issues documented in our Environmental Health and Safety Manual. All members of the company – from employees to Board members – are expected to read and understand the guidelines stated in the manual. We encourage our employees to become strong advocates for the environment, and ensure they adhere to our policies.

Our Environmental Health and Safety Manual is also applicable to all potential suppliers. Suppliers have to meet a strict set of environmental criteria in order to be a part of our supply chain. We believe that it is our responsibility to not only ensure that we conduct our business responsibly, but also encourage businesses who work alongside us to adopt safe environmental practices.

[This material references Disclosures 103-1, 103-2, 103-3 from GRI 103: Management Approach 2016]



ENERGY

As our main operations are in manufacturing and production, energy consumption is a key issues of concern. We have established energy management guidelines to effectively manage energy usage within our organisation. Various roles and responsibilities are outlined clearly in our Environmental Health and Safety Manual guidelines, which ensure that employees are mindful of their actions and collect relevant energy data.

Many of our guidelines require strong commitment and responsibility from our employees. For example our employees are encouraged to minimise energy usage by reminding one another to switch off their equipment when not in use or leaving their workstations for long period of time. Managerial staff also conduct regular inspections and keep track of weekly energy consumption levels.

With these measures in place, we aim to achieve greater efficiency in the use of energy to lower our operating costs.

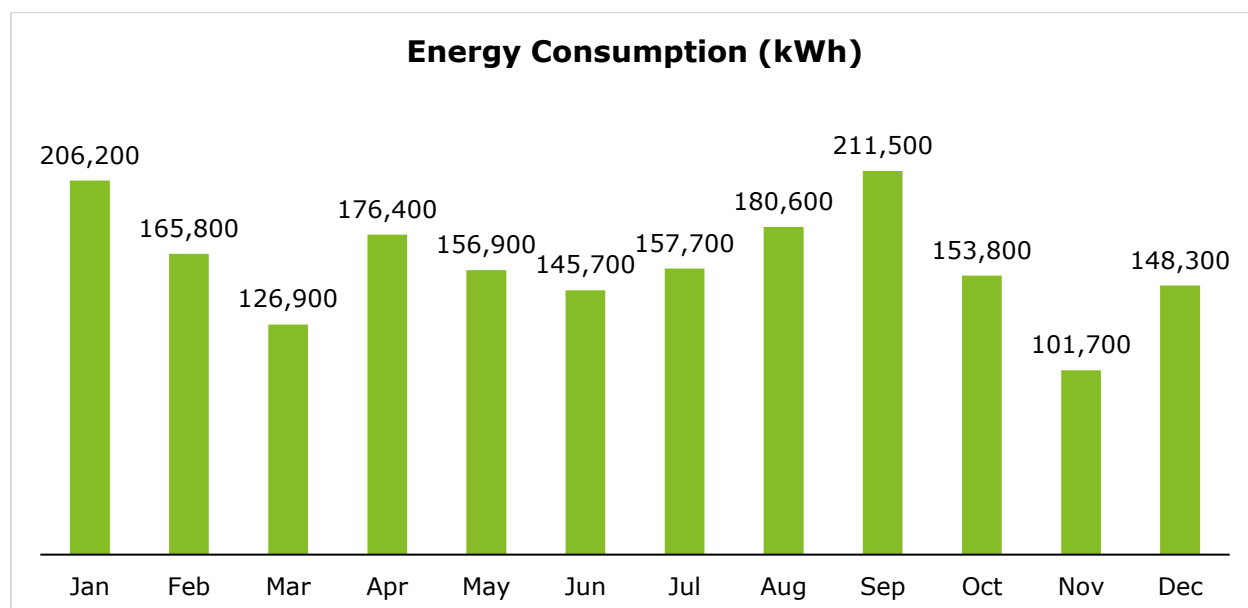


Figure 2: Energy Consumption (kWh)

Our total energy consumption for 2017 was recorded at 1,931,500 kWh.

In the future, we are looking to implement additional initiatives to minimise our energy consumption. We intend to establish Energy Management Policy to regulate energy usage per employee based on their duties. At the same time, we plan to educate our employees about energy consumption, such as through poster campaign at workstations. These posters will contain bite-sized information on the benefits of saving energy, as well as reminders about responsible day-to-day energy usage.

[This material references Disclosures 103-1, 103-2, 103-3 from GRI 103: Management Approach 2016; Disclosure 302-1 from GRI 302: Energy 2016]

SUPPLIER ASSESSMENT



At Huan Hsin, we evaluate our potential suppliers. It is our practice to include applicable environmental standards in our supplier contracts. Some of these standards include compliance with environmental laws and regulations, the impact of the supplier’s products and services and impact of the supplier’s transport operations on the environment.

Employees have detailed roles and responsibilities that are detailed in the Environmental Health and Safety Manual – from creating a new case file for each supplier, evaluating the materials they use in manufacturing, to ensuring safety and environmental compliance.

This year, we have onboarded 28 new suppliers, drawing our total number of suppliers to 177. The graph below shows the percentage of new suppliers that were assessed based on our company’s environmental standards.

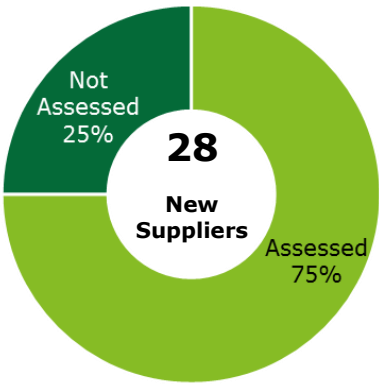


Figure 3: Percentage of new suppliers that were assessed based on company's environmental standards

To ensure all new and potential suppliers are assessed, we plan to establish standard procedures. We will follow up closely and report our progress in the next report.

[This material references Disclosures 103-1, 103-2, 103-3 from GRI 103: Management Approach 2016; Disclosure 308-1 from GRI 308: Environmental Assessment 2016]

GRI CONTENT INDEX

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General Standard	Disclosure	Page number(s) and/or URL(s)	Omission
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GRI 102: General Disclosures 2016	102-1 Name of the organisation	About Huan Hsin Holdings Limited	
	102-2 Activities, brands, products and services	About Huan Hsin Holdings Limited	
	102-3 Location of headquarters	About Huan Hsin Holdings Limited	
	102-4 Location of operations	About Huan Hsin Holdings Limited	
	102-5 Ownership and legal form	Not Applicable	
	102-6 Markets served	About Huan Hsin Holdings Limited	
	102-7 Scale of the organisation	About Huan Hsin Holdings Limited	
	102-8 Information on employees and other workers	Employment Data	
	102-9 Supply chain	Not Applicable	
	102-10 Significant changes to organisation and its supply chain	Not Applicable	
	102-11 Precautionary principle or approach	Not Applicable	
	102-12 External initiatives	Certification and Recognitions	
	102-13 Membership of associations	Not Applicable	
STRATEGY			
GRI 102: General Disclosures 2016	102-14 Statement from senior decision-maker	Board Statement	
ETHICS AND INTEGRITY			

GRI 102: General Disclosures 2016	102-16 Values, principles, standards, and norms of behaviour	Not Applicable	
GOVERNANCE			
GRI 102: General Disclosures 2016	102-18 Governance structure	Not Applicable	
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GRI 102: General Disclosures 2016	102-40 List of stakeholder groups	Not Applicable	
	102-41 Collective bargaining agreements	Not Applicable	
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GRI 102: General Disclosures 2016	102-45 Entities included in the consolidated financial statements	Not Applicable	
	102-46 Defining report content and topic boundaries	About This Report Reporting Scope and Boundaries	
	102-47 List of material topics	Material Aspects and Indicators Reporting Scope and Boundaries	
	102-48 Restatements of information	Not Applicable	

	102-49 Changes in reporting	-	N.A
	102-50 Reporting period	About This Report	
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CATEGORY: ECONOMIC			
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	103-2 The management approach and its components	Highlight on Economic Performance	
	103-3 Evaluation of the management approach	Highlight on Economic Performance	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Highlight on Economic Performance	
CATEGORY: ENVIRONMENT			
ENERGY			
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	103-2 The management approach and its components	Energy	
	103-3 Evaluation of the management approach	Energy	
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Energy	

SUPPLIER ENVIRONMENTAL ASSESSMENT			
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	103-2 The management approach and its components	Supplier Assessment	
	103-3 Evaluation of the management approach	Supplier Assessment	
GRI 308: Supplier Environmental Assessment 2016	308-1 New suppliers that were screened using environmental criteria	Supplier Assessment	
CATEGORY: SOCIAL			
EMPLOYMENT			
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	103-2 The management approach and its components	Our Approach	
	103-3 Evaluation of the management approach	Employment Data	
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Employment Data	

This material references Disclosures 102-55 from GRI 102: General Disclosure 2016