



SHINVEST HOLDING LTD.  
旭阳控股有限公司



# GROWING A BETTER FUTURE

SUSTAINABILITY REPORT 2021

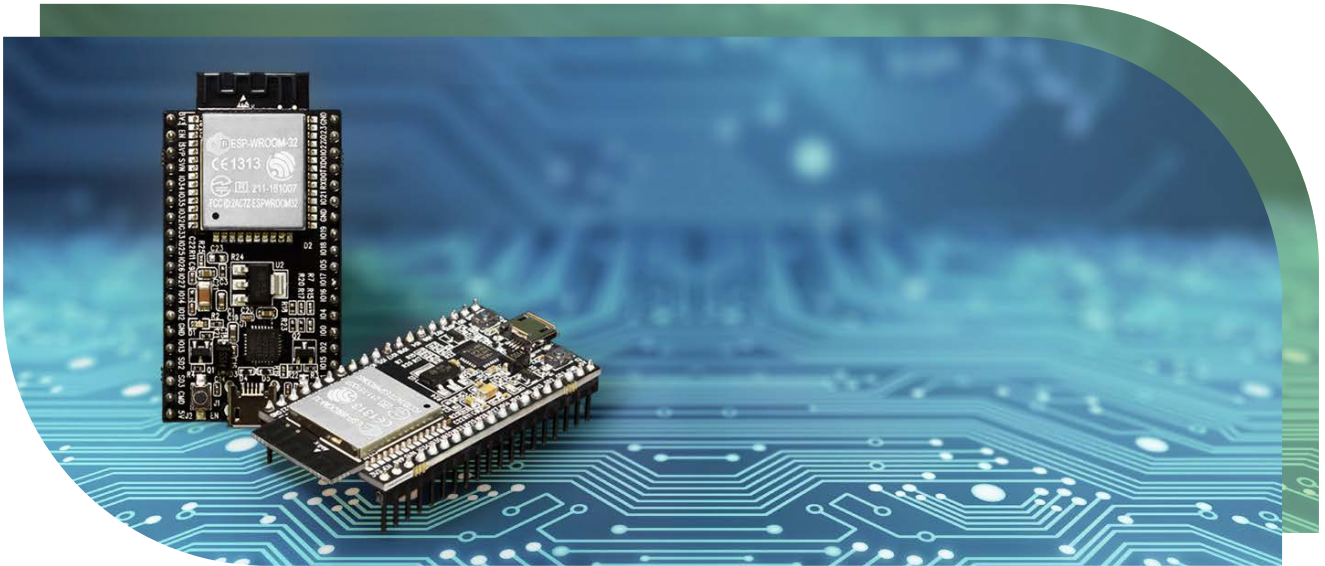


# CONTENTS

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BOARD STATEMENT	<b>01</b>
ORGANISATIONAL PROFILE	<b>02</b>
SUSTAINABILITY APPROACH	<b>03</b>
ECONOMIC	<b>06</b>
ENVIRONMENTAL	<b>07</b>
SOCIAL	<b>08</b>
GOVERNANCE	<b>13</b>
GRI STANDARDS CONTENT INDEX	<b>14</b>

# BOARD STATEMENT



We are pleased to present the annual Sustainability Report of Shinvest Holding Ltd. (“Shinvest”, the “Company”, and together with its subsidiaries, the “Group”) for our financial year ended 31 August 2021 (“FY2021”).

This report is focused on how the Group has identified, managed and measured the management of Environmental, Social and Governance (“ESG”) issues pertinent to the Group. With the COVID-19 pandemic still having a major impact on the economic landscape, the Group remains focused on achieving its long-term sustainability goals and addressing the concerns of stakeholders.

This report is prepared in compliance with the requirements of Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Rules 711A and 711B, and references to the Global Reporting Initiative (“GRI”) Standards: Core option. We have chosen to report using the GRI Standards because it is an internationally recognised reporting framework that covers a comprehensive range of sustainability disclosures. Moreover, the structured framework promotes the reporting of a full and balanced picture of Shinvest’s material matters and the management of its impact.

This report highlights the key economic, environmental, social and governance (“EESG”) related initiatives carried throughout a 12-month period, from 1 September 2020 to 31 August 2021. Sustainability is a part of the Group’s wider strategy to create long-term value for all its stakeholders. As such, the key material EESG factors for the Group have been identified and cautiously reviewed by the management. The data and information provided has not been verified by an independent third party. We relied on internal data monitoring and verification to ensure the accuracy of data and information. The board of directors of the Group (the “Board”) oversees the management and monitoring of these factors and takes them into consideration in the determination of the Group’s strategic direction and policies.

In addition to Shinvest Holding Ltd. (“Shinvest”), Sin Hong Hardware Pte Ltd (“Sin Hong”) is also covered in this Report.

We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to consistently improve our policies, systems and results. Please send your comments and suggestions to [ysiw@shinvest.com.sg](mailto:ysiw@shinvest.com.sg)

## ORGANISATIONAL PROFILE



Shinvest Holding Ltd. (“Shinvest” or the “Company”), was incorporated in 1989 and has been listed on the Mainboard of Singapore Exchange Limited since 13 October 1999. The Company underwent a corporate restructuring exercise approved by shareholders on 30 July 2009, which saw the company divesting most of its loss-making subsidiaries.

The Company returned to profit in 2010 after the acquisition of Sin Hong Hardware Pte Ltd (“Sin Hong”). Subsequently, in March 2014, the Company invested 10% equity interest in Espressif Group, comprising Espressif Incorporated, Espressif Systems (Shanghai) Pte Ltd and Espressif Microelectronics Wuxi Pte Ltd (“Espressif Group”). Over the years, Espressif Group had embarked on a series of restructuring and fund-raising exercise. On 22 July 2019, Espressif Systems (Shanghai) Co., Ltd. (“Espressif Shanghai”) was listed on Shanghai Stock Exchange STAR Market. As a consequence of these changes, the Company is directly holding 6.0% of equity interest of Espressif Shanghai after IPO. The Company made a disposal of 1.7% equity interest in Espressif Shanghai in FY2021. As at 31 August 2021, the Company holds in total 3,441,595 shares which represent 4.3% of equity interest in Espressif Shanghai.

Sin Hong is an integral part of the manufacturing value chain providing a wide range of industrial fasteners and a specialist in Standard, Non-standard and, Customised Fasteners.

Sin Hong caters to customers with special parts or custom-made parts for assembly requirement in various manufacturing industries and also provides special

services such as Ship-To-Stock program according to production delivery requirements by implementing Just in Time, Two Bins System, Kanban System and other logistic replenishment systems suited to customers requirement.

It serves both the domestic market and international market, countries coverage includes United States of America, Europe, Malaysia and Indonesia.

Espressif Shanghai is a fabless semiconductor design group, specializing in wireless connectivity chipsets and software solutions for tablets, TV boxes, Internet of Things (IoT), as well as wearable electronics applications, and focused on improving lives through innovation and collaboration. It is dedicated to provide high quality and highly integrated connectivity semiconductor solutions to clients worldwide. Users can now easily embed its WiFi solution, based on the latest silicon technologies, within other systems, with complete and extensive functionalities, minimal cost and small form factor.

On 26 November 2019, the Company entered into a Joint Venture Agreement with a Singapore based software publishing company ESSE PI Pte. Ltd. (“ESSE”) to hold 12.5% of equity interest in ESSE. On 28 August 2020, the Company elected to convert the S\$250,000 Convertible Loan for an additional 333,333 shares. On 2 December 2020, the Company applied for the allotment of 37,234 ordinary shares in the capital of ESSE for an aggregate cash consideration of S\$150,000, which ranks pari passu with all the issued ordinary shares of ESSE. As at 31 August 2021, the Company holds in total 620,567 shares which represent 25% of equity interest in ESSE.

ESSE applies different AI techniques to both Image/Video and Audio data streams to auto detect patterns and achieve the best prediction outcome, it is similar to how humans use their sense of sight and hearing as part of their cognitive process of decision making.

ESSE’s flagship CAP (Content Analysis Platform) is an open platform providing a selection of customisable Machine Learning (ML) models and real-time inference engines to contextualise and perform advanced analysis of different content type including image, audio and real-time video. CAP can be deployed either on-premise or on public cloud.

## SUSTAINABILITY APPROACH

This is Shinvest Holding Ltd. (“Shinvest”) fourth sustainability report (“Report”) for FY2021 covering the period from 1 September 2020 to 31 August 2021 (“FY2021”). The entities included in this Report are Shinvest Holding Ltd. and its subsidiaries (the “Group”). This Report was prepared in accordance with Global Reporting Initiative (“GRI”) standards: Core option. This report outlines various key topics which may be of interest to Shinvest’s stakeholders. We have chosen the GRI reporting framework as it is an internationally-recognised benchmark for the disclosure of governance initiatives and the environmental, social and economic performance and impact on organisations. The GRI content index and relevant references are set out on pages 14 – 15.

### OUR SUSTAINABILITY METHODOLOGY










### STAKEHOLDERS ENGAGEMENT

An important starting point in our sustainability journey is to identify our stakeholders and material aspects relevant to our business. The interests and requirements of key stakeholders are also taken into account when formulating corporate strategies. These key stakeholders include, but are not limited to, customers, suppliers, shareholders, employees, and regulators. We adopt both formal and informal channels of communication to understand the needs of key stakeholders, and incorporate these into our corporate strategies to achieve mutually beneficial relationships.



## SUSTAINABILITY APPROACH

The following table summarises our key stakeholders, engagement platform and their key concerns.

Stakeholders	Engagement Platforms	Frequency	Key Concerns Raised
 <b>Suppliers</b>	Vendor Assessments	Annually	Order volatility
	Emails/Calls	Continuously	
	Face-to-face meetings	Quarterly	
 <b>Shareholders</b>	AGM/EGM	Annually	Sustainable business performance
	Annual Report	Annually	Market value
	Announcement	Quarterly	Dividend payout
	Websites-Investor Relationship	Continuously	Corporate governance
 <b>Customers</b>	Face-to-face meetings	Annually	Product quality & reliability
	Email feedback	Continuously	Customer service standards
	Customer cold calls	Continuously	
 <b>Employees</b>	Staff Appraisal	Periodically	Workplace safety & health
	Whistle blowing policy updates	Annually	Job security
	Department & Management Meetings	Quarterly	Remuneration
	Staff Bonding Sessions	Quarterly	Equal employment opportunity
 <b>Board</b>	Board Meetings	Half yearly	Corporate governance
	Board Circulation via E-mails	Half yearly	Performance update
 <b>Government and Regulators</b>	Regular Reports	Continuously	Environmental compliance
	Websites	Continuously	Corporate governance
	Calls	Continuously	
 <b>Local Communities</b>	Corporate Social Responsibility Programmes	Annually	Social development

# SUSTAINABILITY APPROACH

## MATERIALITY ASSESSMENT

### IDENTIFICATION

Identification of the material factors that are of relevance to the Group's activities



### PRIORITISATION

Prioritization of the material factors and identifies key sustainability factors to be reported upon



### VALIDATION

Validation of the completeness of key sustainability factors identified to finalise the sustainability report content



### REVIEW

Review focuses on the material factors in the previous reporting period and also considers stakeholders' feedback, changing business landscape and emerging trends

Our sustainability process begins with the identification of GRI relevant aspects. GRI relevant aspects are then prioritised to identify material factors which are subject to validation. The end result of this process is a list of material factors disclosed in the Sustainability Report.

We conducted a materiality assessment during the year incorporating inputs from the stakeholder engagements. In order to determine if an aspect is material, we assessed its potential impact on the economy, environment and society and its influence on the stakeholders. Applying the guidance from GRI, we have identified the following as our material aspects:



### ECONOMIC

- Economic Performance
- Proactive Anti-Corruption Practices



### SOCIAL

- Diversity and Equal Opportunity in the Workplace
- Occupational Health and Safety
- Training and Education
- Local Communities



### ENVIRONMENTAL

- Energy
- Environmental Compliance



### GOVERNANCE

- Corporate Governance
- Business Ethics and Compliance
- Enterprise Risk Management

## ECONOMIC

### ECONOMIC PERFORMANCE

Shinvest firmly believes that the focus on financial sustainability is critical and is fully committed to the highest standards of corporate governance. The Group's basic principle is that long-term profitability and shareholders' value is ensured by taking into account the interests of all stakeholders, such as shareholders, employees, suppliers and society as a whole.

The year under review saw the coronavirus disease 2019 ("COVID-19") continue to impact living and livelihoods globally with various countries struggling to manage surges in infection with border controls and safe distancing requirements. These measures have restricted economic activity and led to supply chain issues and raw material shortages. The Group continues to keep a steady hand on the tiller and weathered the challenges and maintained its performance.

While demand remains relatively muted due to the pandemic, the Group has seen improvement in its YoY performance with a total revenue of S\$14.1 million for FY2021, a 12.3% increase from S\$12.6 million in the previous financial year. With the gradual opening up of borders, this increase was mainly contributed by a 13.7% increase in the local market, 16.6% increase in the Malaysia market, and 202.9% increase the China market. In contrast, the Indonesia market saw a 37.4% decrease in revenue contribution. The Export business segment continues to be the largest contributor to the overall revenue, making up 45.7% of the Group's revenue for FY2021, a decrease of 1.2 percentage points from FY2020. The second was the Retail segment, which contributed 34.1%, a decrease in 0.4 percentage points from FY2020. The remaining 20.2% of the Group's revenue was contributed by the Original Equipment Manufacturing (OEM) segment, which saw an increase in 1.6 percentage points from FY2020.

Notwithstanding the sluggish recovery of the global economy, the Group's gross profit increased by 8.4% YoY to S\$4.9 million, while its gross profit margin fell slightly by 1.3% to 34.5% in FY2021. Overall, the Group reported a profit before income tax of S\$38.6 million for the year under review mainly due to the fair value gain on financial assets at fair value through profit or loss ("FVTPL") of S\$43.2 million.



For detailed financial results, please refer to the following sections in our FY2021 Annual Report:

- Financial Review, page 2
- Outlook and Strategy, page 3
- Financial Statements, pages 33 to 114

### PROACTIVE ANTI-CORRUPTION PRACTICES

We do not tolerate corruption in any form. This has been made clear to all of the Group's directors, officers, employees, and external suppliers and business partners. Dedicated whistle-blowing hotlines using both email and mail are set up so that anyone wanting to report any business ethics issue can do so confidentially. Any report of corruption will be escalated to the attention of the Audit Committee.

The following table shows the actual reported incidents of corruption cases for FY2021 and FY2020:

FY2021	FY2020	Target for FY2022
Zero incident of serious offence	Zero incident of serious offence	Maintain of zero incident of serious offence



## ENVIRONMENTAL

Shinvest believes that responsible usage of energy resources, waste optimisation and carbon footprint reduction help to preserve the environment and create long-term economic value to shareholders. We are committed to reduce our carbon footprint and the consumption of natural resources in all possible aspects of business operations. We encourage the use of renewable materials and resources, and where possible, reduce waste through re-using and recycling. We avoid any unnecessary use of hazardous materials and products and take all reasonable steps to protect the environment when such materials must be used, stored or disposed of.

### ENERGY

Shinvest, as a Group, we are fully aware of our responsibility for nurturing the environment and lessening negative environmental consequences at our work sites and the environment where we operate.

In order to manage energy effectively, we monitor our electricity consumption at our work places. All the air conditioners must be switched off after office hours including lunch break. Thermostat is set at low energy saving 25 degree Celsius. All lights and computers must be switched off when not in use.

It is our Group's policy to use recycled paper and work towards a paperless culture. All staff were told to avoid any unnecessary printing and keeping softcopy of all documents and reports. We do not encourage fax but emails from customers and suppliers.

We embarked on a digital transformation project in September 2020 and this has greatly improved the productivity of our staff, efficiency of operations, accuracy of inventory and reduction in paper usage.

We implemented eDelivery module in April 2021 with self-collection customers in KT location. The company has a total of 3,900 delivery orders in the month of April 2021, of which 1465, which translates to 38% of delivery orders are signed digitally.

eInvoice module was kick-started in April 2021. We have 189 (25%) out of 744 customers who have subscribed to this eInvoice service. From beginning of May till 24 May 2021, we had a total of 1,565 invoices, of which 663 which translates to 42%, are delivered digitally.

Another initiative which we embarked on is the implementation of eSOA (e-Statement of Accounts) module in July 2021. We have 231 (29%) out of 809 customers who have subscribed to this eSOA service. The eSOA are delivered digitally to customers monthly.

On average, there are 2,200 sets of delivery orders and 2,000 sets of invoices generated per month. Two sets of each document need to be printed. One set for the customers and one set for our own filing. With the eDelivery and eInvoice application, delivery orders and invoices are generated in digital format and automatically emailed to the customers, thus, reducing the usage of paper. With the automation, manual work to print and process the documents will be reduced as well.

About 85% of our warehouses Hi-Bay lights were replaced by LED lights. We also replaced spoilt electric appliances with energy saving type (e.g., air conditioner units). We will continue to use energy on a required basis and avoid wastage.

In FY2021, our energy consumption was as follows:

	2020	2021
Total Electricity Consumption	315,081 kwh	245,834 kwh
Electricity Consumption per unit	332.28 kwh/sqm	259.25 kwh/sqm

### ENVIRONMENTAL COMPLIANCE

Here at Shinvest, compliance with relevant Codes and Regulations on environmental issues is a must. The Group has implemented policies and procedures designed to ensure compliance with the most relevant laws and regulations. We take steps at all workplaces to ensure the requirements are met throughout the duration of the projects.

The following table shows the actual non-compliance with environmental laws and regulations cases resulting in significant fines or sanctions for FY2021 and FY2020:

FY2021	FY2020	Target for FY2022
Zero non-compliance with environmental laws and regulations	Zero non-compliance with environmental laws and regulations	Maintain zero reported incident of non-compliance with environmental laws and regulation

## SOCIAL

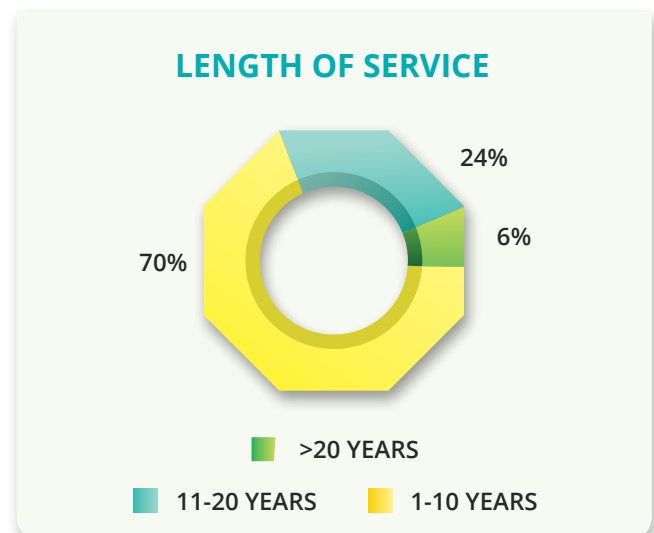
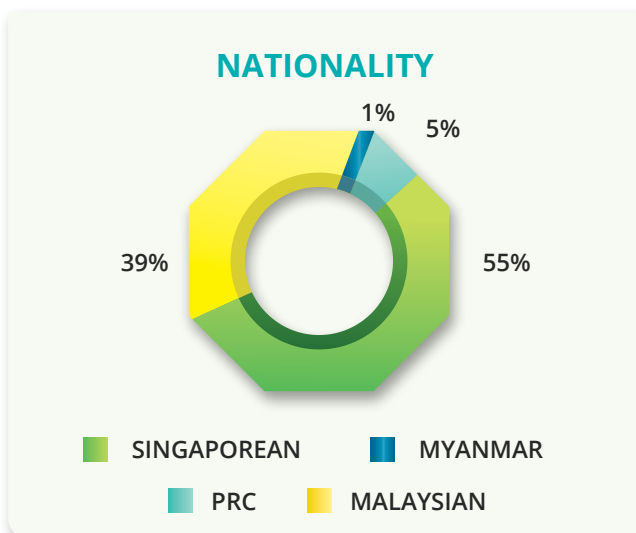
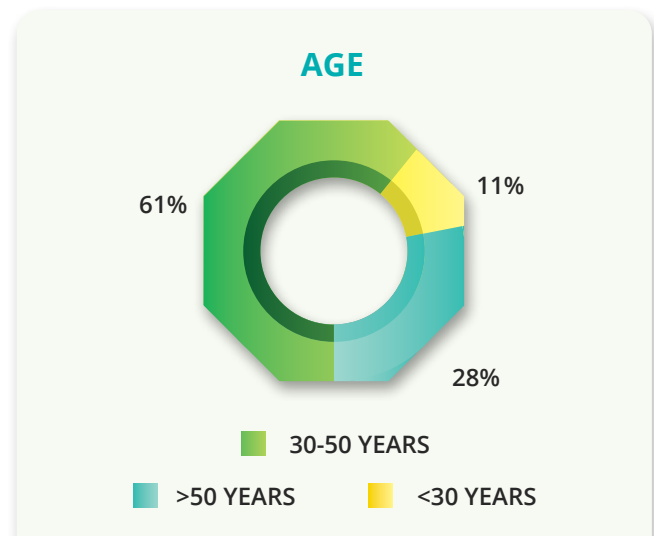
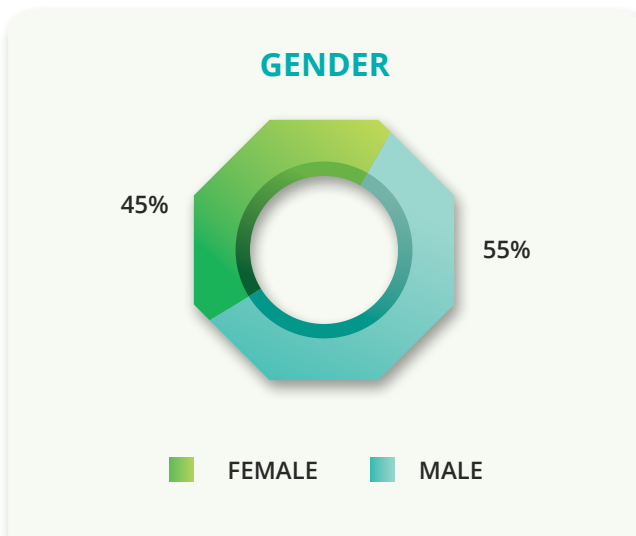
The employees of the Group are one of the most important assets and their contribution and support are valued at all times. We regularly review compensation and benefit policies according to industry benchmarks, financial results as well as the individual performance of employees. Other fringe benefits and pension fund contributions are provided to retain loyal employees with the aim of forming a professional staff and management team that can bring the Group to greater success. Staff satisfaction can be seen from our recent low staff turnover. Furthermore, the Group places great emphasis on the training and development of employees and regard excellent employees as a key factor in its competitiveness.

We respect human rights, support the elimination of all forms of forced and compulsory labour, especially child labour, and do not tolerate any discrimination in respect of employment and occupation.

### DIVERSITY & EQUAL OPPORTUNITY IN THE WORKPLACE

A diverse workforce is an asset in today's ever-changing global marketplace. We cultivate an inclusive culture where employees with various backgrounds and qualities are highly motivated, engaged and connected. We do not discriminate one's race, age, gender, religion, ethnicity, disability or nationality.

As at 31 August 2021, we had a workforce of 67 full-time employees. Our headcounts for Shinvest and Sin Hong were distributed as follows:



## SOCIAL

The ratio of female employees in the Group is lower than that of male employees but this is not unusual in our industry due to the nature of our business.

Due to COVID-19 Safe Measurement Measures, all the activities were put on hold due to the restrictions imposed by the government and for the well-being of our employees. In the beginning of the year, we celebrated Chinese New Year (CNY) with bento sets for the employees.

### OCCUPATIONAL HEALTH & SAFETY IN THE WORKPLACE

As human resource is a major contributing factor in our organization, our employees' safety and health at the workplace is one of our top priorities, and our ultimate goal is to have a zero accident workplace. We are committed to managing and reducing safety and health risks through effective risk management.

We have established a strict set of workplace health, safety and security policies. Detailed Workplace Safety and Security Clause and Industrial Accident Compensation Clause are both stated in the Employee Handbook. This covers the standard procedures to identify hazards relating to occupational health and safety, evaluate risks associated with these hazards and to ensure that appropriate actions are taken to manage the risks involved. In addition, all environmental aspects and occupational health safety hazards which are within our control or under our management, as well as those that we cannot control or directly manage but are expected to affect health and safety, are covered in the policies.

Given that we value and prioritise our employees' health and safety within our organization, achieving these certifications and implementing the framework of systems required is vital to our organization. The implementation of these frameworks has enabled us to systematically identify, reduce and mitigate risks involved in the operations of our organization. Sin Hong was ISO9001:2015 certified valid from 10 January 2021 to 9 January 2024 for sales and distribution of fasteners and hardware.

Safety goggles, ear plugs and safety boots were provided for all machine operating staffs. Proper attire is required for employees during office hours. We also have group insurance policies for our staff including workmen compensation, foreign worker medical insurance, key man insurance and business travel insurance.

The following table shows the actual workplace accidents reported for FY2021 and FY2020:

FY2021	FY2020	FY2022
Zero incident of work-related accident	Zero incident of work-related accident	Maintain zero incident of work-place accident

## SOCIAL

### HEALTH AND SAFETY

#### PROTECTION AGAINST COVID-19

The pandemic has highlighted the importance of organisational resilience. As an employer, we recognise that protecting our employees' safety, health and well-being is a key priority since the onset of COVID-19. Whether it is through implementing safe distancing measures in the office and warehouse or facilitating staff to work from home, we have taken every step to ensure that our employees are protected from the risks of the virus where possible. We implemented workforce separation aligned with social distancing and business continuity measures and tightened safety and health protocol across our workplace.

As Shinvest has applied for essential service permit, our office and plant remained open throughout the entire epidemic.

Safe Management Measures (SMM) continued to be strictly enforced among all employees to ensure safe operations. Appointed Safe Management Officers (SMOs) have conducted SMM inspection and checks to ensure compliance at all times. The SMM are applicable to all staff in office and warehouse.

We have also implemented the following additional safety measures to protect our employees:

- Install more body-temperature screening machines at multiple areas;
- Segregate our employees into teams to minimise interaction and risk of infection;
- Social distancing at all sites and briefing on the best practices for social distancing;
- Provision of hand sanitisers and spray at multiple areas and to frontline employees; and
- Increased frequency of sanitising common areas

#### BUSINESS CONTINUITY

COVID-19 has accelerated Shinvest's uptake of new technologies to improve operational efficiency and resilience. Prior to the lockdown of the neighbouring country, the Company allowed a small group of daily-commute employees to work remotely from home. When the government further tightened measures in May 2021, close to 86% of the employees worked from home.



## SOCIAL

### OUR EMPLOYEES

Sin Hong continued to provide the People's Republic of China workers complementary accommodation in the dormitory.

At the same time, Shinvest has taken the necessary procedures in line with the local government policies and procedures to enable employees to work from home. All office-based staff, be it Singaporeans or Malaysians who have chosen to go back to Malaysia, are required to work from home by default unless they needed access to specialised systems / equipment at company premises which could not be accessed from home, or they had to be present in office to fulfil certain legal requirements.

For job roles or functions where employees were unable to work from home, staggered working times and break times were imposed so as to reduce congregation of employees at common spaces, and also to avoid common mingling of staff working in different teams. All employees are required to take twice daily temperature.

With the Singapore Government's implementation of SafeEntry in April 2020, Sin Hong has put in place SafeEntry QR code at multiple entrances to our office. We have arranged for one staff to handle the safe entry scanning and temperature-taking for all customers to our premise.

### FOREIGN WORKERS DORMITORY

The SMOs are also in-charge of conducting SMM to ensure stringent compliance at the Dormitory at all times. We have put in place Safe Living Measures (SLM) at the dormitory to ensure workers can progressively resume work safely. Our additional safety measures include the followings:

- Every room has a unique QR code to monitor residents' movement in and out of the room;
- Installation of a portable toilet/washroom and isolation room to house any residents who have been tested COVID-19 positive before being conveyed to the designated quarantine facilities by MOM;
- Installation of Telemedicine (Telemed) kiosks at factory-converted dormitories (FCD);
- Measures are in place to reduce inter-mixing of residents across rooms, levels and the use of common facilities are scheduled;
- Staggered timing for food collection for workers at a designated collection point; and
- No outside visitors are allowed to enter the dormitory except for employees from the government authorities.

We have zero case of COVID-19 cases in FY 2021 and we will continue to be mindful of the need to remain vigilant and work closely with our workers to ensure necessary precautions continue to be taken. We have had no COVID-19 cases as of the date of this report.

## TRAINING AND EDUCATION

One of the Group's corporate goals is to develop its human capital through continuous training. We organize both internal and external programs for employees from time to time. The cost of the training would be borne by the company in full, however the employee shall have to pay the cost in the event that they do not complete the course, fail on the program or do not meet the minimum attendance requirements.

External courses must be of direct relevance to the work of the employee. Application for training courses must be made on the Training Application forms and is to be submitted / approved by the Department Head and the General Manager / CEO via the Human Resource and Administration Department. All employees receive regular performance and career development reviews during the annual appraisals.

Despite challenges posed by the pandemic, Shinvest has continued to place emphasis on developing and managing our talent.

## SOCIAL

In 2021, Sin Hong has sent the employees to attend the following external trainings:

	Topic of training	Number of attendees	Training hours per session	Number of Days
1	Fundamental of PDPA 2020	4	8	3
2	NICF - Implementation of Microsoft Azure Infrastructure Solutions (SF)	1	8	5
3	NICF – Cisco Certified Network Associate (CCNA) (SF)	1	8	5
4	ISCA Live Webinar on Preparation of Interim Financial Statement	1	2	1/4
5	Webinar - Update on Business Registry & Regulatory Development by ACRA	1	2	1/4

Accordingly, Shinvest has also sent the employee to attend the following external training:

	Topic of training	Number of attendees	Training hours per session	Number of Days
1	Fundamentals of Corporate Secretarial Practice Course	1	8	4
2	Practitioner Certification in Personal Data Protection (Singapore)	1	8	3
3	Webinar - Update on Business Registry & Regulatory Development by ACRA	1	2	1/4
4	Live Webinar - Preparation of Interim Financial Statements under SFRS (I) 1-34 Interim Financial Reporting and its practical considerations	1	2	1/4
5	Fundamental of PDPA 2020	1	8	3

## LOCAL COMMUNITY ENGAGEMENT

At Shinvest, we believe in giving back to the community wherein we operate to promote equal opportunities and improve the lives of people. In FY2021, there was no social activities and charitable events carried out by Shinvest due to COVID-19.

We aim to carry at least one Corporate Social Responsibility in FY2022 if prevailing safe distancing measures permit, to ensure the safety of our staff and the community.

## GOVERNANCE

### CORPORATE GOVERNANCE

The Board and the Management of Shinvest commit to the best practices of the corporate governance to ensure sustainability of the Group's operations. We believe that the constant drive to upkeep corporate excellence will allow us to establish a more transparent, accountable and equitable system, thereby increasing the value of the Company and the value to our shareholders. Shinvest had paid close attention to any regulatory changes that have occurred, especially in relation to the management of COVID-19, to ensure that we remain in compliance with requirements.

Throughout FY2021, we adhered to the principles and guidelines set out in the Code of Corporate Governance 2018 and will continue to do so in the coming years. Please refer to the pages 10 to 23 of the 2021 Annual Report for the details of the Group's Corporate Governance Report.

### BUSINESS ETHICS & COMPLIANCE

When it comes to hiring, Shinvest takes seriously any possible conflict of interest. Our Code of Conduct clearly spells out our expectations from our staff and the consequences if any of the rules were violated or standards were not met. We also have clear and fair grievance procedures. Our target is to ensure all allegations received are promptly addressed. During the year, no allegations were received.

Business ethics is communicated to all our heads of business units regularly and they must fully understand that compliance with rules and regulations is a key part of running a responsible business. Shinvest regularly updates key staff with development in international and local regulations. We fully comply with all environmental rules and regulations, confidentiality clause, anti-competitive behaviour laws and all requirements on health and safety.

Cyber security and data privacy are important not just for compliance, but also to safeguard both our data and that of our customers. We take measures to guard against cyber risks for both our internal and external stakeholders by complying with the Personal Data Protection Act Policy. This policy also applies to our employment process where the privacy of all applicants is safeguarded and access to personal data is restricted to authorised persons senior management on a need-to-know basis.

The following table shows the actual non-compliance with laws and regulations cases reported for FY2021 and FY2020:

FY2021	FY2020	FY2022 Target
No significant fines or non-monetary sanctions for non-compliance with laws and regulations	No significant fines or non-monetary sanctions for non-compliance with laws and regulations	Continue to comply with laws and regulations

### ENTERPRISE RISK MANAGEMENT

The Board is overall responsible for determining the Group's risk appetite and tolerance, risk profile, overseeing the Group's risk management framework, reviewing the Group's key risks and mitigation strategies. The Management is responsible for designing, implementing and monitoring the risk management and internal controls system. The Audit Committee is supported by the Management in the review of these risks and effectiveness of mitigation strategies and controls.

The Risk Management Team, headed by the Financial Controller, assesses and reviews the Group's business and operational environment in order to identify areas of significant business, financial, operational and compliance risks, as well as appropriate measures to control and mitigate these risks. The Risk Management Team, which works alongside with the AC, reports and highlights all significant risk matters to the Board for discussions and appropriate actions, if required. The Group has implemented an Enterprise Risk Management framework to enable it to assess, identify, manage and monitor key risks and controls in the Group's businesses.

The Group's Risk Register was reviewed and updated on 10 November 2021.



## GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure	Reference / Description
<b>GENERAL DISCLOSURE</b>		
<b>GRI 102:</b>	102-1	Name of organisation
<b>General Disclosures</b>	102-2	Activities, brands, products and services
	102-3	Location of headquarters
	102-4	Location of operations
	102-5	Ownership and legal form
	102-6	Markets served
	102-7	Scale of the organisation
	102-8	Information on employees and other workers
	102-9	Supply chain
	102-10	Significant changes to the organisation and its supply chain
	102-11	Precautionary Principle or approach
	102-12	External initiatives
	102-13	Membership of associations
	102-14	Statement from senior decision maker
	102-16	Values, principles, standards and norms of behaviour
	102-18	Governance structure
	102-40	List of stakeholder groups
	102-41	Collective bargaining agreements
	102-42	Identifying and selecting stakeholders
	102-43	Approach to stakeholder engagement
	102-44	Key topics and concerns raised
	102-45	Entities included in the consolidated financial statements
	102-46	Defining report content and topic boundaries
	102-47	List of material topics
	102-48	Restatement of information
	102-49	Changes in reporting
	102-50	Reporting period
<b>GRI 102:</b>	102-51	Date of most recent previous report
<b>General Disclosures</b>	102-52	Reporting cycle
	102-53	Contact point for questions about the report
	102-54	Claims if reporting in accordance with the GRI Standards
	102-55	GRI content index
	102-56	External Assurance



## GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure	Reference / Description
<b>MATERIAL TOPICS</b>		
<b>GRI 201: Economic Performance</b>	201-1	Direct economic value generated and distributed Page 6
<b>GRI 205: Anti-Corruption</b>	205-1	Operations assessed for risks related to corruption Page 6
<b>GRI 302: Energy</b>	305-1	Energy consumption within the organisation Page 7
<b>GRI 307: Environmental Compliance</b>	307-1	Non-compliance with environmental laws and regulations Page 7
<b>GRI 403: Occupational Health and Safety</b>	403-1	Occupational health and safety management system and Safety Protection against COVID-19 Page 10 to 11
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities Page 9
<b>GRI 404: Training and Education</b>	404-1	Average hours of training per year per employee Page 12
<b>GRI 405: Diversity and Equal Opportunity</b>	405-1	Diversity of governance bodies and employees Page 8
<b>GRI 413: Local Communities</b>	413-1	Operations with local community engagement, impact assessments, and development programs Page 12



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