



Sin Ghee Huat Corporation Ltd

# SUSTAINABILITY REPORT 2020

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## About Sin Ghee Huat Corporation Ltd

Sin Ghee Huat Corporation Ltd (“the Company”) is a public company listed on the Mainboard of Singapore Exchange Securities Trading Limited (“SGX-ST”) since June 2007. We have a track record of more than 40 years in the sales and distribution of stainless-steel products and have grown to be a major stockist and “one-stop” distributor of 304/304L and 316/316L grades of austenitic stainless steel as well as duplex steel products and speciality metals. These include pipes, fittings, plates, bars, tubes and flanges which we source from reputable suppliers in China, Europe, Japan, South Korea and Taiwan.

The Company and its subsidiaries (“the Group”) hold a comprehensive range of stainless steel and specialty metal products, with in depth product knowledge and solutions catering to the specific requirements of oil and gas, petrochemical, marine, engineering, construction, food processing and other industries.

Our main warehouse facilities are located at 62 Tuas Basin Link and 32 Gul Crescent in Singapore<sup>1</sup>. Our customers are mainly in Singapore, South East Asia, Asia Pacific and the Middle East.

## Board Statement

The Board of Directors (“the Board”) is pleased to present the Company’s third Sustainability Report (the “Report”).

We recognise the importance of sustainability and how integrating sustainability into our business operations would and could contribute to the long-term growth of the business. Good management of our sustainability risks and opportunities not only strengthen our corporate governance and enhances our operational efficiency, but also improves our stakeholders’ satisfaction.

The Group considers sustainability as part of our strategic formulation as we maximise long-term returns to our shareholders. We incorporate sustainability into our business operations as we strive to create mutual, enduring value for our stakeholders.

The Board oversees the management and monitoring of the Group’s material environmental, social and governance (“ESG”) factors. We will continue to take a phased approach to progress along our sustainability journey as we grow our business. A materiality review was conducted to re-validate the relevance of the material ESG factors identified previously. Arising from the review, we have identified 2 additional material factors and 1 non-material factor relevant to our business and stakeholders. The materiality review exercise allows us to ensure that our material ESG factors and sustainability progress are aligned with our business strategy. Furthermore, we have also set targets for most of the material factors for the first time.

The COVID-19 pandemic continues to have adverse impact on the Group’s revenue and operations. Against the backdrop of the COVID-19 situation, we remained committed to support our customers while also safeguarding the health and safety of our employees. Therefore, the Group has put in place certain mitigation measures as well as implemented our business continuity plans. These include planning for part of our workforce to work from different locations, safe distancing measures within the compounds, wearing of mask, twice-daily temperature-taking etc.

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<sup>1</sup> During the financial year ended 30 June 2020, the lease of the warehouse located at 51 Benoi Road had expired.

We look forward to progressively enhance our sustainability performance to strengthen the growth of our business in the long-term.

## About this Report

This Sustainability Report complies with SGX-ST Listing Rules 711A and 711B.

The Report has been developed in accordance with the GRI Standards: Core option. The GRI Standards is selected as the reporting framework because its principles and specific disclosures are relevant to our business and sustainability issues. Information disclosed in this Report reflects our ESG efforts for the period from 1 July 2019 to 30 June 2020 ("FY2020"). The scope of the Report covers Sin Ghee Huat Corporation Ltd and its operations in Singapore.

We have not sought out to externally assure this report but will keep the options of external assurance open and will revisit this at a future date.

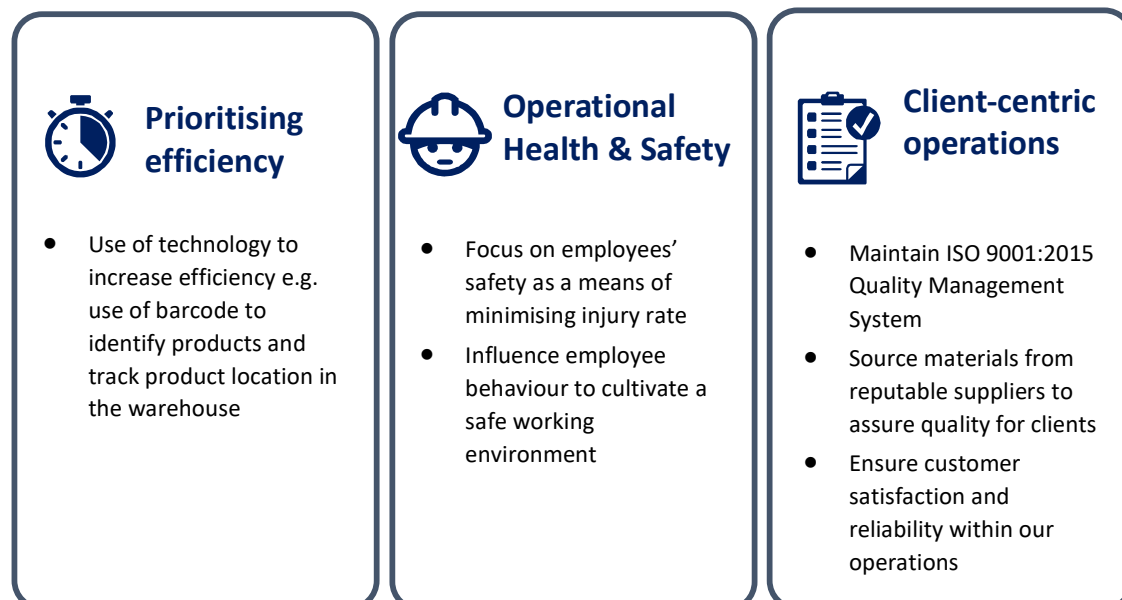
Sin Ghee Huat Corporation Ltd strives to continuously refine our sustainability strategy and practices. We welcome your feedback on this Report. You can reach us at: [enquiries@singheehuat.com.sg](mailto:enquiries@singheehuat.com.sg)

## Sustainability Approach





The Group aligns our sustainability approach with our long-term vision to be Asia's strongest stainless-steel partner and our objective in creating values for our shareholders, customers and other stakeholders.

Our brand values of Unity, Accountability, Integrity and Excellence underpin our sustainable business culture. These values provide guidance to our people and reinforce our commitment in embracing and upholding the highest standards of ethical values and principles in our business activities.

We seek to maintain a reasonable balance between our economic and financial achievements and our ESG responsibilities. Hence, we take a practical approach to integrate sustainability in our daily operations, focusing on what are most relevant to our business and stakeholders. Our three sustainability focus areas are summarised as follows:



## Snapshot of Sustainability Efforts at the Group in FY2020

| Sustainability Aspect   | Material Factor                                    | FY2019 Performance   | FY2020 Performance   |
|---|--|--|--|
| <b>Economic</b><br>      | Economic Performance                               | <ul style="list-style-type: none"> <li>Generated Group revenue of S\$49.9 million</li> </ul>   | <ul style="list-style-type: none"> <li>Generated Group revenue of S\$37.5 million</li> </ul>   |
|   | Anti-Corruption*                                   | <ul style="list-style-type: none"> <li>Zero confirmed incidents of corruption</li> </ul>   | <ul style="list-style-type: none"> <li>Zero confirmed incidents of corruption</li> </ul>   |
| <b>Environmental</b><br> | Environmental Compliance                           | <ul style="list-style-type: none"> <li>No breaches of relevant environmental laws and regulations</li> </ul>   | <ul style="list-style-type: none"> <li>No breaches of relevant environmental laws and regulations</li> </ul>   |
|   | Energy* <sup>2</sup>                               | <ul style="list-style-type: none"> <li>Energy consumption of the Group is 1,331,886 MJ</li> <li>Energy intensity of the Group is 21.3 Kwh/m<sup>2</sup></li> </ul>   | <ul style="list-style-type: none"> <li>Energy consumption of the Group is 1,415,890 MJ</li> <li>Energy intensity of the Group is 20.0 Kwh/m<sup>2</sup></li> </ul>   |
| <b>Social</b><br>        | Occupational Health and Safety <sup>3</sup>        | <ul style="list-style-type: none"> <li>2 cases of recordable work-related injuries</li> <li>Zero cases of high consequence work-related injuries</li> <li>Zero cases of fatalities as a result of work-related injury</li> <li>Injury rate<sup>4</sup> of 12.88 per million working hours</li> <li>Lost day rate<sup>5</sup> of 125.61 per million working hours</li> <li>Absentee rate<sup>6</sup> of 0.03</li> </ul> | <ul style="list-style-type: none"> <li>3 cases of recordable work-related injuries</li> <li>Zero cases of high consequence work-related injuries</li> <li>Zero cases of fatalities as a result of work-related injury</li> </ul> |
| <b>Governance</b><br>  | Compliance with Socioeconomic Laws and Regulations | <ul style="list-style-type: none"> <li>No breaches of relevant social and economic laws and regulations</li> </ul>   | <ul style="list-style-type: none"> <li>No breaches of relevant social and economic laws and regulations</li> </ul>   |

\*New material factor for FY2020

## Stakeholder Engagement

The Group recognises the importance of our stakeholders' interests and expectations in driving the success of our business as well as our sustainability performance. We have identified the key stakeholder groups which have the most significant impact on the success of our business and in turn impacted by our activities:

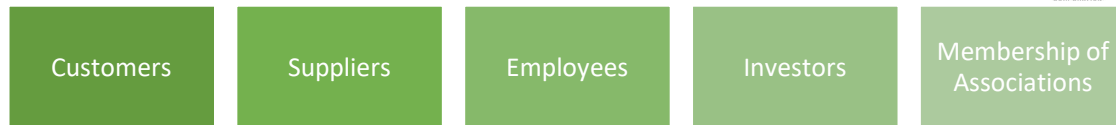
<sup>2</sup> Energy intensity is calculated by total energy consumption of the Group / gross floor area (m<sup>2</sup>) of offices and warehouses

<sup>3</sup> Performance for Occupational Health and Safety reflects recent changes for GRI 403: 2016 (to be retired from 2021) to GRI 403: 2018.

<sup>4</sup> Injury rate = No. of workplace accidents reported / No. of man-hours worked X 1,000,000. It is assumed that the number of hours worked per week is 40 hours per employee.

<sup>5</sup> Lost day rate = No. of man days lost to workplace accidents / No. of man-hours worked X 1,000,000. It is assumed that the number of hours worked per week is 40 hours per employee.

<sup>6</sup> Absentee rate = Total hours of absence / No. of man-hours worked



The following table presents our engagement methods with our key stakeholders and their key topics of concern.

| Stakeholder Group                             | Key topics of concern   | Engagement Methods   | Frequency           |
|---|---|--|---------------------|
| <b>Customers</b>                              | <ul style="list-style-type: none"> <li>• Availability and delivery of products</li> <li>• Pricing and quality of products</li> </ul>        | <ul style="list-style-type: none"> <li>• Emails</li> <li>• Phone calls</li> <li>• Company website</li> <li>• Customer visits</li> </ul>  | Throughout the year |
| <b>Suppliers</b>                              | <ul style="list-style-type: none"> <li>• Sin Ghee Huat Corporation Ltd's requirements for material supplies</li> </ul>                      | <ul style="list-style-type: none"> <li>• Emails</li> <li>• Phone calls</li> <li>• Meetings with suppliers</li> </ul>   | Throughout the year |
| <b>Employees</b>                              | <ul style="list-style-type: none"> <li>• Work environment</li> <li>• Use of technology</li> <li>• Fair compensation and benefits</li> </ul> | <ul style="list-style-type: none"> <li>• Meetings with employees</li> <li>• Internal circulars</li> </ul>  | Throughout the year |
| <b>Investors</b>                              | <ul style="list-style-type: none"> <li>• Economic performance</li> <li>• Shareholders' returns</li> <li>• Corporate governance</li> </ul>   | <ul style="list-style-type: none"> <li>• Annual General Meeting</li> <li>• Announcements via SGXNET</li> <li>• Announcements on company website</li> <li>• Annual Reports</li> </ul> | Periodically        |
| <b>Membership of Associations<sup>7</sup></b> | <ul style="list-style-type: none"> <li>• Fair employment</li> <li>• Warehouse practices</li> </ul>  | <ul style="list-style-type: none"> <li>• Dialogues with relevant associations</li> </ul>   | When required       |





## Materiality Assessment

We conducted a materiality review session, referencing the GRI 101: Foundation (2016)'s Materiality Principle. The objective of the exercise was to review, identify, prioritise and validate ESG factors that are significant to business operations and of interest to our key stakeholders.

With the facilitation of an external consultant, we considered global megatrends, current themes, and areas of concerns in the steel industry. Through peer benchmarking as well as taking into consideration the sustainability trends in Singapore and globally, the materiality review session confirmed the relevance of FY2019's material factors. The materiality review also identified three new additional factors for disclosure: two material factors (Anti-corruption and Energy) and one non-material factor (Diversity and Equality in the Workplace).

<sup>7</sup> Sin Ghee Huat Corporation Ltd is a member of the Association of Process Industry (ASPRI), Singapore Metal & Machinery Association (SMMA), Singapore National Employers Federation (SNEF) and Singapore Business Federation (SBF).

The material factors and additional disclosures for FY2020 are presented in the table below:

| Sustainability Aspect   | Disclosures  | Material | Aligned with GRI | Detailed Information   |
|---|--|----------|------------------|--|
|  <b>Economic</b>     | Economic Performance                               | ✓        | ✓                | <ul style="list-style-type: none"> <li>Operating and Financial Review, pages 7-9 and Financial Highlights, page 10 in the 2020 Annual Report</li> <li>Sustainability Report, page 7</li> </ul> |
|   | Anti-Corruption                                    | ✓        | ✓                | <ul style="list-style-type: none"> <li>Sustainability Report, page 7</li> </ul>  |
|  <b>Environment</b>  | Environmental Compliance                           | ✓        | ✓                | <ul style="list-style-type: none"> <li>Sustainability Report, page 8</li> </ul>  |
|   | Green Product                                      | ✓        |                  | <ul style="list-style-type: none"> <li>Sustainability Report, page 8</li> </ul>  |
|   | Energy   | ✓        | ✓                | <ul style="list-style-type: none"> <li>Sustainability Report, page 9</li> </ul>  |
|  <b>Social</b>       | Occupational Health and Safety                     | ✓        | ✓                | <ul style="list-style-type: none"> <li>Sustainability Report, page 10-12</li> </ul>  |
|   | Diversity and Equality in the Workplace            |          | ✓                | <ul style="list-style-type: none"> <li>Sustainability Report, page 12-13</li> </ul>  |
|   | Supply Chain Management                            |          | ✓                | <ul style="list-style-type: none"> <li>Sustainability Report, page 13</li> </ul>   |
|   | Use of Technology                                  | ✓        |                  | <ul style="list-style-type: none"> <li>Sustainability Report, page 14</li> </ul>   |
|  <b>Governance</b> | Compliance with Socioeconomic Laws and Regulations | ✓        | ✓                | <ul style="list-style-type: none"> <li>Sustainability Report, page 15</li> <li>Corporate Governance Statement, pages 13-30 in the 2020 Annual Report</li> </ul>                                |

As we continually improve our sustainability disclosures, the Group have set targets for all material GRI factors. Due to the disruptions created by the COVID-19 pandemic, these targets may need to be reviewed in the coming year.

To keep abreast of the changing business environment, stakeholder opinions and emerging global and local trends, we will look to reviewing its material ESG factors every 2 years.

## Economic

### Economic Performance

| FY2020 Performance Results   |
|--|
| <ul style="list-style-type: none"> <li>The Group's revenue is S\$37.5 million</li> </ul>                                 |
| FY2021 Targets   |
| <ul style="list-style-type: none"> <li>To continually improve our business model to enhance shareholder value</li> </ul> |

Positive economic growth is the cornerstone of our business. The Group strives to enhance its financial performance through sound financial management process and seek opportunities for business growth.

The COVID-19 pandemic had an adverse impact on the Group's revenue. For FY2020, the Group reported Group revenue of S\$37.5 million, a decrease of S\$12.4 million as compared to FY2019's S\$49.9 million. Details of the Group's financial performance are in our 2020 Annual Report from pages 5-10 and pages 39-99.

We aim to continuously enhance our business model to generate improvement to our shareholder's value.

### Anti-Corruption Practices

| FY2020 Performance Results   |
|--|
| <ul style="list-style-type: none"> <li>Zero confirmed incidents of corruption</li> </ul> |
| FY2021 Targets   |
| <ul style="list-style-type: none"> <li>Zero confirmed incidents of corruption</li> </ul> |

The Group does not tolerate any form of corruption. We believe that anti-corruption is an important aspect for the Group to achieve long-term sustainable growth and maintain its high corporate values. Furthermore, corruption, if not managed properly, will have an adverse impact on the Group's reputation. This intolerance towards corruption has been communicated to all our employees, suppliers and business associates. Any report of corruption will be escalated to the Audit Committee.

The Group has a Whistle-blowing policy which is designed to provide guidance to enable employees of the Group to raise concerns internally and to disclose information which the individual believes shows malpractice and impropriety. The Whistle-blowing policy is circulated to employees once every quarter to ensure that they are aware of this avenue. When an individual discovers information which he/she believes show serious malpractice or wrongdoing within the Group, this information can be reported to the Audit Committee without fear of reprisal. Furthermore, there is also an annual internal declaration done by all staffs that will be monitored by the Human Resource Department.

During the year, there were no confirmed incidents of corruption within the Group. We aim to continue to have zero confirmed incidents of corruption in the following year.



## Environmental

The Group recognises the impact that our business activities have on the environment and we strive to play our part in protecting it. The nature of our business revolves around stainless steel, a green product which contributes towards a sustainable future. Our ISO 14001: 2015<sup>8</sup> certification provides us with a framework to manage our environmental initiatives and ensure the compliance of relevant environmental laws and regulations.

### Environmental Compliance

| FY2020 Performance Results  |
|---|
| <ul style="list-style-type: none"> <li>No breaches of relevant environmental laws and regulations</li> </ul>  |
| FY2021 Targets  |
| <ul style="list-style-type: none"> <li>Compliance with relevant environmental laws and regulations</li> </ul> |

As part of our environmental initiatives, we have set up internal control processes to ensure that our business operations are in compliance with the relevant environmental laws and regulations. Our environmental management is guided by ISO 14001:2015 that covers topics such as planning, operation, performance evaluation and improvement. A committee is tasked with overseeing the implementation of this management system and managing any non-compliance issues that may arise. We also carry out periodic environmental compliance inspections to identify and minimise risks of non-compliance.

To raise awareness on environmental compliance issues, we conduct orientation briefings for new employees. Furthermore, we are aware and supportive of the zero-waste initiative in Singapore by ensuring that our day-to-day operations generate minimal waste and any leftover materials are sold as scraps.

During the financial year, there were zero incidents of non-compliance with relevant environmental laws and regulations. We aim to continue to maintain zero incidents that may otherwise lead to fines or non-monetary sanctions for non-compliance with relevant environmental law and/or regulations in the coming year.

### Green Product

As a stainless steel specialist, the Group's business includes the sales and distribution of stainless-steel products. Stainless steel is non-degradable and 100% recyclable. Its long-lasting and reusable nature contributes towards a circular economy.

Furthermore, stainless steel is usually not coated with toxic material and does not produce any toxic runoff. It also requires minimal use of cleaning agents to be properly maintained.

<sup>8</sup> ISO 14001: 2015 Environmental Management Systems

## Energy

| FY2020 Performance Results   |  |
|--|--|
| <ul style="list-style-type: none"> <li>Energy consumption of the Group is 1,415,890 MJ</li> <li>Energy intensity of the group is 20.0 Kwh/m<sup>2</sup></li> </ul> |  |
| FY2021 Targets   |  |
| <ul style="list-style-type: none"> <li>5% reduction in energy intensity by FY2023 (with FY2019 as the baseline year)</li> </ul>                                    |  |

The Group is committed to responsible usage of our energy resources, as a form of proactive environmental protection. Our energy consumption only includes electricity, largely from our plant and machinery, office equipment, lightings and air conditioning.

The energy consumption of electricity and energy intensity during the financial year is broken down in Table 1 below<sup>9</sup>. We have also included FY2019's energy data as a source of comparison and the baseline year. The difference in the energy consumption and energy intensity can be attributed to normal business operations fluctuations, and our newly completed warehouse premise located at 32 Gul Crescent. The warehouse located at 51 Benoi Road was also included in FY2020's scope, but only until March 2020 when the lease expired.

Table 1. Energy consumption and energy intensity

|  | FY2019             | FY2020             |
|--|--------------------|--------------------|
| <b>Energy Consumption in MJ</b>                            | 1,331,885          | 1,415,890          |
| <b>Energy Intensity in Kwh/m<sup>2</sup> <sup>10</sup></b> | 21.3 <sup>11</sup> | 20.0 <sup>12</sup> |

We installed motion sensor equipment for our newly redeveloped building at 32 Gul Crescent, which will only switch on the LED lights upon detection of human traffic, which will help to reduce electricity consumption. For our older warehouse at 62 Tuas Basin Link and office premise at 32 Penhas Road, we will also switch existing lightings into LED lights on a replacement basis. In order to supplement our energy usage, we are also exploring the use of rooftop solar panels in the foreseeable future.

Our energy consumption will be tracked and monitored for any unusual consumption patterns. Where there are any irregularities or spikes, it will be investigated by the Chief Financial Officer.

We have used FY2019 energy performance results as a baseline. We aim to reduce our energy intensity by 5% over the next 3 years, with FY2019 as the baseline year by carrying out the initiatives described above.

<sup>9</sup> Numbers are rounded up to the next round number for clearer reporting.

<sup>10</sup> Energy intensity is calculated by total energy consumption of the Group / Gross Floor Area (m<sup>2</sup>) of offices and warehouses

<sup>11</sup> As the leasehold property in 32 Gul Crescent was being redeveloped from November 2018 to November 2019, and hence for FY2019, it was only included in the Gross Floor Area from July 2018 to October 2018.

<sup>12</sup> As the leasehold property in 32 Gul Crescent was being redeveloped from November 2018 to November 2019, and hence, the Gross Floor Area of 32 Gul Crescent was only added into the calculation only from November 2019 onwards.

## Social

The Group recognises the importance of our employees as they play an important role in the success of the business. Our workforce contributes to our client-centric operations where we focus on customer satisfaction.

### Occupational Health and Safety<sup>13</sup>

| FY2020 Performance Results  |
|---|
| <ul style="list-style-type: none"> <li>• 3 cases of recordable work-related injuries</li> <li>• Zero cases of high consequence work-related injuries</li> <li>• Zero cases of fatalities as a result of work-related injury</li> </ul>    |
| FY2021 Targets  |
| <ul style="list-style-type: none"> <li>• Zero cases of recordable work-related injuries</li> <li>• Zero cases of high consequence work-related injuries</li> <li>• Zero cases of fatalities as a result of work-related injury</li> </ul> |

We regard the safety of every employee with utmost importance and we always endeavour to provide a safe and healthy work environment for all employees. We believe that excellence in our Environmental, Health and Safety practices is critical to our employees' well-being and essential to all aspects of our business operations.

We have a committee for ISO 45001:2018<sup>14</sup> that oversees occupational health and safety ("OHS") matters at the workplace. The ISO 45001:2018 has been implemented effective from Jun 2019 as part of our risk management to provide a safe working environment for our employees. This reinforces our commitment to ensuring the health and safety and well-being of our employees. Adoption of the ISO 45001:2018 serves to standardise and guide employees' behaviour as well as to further enhance the policies in place.

The Company is concurrently certified under bizSAFE Star, which is the highest rating that is part of the bizSAFE programme under the Workplace Safety and Health ("WSH") Council.

<sup>13</sup> Performance for Occupational Health and Safety reflect recent changes for GI 403: 2016 (to be retired from 2021) to GRI 403: 2018.

<sup>14</sup> ISO 54001:2018 Occupational Health & Safety (OH&S) Management Systems

The Company has the following focus areas on OHS Standards:

| Risk Assessment   | Management & Monitoring   | Training & Education  |
|---|---|---|
| <ul style="list-style-type: none"> <li>• Identify and assess hazard risk at scheduled intervals</li> <li>• Perform risk assessment to mitigate risks prior to start of processes</li> </ul> | <ul style="list-style-type: none"> <li>• Conduct periodic inspection, report and rectify potential risks and hazards identified during the inspections</li> <li>• Provide safe work procedures to guide our employees</li> <li>• Provide employees with necessary safety equipment required to perform their job function safely</li> </ul> | <ul style="list-style-type: none"> <li>• Provide safety and orientation briefing for employees</li> <li>• Provide risk assessment personnel with risk assessment training</li> <li>• Provide an open channel of communication to gather feedbacks and comments on safety and health related issues</li> </ul> |

Hazard identification and assessment is conducted at scheduled intervals, which covers 12 areas such as warehouse activities, operations of cranes and cutting machines, packing/unpacking of goods, terrorist threats etc.

The risk assessment personnel are required to attend risk assessment training to ensure they are adequately trained. Periodic inspections are also conducted to ensure that safety practices and adhered to. Regular toolbox meetings are held with workers to promote open discussion and obtain feedback

The Group is committed to:

- Provide our employees with necessary safety equipment required to perform their job function safety;
- Provide safety and orientation briefing for employees; and
- Ensuring that mitigation measures have been set in place to minimise injury incidents from occurring in the future. The mitigation measures include reminding employees of safety measures and avoiding short-cuts during the monthly toolbox meetings, providing counselling for affected staffs as well as putting up more posters in relation to safety measures in easily sighted areas

We have also provided 22 safe work procedures to guide our workers. For the higher risk jobs such as the radiation workers, forklift drivers and overhead crane operators, they are required to be licensed.

Table 2 below presents our performance for occupational health and safety during the year:

*Table 2. Recordable work-related injuries, high consequence work-related injuries and fatalities*

|  | Number of incidents | Rate (per million working hours) |
|--|---------------------|----------------------------------|
| <b>Recordable work-related injuries</b>                              | 3                   | 18.9 <sup>15</sup>               |
| <b>High-consequence work-related injuries (excluding fatalities)</b> | 0                   | 0                                |
| <b>Fatalities as a result of work-related injury</b>                 | 0                   | 0                                |

During the year, there were three cases of injuries at the workplace, which resulted in an injury rate of 18.9 per million working hours. The injury rate is calculated based on the number of man hours worked by 75 employees. The work injuries were mainly caused by getting struck by falling objects. Under such circumstances, an investigation will be conducted to ascertain the root cause of the incident, and the findings will be shared with all workers as part of the regular toolbox meetings as part of the preventive measures.

During the COVID-19 pandemic, to ensure the safety of our employees, we have also put in place our business continuity plans, which include arranging for part of our workforce to work from home and/or having different shifts. If our staffs are needed on site, we have mandated the wearing of mask within the workplace, temperature taking twice a day and enforced safe-distancing measures within the workplace. We also ensured that there is segregation of staff between different sites (i.e. lower risk of cross-contamination).

We always aim to have zero cases of recordable work-related injuries, zero high-consequence work-related injuries and zero fatalities as a result of work-related injury. As a responsible employer, safety is our utmost priority and while we do not wish to see any of our employees get injured, there may be circumstances that are beyond our control. When these occur, we engage in a formal review to investigate the causes of the incidents and develop appropriate preventive measures.

### Diversity and Equal Opportunity

The Group believes that maintaining a diverse and robust workforce is important and also an equal opportunity employer who provides equal opportunities for our existing employees and new candidates. We are guided by the government's fair employment practices to ensure that we have no gender, age and race bias within our workplace and during the recruitment process. We also have clear specifications of workplace and human resource guidelines in our Employee Handbook.

We have a total of 75 employees, all of whom are permanent full-time employees in Singapore. Due to the nature of our business, 62% of our employees are male. In addition, 67% of our employees having been with the Group for more than 5 years. The graphical breakdown of our employees' profiles can be seen in the figures below.

<sup>15</sup> Injury rate = No. of workplace accidents reported/No. of man-hours worked X 1,000,000. It is assumed that the number of hours worked per week is 40 hours per employee.

Figure 1. Percentage of employees by gender

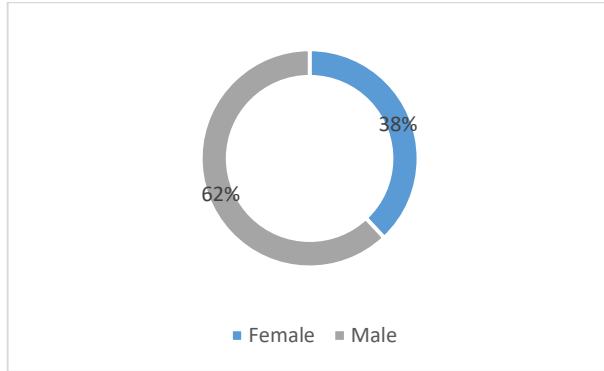


Figure 2. Percentage of employees by age group

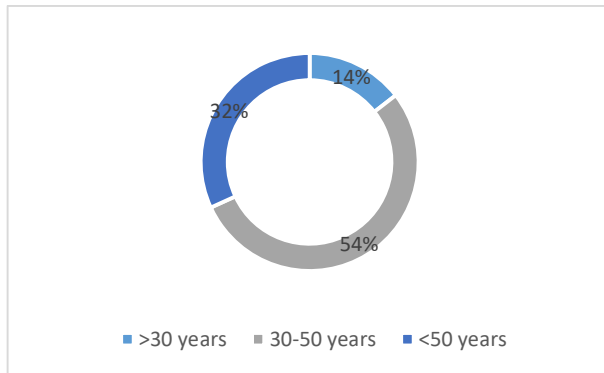
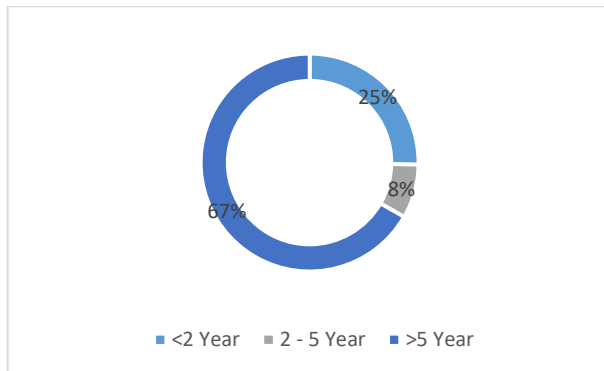


Figure 3. Percentage of employees by length of service



We are committed to having a diverse and inclusive workforce and to provide fair opportunities based on merit. We will continue to aim to provide equal opportunities for our current and new employees to maintain a diverse and robust workforce.

### Supply Chain Management

We ensure that the materials we obtain from our suppliers are of appropriate quality to suit our customers' requirements. The Group obtains most of its materials from overseas suppliers who are either ISO 14001 certified or have proper environmental policy, and declared compliance to the following:

- a) Restriction of Hazardous Substances Directive 2011/65/EU (RoHS)

- b) Do not containing Substance of Very High Concern (SVHC) candidate list under Registration, Evaluation, Authorisation and Restriction of Chemicals EU REACH regulation (EC) No 1907/2006.
- c) Conflict Minerals Regulation imposed under the US Dodd Frank Act

In the coming year, we will continue to do continuous monitoring of the environmental impact of our suppliers.

### Use of Technology

We adopt a phased approach to integrate technology into our operations.

The use of technology at our warehouses increases the efficiency of our operations and minimises human errors. The use of new technology will support our business growth by increasing our competitiveness and improving profitability. For example, a barcode system is in place to locate products at our warehouses. Workers involved are trained to use the barcode system to improve the work efficiencies in the warehouses.

Furthermore, our redeveloped warehouse facility at 32 Gul Crescent's redevelopment has recently been completed. The new facilities are equipped with an automated storage and retrieval system ("ASRS") to optimise our warehouse's operational efficiency and productivity.

## Governance

### Compliance with Socioeconomic Laws and Regulations

| FY2020 Performance Results  |
|---|
| <ul style="list-style-type: none"> <li>No breaches of relevant social and economic laws and regulations</li> </ul>  |
| FY2021 Targets  |
| <ul style="list-style-type: none"> <li>Compliance with relevant social and economic laws and regulations</li> </ul> |

The Group recognises the importance of compliance with laws and regulations. We strive to achieve strong corporate governance and comply with laws and regulations to maintain the trust of our stakeholders and to create a positive brand image.

A Whistle-blowing policy has been established as a means of good corporate governance practice. The policy provides a channel for employees to report and raise their concerns about possible improprieties in financial and non-financial matters. The whistle-blowing policy is also highlighted on Page 25 of the 2020 Annual Report.

We also have a conflict of interest policy in place. Under the policy, employees shall never put themselves in a situation where their personal interests' conflict with the interests of the Group. Employees are required to decline accepting unsolicited gifts, and any unsolicited gifts, if received, shall be declared to the Group as soon as possible.

There was no breach of the relevant laws and regulations in the social and economic areas during the reporting period. We aim to continue to comply with all applicable laws and regulations and maintain no breach of the relevant laws and regulations in the social and economic area.



## GRI Content Index

| GRI Standards                 |  | Notes/Page number(s)  |
|-------------------------------|--|---|
| <b>General Disclosures</b>    |  |   |
| <b>Organisational Profile</b> |  |   |
| 102-1                         | Name of the organisation                                 | Sin Ghee Huat Corporation Ltd   |
| 102-2                         | Activities, brands, products, and services               | 2020 Annual Report, Company Profile Page 1;   |
| 102-3                         | Location of headquarters                                 | 2020 Annual Report, Corporate Information, Page 11  |
| 102-4                         | Location of operations                                   | 2020 Annual Report, Corporate Information, Page 11<br>Notes to the Financial Statements, Page 69  |
| 102-5                         | Ownership and legal form                                 | 2020 Annual Report, Statistics of Shareholdings, Page 100-101   |
| 102-6                         | Markets served   | 2020 Annual Report, Notes to the Financial Statements, Page 79  |
| 102-7                         | Scale of the organisation                                | Social, Page 10-14  |
| 102-8                         | Information on employees and other workers               | Social, Page 12-13<br><br>All employees of Sin Ghee Huat Corporation Ltd are permanent employees.<br><br>Sin Ghee Huat Corporation Ltd does not have a significant portion of its activities being carried out by workers who are not employees.<br><br>Sin Ghee Huat Corporation Ltd did not have any significant variation in employment numbers. |
| 102-9                         | Supply chain   | Supply Chain Management, Page 13-14   |
| 102-10                        | Significant changes to organisation and its supply chain | No significant changes to Sin Ghee Huat Corporation Ltd and its supply chain  |
| 102-11                        | Precautionary principle or approach                      | Sin Ghee Huat Corporation Ltd does not specifically address the principles of the precautionary approach.   |
| 102-12                        | External initiatives                                     | Sin Ghee Huat Corporation Ltd does not specifically subscribe to any external initiatives.  |
| 102-13                        | Membership of associations                               | Stakeholder Engagement, Page 4  |
| <b>Strategy</b>               |  |   |
| 102-14                        | Statement from senior decision-maker                     | Board Statement, Page 2   |

| <b>Ethics and Integrity</b>   |  |   |
|-------------------------------|--|---|
| 102-16                        | Values, principles, standards, and norms of behaviour      | Sustainability Approach, Page 3<br>Compliance with Laws and Regulations, Page 8, 15       |
| <b>Governance</b>             |  |   |
| 102-18                        | Governance structure                                       | Board Statement, Page 2<br>2020 Annual Report, Corporate Information, Pages 11            |
| <b>Stakeholder Engagement</b> |  |   |
| 102-40                        | List of stakeholder groups                                 | Stakeholder Engagement, Page 4  |
| 102-41                        | Collective bargaining agreements                           | Not applicable, no collective bargaining agreements are in place.                         |
| 102-42                        | Identifying and selecting stakeholders                     | Stakeholder Engagement, Page 4  |
| 102-43                        | Approach to stakeholder engagement                         | Stakeholder Engagement, Page 4  |
| 102-44                        | Key topics and concerns raised                             | Stakeholder Engagement, Page 4  |
| <b>Reporting Practice</b>     |  |   |
| 102-45                        | Entities included in the consolidated financial statements | 2020 Annual Report, Notes to the Financial Statements, Page 69                            |
| 102-46                        | Defining report content and topic Boundaries               | About this Report, Page 3   |
| 102-47                        | List of material topics                                    | Materiality Assessment, Pages 5-6   |
| 102-48                        | Restatements of information                                | There has been no restatement of figures or information disclosed in our previous report. |
| 102-49                        | Changes in reporting                                       | NA  |
| 102-50                        | Reporting period   | About This Report, Page 3   |
| 102-51                        | Date of most recent report                                 | The Sustainability Report 2019 was published on 20 November 2019.                         |
| 102-52                        | Reporting cycle  | Annual  |
| 102-54                        | Claims of reporting in accordance with GRI Standards       | About This Report, Page 3   |
| 102-55                        | GRI content index  | GRI Content Index, Pages 15-18  |
| 102-56                        | External assurance   | Sin Ghee Huat Corporation Ltd has not sought external assurance on this Report.           |
| <b>Material Topics</b>        |  |   |
| <b>Economic Performance</b>   |  |   |
| 103-1                         | Explanation of the material boundary and topic             | Economic Performance, Page 7  |

|                                       |  |   |
|---------------------------------------|--|---|
| 103-2                                 | The management approach and its components             | 2020 Annual Report, pages Operating and Financial Review, Pages 7-9 |
| 103-3                                 | Evaluation of the management approach                  |   |
| 201-1                                 | Direct economic value generated and distributed        | 2020 Annual Report, Operating and Financial Review, Pages 7-9       |
| Anti-Corruption                       |  |   |
| 103-1                                 | Explanation of the material boundary and topic         | Anti-corruption practices, Page 7                                   |
| 103-2                                 | The management approach and its components             |   |
| 103-3                                 | Evaluation of the management approach                  |   |
| 205-3                                 | Confirmed incidents of corruption and actions taken    |   |
| Energy                                |  |   |
| 103-1                                 | Explanation of the material boundary and topic         | Energy, Page 9  |
| 103-2                                 | The management approach and its components             |   |
| 103-3                                 | Evaluation of the management approach                  |   |
| 302-1                                 | Energy consumption within the organization             |   |
| 302-3                                 | Energy intensity                                       |   |
| Environmental Compliance              |  |   |
| 103-1                                 | Explanation of the material boundary and topic         | Environmental Compliance, Page 8                                    |
| 103-2                                 | The management approach and its components             |   |
| 103-3                                 | Evaluation of the management approach                  |   |
| 307-1                                 | Non-compliance with environmental laws and regulations |   |
| Occupational Health and Safety (2018) |  |   |
| 103-1                                 | Explanation of the material boundary and topic         | Occupational Health and Safety, Pages 10-12                         |
| 103-2                                 | The management approach and its components             |   |

|   |  |  |
|---|--|--|
| 103-3   | Evaluation of the management approach                                    |  |
| 403-1   | Occupational health and safety management system                         |  |
| 403-2   | Hazard identification, risk assessment, and incident investigation       |  |
| 403-5   | Worker training on occupational health and safety                        |  |
| 403-9   | Work-related injuries  |  |
| Diversity and Equal opportunity <sup>16</sup> |  |  |
| 103-1   | Explanation of the material boundary and topic                           | Diversity and Equal Opportunity, Pages 12-13               |
| 103-2   | The management approach and its components                               |  |
| 103-3   | Evaluation of the management approach                                    |  |
| Compliance with Laws and Regulations          |  |  |
| 103-1   | Explanation of the material boundary and topic                           | Compliance and Socioeconomic Laws and Regulations, Page 15 |
| 103-2   | The management approach and its components                               |  |
| 103-3   | Evaluation of the management approach                                    |  |
| 419-1   | Non-compliance with laws and regulations in the social and economic area |  |

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<sup>16</sup> Non-material ESG topic