

INNOTEK



**SUSTAINABILITY
REPORT
2018**

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1 About the Report

Reporting Scope and Period

This is the second Group Sustainability Report ("SR") by InnoTek Limited ("InnoTek" or together with its subsidiaries, the "Group"). It covers the sustainability performance of our substantial¹ operations in the People's Republic of China ("PRC") from 1 January 2018 to 31 December 2018 ("FY2018"), namely:

- Sun Mansfield Manufacturing (Dongguan) Company Limited;
- Feng Chuan Tooling (Dongguan) Company Limited;
- Mansfield (Suzhou) Manufacturing Company Limited;
- Magix Mechatronics (Dongguan) Company Limited; and
- Mansfield Manufacturing (Wuhan) Company Limited

Our report will provide a holistic view of the Group's performance, while highlighting the Environmental, Social and Governance ("ESG") factors that we deem critical to our activities and developments. Subsequently, the report will be published on an annual basis in accordance with our SR policy and the SGX requirements.

Reporting Process

For the purpose of continuity of this year sustainability report, we engaged the same external sustainability consultant who helped us with our FY2017 sustainability reporting to collaborate with the SR Committee, led by Mr Lou Yiliang, our Chief Executive Officer ("CEO"). The structure of the committee did not change except for the Chief Administrative Officer replacing the Chief Operating Officer who had left since the first year of reporting. The SR Committee comprises senior management of each subsidiary to provide an oversight on the integration of sustainability practices into all aspects of the business. Additionally, the committee focuses on areas of formulating, implementing and reviewing the Group's sustainable policies and practices, sustainability development programs and initiatives. Periodic reviews are done to ensure the effective implementation and engagement of the Group as a whole, and that policies are in line with the Group's strategic development. The SR Committee undergoes an in-depth review on the contents of the report to determine its relevance to our business and ensure the interests of our stakeholders are addressed.

Reporting Framework

This report has been prepared in accordance with the GRI Standards: Core option. They are the most widely adopted global standards for sustainability reporting, providing businesses and organisations worldwide the framework to measure, understand and communicate their critical sustainability issues on environmental, economic, social performance ability issues to stakeholders. The GRI content index and the relevant references are provided on pages 23 to 25.

Feedback

As we are fully committed to listening to our stakeholders, we welcome feedback on any aspect of our sustainability policies, processes and performance. Kindly address all feedback to lindasim@innotek.com.sg. Your feedback is vital to us in achieving our goals

¹ Among the organisation, we selected entities based on substantial revenue segments in FY2018.

to build a sustainable and thriving business. As an attempt to promote environmental conservation, there will be no hard copies of this report.

2 Statement from the CEO

Dear Stakeholders,

We are glad to have deepened our commitment towards the sustainable development of InnoTek in the past year. The year 2018 was a challenging year for us as we faced external pressure from both the Sino-US trade war and changes in the Chinese government policy on social security and housing funds, which in turn effected higher material and labour costs. However, amidst all these threats presents opportunities following the sophistication of our Television ("TV") and display products, the componentization of our Office Automation ("OA") and the recent changes in the Automotive ("Auto") industry.

Additionally, our Group marked a milestone in the second half of 2018 with the opening of Mansfield (Thailand) Co. Ltd., our first production plant in Southeast Asia. We are excited at the prospect of deepening our synergies with clients in the OA business, as we are now able to sustain the future global outreach, extending to geographical locations outside the PRC. Within our Group, we have also kick-started the automation process by implementing robotic arms and other initiatives and will continue to upgrade our capabilities to boost productivity and drive growth, thereby keeping up with the ever-changing global demands.

As one of the leading manufacturing company in the PRC, we acknowledge the impact our business operations has on the environment and society. In the past year, we have also taken the necessary measures to ensure that our business partners, suppliers and sub-contractors alike, are aligned with our sustainability concept. We source sustainably, to offer a suite of products that are cost-effective, superior and environmentally friendly, whilst increasing competitiveness for the organisation.

While focusing on our business objectives, we also recognise corporate governance as one of the guiding principle in promoting sustainable development. As part of InnoTek's corporate governance framework, various checks and balances are in place to ensure business integrity and responsible operations. The Group adopts a precautionary approach in identifying and assessing strategic, operational and commercial risks which is part of the corporate governance framework.

As part of the Group's benchmarking efforts against global best practices, InnoTek plans to align its sustainability practices with the United Nations Sustainable Development Goals in 2019. These include achieving sustainable economic growth by having employment and decent work for all; encouraging sustainable industrialization and innovation; promoting an inclusive workplace; addressing climate change and its impacts; as well as exploring opportunities for meaningful impact through business partnerships.

With utmost gratitude,

Mr Lou Yiliang
Chief Executive Officer
InnoTek Limited

3 About the Group

The Group aims to continuously seek business opportunities in line with our strategic growth and to deliver value to our customers and stakeholders as we continue to explore and expand our business operations. Within the industry, we have also upheld a reputation for quality and high standards in our operations, as well as excellence in our operations management.

Goals and Achievements

As a group and across our various subsidiaries, we have attained various awards and certifications in 2018 such as the following:

- ISO 9001: 2015 Certification – Quality Management Systems
- ISO 14001: 2015 Certification – Environmental Management Systems
- IATF 16949: 2016 Certification – Quality Management Systems for automotive sectors
- Certified Authorized Economic Operator (“AEO”) – Globally recognised supply chain accreditation

Membership of Associations

Aspiring to widen our exposure to industry standards and collaborate within and beyond the industry to improve on current sustainable practices, InnoTek has joined and taken up leadership positions for the following associations:

- Suzhou New District Overseas Chinese Chamber Association
- Suzhou New District HR Manager’s Association
- Vice-President of the Shenzhen Commercial Display System Industry Association

4 Stakeholder Engagement

As part of the business transformation process, the Group reviewed comparative studies in the region as well as feedback from the investment community to identify and map stakeholders who influence, or are influenced by, InnoTek and its operations. In identifying the key groups of stakeholders, we assessed the level of significance of the stakeholders' interests in sustainability issues:

Stakeholders	How we engage	Main concerns and expectations	How we respond
Employees	<ul style="list-style-type: none"> • Meeting • Training and development • Teambuilding activities • Annual performance appraisals • Recreational activities • Long-service awards • Annual dinners 	<ul style="list-style-type: none"> • Department updates • Training and career development opportunities • Workplace safety and health • Engaging and retaining employees 	By adopting sound human resource policies and practices that promote fair treatment, safe working conditions, rewards and recognition for performance, work-life balance and career growth.
Customers	<ul style="list-style-type: none"> • Monitoring product sales • Contacts to our customer service • Feedback channels through email • Communication and feedback channel on delivery and quality issues • Partner customers on new product development programs • Competitive pricing • Maintain strong relationship with customer through regular communication 	<ul style="list-style-type: none"> • Product and service quality • Group's reputation in the market • Competition 	By establishing policies for quality control and assurance that ensure our goods are of excellent quality and to promptly address customer complaints.

Stakeholders	How we engage	Main concerns and expectations	How we respond
Shareholders and Investors	<ul style="list-style-type: none"> • Phone and email channels • Annual General Meeting • Analysts/investors meetings • SGX announcements and media releases • Company website for information updates • Sustainable dividend pay-out consideration 	<ul style="list-style-type: none"> • Group's strategic development • Current financial performance • Future business outlook 	<p>By retaining an investor relations firm to assist us in our dissemination of material information. We had been holding analyst briefings after its results announcement in previous years. We monitor the dissemination of material information to ensure that it is made publicly available on a timely and non-selective basis.</p>
Business Partners	<ul style="list-style-type: none"> • Regular meetings • Visits • Emails • Tender process 	<ul style="list-style-type: none"> • Integrity and effectiveness of the tender process • Workplace safety and health • Energy-efficient fittings and products with Green labels • Product and technology updates • Performance reviews 	<p>By establishing policies and guidelines that ensure a fair selection and procurement process, and ethical business practices.</p>
Community	<ul style="list-style-type: none"> • Phone and email channels • Media relations • Volunteering activities • Industrial Associates membership 	<ul style="list-style-type: none"> • Contribution to communities • Business decisions' impact on their environment Pollution (air, land, water) • Resources constrain 	<p>By raising awareness through sustainable business practices and assessing the potential harmful impacts on the environment.</p>

5 Materiality Assessment

Following an extensive materiality assessment in FY2017, we conducted a Group-wide exercise during the year to review the relevance of our material topics, identify if there has been any shift in priorities among our stakeholders and examine any emerging areas of concern. The assessment was conducted according to GRI's standards' Principles for defining report content and covered our operations in the PRC only. Our associates, regional businesses and minority stakes were not included in this exercise. We applied the materiality principle for defining report content based on a review of industry practices and global peers.

Material ESG Factors

After reviewing the material ESG factors in FY2017; namely Supplier Environmental Assessment, Employment and Occupational Health and Safety, the SR Committee has identified the following material ESG factors for FY2018:

ESG (2018)	Top material topics for the InnoTek Group	Key Highlights
Governance	Anti-Corruption	<ul style="list-style-type: none"> - 2 substantiated cases of negligence which resulted in the violation of Mansfield group policy investigated in 2018 and appropriate actions had been taken by management and the Audit Committee. - 2 cases still undergoing thorough investigation as at end of 2018
Economic	Economic performance	<ul style="list-style-type: none"> - S\$218.3 million economic value generated - S\$204.7 million economic value distributed
Environmental	Environmental compliance	<ul style="list-style-type: none"> - Zero cases of non-compliance in 2018 - No significant fines/non-monetary sanctions for non-compliance with environmental laws and regulations

ESG (2017)	Top material topics for the InnoTek Group	Key Highlights
Environmental	Supplier Environmental Assessment	<ul style="list-style-type: none"> - 39 new suppliers that were screened using environmental criteria - 1 supplier terminated due to potential negative environmental impact
Social	Employment	<ul style="list-style-type: none"> - Total employees – 2,348 - New hires: <ul style="list-style-type: none"> • Male – 72.3%; Female – 27.7% • Under 30 years old – 53.3%; between 30 to 50 years old – 45.6%; above 50 years old – 1.2% • Local city (PRC) – 6.8%; Other cities (PRC) – 93.1%; Overseas – 0.1% - Resignees: <ul style="list-style-type: none"> • Male – 72.0%; Female – 28.0% • Under 30 years old – 53.8%; between 30 to 50 years old – 44.7%; above 50 years old – 1.5% • Local city (PRC) – 6.4%; Other cities (PRC) – 93.6%
	Occupational health and safety	<ul style="list-style-type: none"> - Safety committee formed at each subsidiary level, made up of both senior management and ordinary workers - 70 cases of injuries in 2018; zero fatalities and occupational health and diseases

6 Corporate Governance

The Group is committed to uphold the highest standards of corporate governance. We believe a high standard of corporate governance is integral in ensuring our business' sustainability as well as safeguarding shareholders' interests and maximizing long-term shareholder value. This commitment is aligned with the Principles of the Code of Corporate Governance 2012.

The promotion of effective and fair communication with the stakeholders is under the purview of our Chairman and CEO. We fulfil our obligation to furnish shareholders with timely information to shareholders and ensure full disclosure of material information to comply with statutory requirements and the Listing Manual of the SGX-ST. The Group firmly believes in high standards of transparent corporate disclosure, in line with the continuous obligations of the Company.

The Board and Management strongly believes that our quest for good governance lies in putting in place an effective framework of risk management and internal controls that is in line with market standards and best practices. Having this in place will lead to increased levels of internal discipline, accountability and transparency.

There were no non-compliance incidents with relevant laws and regulations that resulted in significant fines and non-monetary sanctions. We will continue our commitment in achieving zero incidents of non-compliance with relevant laws and regulations. In addition, we will closely monitor the Internal Audit issues and ensure that internal controls for all processes are in place.

For detailed disclosure on the application of its corporate governance practices with reference to the Code, please refer to the Corporate Governance section on pages 17 to 33 of InnoTek Annual Report 2018. For any cases of deviation from the Code's guidelines, an explanation has been provided within the Annual Report.

6.1 Anti-Corruption

The Group, with our significant workforce size operating across different geographies around Asia and multiple partnerships across the value chain, has several areas that can render us vulnerable to corruption. Our stakeholders have recognised this during our materiality assessment, thus highlighted anti-corruption as a critical factor to the Group. We would like to reaffirm our strong stance against these issues and highlight that we have zero tolerance towards unethical acts in totality.

A whistle-blowing policy and other procedures have been put in place to provide the Group's employees and external parties who have dealings with the Group, accessible and trusted channels to report suspected fraud, corruption, dishonest acts or other improprieties in the workplace. We made these policies and procedures readily available for both internal and external parties, as it allows for an independent investigation of any reported incidents and appropriate actions for follow up. We conduct fraud and control awareness programmes throughout the year to constantly refresh and update our people in this area, as well as to reinforce our strong anti-corruption stance.

Nevertheless, control measures can only provide reasonable but not absolute assurance of conformance to policies. For this reason, there were occasional instances of policy breaches that surfaced in our businesses in the PRC during the year.

We received a total of 5 cases. 1 case via our whistleblowing channels, with an additional 4 cases discovered by the organisation's Internal Audit Department. After thorough investigation, 2 cases were substantiated and 1 case was not, with the remaining 2 cases under investigation at the end of the year. All these cases are under active review by management reporting to Audit Committee.

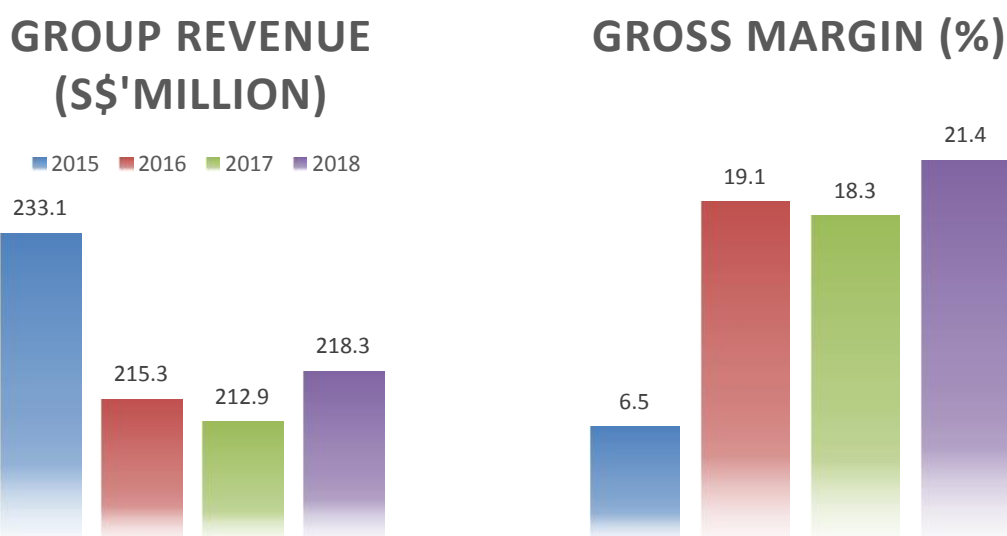
7 Economic

7.1 Economic Performance

Financial Highlights

The Group recorded revenue of S\$218.3 million (FY2017: S\$212.9 million) for the financial year ended 31 December 2018 ("FY2018"). Our Profit before tax for FY2018 was at S\$23.3 million (FY2017: S\$15.8 million).






Presented below is the key financial highlights extracted from page 15 of InnoTek's Annual Report FY2018. For the Group's detailed financial statements, please refer to page 42 to 49 of the Group's Annual Report FY2018.



The improvement in performance was attributable to better management and efficiencies in business operations. The healthy gross profit margins due to higher sales volume from the Precision Machining segment, a reduction in outsourcing and scrap rate and the higher production efficiency due to automation in the Stamping segment.

Direct Economic Value Generated and Distributed²

The following table provides an overview of our economic value generated and distributed in FY2018 based on GRI's disclosure categories:

FY2018	S\$'000
Total economic value generated	218,299
 Operating costs	145,130
 Employees compensation and benefits	49,807
 Payment to providers of capital	2,262
 Payment to government	7,495
 Community Investments	-
Total Economic Value Distributed	204,694
Net Economic Value Retained	13,605

² GRI 201-1 Direct Economic Value Generated and Distributed are consolidated figures of all entities under InnoTek Limited as a Group, hence financial figures are not limited to the entities stated in page 1 of the report.

Defined Benefit Plan Obligations and Other Retirement Plans

Pursuant to the relevant regulations of the PRC government, the subsidiaries of the Group have participated in central pension schemes operated by local municipal governments.

The Group makes monthly contributions to the employees' compulsory saving and retirement plans, as mandated by the local government in different jurisdictions. The fund is a social security system that tackles our employees' financial concerns regarding healthcare, home ownership, family protection and asset enhancement. We view this scheme as a good opportunity to reward our employees and relieve them from the burden of personal finances. As our companies are set up in various countries, we follow different schemes and their corresponding employer's contribution rates under different jurisdictions:

	Percentage of salary contributed by employer (%)	Percentage of salary contributed by employee (%)
PRC		
Retirement Insurance	13 - 19	8
Medical Insurance ³	1.60 - 9	0.50 - 2
Workplace injury Insurance	0.36 - 0.90	-
Maternity Insurance	0.70 - 0.80	-
Retrenchment Insurance	0.50 - 0.70	0.20 - 0.50
Housing Fund	5 - 8	5 - 12

Financial Assistance Received from Government

Additionally, our Group relies on different government schemes for monetary assistance for us to engage in more effective capability upgrading programs and internationalization. As a group, we received an aggregate amount of approximately S\$2.2 million⁴ from the government as incentives and subsidies in FY2018. A substantial amount of these subsidies and grants include, but is not limited to:

- Preferential tax rates due to recognition of technological advancements by enterprises
- Deductions granted on Research & Development (R&D) expenses
- Decrease in Value-added tax (VAT) rates
- Equipment Renovation Tax Relief
- Special subsidies received from provincial and municipal finances due to various reasons such as industrial talents, stabilizing employment and clean production environment
- Xu Guan Government Reward
- 2018 Trademark Support

³ Employers' contribution is for hospitalization, whereas employees' contribution is for outpatient consultations.

⁴ Total amount of financial assistance received from the Government is RMB 10,754,168.28; exchange rate used was the average rate in 2018 calculated as 0.2031

8 Environmental

To address global issues of resource scarcity and a changing climate, we recognise the importance of integrating environmental considerations into the Group's business decisions. We are committed to understanding, managing and minimizing our environmental footprint across our value chain, including our business operations, suppliers and customers. Our environment efforts are largely focused on maximizing material utilisation and optimising energy consumption. We will continue to strengthen our expertise in the areas of environmental programs and be selective about the strategic initiatives that will yield a greater positive impact in the future.

The PRC government has also stepped up a multitude of environmental regulation measures which has significantly affected our operations in the PRC. Although the disruption posed by regulatory shifts did impact our production yield initially, we took immediate action to adjust and align our processes with the new market conditions and regulations.

8.1 Environmental compliance

We believe that adhering to our Group's codes, policies and procedures and applicable laws and regulations is critical as they underpin our stakeholders' trust and our license to operate. We have zero tolerance for non-compliance and encourage our stakeholders to report any incidences via our established whistle blowing channels. We relied on external consultants to provide guidance and advice, and with the contribution of everyone's combined effort, we are proud to share that the Group had zero incidents of non-compliance with environmental and socioeconomic laws and regulations during FY2018. It is of our utmost importance that we maintain this unblemished record.

8.2 Supplier Environmental Assessment

Suppliers' due diligence

Our Group maintains a strict regimen on the selection process of suppliers, and we would engage only those who align themselves with our values of environmental sustainability. Our suppliers fall under the following categories:

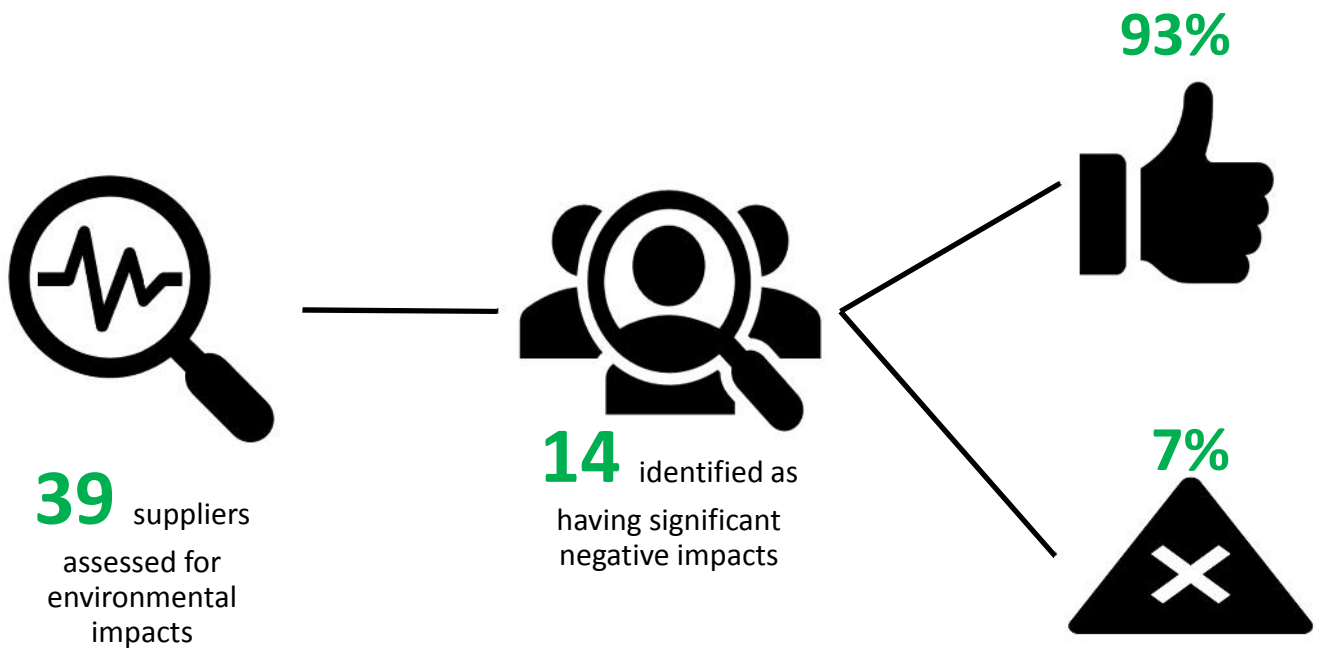
- Raw materials;
- Production accessories;
- Tooling;
- Outsourcing;
- Transport and logistics; and
- Calibration.

As a pre-requisite to our selection of new suppliers, all are required to submit relevant environment certifications to prove they are licensed or certified according to the law and regulations. Additionally, we conduct random periodic checks to ensure they are following the relevant laws and regulations. We will do the necessary due diligence, so as not to compromise on quality or allow our suppliers to have any detrimental effects on the environment. There were 39 new suppliers in FY2018, of which 100% were screened using environmental criteria.

We also have procurement policies and guidelines in place to guide our process, such as:

- Guidelines and procedures in selecting and evaluating vendors
- Code of conduct when dealing with vendors

During the year 2018, out of the 14 suppliers identified as having significant actual and potential negative environmental impacts, one supplier was terminated. The other 13 suppliers agreed to improve their business practices after the assessment.



9 Social

9.1 Employment

We strive to be an employer of choice, through recognising the contributions of each employee, and providing opportunities for staff to grow beyond their abilities. We aim to maximise their potential and look beyond this cycle to seek opportunities that will position them for success in their careers. Additionally, we are also focused on building a talent pool with deep knowledge of regional and global markets to support our growth and expansion. Preparing the next generation of leaders as part of succession planning is important to InnoTek's long-term progress and competitiveness as well.

As part of our commitment to developing talent, we strive to create an inclusive workplace where each individual is valued and recognised for their contribution. We recognise the importance of diversity in strengthening our core values of teamwork, communication and creativity, and in forming a competent and united workforce. We provide equal opportunities to all employees without discrimination.

As of 31 December 2018, we have a total of 2,348 employees. We aim to attract and retain talents, by rewarding them based on their contribution and ensuring our values remain aligned. Employment numbers for high-skilled positions remains consistent, with our key management personnel unchanged. With our widespread usage of robotic applications, the degree of automated production and efficiency has been steadily increasing, resulting in a lower demand for human manpower. To promote equal opportunities, we have in place various human resource related processes as follows:

- An interview assessment form is in place to guide interviewers to assess candidates based on merit and competency
- Staff recruitment advertisements do not state age, race, gender or religion preferences as a requirement

New Hires and Resignation

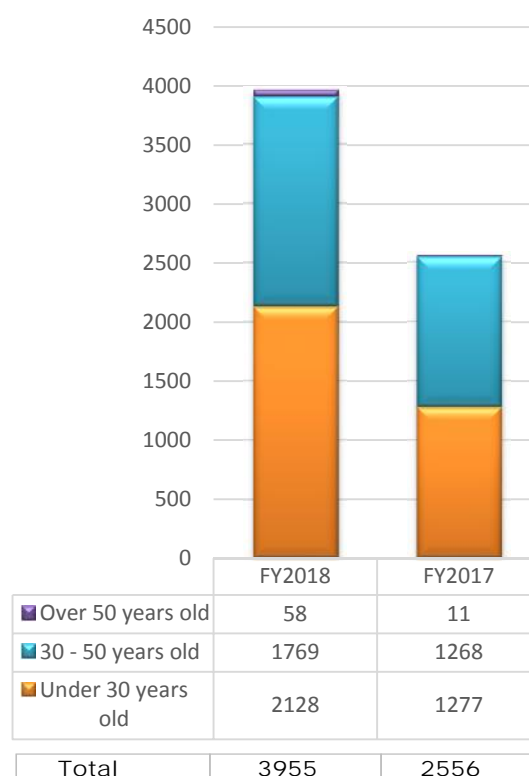
We value the importance of diversity among our workforce, hence we hire from a mixture of different genders and age groups, to enhance creativity and innovation and improve the organisation's culture. Considering a labour-intensive workload, the demographics are predominantly male. However, our middle management has a good mixture of both genders and all age groups unbiasedly.

At the Group level, we also started to analyse the entry requirements for recruitment of female applicants. Going forward, the Group aims to continually refine our hiring strategy and continue to commit to fair employment practices by offering equal opportunities to all.

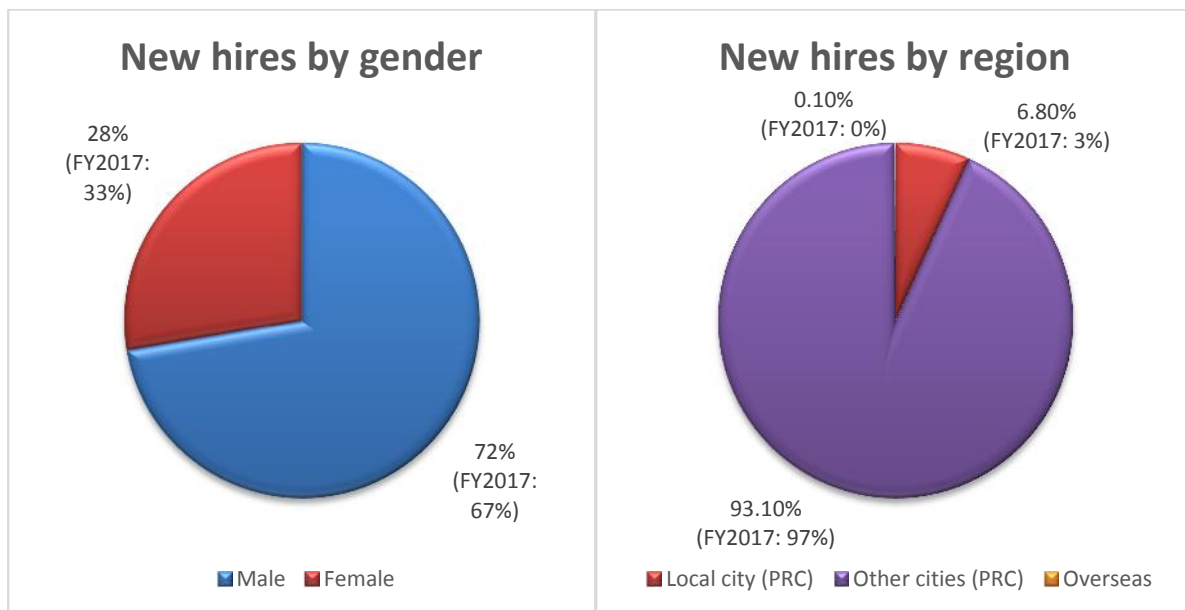
New hires by age group



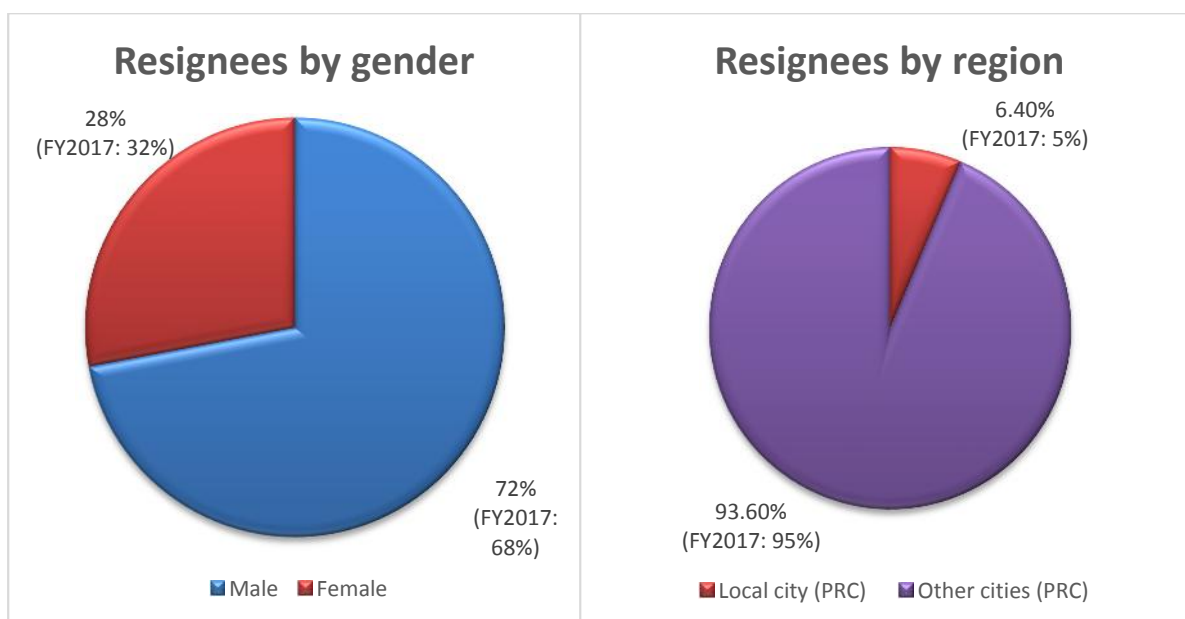
Resignees by age group



The Group's manufacturing automation programme for the stamping business resulted in reduction of headcount and a significant improvement in productivity in FY2018.



We believe a low turnover improves the sustainability of operations and allows us to contribute positively to the development of social and human capital in a wider committee. Despite market conditions, we will strive to minimize attrition rate and retain talents as best as possible. Employment numbers for high-skilled positions remains consistent, with only one key management personnel who left the Group, Mr. Kuang Yubin, former Director and Chief Operating Officer of our subsidiary, Mansfield Manufacturing Company Limited.



⁵ Local city is defined by the primary location the operations are physically carried out at; other cities are inclusive of all other cities in the PRC.

Benefits and Welfare

We believe in valuing and recognising our people's achievements through rewards and competitive remunerations. Each of our employees is entitled to a set of attractive benefits including but not limited to:

Benefits	Descriptions
Medical insurance	Employees are reimbursed for outpatient treatments, surgery or hospitalization expenses covered under medical insurance.
Disability insurance	All our employees are covered under personal accident insurance and work-related injury. For instance, the organisation will reimburse any rehabilitation costs or monthly pay-outs for each case of disability.
Parental leave	Both female and male employees are entitled to maternity leave and paternity leave when applicable. We provide other leave benefits catering to our employees' children, during the stages of infant care and child care.
Retirement provision	For employees qualified for pension approaching the retirement age, the government will provide them with monthly support during their retirement.
Accommodation and staff canteen	Workers are granted free accommodation, coupled with basic necessities such as proper sanitation and water. We also provide a large variety of food in the staff canteen.
Year-end and performance bonus	In the event of outstanding results, either financial performance of the Group or individual performance judged by appraisal matrices, our employees are entitled to these bonuses.
Paid leave	Our employees are offered paid leave, such as marriage leave, compassionate leave, family leave and annual leave of up to 10 days.
Company retreat	We organize annual retreats as a Group to build relationships among the team and improve collaboration among employees of all levels. All expenses are paid for.
Annual Appreciation events and festival celebrations	We organize company events annually to celebrate and recognise the efforts of our employees. In line with our spirit of embracing diversity and honouring our rich heritage and culture, we celebrate traditional festivals as a Group. Our annual sports day acts as an employee appreciation event to advocate a healthy lifestyle, both physical and mental well-being. It is also vital that our staff can take a mental break from work to recharge and boost their morale.



During our annual New Year celebration, we show appreciation towards our employees to reward and give recognition to employees for their efforts during the year.



The Group is periodically reviewing and enhancing our resource policies and practices to provide a fair and safe workplace for our employees. In line with our Group's core values of teamwork, we strive to promote a safe and conducive workplace for our people to perform efficiently and effectively.

Parental Leave

The Group adopts welfare practices and strives to build a family-friendly workplace culture by implementing family friendly working policies. This not only creates a healthier work-life balance, it also drives productivity, reduces absenteeism, attracts new staff and helps retain current staff. We are currently following the government requirements closely.

In FY2018, the Group had a return-to-work rate of 95.2%. Out of the 32 female employees and 31 male employees who have taken parental leave, 31 female employees and 29 male employees have resumed work with our Group thereafter.

In the longer term, amongst the 17 female employees and 26 male employees who resumed working with us after their parental leave, 82.4% and 57.7% of these female and male employees respectively have remained employees of the Group for more than 12 months since.



Our employees' families who came to visit our working premise during an event organized in SZM

The group will continually work towards building a pro-parent workplace through enhancing our Group welfare practices and culture.

9.2 Occupational Health and Safety

Whilst keeping our strength of superior technical ability close at heart, we take pride in building a safe, conducive and healthy workplace as our commitment to developing our people. Being a largely labour-intensive organisation, we regard workplace safety with utmost importance and recognise our duty of care to account for the safety and health of each of our employees. We are constantly striving to build a safe and conducive workplace by ensuring that our Group complies with all relevant safety and environmental legislation, with the aim of minimizing the likelihood and impact of any possible hazardous occurrence.

Safety Committee

To facilitate the physical supervision of the workplace safety, and the relaying of workplace safety and health (“WSH”) related messages; we have established a Safety Committee. Each individual entity has its own Safety Committee, which comprises both employee and employer representatives. The Safety Committee oversees the subsidiaries’ operations to ensure that safety standards are upheld at all times and also up to industry leading practices. In addition, the role and responsibilities of the Safety Committee includes reviewing, effectively implementing and reinforcing safety standards and regulations to ensure all areas of safety are adequately covered. The Committee members meet on a regular basis to review safety inspection results, infrastructures and incidents, as well as to coordinate and organise safety-related activities. Going forward, in order to facilitate the effectiveness of the supervision of workplace safety, the Group plans to have more workers join the Safety Committee.

All near-miss incidents and accidents would be promptly reported to the Safety Committee, which will further provide timely incident analysis briefings to the employees. These safety briefings aim to strengthen the safety awareness of employees, and also to remind them of established safety measures and precautions, as well as safety protocols in the event of similar incidents.

Total Workplace Safety and Health at our Facilities

As with our commitment to the safety and health of our people, we are continually striving to minimize the likelihood and impact of accidents and keeping our injury rates as low as possible.

To briefly illustrate the scope of the incidents, the Group has categorised our incidents according to the severity of the accident, ranging from minor injury to permanent disability and death. All incidents are reported to the Safety Committee with a report on the details of the incident. Please refer to the following for the respective incident rates for FY2018.

Incident type	Number of Incidents	
	FY2018	FY2017
Minor injury	16	14
Injury requiring medical attention	51	39
Injury resulting in temporary disabilities	3	4
Death or total permanent disabilities	0	0
Occupational injury and disease	0	1
Total	70	58

With the team effort and cooperation of everyone, the Group achieved zero occupational injury and disease, death or total permanent disabilities in FY2018. The Group noted an increase in the number of minor injuries and injuries requiring medical attention as conscientious effort have been put in to ensure all employees who sustained minor injuries or those who required medical attention have been sent for proper medical treatment immediately and have returned to work after ample rest.

The Group has also taken full responsibility for the 3 employees whose injuries sustained temporary disabilities, to ensure that full monetary compensation and any post-accident support were adequately provided. The 3 employees had fully recovered and returned to work at the date of this report. For each of these injuries reported, the Safety Committee prepares an Investigation report, consisting of mainly the details of the accident, and a corrective action plan to minimize the likelihood of similar accidents occurring again.

Occupational diseases and risk assessed

As a group, we assessed the risk of specific occupational injuries and diseases that may occur due to workplace conditions. After extensive research and feedback from our employees, we consider the following diseases as high-risk, coupled with the methods we undertake to combat these risks:

- Impairment in hearing (Stamping);
- Visual impairment (Welding); and
- Respiratory damage (Painting).

Fortunately, we have not encountered any cases of occupational diseases due to our employees' cooperation in using the proper Personal Protective Equipment ("PPE"), thereby preventing the occurrence of work-related injuries. We will continue to strive for zero occupational diseases by enforcing mandatory safety policies and procedures, advocating a proactive approach; the idea of employees taking responsibility for their own safety and health.

GRI Content Index

Category	Disclosure	Description	Page Reference and Remarks
GRI 102: General Disclosures	102-1 *	Name of the organisation	Cover Page of Annual Report FY2018
	102-2 *	Activities, brands, products, and services	Page 15 of Annual Report FY2018
	102-3 *	Location of headquarters	Page 14 of Annual Report FY2018
	102-4 *	Location of operations	Page 14 of Annual Report FY2018
	102-5 *	Ownership and legal form	Page 13 of Annual Report FY2018
	102-6 *	Markets served	Page 74 of Annual Report FY2018
	102-7 *	Scale of the organisation	Page 16 of Sustainability Report
	102-8 *	Information on employees and other workers	Page 16 of Sustainability Report
	102-9 *	Supply chain	Pages 14 and 15 of Sustainability Report
	102-10 *	Significant changes to the organisation and its supply chain	None
	102-11 *	Precautionary Principle or approach	Page 1 of Sustainability Report
	102-12 *	External initiatives	Page 4 of Sustainability Report
	102-13 *	Membership of associations	Page 4 of Sustainability Report
GRI 102: Strategy	102-14 *	Statement from senior decision-maker	Pages 2 and 3 of Sustainability Report
GRI 102: Ethics and Integrity	102-16 *	Values, principles, standards, and norms of behaviour	Page 2 of Annual Report FY2018
GRI 102: Governance	102-18 *	Governance structure	Page 1 of Sustainability Report
GRI 102: Stakeholder Engagement	102-40 *	List of stakeholder groups	Pages 5 and 6 of Sustainability Report
	102-41 *	Collective bargaining agreements	None
	102-42 *	Identifying and selecting stakeholders	Pages 5 and 6 of Sustainability Report

Category	Disclosure	Description	Page Reference and Remarks
	102-43 *	Approach to stakeholder engagement	Pages 5 and 6 of Sustainability Report
	102-44 *	Key topics and concerns raised	Pages 7 and 8 of Sustainability Report
GRI 102: Reporting Practice	102-45 *	Entities included in the consolidated financial statements	Pages 73 and 74 of Annual Report FY2018
	102-46 *	Defining report content and topic Boundaries	Page 1 of Sustainability Report
	102-47 *	List of material topics	Pages 7 and 8 of Sustainability Report
	102-48 *	Restatements of information	None
	102-49 *	Changes in reporting	None
	102-50 *	Reporting period	FY2018 (1 January 2018- 31 December 2018)
	102-51 *	Date of most recent report	FY2017 Sustainability Report published on 4 December 2018
	102-52 *	Reporting cycle	Annual
	102-53 *	Contact point for questions regarding the report	Page 1 of Sustainability Report
	102-54 *	Claims of reporting in accordance with the GRI Standards	Core options (33 items)
	102-55 *	GRI content index	Pages 24 to 27 of Sustainability Report
	102-56 *	External Assurance	None
	GRI 201: Economic Performance	201-1	Direct economic value generated and distributed

Category	Disclosure	Description	Page Reference and Remarks
	201-3	Defined benefit plan obligations and other retirement plans	Page 13 of Sustainability Report
	201-4	Financial assistance received from government	Page 13 of Sustainability Report
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	All
	205-3	Confirmed incidents of corruption and actions taken	Pages 9 and 10 of Sustainability Report
GRI 307: Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	Page 14 of Sustainability Report
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Page 14 of Sustainability Report
	308-2	Negative environmental impacts in the supply chain and actions taken	Pages 14 and 15 of Sustainability Report
GRI 401: Employment	401-1	New employee hires and employee turnover	Pages 17 and 18 of Sustainability Report
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Pages 19 and 20 of Sustainability Report
	401-3	Parental leave	Page 21 of Sustainability Report
GRI 403: Occupational Health and Safety	403-1	Workers representation in formal joint Management–Worker Health and Safety Committees	Page 22 of Sustainability Report
	403-2	Types of injury and rate of injury	Page 23 of Sustainability Report
	403-3	Workers with high incidence or high risk of diseases related to their occupation	Page 23 of Sustainability Report



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