

Shanaya Limited – FY2022 Sustainability Report

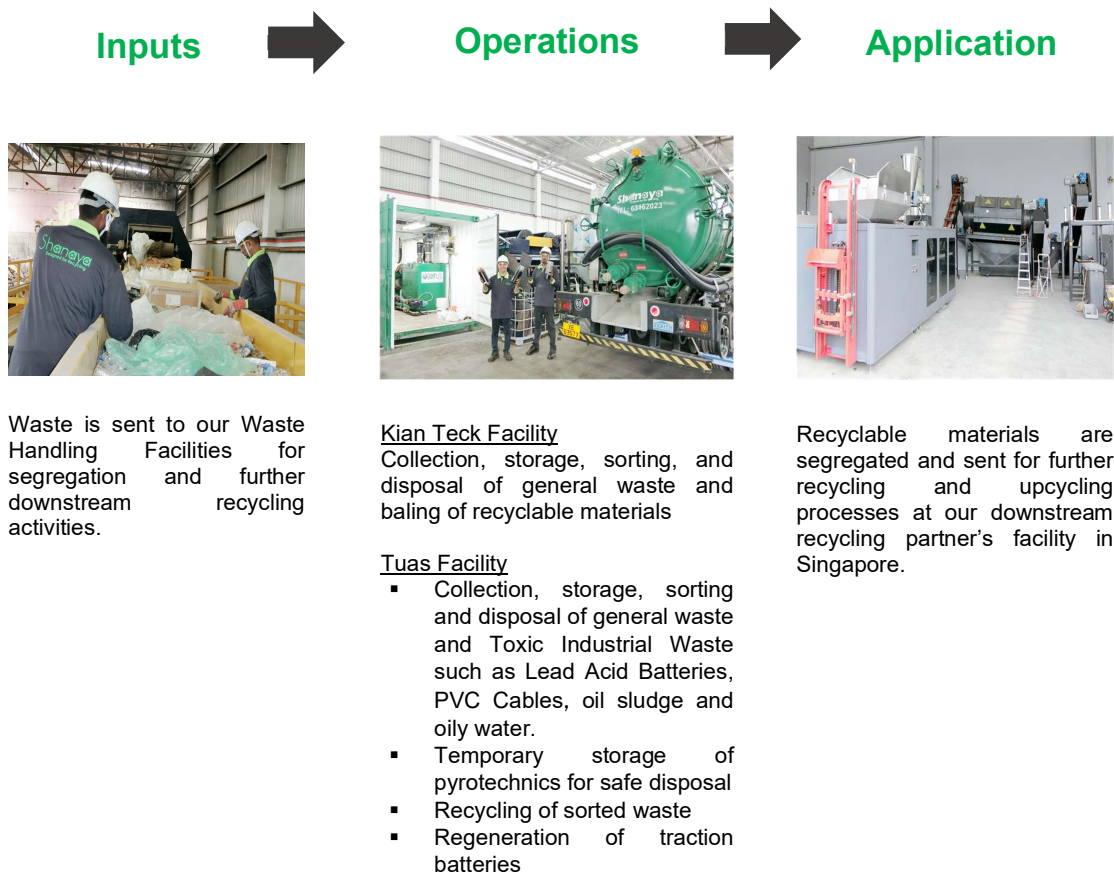
1. About Shanaya Limited

Founded in 1998, Shanaya Limited, formerly known as CPH Limited, (or the "Company", and together with its subsidiaries, the "Group") is an integrated solutions provider of environmental services. The Group is primarily engaged in providing waste management and disposal services to industrial and commercial clients and specifically in the collection, transfer, treatment, and disposal of waste services to Cruise and Shipping industries.

Headquartered in Singapore, the Group operates two (2) waste management and treatment facilities, being the Kian Teck Facility and Tuas Facility (collectively, the "Waste Handling Facilities"), which provide us with the operating capacity of 250 tons per day to handle and sort general waste, as well as the treatment of certain toxic industrial waste.

Through our business value chain, we are committed to offer our customers with innovative solutions that tailor to their needs which also contribute to the circular economy.

An overview of our business value chain is as follows:



Shanaya Limited – FY2022 Sustainability Report

2. Reporting scope and period

We present this Sustainability Report (“**Report**”) which provides an overview of the Group’s sustainability performance during the period of 1 January 2022 to 31 December 2022 (“**FY2022**” or “**Reporting Period**”), unless stated otherwise. A Report will be published annually in accordance with our Policy.

This Report covers the sustainability performance of our key operating entities operating in Singapore and contributed approximately 100% of the total revenue for the Reporting Period. Details of the entities covered under this Report are as follows:

S/N	Entity	Principal activity
1	Shanaya Limited	Investment holding
2	Shanaya Environmental Services Pte Ltd (“ SES ”)	Collection of waste and waste management

3. Reporting framework

This Report has been prepared in accordance with Rules 711A and 711B of the Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) and the guidance set out in SGX-ST’s sustainability reporting guide under Practice Note 7F of the Catalist Rules. The Report is also prepared with reference to the Global Reporting Initiative (“**GRI**”) Standards for the Reporting Period. We have chosen to report using the GRI framework as it is an internationally recognised reporting standard that covers a comprehensive range of sustainability disclosures. The GRI content index can be found in Section 13 of this Report.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we have mapped our sustainability efforts to the 2030 Agenda for Sustainable Development which is adopted by all United Nations Member States in 2015 (“**UN Sustainability Agenda**”). The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (“**SDGs**”), which form an urgent call for action by all countries - developed and developing - in a global partnership. We have incorporated the SDGs, where appropriate, as a supporting framework to shape and guide our sustainability strategy.

In addition, we are guided by the 11 recommendations of Taskforce on Climate-related Financial Disclosures (“**TCFD**”) in our climate-related disclosures.

Given that this is our inaugural Report, we relied on internal data monitoring and verification to ensure its accuracy. We will work towards internal review and/or external assurance for our future Reports.

4. Feedback

We welcome feedback from all stakeholders on this Report. You may send related questions, comments, suggestions or feedback at: info@shanyagroup.com.

Shanaya Limited – FY2022 Sustainability Report

5. Board statement

We affirm our commitment to sustainability with the publication of this Report. In this Report, we provide insights into the way we conduct our business, while highlighting our management approaches in actively addressing environmental, social, governance (“**ESG**”) issues (collectively, “**Sustainability Factors**”) that are not only material to our business, but more importantly for the well-being of the local communities where we operate.

As an integrated solutions provider of environmental services, we play an integral role in contributing to a circular economy. To better ourselves in what we do, we constantly seek to collaborate with our market partners, in enhancing our sustainable waste management and treatment practices. We also focus on maximising our operational efficiency and financial sustainability by strengthening our operational processes, human capital management as well as investing in new technology and diversifying into recycling and upcycling of higher value byproducts.

A sustainability reporting policy (“**SR Policy**”) covering our sustainability strategies, governance structure, materiality assessment and processes in identifying and monitoring material Sustainability Factors is in place as a point of reference in the conduct of our sustainability reporting. Under this SR Policy, we monitor, review and update our material Sustainability Factors from time to time, taking into account the feedback that we receive from our engagement with our stakeholders, organisational and external developments.

Our sustainability reporting framework (“**SR Framework**”), as illustrated below, is guided by our business strategy and the United Nations’ SDGs which are primarily driven by the concerns of our key stakeholders. Through our SR Framework, we strive to work closely with all stakeholders in our value chain and actively address their concerns related to each of the material Sustainability Factors as follows:



Shanaya Limited – FY2022 Sustainability Report

Sustainability pillar	Performance indicator	Sustainability performance FY2022
Economic	Economic value generated ¹	S\$7.84 million
	Operating costs ²	S\$5.05 million
	Employee benefit expenses	S\$2.00 million
	Payments to providers of capital ³	S\$0.66 million
	Taxes to governments	S\$0.02 million
Environmental	Total waste diverted from disposal (tonnes)	2,521
	Greenhouse Gas (“GHG”) emissions intensity (tonnes CO ₂ e/ revenue S\$’000)	0.11
	Water consumption intensity (CuM/ revenue S\$’000)	0.25
Social	Number of work-related fatalities	-
	Number of high-consequence ⁴ work-related injuries	-
	Number of recordable work-related injuries	-
	Number of recordable work-related ill-health cases ⁵	-
	Number of reported incidents of unlawful discrimination ⁶ against employees	-
	Turnover rate	38%
	Average hours of training per employee	4
Governance	Number of incidents of serious offence ⁷	-

The highly open nature of the Singapore economy means that it is more susceptible to the impact of negative developments in the global economy. Given that our business activities are based primarily in Singapore, we have been negatively impacted as the amount and type of waste generated are typically a function of the state of the economy.

Nonetheless, we are confident that the fundamentals of our core business remain sound, and there is room for optimism. As Singapore embraces the circular economy and implements its sustainability roadmap, waste management companies will play a bigger role. As we invest in technology, automation and diversify into recycling of higher value waste, we stand to reap the harvest of a circular economy.

¹ Economic value generated includes revenue, other revenue and share of results of joint ventures, net of government grant.

² Operating costs include purchases, marketing and distribution, utilities, repairs and maintenance, lease expenses, principal element of lease payments, other operating expenses, net of foreign exchange loss/(gain), allowance for inventory obsolescence, fair value (gain)/loss on derivative and (write-back of)/allowance for expected credit loss.

³ Payments to providers of capital include dividends to ordinary shareholders and interest payments to providers of financing.

⁴ High-consequence work-related injuries refer to injuries from which the worker cannot recover or cannot recover fully to pre-injury health status within 6 months.

⁵ Work-related ill health cases refer to negative impacts on health arising from exposure to hazards at work.

⁶ Unlawful discrimination refers to an incident whereby the relevant authority has commenced investigation and resulted in a penalty to the Company.

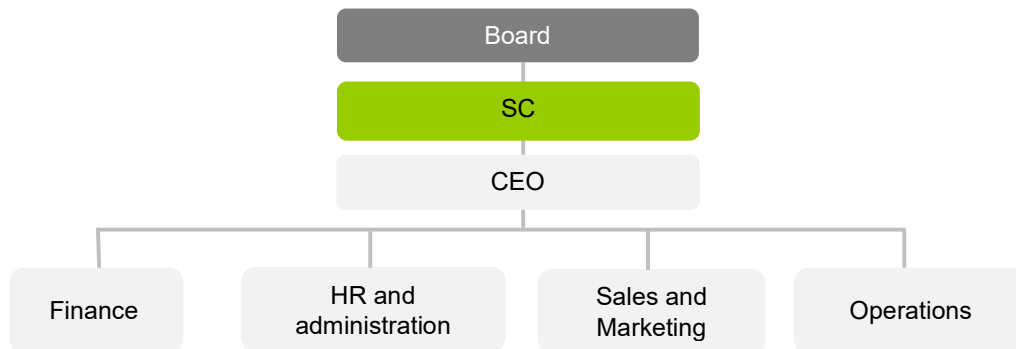
⁷ A serious offence is defined as a serious offence that involves fraud or dishonesty and is being or has been committed against the Company by its officers or employees. Such an incident is punishable by imprisonment for a term of not less than 2 years and the value of the property obtained or likely to be obtained from the commission of the offence amounts to not less than S\$100,000

Shanaya Limited – FY2022 Sustainability Report

6. Sustainability governance structure

The Board of Directors (“**Board**”) is ultimately responsible for the Group’s strategic direction on sustainability including, but not limited to, advising and supervising the development of sustainability strategy and performance targets setting while being supported by the Sustainability Committee (“**SC**”) by virtue of delegation.

Our SC, comprises senior management executives and key managers from various functions, chaired by the Chief Executive Officer (“**CEO**”), assists the Board with strategic management of the organisation’s material Sustainability Factors and is tasked with the development of the sustainability strategy, undertaking of materiality assessment on sustainability-related impacts, monitoring of the implementation of sustainability initiatives and progress towards achieving performance targets. Our sustainability working group from various functions are responsible for the day-to-day implementation of sustainability-related tasks and initiatives for this Report.



7. Stakeholder engagement

Through an internal stakeholder mapping exercise, we identified key stakeholder groups which we prioritise our engagements with. These include entities or individuals that have an effect on or are affected by the Group and our activities.

Our efforts on sustainability are focused on creating sustainable value for our key stakeholders, which comprise communities, customers, employees, regulators, shareholders and suppliers. As a Group, we actively engage with all our key stakeholder groups and regular engagements are held through both formal and informal communication channels.

S/N	Stakeholder	Engagement channel	Frequency of engagement	Key concerns raised
1	Communities	<ul style="list-style-type: none"> Digital and social media platforms Report 	Ongoing	<ul style="list-style-type: none"> Corporate social responsibility Environmental initiatives
2	Customers	<ul style="list-style-type: none"> Customer feedback Email queries Hotline Digital and social media platforms 	Regularly	<ul style="list-style-type: none"> Adherence to licensing and environmental management systems Provision of innovation of solution on environmental services

Shanaya Limited – FY2022 Sustainability Report

S/N	Stakeholder	Engagement channel	Frequency of engagement	Key concerns raised
3	Employees	Email communications	Regularly	<ul style="list-style-type: none"> ▪ Career development and training ▪ Job security ▪ Remuneration ▪ Equal employment opportunities ▪ Occupational health and safety (“OHS”)
		<ul style="list-style-type: none"> ▪ Townhall meetings ▪ Performance appraisal 	Half-yearly	
		Induction and training programmes	When required	
4	Regulators	Consultations and briefings organised by key regulatory bodies such as Singapore Stock Exchange (“SGX”), National Environment Agency (“NEA”), and other relevant government agencies or bodies	When required	<ul style="list-style-type: none"> ▪ Corporate governance practices ▪ Adherence to licensing issued ▪ Regulatory compliance including environmental and social compliance
5	Shareholders	<ul style="list-style-type: none"> ▪ Annual report ▪ Annual general meeting 	Annually	<ul style="list-style-type: none"> ▪ Sustainable business performance ▪ Market valuation ▪ Dividend payment ▪ Corporate governance practices ▪ Mitigation to sustainability-related risks and impacts
		Results announcements	Half-yearly	
		Corporate announcements/press release	When required	
6	Suppliers	<ul style="list-style-type: none"> ▪ Email communications ▪ Face-to-face meetings ▪ Phone calls 	Regularly	Order volatility

Through the above channels and interactions, we seek to identify relevant material issues, and thereby communicate effectively with our key stakeholders and respond to their concerns more effectively.

8. Policy, practice and performance reporting

8.1. Sustainability reporting processes

Our sustainability process begins with an understanding of the Group’s context. This is followed by the ongoing identification and assessment of the Group’s sustainability-related impacts. The most significant impacts are prioritised for reporting, and the result of this process is a list of material Sustainability Factors disclosed in this Report.

Shanaya Limited – FY2022 Sustainability Report

Processes involved are shown in the chart below:



8.2. Materiality assessment

In line with the GRI standards, we constantly refine our management approach to effectively respond to the dynamic shifts within the business landscape. A cornerstone of our commitment is the undertaking of annual materiality assessment to ensure ongoing relevance and materiality of sustainability issues are addressed and disclosed within our Reports.

The scope of materiality assessment encompasses both positive and negative, actual and potential impacts that may arise, and are based on (i) the likelihood of occurrence ("**Likelihood of Impact**"); and (ii) their significance on the economy, environment, social aspects and contribution to sustainable development ("**Significance of Impact**").

8.3. Performance tracking and reporting

We track the progress of our material Sustainability Factors by identifying the relevant data points, measuring and monitoring them. In addition, we set performance targets that are aligned with our strategy to ensure that we remain focused in our path to sustainability. We shall consistently enhance our performance-monitoring processes and improve our data capturing systems.

Shanaya Limited – FY2022 Sustainability Report

9. Material sustainability factors

As a responsible organisation, we are cognizant of the fact that our Sustainability Factors have both direct and indirect impact on our capacity to create long-term value for our stakeholders. In FY2022, we undertook a materiality assessment with senior management to ensure that the main interests and concerns of key stakeholders are addressed.

Under the materiality assessment performed, a preliminary inventory of Sustainability Factors is first identified based on applicable regulatory requirements, guidance, international frameworks and standards, analysis of market sustainability trends based on our operating environment as well as peer benchmarking. Through the materiality assessment, material Sustainability Factors with likelihood and significant impacts on the economy, environment, social and governance aspects arising from day-to-day activities were prioritised. In this Report, we also report on our progress in managing these factors and set related indicators and targets to measure and improve our sustainability performance.

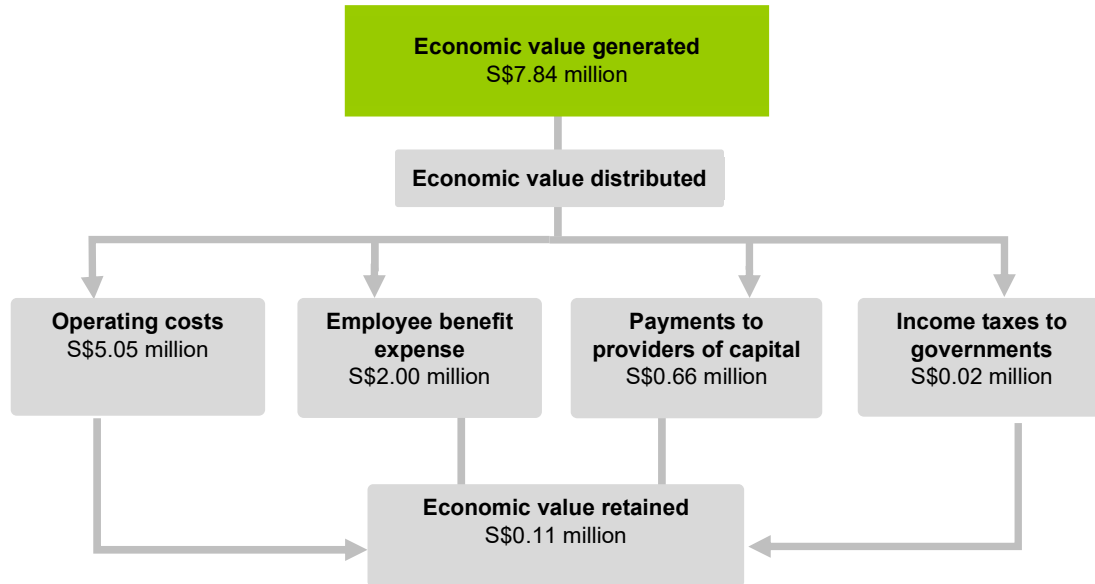
Presented below is a list of material Sustainability Factors applicable to the Group for FY2022:

S/N	Material Sustainability Factor	SDG	Key stakeholder
Economic Factor			
1	Sustainable business performance	Decent work and economic growth	<ul style="list-style-type: none"> ▪ Employees ▪ Regulators ▪ Shareholders ▪ Suppliers
Environmental Factor			
2	Waste management	Responsible consumption and production	<ul style="list-style-type: none"> ▪ Communities ▪ Customers ▪ Regulators ▪ Shareholders
3	Energy and emissions management	Affordable and clean energy	<ul style="list-style-type: none"> ▪ Communities ▪ Regulators ▪ Shareholders
4	Water conservation	Clean water and sanitation	<ul style="list-style-type: none"> ▪ Communities ▪ Regulators ▪ Shareholders
Social Factor			
5	Employee health and safety	Good health and wellbeing	<ul style="list-style-type: none"> ▪ Employees ▪ Regulators
6	Diversity and equality	Reduced inequalities	Employees
7	Employee retention	Decent work and economic growth	Employees
8	Development and training	Quality education	Employees
Governance Factor			
9	Corporate governance	Peace, justice and strong institutions	<ul style="list-style-type: none"> ▪ Regulators ▪ Shareholders

Shanaya Limited – FY2022 Sustainability Report

9.1 Sustainable business performance

The Group's financial performance supports the creation of long-term value for our stakeholders as well as our sustainability agenda which includes promoting economic development, creating decent employment opportunities, as well as contributing to the local communities. In line with this commitment, economic value we generated in FY2022 is distributed as follows to achieve a more sustainable future:



Further details on our economic performance can be found in the financial contents and audited financial statements of our annual report for FY2022.

9.2 Waste management

Waste management initiatives in our services provided to customers

As a responsible waste management company, we strive to manage waste effectively and contribute to the circular economy. We strongly believe that proper waste management is crucial for safeguarding the environment, public health, and communities where we operate. Our commitment to waste management aligns with our goal to minimise the environmental impact of waste while maximising the recovery of valuable resources.

We are committed to maximising the recycling rate of waste by applying the (3R) process of Reduction, Reuse and Recycling techniques at every stage of our operations and provide efficient waste management services for our clients, from collection, transfer, treatment, resource recovery, recycling to disposal. We ensure that operational licenses are renewed annually to stay compliant to applicable laws and regulations. To maintain our service standards, we implemented a waste management policy and attained the ISO 14001:2015 and ISO 45001:2018 Standard for Environmental Management Systems certification for waste management.

From our operations, recyclable materials were sent to our downstream recycling partners' facility for further recycling processing, while non-recyclable general waste is sent to waste-to-energy plant and treated solid waste from oil sludges are being properly disposed in accordance with the applicable regulations and procedures.

Key statistics on our environmental sustainability initiatives relating to waste management business are as follows:

Shanaya Limited – FY2022 Sustainability Report

Performance indicator	Unit of measurement	FY2022
Collected waste		
General waste ⁸	tonnes	32,708
Oil waste ⁹	tonnes	7,669
Resource recovered		
Batteries	tonnes	14
Papers	tonnes	601
Plastics	tonnes	28
Metal scraps	tonnes	774
Dunnage	tonnes	1,104
Total waste diverted from disposal	tonnes	2,521

9.3 Energy and emissions management

Energy conservation and emissions management is a vital concern for us. Our operations in waste collection, transport, and processing inevitably produce emissions that contribute to air pollution and climate change. As part of our efforts to mitigate the effects of climate change, we are committed to reducing our carbon footprint and contributing to cleaner air and a healthier planet through enhancing our energy usage efficiency and emissions reduction initiatives.

To run our operations, we rely mainly on the following energy sources:

- Diesel for fuelling vehicle fleet for collecting and disposing general waste; and
- Electricity for operating machinery and equipment, refrigeration, lighting, cooling and office work.

Key statistics on our energy consumption and GHG emissions during the Reporting Period are as follows:

Performance indicator	Unit of measurement	FY2022
Energy consumption		
Diesel consumption	litre	285,059
Diesel consumption intensity	litre/revenue S\$'000	36.90
Electricity consumption	kWh	75,506
Electricity consumption intensity	kWh/revenue S\$'000	9.77
GHG emissions		
Direct GHG emissions (Scope 1) ¹⁰	tonnes CO ₂ e	784
Indirect GHG emissions (Scope 2) ¹¹	tonnes CO ₂ e	31
Total GHG emissions	tonnes CO ₂ e	815
GHG emissions intensity	tonnes CO ₂ e/revenue S\$'000	0.11

Our key energy conservation and emissions reduction initiatives are as follows:

- Regular maintenance of trucks and installation of a Global Positioning System (“GPS”) monitoring system to monitor efficient use of our motor vehicles;
- Track and review spending on energy consumption regularly to control usage and corrective actions are taken when there are unusual consumption patterns;
- Turn off lights, fans and aircon when they are not in use;
- Switch to energy-efficient light-emitting diode (“LED”) lighting in office and operational premises; and
- Install light sensors at office staircase to reduce electricity consumption.

⁸ General waste mainly consists of unwanted furniture, electrical appliances, construction and renovation debris, bulky waste, non-putrefiable waste, recyclable waste, food waste (excluding used cooking oil), market waste and waste with a high organic content and which is putrefiable.

⁹ Oil waste mainly consists of oil sludge and oily water from cruise and ships.

¹⁰ GHG emissions from consumption of diesel (Scope 1) are calculated based on the GHG Emissions Measurement and Reporting Guidelines published by the NEA.

¹¹ GHG emissions from electricity purchased (Scope 2) are calculated based on the average emissions factors published by the Energy Market Authority for Singapore.

Shanaya Limited – FY2022 Sustainability Report

9.4 Water conservation

Inefficient use of water and inadequate management of effluent discharge will result in scarcity of water and affects the well-being of the society and the environment.

We are committed to responsible usage of water resources mainly through minimising our water consumption. We rely on water resources primarily for blending additives to oily water and oil sludge for the recovery of oil, office use as well as cleaning of equipment and trucks. Water consumption trends are regularly tracked, analysed and corrective actions are taken when unusual consumption patterns are observed. We help our customers to treat their oily water and sludge so that such effluent will not cause pollution when discharged into the environment.

Residual water produced through oily water and oil sludge treatment process is further treated by inhouse wastewater treatment plant where the recycled water will be reused internally such that usage of water resources is minimised.

Key statistics on water consumption during the Reporting Period are as follows:

Performance indicator	Unit of measurement	FY2022
Water consumption	m ³	1,893
Water consumption intensity	m ³ /revenue S\$'000	0.25

9.5 Employee health and safety

The health and safety of our employees are of immense importance to us and we are committed to creating a workplace that allows our employees to perform and grow in a safe and healthy environment. We believe that a safe working environment helps to enhance productivity and operational efficiency of the Group. As such, SES is bizSAFE STAR certified by the Workplace Safety and Health Council. This certification recognises our continuous efforts to embed safety through the implementation of various measures and controls.

The SES has also attained ISO 45001:2018 Standard for OHS Management Systems certification. Under this certification, the Group implemented a set of operating and safety guidelines and procedures that is communicated to all relevant stakeholders. In addition, safety precautions are to be followed by all vehicle drivers, forklift operators, excavator operators, sorters, and helpers to prevent accidents, injuries and so as to maintain a safe and healthy working environment among those working within our premises.

We provide health and safety on-the-job training all employees during the Reporting Period which include both knowledge-based and skills-based training, covering topics such as emergency response, hazard and risk management, as well as health and safety awareness. The programme contents are updated on a regular basis to ensure their relevance.

Other key measures adopted to manage health and safety in our workplaces are as follows:

- Risk assessment is performed regularly on manual handling of materials activity, to identify possible hazards and accidents during the course of our operations; and
- An emergency response plan is in place for fire safety.

During the Reporting Period, we recorded zero workplace fatalities, zero high-consequence work-related injuries, zero recordable work-related injuries and zero work-related ill health cases.

9.6 Diversity and equality

We value a culture that respects differences, advocates for equality and encourages growth and development that helps every employee in reaching his or her full potential. In line with this, we strive to provide a work environment for employees that fosters fairness, equality and respect for social and cultural diversity, regardless of their gender, age and educational background. During the Reporting Period, we maintain zero incidents of unlawful discrimination against employees.

As at 31 December 2022, the Group has a workforce of 26 permanent full-time employees and they are all based in Singapore. Key statistics on demographics of our full-time employees are as follows:

Shanaya Limited – FY2022 Sustainability Report

Gender diversity

On gender diversity, the percentage of female to total number of full-time employees is 27% and 14% of managers are females as 31 December 2022. Given the nature of our business, the proportion of male employees is generally high. During the Reporting Period, we have no female representation on Board and we will work towards increasing the number of female directors as we believe that a diverse Board will help to enhance decision-making capability as well as overall performance of the Company.

Key statistics on gender diversity of our full-time employees are as follows:

Performance indicator	FY2022	
	Male	Female
Overall		
All employees	73%	27%
Management level		
Management	86%	14%
Non-management	68%	32%

Age diversity

In relation to age diversity, matured workers are valued for their experience, knowledge and skill. As at 31 December 2022, 38% of the workforce and 71% of managers are above 50 years old. Key statistics on age diversity of our full-time employees are as follows:

Performance indicator	FY2022		
	Age under 30	Age 30 - 50	Age above 50
Overall			
All employees	12%	50%	38%
Management level			
Management	0%	29%	71%
Non-management	16%	58%	26%

Educational background diversity

On diversity in educational background, we seek to create an inclusive environment for employees from different educational background. Due to the nature of our business, our workforce is predominantly non-tertiary educated and such employees constituted 69% of our total workforce as at 31 December 2022. We invest continuously in our employees by providing relevant training programmes.

Performance indicator	FY2022	
	Tertiary	Non-tertiary
Percentage of employees by educational diversity	31%	69%

To promote equal opportunity, we have instituted various human resource ("HR")-related processes such as the following:

- Staff recruitment advertisements do not state age, race, gender or religious preferences as employment requirements; and
- To promote equal opportunities in the workplace, we provided opportunities for promising employees to attend relevant training programmes regardless of their background.

9.7 Employee retention

Effective talent attraction and recruitment, without any bias and discrimination, are essential to build a strong and sustainable talent pipeline for the future. At Shanaya Limited, we adhere to our HR policy which serves to ensure that the Company is guided in recruiting and retaining employees.

In addition, we care for our employees' well-being through various employee benefits and organising recreational activities. The employee benefits include medical insurance coverage, medical reimbursement and annual wage supplement ("AWS") for eligible employees.

Shanaya Limited – FY2022 Sustainability Report

Key statistics on new hires and turnover of full-time employees are as follows:

New hires

Performance indicator	FY2022	
	Number of new hires	New hire rate
Overall		
New hires rate	6	23%
Gender		
Male	4	21%
Female	2	29%
Age		
Age under 30	1	33%
Age 30 – 50	5	38%
Age above 50	0	0%

Turnover¹²

Performance indicator	FY2022	
	Number of employee turnover	Turnover rate
Overall		
Turnover rate	10	38%
Gender		
Male	7	37%
Female	3	43%
Age		
Age under 30	1	33%
Age 30 – 50	6	46%
Age above 50	3	30%

9.8 Development and training

We place a high priority on talent competency and development as we believe that well-trained employees are vital to the long-term success of our business. To address skill gaps and help our employees achieve their career development goals, we regularly assess employees' training needs, and review our existing training initiatives for continued relevance.

In 2022, we invested in training and development programmes, utilising both in-person and online channels. Our training and development programmes mainly focus on learning and development and familiarising our employees with job requirements include the following:

- Upskilling programmes on technical courses related to their job functions;
- OHS programmes for non-management staff;
- Webinars from subject-matter experts for middle and senior managers; and
- Capacity building via professional certification.

During the Reporting Period, we conducted a total of 104 hours of training for our full-time employees. Our employees received an average of four (4) hours of training per employee.

Key statistics on training hours are as follows:

Performance indicator	FY2022
Overall	
Total training hours	104
Average training hours per employee	4
Gender	
Male	100
Female	4

¹² Employee turnover is computed based on confirmed employees.

Shanaya Limited – FY2022 Sustainability Report

Performance indicator	FY2022
Management level	
Management	20
Non-management	84

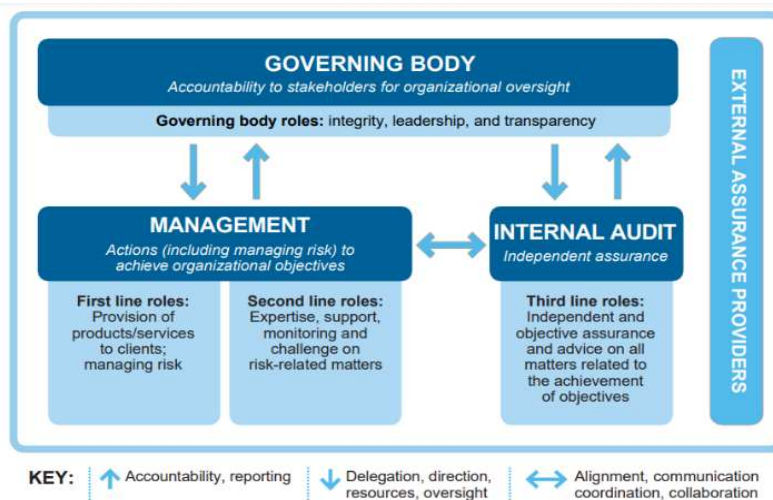
In promoting a high-performance culture, we have put in place a staff performance appraisal process to conduct performance reviews for eligible employees. The process serves to ensure that our employees have the opportunity to self-assess, provide feedback, engage in competency discussions, and receive necessary coaching and support.

As part of our continual efforts to enhance and upgrade the knowledge of our Directors on sustainability reporting and to meet the requirement of SGX-ST under Catalist Rule 720(6), we confirm that 100% of our directors have attended at least one (1) of the approved sustainability training courses during the Reporting Period.

9.9 Corporate governance

We are committed to high standards of corporate governance as it is integral in ensuring sustainability of our business as well as safeguarding shareholders' interest and maximising long-term shareholder value.

We aligned our corporate governance and risk management approach with the Three Lines Model issued by the Institute of Internal Auditors ("IIA"). The Three Lines Model serves to identify structures and processes that best assist the achievement of organisational objectives and facilitate strong governance and risk management. Under the Three Lines Model, the roles and responsibilities of governing body, management (first- and second-line roles), internal audit (third line roles) and the relationship among them are defined as follows:



Source: Three Lines Model issued by the IIA

We have implemented a whistleblowing policy which aims to provide an avenue for employees and external parties to raise concerns about misconduct or improprieties in the Group, and at the same time assure them that they will be protected from victimisation for whistleblowing in good faith.

Details of the whistle-blowing policy are disseminated to all the employees of the Group and are available on our corporate website. The Group's zero tolerance stance against corruption is also outlined in our whistleblowing policy.

During the Reporting Period, there were no reported incident of serious offence (including corruption). In addition, we recorded zero incidents of non-compliance with laws and regulations during the Reporting Period for which fines and/or non-monetary sanctions were incurred.

For further information on our corporate governance practices, please refer to the Corporate Governance Report in the Annual Report for FY2022.

Shanaya Limited – FY2022 Sustainability Report





10. Performance targets

For each Sustainability Factors identified, we are pleased to disclose our sustainability targets as follows:

S/N	Material Sustainability Factor	Target
Economic		
1	Sustainable business performance	Improve or maintain economic value generated subject to market conditions
Environmental		
2	Waste management	Maintain or improve total waste diverted from disposal
3	Energy and emissions management	Maintain or reduce GHG emissions intensity
4	Water conservation	Maintain or reduce water consumption intensity
Social		
5	Employee health and safety	Maintain zero work-related fatalities, work-related injuries and recordable work-related ill health cases
6	Diversity and equality	Maintain zero incidents of unlawful discrimination against employees
7	Employee retention	Maintain or reduce employee turnover rate
8	Development and training	Maintain or improve average training hours per employee
Governance		
9	Corporate governance	Maintain zero incident of serious offence

11. Supporting the SDGs

The UN Sustainability Agenda, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDGs, which form an urgent call for action by all countries – developed and developing – in a global partnership. We believe that everyone plays an important role in advancing sustainable development and in order to align our business objectives with the SDGs, we have identified a number of SDGs which we can contribute to through our business practices, products and services. The SDGs that we focus on and the related Sustainability Factors are as follows:

SDG		Our effort
 <p>3 GOOD HEALTH AND WELL-BEING</p>	Ensure healthy lives and promote well-being for all ages	<u>Section 9.5 Employee health and safety</u> We implement measures such as safety checks, safety training and job safety guidelines and procedures to provide a hazard-free workplace for our employees and ensure the well-being of both our employees and the working environment.
 <p>4 QUALITY EDUCATION</p>	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.	<u>Section 9.8 Development and training</u> We constantly provide training and development programmes related to job functions to our employees to help them achieve their career development goals.
 <p>6 CLEAN WATER AND SANITATION</p>	Ensure availability and sustainable management of water and sanitation for all	<u>Section 9.4 Water conservation</u> We implement measures to reduce water wastage and manage the quality of effluent generated from our business operations, which in turn help us to work towards achieving sustainable management and efficient use of natural resources.
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	Ensure access to affordable, reliable, sustainable, and modern energy for all	<u>Section 9.3 Energy and emissions management</u> We constantly monitor and implement measures to improve our efforts toward energy efficiency and emissions reduction.

Shanaya Limited – FY2022 Sustainability Report

SDG	Our effort
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p><u>Section 9.1 Sustainable business performance</u> We contribute to economic growth through creating long-term value for our stakeholders.</p> <p><u>Section 9.7 Employee retention</u> We offer our employee various employee benefits as we believe in creating a rewarding working environment, decent and fulfilling jobs for our employees which in turn contributes to economic growth.</p>
 <p>10 REDUCED INEQUALITIES</p>	<p><u>Section 9.6 Diversity and equality</u> We ensure equal opportunity for all regardless of gender and age as well as educational background by establishing various HR related policies to facilitate this goal.</p>
 <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>	<p><u>Section 9.2 Waste management</u> We are highly committed to minimising waste by adapting to (3R) process, Reduction, Reuse and Recycling techniques at every stage of our operation and provide an efficient waste management service to our clients.</p>
 <p>16 PEACE, JUSTICE AND STRONG INSTITUTIONS</p>	<p><u>Section 9.9 Corporate governance</u> We are committed to high standards of corporate governance as we believe that a high standard of corporate governance is integral in ensuring sustainability of our businesses as well as safeguarding shareholders' interests and maximising long-term shareholder's value and carry our business with integrity by avoiding corruption in any form.</p>

Shanaya Limited – FY2022 Sustainability Report

12. Supporting the TCFD

We are committed to support the recommendations by the TCFD and have disclosed our climate-related financial disclosures in the following key areas:

TCFD recommended disclosures
Governance
a. Describe the board's oversight of climate-related risks and opportunities.
Our sustainability governance structure includes the Board and SC. The Board has ultimate oversight of the climate-related risks and opportunities and considers climate-related issues in setting the Group's strategic direction, policies and target setting.
b. Describe management's role in assessing and managing climate-related risks and opportunities.
Our sustainability strategy is formulated by the SC, in consultation with the Board. The SC, which includes senior management executives and key managers from various functions, is led by the CEO. The responsibilities of the SC include considering climate-related issues in the development of sustainability strategy, target setting, monitoring of the implementation of climate-related initiatives as well as collection, monitoring and reporting of performance data.
Strategy
a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term.
b. Describe the impact of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning.
The climate-related risks and opportunities identified by the Group during the climate-related risk assessment exercise include the following: <ul style="list-style-type: none">▪ Rising global temperature, increased extreme weather events such as floods, as a result of climate change may have adverse impacts on our facilities as well as operations. This will consequentially increase our cost of business operations and reduce our revenue due to decreased production capacity. As an opportunity, we will raise awareness amongst our employees to be more environmentally conscious and strive to reduce our environmental impact throughout our operations.▪ The reputational and financial risks for not meeting the demands and expectations of regulators, customers and shareholders amidst the enhanced emissions reporting requirements. With this in mind, we will ensure strict adherence to and compliance with rules and regulations set out to avoid negative impacts on business operations.▪ Changes in governmental policies such as expansion in carbon tax coverage and increase in carbon tax rates will lead to increased operating costs. In view of this development, we will continue to raise climate awareness amongst our employees and with more defined job responsibilities and training, the Group will be in a better position to consume energy responsibly to meet the rising needs and expectations of relevant stakeholders.
c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.
We are currently looking into conducting climate-related scenario analysis consistent with the recommendation, wherever possible, using commonly agreed sector or subsector scenarios and time horizons.
Risk management
a. Describe the organisation's processes for identifying and assessing climate-related risks
b. Describe the organisation's processes for managing climate-related risks.
c. Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management.
The Group's climate-related risks and opportunities are identified and assessed through the performance of a climate-related risk assessment exercise. In terms of managing our climate-related risks, we will continue monitoring the trend of climate-related performance indicators.
Under the assessment, business units and support functions are responsible for identifying and documenting their relevant risk exposures that might hinder their progress towards contributing to the Group's business objectives. We will integrate the climate-related risks into our risk management framework in the future.

Shanaya Limited – FY2022 Sustainability Report

TCFD recommended disclosures

Metrics and targets

a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process.

Our environmental performance, including waste management, energy consumption, GHG emissions and water management are tracked, measured, and its related metrics are subsequently disclosed in our Report. Monitoring and reporting of these metrics assists us in identifying areas with material climate-related risks and enable us to track our progress towards reaching our goals.

b. Disclose Scope 1, Scope 2 and, if appropriate, Scope 3 GHG emissions and the related risks.

To support the climate change agenda, we have disclosed our Scope 1 and Scope 2 GHG emissions in this Report and set climate-related targets on waste management, energy consumption, GHG emissions and water management. We recognise the importance of monitoring our indirect Scope 3 emissions and will start tracking and disclosing such emissions on categories relevant to the Group and where data is available in the future.

c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets.

As a commitment towards mitigating climate change, we have set climate-related targets related to waste management, energy consumption, GHG emissions and water management. For further details, please refer to Section 9.2 to 9.4.

We plan to set medium and long-term targets in the future and where practicable.

Shanaya Limited – FY2022 Sustainability Report

13. GRI content index

Statement of use	Shanaya Limited has reported the information cited in the GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organisational details	1 – 2, Annual Report 2022 (“AR 22”): 02 - 03, 13, 51, 99 - 100
	2-2 Entities included in the organisation’s sustainability reporting	2
	2-3 Reporting period, frequency and contact point	2
	2-4 Restatements of information	Not applicable as this is the inaugural report published by Shanaya Limited.
	2-5 External assurance	2
	2-6 Activities, value chain and other business relationships	1, AR 22: 03
	2-7 Employees	11 – 12
	2-8 Workers who are not employees	We have approximately 1 worker who is not employee in FY2022 and whose nature of job is a fire safety manager.
	2-9 Governance structure and composition	AR 22: 07 - 08, 16 – 17
	2-10 Nomination and selection of the highest governance body	AR 22: 19 – 21
	2-11 Chair of the highest governance body	AR 22: 07, 17, 19
	2-12 Role of the highest governance body in overseeing the management of impacts	5
	2-13 Delegation of responsibility for managing impacts	5
	2-14 Role of the highest governance body in sustainability reporting	5
	2-15 Conflicts of interest	AR 22: 15
	2-16 Communication of critical concerns	15, AR 22: 31
	2-17 Collective knowledge of the highest governance body	14, AR 22: 16
	2-18 Evaluation of the performance of the highest governance body	AR 22: 24
	2-19 Remuneration policies	AR 22: 25 – 27
	2-20 Process to determine remuneration	AR 22: 25 – 27
	2-21 Annual total compensation ratio	Information is not provided due to confidentiality constraints
	2-22 Statement on sustainable development strategy	3 - 4, AR 22: 04 – 06
	2-23 Policy commitments	14 – 19
	2-24 Embedding policy commitments	14 – 15
	2-25 Processes to remediate negative impacts	15, AR 22: 31
	2-26 Mechanisms for seeking advice and raising concerns	15, AR 22: 31
	2-27 Compliance with laws and regulations	11, 15
	2-28 Membership associations	None
	2-29 Approach to stakeholder engagement	5 – 6
	2-30 Collective bargaining agreements	None of our employees are covered by collective bargaining agreements.

Shanaya Limited – FY2022 Sustainability Report

GRI standard	Disclosure	Location
GRI 3: Material Topics 2021	3-1 Process to determine material topics	5 – 7
	3-2 List of material topics	8
	3-3 Management of material topics	8 – 15
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	9, AR 22: 47, 49- 50
GRI 205: Anti-corruption 2016	205-3 Confirmed incidents of corruption and actions taken	15
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	9
	302-3 Energy intensity	9
GRI 303: Water and Effluents 2018	303-5 Water consumption	10
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	10
	305-2 Energy indirect (Scope 2) GHG emissions	10
	305-4 GHG emissions intensity	10
GRI 306: Waste 2020	306-2 Management of significant waste-related impacts	11
	306-3 Waste generated	11
	306-4 Waste diverted from disposal	11
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	13
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	13 – 14
GRI 403: OHS 2018	403-5 Worker training on occupational health and safety	14
	403-9 Work-related injuries	14
	403-10 Work-related ill health	14
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	13 – 14
	404-2 Programmes for upgrading employee skills and transition assistance programmes	13
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	11 – 12
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	11