

INNOTEK

**STRONG
FOUNDATIONS
FOR A
STRONG
FUTURE**



**SUSTAINABILITY
REPORT 2020**

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1 ABOUT THE REPORT

Reporting Boundary

As a guide, this report covers operations and all subsidiaries for which InnoTek Limited (“InnoTek” or together with its subsidiaries, the “Group”) has management control, unless otherwise stated. It seeks to provide an overview of our approach, practices, commitment, and performance of the Group’s material Environmental, Social and Governance (“ESG”) topics. The report covers the sustainability performance of our substantial operations in the People’s Republic of China (“PRC”) from 1 January 2020 to 31 December 2020 (“FY2020”), 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

Reporting Period & Standard

The reporting period is the same as that of the financial year of the Group (1 January 2020 to 31 December 2020). This report was prepared in accordance with the Global Reporting Initiative (“GRI”) Standards – “Core” reporting requirements. The GRI Standards is the most widely used and internationally accepted sustainability reporting framework. A GRI Index at the end of the report specifies the location of the relevant disclosures.

Independent Assurance

The ESG performance data presented in the report have mainly been extracted from internal information systems and original records to ensure accuracy. The Group has not sought external assurance for this sustainability report but has relied on internal verification to ensure the accuracy of data.

2 FEEDBACK

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

3 BOARD STATEMENT ON SUSTAINABILITY

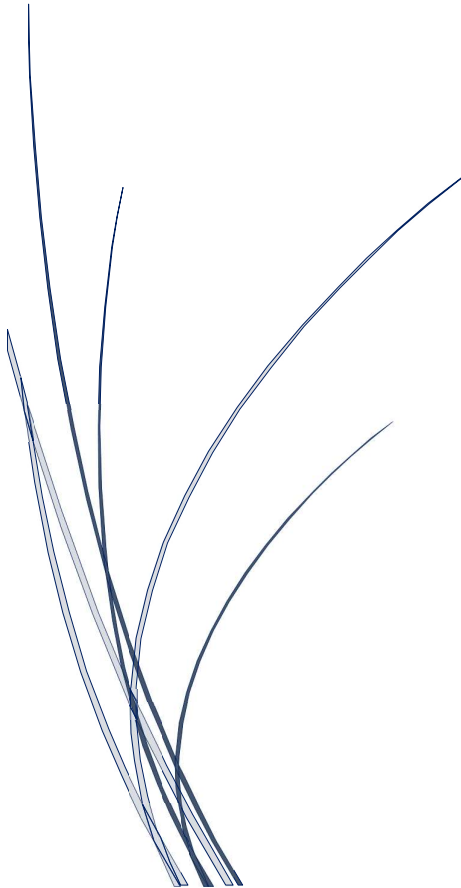
InnoTek Limited (“InnoTek” or together with its subsidiaries, the “Group”) is pleased to issue its third sustainability report prepared in accordance with the GRI Standards and in compliance with the SGX-ST guidelines on sustainability reporting.

The Group endeavour and is committed to continually consider material environmental, social and governance topics as part of our core business strategy. The report seeks to present an accurate and even account of our practices and performance in our quest to be a sustainable, responsible corporate citizen.

The Board of Directors (“Board”) and senior management (“Management”) remains committed to establish and maintain an effective Sustainability Management framework, which is supported by underlying internal controls, risk management practices, clear accountability and reporting process. The Board evaluates and considers ESG risks and opportunities relevant to the Group during the formulation of overall business strategy, objectives and performance measurements.

The Sustainability Reporting (“SR”) Committee supports the Management in identifying the type of relevant ESG topics caused by its day-to-day operations. Management then determines the materiality of the ESG topics based on the level of significance of impact, and influence on stakeholder values, and the achievement of the Group’s strategic objectives. The Board supports and approves the identification and assessment parameters of material ESG topics.

The ESG topics in this report reviewed by the Board and Management is assessed to be material and relevant. The Board and Management shall continue to dedicate leadership and maintain a high standard of sustainability governance to drive continuous and long-term growth for all its stakeholders. The Group will continue to work towards a balanced disclosure on the management and monitoring of material ESG topics for continual improvement.



4 ABOUT THE GROUP

Corporate Profile

InnoTek Limited's wholly-owned Mansfield Manufacturing Company Limited (MSF) is a leading manufacturing company in the PRC that specialises in precision metal components serving the TV and display, office automation and automotive industries. The three business units under MSF – precision metal stamping, tools and die design and fabrications, and precision machining - have a strong and diversified base of international customers.

MSF has more than 600 stamping presses with capacity ranging from 25 tons to 1100 tons, a significant number of Computer Numerical Control ("CNC") machines, Electrical Discharge Machines ("EDM"), and Wirecut Machines. MSF has five manufacturing plants in China and one in Thailand, with total manufacturing space of over 150 thousand meters.

Vision

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.

Mission

Our mission is to provide innovative products, technologies and business solutions for our customers to help them achieve their operating and business goals.

We will continuously invest in technology and develop an operational structure that allows our customers to meet their cost targets while simultaneously assuring a good return to our shareholders. We always respect the value of our employees and invest in them, our most important asset, as they are the fuel for our growth as an organisation.

Awards & Certification

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

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

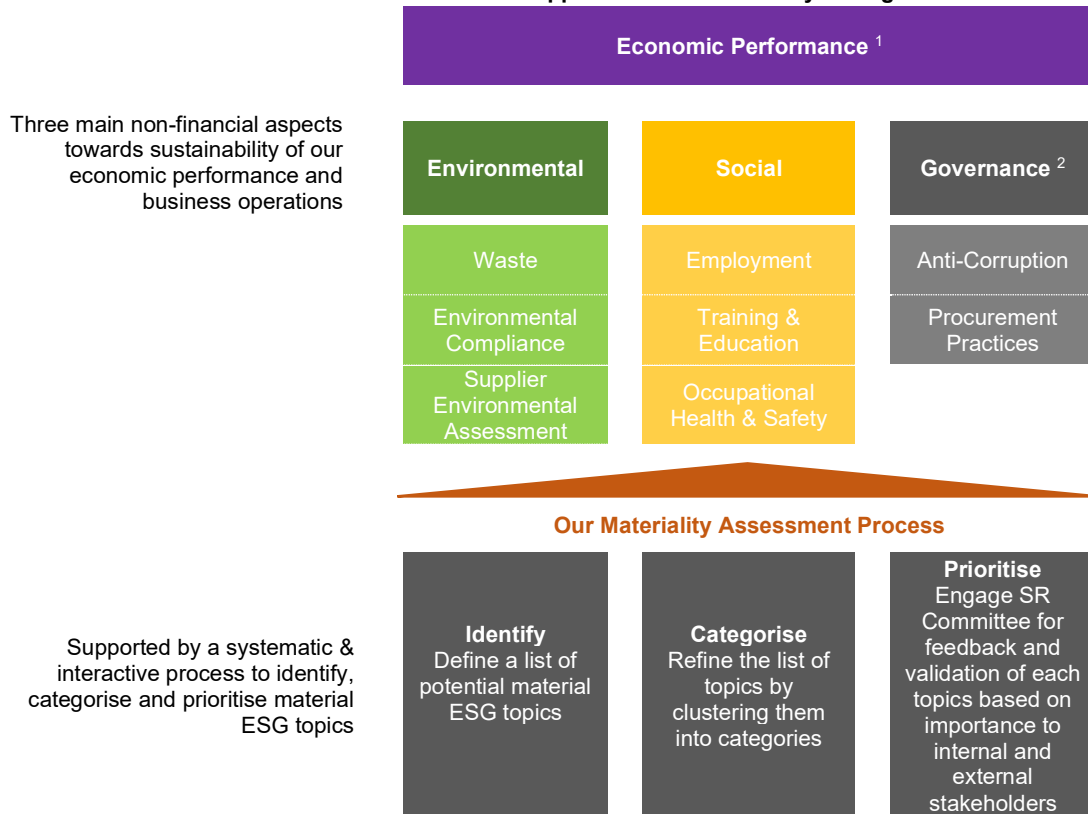
5 SR GOVERNANCE STRUCTURE

Sustainability is integrated into our business and embedded across various roles and functions. The SR Committee, chaired by Mr Lou Yiliang, our Chief Executive Officer (“CEO”), comprises specific working groups with senior management and board-level representatives from across our different businesses executes and reports on the material ESG aspects. The Board and the Audit and Risk Management Committee review and oversee the management and monitoring of the material ESG factors of the Group to ensure that sustainability matters are considered as part of its business strategy.

6 STRATEGIC APPROACH FOR SUSTAINABILITY

InnoTek firmly believes that while our businesses are driven by earnings, what we do must also have a positive impact on the environment, employees and all other stakeholders in our value chain. In FY2020, the Group, with the help of an independent external consultant, has reviewed and defined our approach to sustainability management. We have reviewed the four main aspects and existing non-financial topics for FY2020 reporting disclosure. The Management concluded that these topics remain material to the sustainability of our economic performance and business operations. The Management have also, with the proposal by the consultant, incorporated one new topics for disclosure – Procurement Practices (See Exhibit 1).

Exhibit 1. An Overview of Our Approach to Sustainability Management



1. Please refer to Financial Statement of the annual report.

2. Please refer to the Corporate Governance section of the annual report for more details.

7 STAKEHOLDER ENGAGEMENT

InnoTek recognises that knowing and understanding the demands and concerns of stakeholders is key to sustainable growth and that regular engagement with stakeholders helps us to better determine material areas of focus. The Group operates and maintains diverse communication channels and platforms to listen to stakeholders' requirements and opinions. In FY2020, the SR Committee, with the support of the independent external consultant, has reviewed and ascertained that employees, customers, shareholder and investors, and business partners are our key stakeholder groups (See Exhibit 2).

Exhibit 2. Our Key Stakeholder Groups



Employees

We recognise that our employees are fundamental to the Group's productivity and continuity. We aim to nurture them well to increase their engagement and contribution to the Group.

How We Engage	Main Concerns & Expectations	How We Respond
<ul style="list-style-type: none"> Regular Meetings Open feedback platform Annual performance appraisals Teambuilding activities 	<ul style="list-style-type: none"> Department updates Training & career development opportunities Health & Safety Job security 	By adopting sound HR policies and practices that promote fair treatment and safe working conditions, rewards and recognition.



Shareholders and Investors

We aim to maintain profitability and maximise shareholders' return, as well as uphold a high standard of corporate governance and transparency.

How We Engage	Main Concerns & Expectations	How We Respond
<ul style="list-style-type: none"> Company website, phone and email channels AGM Analysts/ Investors meetings SGX announcement and media release 	<ul style="list-style-type: none"> Group strategic development Current financial performance Future business outlook 	By being transparent and proactive in engaging. The Group retains an investor relations firm to assist in the timely dissemination of material information.



Customers

We strive to maximise our customer satisfaction, to increase our sales and revenue. We ensure that we understand our customers' needs and expectations and we aim to build long-lasting relationships with our customers to win their support and confidence.

How We Engage	Main Concerns & Expectations	How We Respond
<ul style="list-style-type: none"> Product sales channel Customer service feedback Regular direct engagement and active partnership. 	<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.



Business Partners

We work closely with our business partners/subcontractors to ensure that all our operations that were carried out are in line with our sustainability efforts and industry practices.

How We Engage	Main Concerns & Expectations	How We Respond
<ul style="list-style-type: none"> Regular meetings and visits Phone and email channels 	<ul style="list-style-type: none"> Integrity and effectiveness of the tender process Environmental, safety and health practices Product and technology updates Performance reviews 	By establishing policies and guidelines that ensure a fair selection and procurement process, and ethical business practices.

List of Memberships of Association

Aspiring to widen our exposure to industry standards and collaborate within and beyond the industry to improve on current sustainable practices, the Group participate as members of organisations that include:

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

8 MATERIALITY ASSESSMENT

Materiality with respect to sustainability reporting, as defined by GRI Standards, includes topics and indicators that reflect the organisation's significant economic, environmental, and social impacts; and would substantively influence the assessments and decisions of stakeholders.

Guided by an external independent consultant and having considered the topics of concerns and expectation of identified key stakeholders, the SR Committee together with the Management have assessed and prioritised the material topics to focus on for the Group.

The below material ESG topics were also reviewed by the Board and determined as being relevant.

Material ESG Topics	Targets and Commitments	Key Highlights	
		FY2020	FY2019
ENVIRONMENTAL			
Waste	<ul style="list-style-type: none"> ❖ Ensure waste disposal are in accordance with regulatory requirements. 	Zero incident of regulatory non-compliance maintained.	Zero incident of regulatory non-compliance maintained.
Environmental Compliance	<ul style="list-style-type: none"> ❖ Zero incidents of non-compliance ❖ No significant fines or non-monetary sanctions for non-compliance with environmental laws and regulations 	No significant fines/non-monetary sanctions for non-compliance with environmental laws and regulations.	No significant fines/non-monetary sanctions for non-compliance with environmental laws and regulations.
Supplier Environmental Assessment	<ul style="list-style-type: none"> ❖ Ensure all new suppliers are screened against the Group's environmental criteria prior to onboarding. 	All 60 new suppliers were screened, which complies with our environmental assessment requirement.	All 90 new suppliers were screened, which complies with our environmental assessment requirement.

Material ESG Topics	Targets and Commitments	Key Highlights	
		FY2020	FY2019
SOCIAL			
Employment	<ul style="list-style-type: none"> ❖ Continue to promote diversity and equal opportunity in the workplace. ❖ Comply with local labour regulations across our operations. 	<p>The Group continues to embrace diversity and equal opportunity in the workplace. Majority of employees were male due to the nature of the industry.</p> <p>The Group remained compliant with respective local regulations across our operations. There was no incident of complaints of discrimination against the Group.</p> <p>Please refer to Employment section 10.1 for employee breakdown.</p>	
Training & Education	<ul style="list-style-type: none"> ❖ Achieve an average of 2 hours of training per employee annually. ❖ Ensure learning and development roadmap account for future skills required to improve the efficiency of the business. 	<p>The group is committed to develop its employees to their fullest potential and have achieved an average of 5 to 6 hours of training per employee in 2020.</p> <p>Please refer to Training & Developments section 10.2 for a breakdown</p>	<p>Maintained an average of 2 to 3 hours of training per employee for the last two years.</p>
Occupational Health and Safety	<ul style="list-style-type: none"> ❖ Zero fatalities and/or workplace injuries. 	<p>81 working days loss due to workplace injuries.</p> <p>Zero workplace fatalities, total permanent injuries and occupational health and diseases</p>	<p>53 working days loss due to workplace injuries.</p> <p>Zero workplace fatalities, total permanent injuries and occupational health and diseases</p>
GOVERNANCE			
Anti-Corruption	<ul style="list-style-type: none"> ❖ Zero incidents of bribery and corruption, including facilitation payment. ❖ Zero tolerance towards all forms of bribery and corruption. 	<p>Zero incident of regulatory non-compliance and/or incidents pertaining to whistleblowing.</p>	<p>Zero incident of regulatory non-compliance and/or incidents pertaining to whistleblowing.</p>
Procurement Practice	<ul style="list-style-type: none"> ❖ Create positive economic impact within our business eco-system. 	<p>83% of materials purchased were from local suppliers.</p>	<p>83% of materials purchased were from local suppliers.</p>

Moving forward, to keep abreast of critical issues, the SR Committee, supporting the Board in its oversight, will continue to review annually material ESG topics against the changing business environment, stakeholder opinions, and emerging global and local trends.

9 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.

9.1 WASTE

Effluents and waste management is critical for global sustainable development. The Group conscientiously monitor our discharges into the environment and seek to reduce any ecological impact. It is thus vital to prioritize waste disposal methods, such as reusing, recycling and recovery that minimize residual effects. Treatment of our effluents is also crucial in ensuring that hazardous substances do not leach into ecosystems and undergo bio-amplification along the food chain.

Waste

The Group strives to minimise waste generation, increase opportunities for reusing and recycling, as well as treat and dispose of waste responsibly where other options are not practicable. Hazardous waste generated is handled, stored and disposed of in a manner that adheres to best practices and meets local regulatory requirements. The Group ensure that our wastes are safely disposed of to prevent environmental contamination risk. Hazardous waste typically relates to chemical waste that may be harmful to human if consumed.

In FY2020, total hazardous waste generated was 100.83 tons (FY2019: 123 tons). All hazardous waste generated is managed and disposed of in compliance with local regulations by authorised waste contractors. Non-hazardous waste mainly relates to typical packaging and production waste, comprising of paper, plastic and metallic materials. In FY2020, the amount of non-hazardous waste generated had reduced to ~4,625 tons, from ~7,977 tons in FY2019. All non-hazardous waste was disposed via licensed waste collectors for recycling and reuse whenever possible. The reduction of total waste generated was largely due to reduction in our production impacted by Covid-19 pandemic.

Moving Forward

To maintain the highest standard of environmental compliance, our commitment and target, Management will continue to review and improve the current environmental management system and practices and ensure that all our activities and operations comply with existing regulatory requirements.

9.2 ENVIRONMENTAL COMPLIANCE

Environmental compliance forms an integral part of the Group's sustainability philosophy. With increased pressure on corporations to be accountable for their environmental footprint and the rising cost of natural resources, we endeavour to not just comply but also integrate the best sustainability practices across business operations to reduce adverse environmental impact on the ecosystem.

Over the years, the Group's operations continue to conform to local environmental laws and regulations. The Group maintains a zero-tolerance for non-compliance and encourages our stakeholders to report any incidences via our established whistleblowing channels. All employees of the Group are encouraged to be proactive and forthcoming in managing and reporting environmental related issues and complaints.

In FY2020, there were no incidents of non-compliance and penalties pertaining to environmental-related issues (FY2019: No incidents of non-compliance and penalties). The Board and Management continues to review and improve the current environmental management system and practices and ensure that all our activities and operations comply with regulatory and customers' requirements. It is of utmost importance to the Group that we maintain this unblemished record.

9.3 SUPPLIER ENVIRONMENTAL ASSESSMENT

The Group maintains a strict regimen on the selection process of suppliers and engages 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 part of supplier onboarding, suppliers are assessed under stringent criteria. These include track records, financial strength as well as commitments towards high quality of raw materials and services as well as health and safety standards.

All of our suppliers 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. The Group carries out 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 60 new suppliers in FY2020 (FY2019: 90 new suppliers). All 60 were screened against our environmental criteria and were in compliance with our requirements. 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

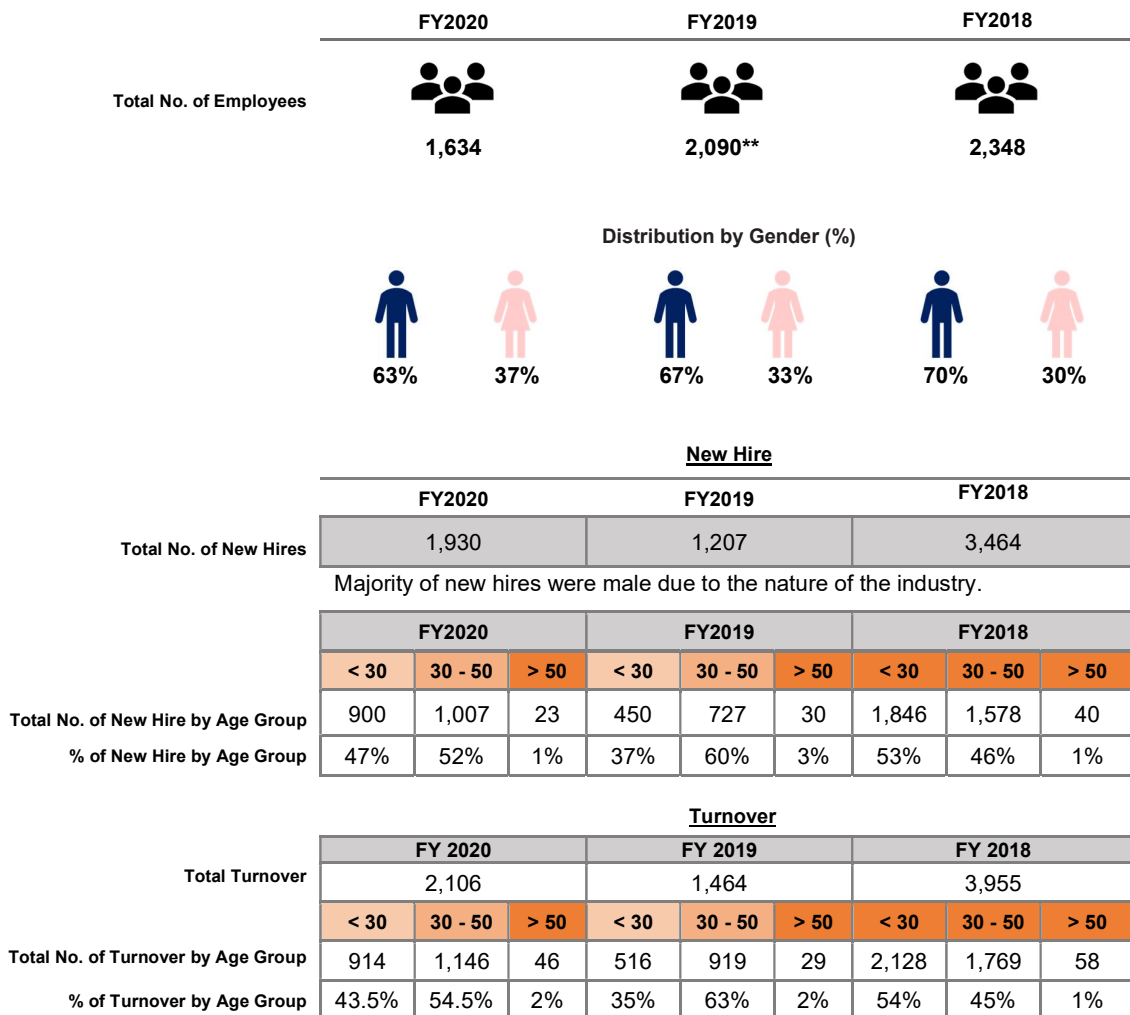
In addition, the Group will also perform annual inspection on existing suppliers with high environmental risks to ensure they are complying the relevant laws and regulations. In FY2020, we have inspected 41 suppliers and ensure that they have obtained the necessary environmental related certification. For other suppliers with lower risks, sample checks will be performed.

10 SOCIAL

10.1 EMPLOYMENT

Our employees are one of our most valuable assets and the Group believes in and is committed to fair employment practices, upholding human rights principles and investing in developing and training our people.

As of 31 December 2020, we have a total of 1,634 full time employees*. In general, the Group was able to maintain a strong and healthy workforce in spite of the relatively high turnover rate which is inherent in the manufacturing industries. The large number of headcount staff reduction is mainly due to the reorganization and restructuring efforts as the Group was going through transformation of production lines from largely relying on low-skilled manual work to semi-automation and automation with higher efficiency, accuracy and productivity. The Group continues to maintain a consistent gender ratio among total employees over the last 3 years. The employment numbers for high-skilled positions remains consistent, with our key management personnel unchanged in FY2020.



*Total employees for substantial People's Republic of China operations.

**Inclusive of 280 part time employees which have been excluded in the statistics from FY2020 onwards.

We strive to foster an inclusive and performance-driven work environment to attract, retain and develop our talents. As an equal opportunity employer, the Group has instituted a fair system to ensure equal opportunities and non-preferential treatment for all employees. There is no preference or prejudice towards religion, age, ethnicity, any physical disability or gender. Employees are required to observe and adhere to all relevant policies and practices.

Due to the inherent nature of labour-intensive work and physically challenging working conditions, the majority of our employees are male. The Group makes a conscious effort to maintain diversity in middle management, to generate creativity and innovation and improve the organisation's culture. There were no reported incidences of discrimination raised by our employees in FY2020.

The Group also has an open-door policy where employees are encouraged to speak up or report grievances directly to their superior, head of department, human resource department, chief executive officer and/or independent directors. This is to reinforce our commitment to our employees to provide them with a workplace that is healthy, safe and secure. Across our business segments, there were no workplace grievance cases reported in FY2020.

Employee Remuneration and Benefit

The Group recognises the valuable contribution of all employees. We strongly believe in fair remuneration and sets packages which are competitive and sufficient to attract, retain and motivate personnel with adequate experience and expertise to manage the business and operations of the Group. In setting remuneration packages, the Group takes into account the regulatory requirements, salary, and employment conditions within the same industry and in comparable companies. In FY2020, in addition to the competitive remuneration offered, the Group continue to maintain its list of employees' benefits including but not limited to:

Employment 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 where applicable. We provide other leave benefits catering to our employees' children, during the stages of infant care and childcare.
Retirement Provision	The Group and the employees make monthly contribution to social insurance in accordance to local labour law. With the contribution made, employees who are qualified for pension on the retirement age will receive monthly financial support from the government.
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 the 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 organise annual retreats as a Group to build relationships among the team and improve collaboration among employees of all levels.
Annual Appreciation Events and Festival Celebrations*	We organise 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 wellbeing. It is also vital that our staff can take a mental break from work to recharge and boost their morale.

* Due to COVID-19 situation, these social activities were carried out according to guidelines imposed by the government authorities .

The Group is in full compliance with local labour regulations across our operations, as well as minimum wage laws, where such laws exist. Being in an industry that is largely labour-intensive, we are dedicated to constantly reviewing our employment policies, benefits and remuneration practices to ensure compliance with the updated employment laws, to keep up with the best industry practices to provide the optimal working conditions for our people.

The Group continually cultivates a transparent and inclusive environment for all employees, as well as ensures a top-down approach to promote fair and ethical business dealings. The Group maintains zero tolerance towards unethical labour practices such as child labour, forced labour, slavery and human trafficking across all our operations.

10.2 TRAINING & EDUCATION

The Group recognises that employees need to stay informed and be updated in their skill sets in the ever-changing work environment. To encourage and support our employees to develop their fullest potential and have a fulfilling career, both on-the-job and ad-hoc trainings are made available to our employees. Employees are encouraged to attend courses which are relevant to their work nature.



*On-the-job training hours were not included in this record.

Programmes for Upgrading Employee Skills and Transition Assistance

The Group is committed to allocating budget and plan skills upgrading to equip employees to meet strategic targets of the Group. We believe that more skilled employees enhance the Group's human capital and contribute to employees' satisfaction, which will then enhance overall performance.

Performance and Career Development Review

Performance and career development review of employees are performed during the performance appraisal process. This process is conducted on an annual basis whereby there will be two-way communication and engagement between supervisors and subordinates to assess the performance of the employee. Upon completion of the appraisal process, consideration of career advancements such as promotion; quantum of salary increments, and an annual variable bonus will be determined based on the performance appraisal results. In FY2020, all employees are assessed and remunerated fairly based on their experience, qualifications and performance.

The Group shall continue to provide training and education opportunities through development programmes wherever applicable and promote a conducive corporate environment where everyone could achieve their potential.

10.3 OCCUPATIONAL HEALTH & SAFETY

Safety is an integral part of our business and a key focus area for our board of directors and senior management. The Group recognises that it is the company’s responsibility to ensure that everyone gets home safe every day. We firmly believe that all our employees deserve to work in a safe and healthy environment and that a conducive working environment will not only boost employees’ morale but also increase the overall workforce’s productivity and efficiency.

Occupational Health & Safety Management Framework

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).

Processes are in place to identify, mitigate and report risks and communicate best practices across the Group, and we work with our employees and stakeholders to ensure that they understand our requirements and expectations.

Key Elements of Our Health & Safety System



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 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 always upheld and also up to industry-leading practices. In addition, the role and responsibilities of the Safety Committee include reviewing, effectively implementing and reinforcing safety standards and regulations to ensure all areas of safety are adequately covered. The Safety 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.

The Group seeks to learn from past mistakes and strive to prevent similar incidents from reoccurring. 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 to remind them of established safety measures and precautions, as well as safety protocols in the event of similar incidents.

We also ensure each worker is well protected before the start of each assignment, through documenting on the personal protective equipment record to ensure that each worker is sufficiently equipped with protective gears. We have also developed a list of protocols and precautions for workers, to ensure that their safety is fully covered in all areas of work.

Workplace Health & Safety Performance

Category	FY2020	FY2019	FY2018
	Total	Total	Total
Minor Injury	50*	19	16
Injury requiring medical attention	27	34	51
Injury resulting in temporary disabilities	0	0	3
Death or Total Permanent Disabilities	0	0	0
Occupational Injury and Disease	0	0	0

In FY2020, there were no incidents of fatalities across the Group's business operations. The Group strives to continue to maintain its health & safety standards and continuous improvement in its Operational Health and Safety processes and performance.

* In FY2020, the Group have put in conscientious effort to improve workplace safety by enhancing the monitoring and redefining the definition of minor injury (which includes minor bruises and cuts) for further workplace safety measures improvements. Employees suffered from minor injury are advised to report to Management for data collection and strongly advised to rest and this initiative has led to an increase in minor injury reported and reduction of injury requiring medical attention. This is part of our continuous commitment to create a better and safer working environment for our employees.

Covid-19 Compliance and Safety Measures

The outbreak of Covid-19 pandemic has greatly impacted the global economy and businesses worldwide, including the Group. In order to safeguard the health and safety of our employees, customers and stakeholders, which were our main priority, we have taken corresponding safety measures in accordance with the local government requirements such as distributing masks to employees, taking and recording body temperature, regular disinfection and safety checks on visitors to our premises.

In FY2020, with continuous effort made by the Group as whole, there was no reported cases of Covid-19 infections for all our employees.

11 GOVERNANCE

11.1 ANTI-CORRUPTION

The Group is committed to upholding the highest standards of corporate governance and business integrity across its business activities, which are essential for the long-term viability of the Group's businesses and the enhancement of shareholder value. The Board undertakes to investigate complaints of suspected fraud in an objective manner and has put in place a whistle-blowing policy and procedures which provide employees with well-defined and accessible channels within the Group. All reporting of suspected bribery, corruption, dishonest practices or other similar matters will be reported to the Audit and Risk Management Committee.

The policy aims to encourage the reporting of such matters in good faith, with the confidence that employees making such reports will be treated fairly and, to the extent possible, be protected from reprisal. The policy and its effectiveness will be reviewed by the Audit and Risk Management Committee periodically, with recommendations regarding updates or amendments, if any, to be made to the Board as required. In FY2020, there were no incidents of regulatory non-compliance

across InnoTek's group of businesses. There were also no reported incidents pertaining to whistleblowing for this reporting period under review. The Group continues to work towards reinforcing a full compliance culture.

11.2 PROCUREMENT PRACTICES

The Group firmly believes that its suppliers and subcontractors as key business partners that are capable to create positive economic impact, thus enhancing stakeholder's return. In this respect, the Group maintains a rigorous selection process in vendors selection, which are based on the past track records and adherence to occupational health and safety standards.

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

- Guidelines and procedures on selection and evaluation of new suppliers and/ or subcontractors
- Guidelines and procedures on periodic monitoring over suppliers and/ or subcontractors.

As part of supplier onboarding, suppliers are assessed under stringent criteria. These include track records, financial strength as well as commitments towards high quality, health and safety standards and sustainability. Partners and suppliers are encouraged to continuously improve on our product offerings to reduce potential negative impact to the environment. As we consider sustainability as one of the key factors in selecting a supplier, for that reason, we evaluate the potential candidates based on their sustainability performance and practices. Often, there would be a collaboration impact on the environment in this area.

All of our suppliers are required to submit relevant 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. The Group carries out the necessary due diligence, so as not to compromise on quality or allow our suppliers to have any detrimental effects on the environment.

The Group purchases a range of raw materials from its suppliers, with steel being our main raw materials. Purchases from local material suppliers accounted for 83% of the total purchases in FY2020, the same as compared to 83% in FY2019. During the reporting period, the Group's purchases amounted to RMB 595.8 million (FY2019: RMB 658.0 million).

We will continue to remain fully committed to continue procuring responsibly while generating positive economic and social benefits for the local community we operate in.

Moving Forward

The Audit and Risk Management Committee continues to support the Board in its oversight of anti-corruption and procurement practices and is responsible for driving the Group's focus on implementing effective compliance and governance systems. At an operational level, the respective department within the Group continues to be responsible to identify, self-assess the adequacy and effectiveness of mitigating measures, and manage their financial, operational, information technology, compliance and reputational related risks.

Please refer to the Corporate Governance section of the annual report for more information.

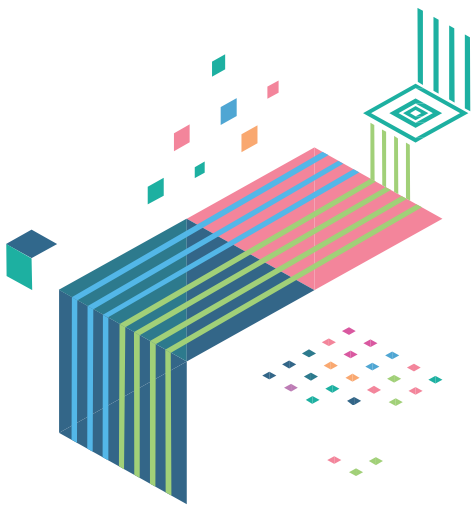
GLOBAL REPORTING INITIATIVE (GRI) CONTENT INDEX

This report has been prepared in accordance with the GRI Standards: Core option

Category	Disclosure	Description	Page Reference and Remarks
GRI 102: General Disclosures	102-1 *	Name of the organisation	Cover Page
	102-2 *	Activities, brands, products, and services	Page 4, Refer to AR FY2020 – Notes to The Finance Statement – Note 1
	102-3 *	Location of headquarters	InnoTek Limited 160 Robinson Road, SBF Center #24-12 Singapore 068914.
	102-4 *	Location of operations	Page 2
	102-5 *	Ownership and legal Form	Refer to AR FY2020 – Group Structure
	102-6 *	Markets served	Page 4, Refer to AR FY2020 – Note 5 Revenue by Geographical Segment
	102-7 *	Scale of the Organisation	Page 11
	102-8 *	Information on employees and other workers	Page 11
	102-9 *	Supply chain	Page 10
	102-10 *	Significant changes to the organisation and its supply chain	No significant changes
	102-11 *	Precautionary Principle or approach	Page 5
	102-12 *	External initiatives	Page 4
	102-13 *	Membership of associations	Page 7
GRI 102: Strategy	102-14 *	Statement from senior decision-maker	Refer to AR FY2020 Chairman's Message
GRI 102: Ethics and Integrity	102-16 *	Values, principles, standards, and norms of behaviour	Page 4
GRI 102: Governance	102-18 *	Governance structure	Page 5, Refer to AR FY2020 Corporate Governance Corporate Structure

Category	Disclosure	Description	Page Reference and Remarks
GRI 102: Stakeholder Engagement	102-40 *	List of stakeholder groups	Page 6
	102-41 *	Collective bargaining agreements	None
	102-42 *	Identifying and selecting stakeholders	Page 6
	102-43 *	Approach to stakeholder engagement	Page 6
	102-44 *	Key topics and concerns raised	Page 6
GRI 102: Reporting Practice	102-45 *	Entities included in the consolidated financial statements	Refer to AR FY2020 – Notes to The Finance Statement – Note 3.1 and Note 5
	102-46 *	Defining report content and topic Boundaries	Page 2
	102-47 *	List of material topics	Page 6 - 8
	102-48 *	Restatements of information	No restatement
	102-49 *	Changes in reporting	No significant changes from previous reporting periods in the list of material topics and topic boundaries.
	102-50 *	Reporting period	Page 2
	102-51 *	Date of most recent report	FY2019 Inaugural Sustainability Report
	102-52 *	Reporting cycle	1 Jan 2020 to 31 Dec 2020
	102-53 *	Contact point for questions regarding the report	Page 2
	102-54 *	Claims of reporting in accordance with the GRI Standards	Core option
	102-55 *	GRI content index	Page 17-19
102-56 *	External assurance	The Group has not sought external assurance for this sustainability report.	
GRI 306 Waste 2020	DMA	Management approach disclosures	Page 9
	306-2	Waste by type and disposal method	Page 9
	306-4	Waste diverted from disposal	Page 9
	306-5	Waste directed to disposal	Page 9
GRI 307: Environmental Compliance	DMA	Management approach disclosures	Page 9-10
	307-1	Non-compliance with environmental laws and regulations	Page 9-10

Category	Disclosure	Description	Page Reference and Remarks
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	Page 10
	308-2	Negative environmental impacts in the supply chain and actions taken	Page 10
GRI 401: Employment	DMA	Management approach disclosures	Page 11
	401-1	New employee hires and employee turnover	Page 11-12
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Page 12-13
	401-3	Parental leave	Page 12-13
GRI 403: Occupational Health and Safety	DMA	Management approach disclosures	Page 14
	403-1	Occupational health and safety management system	Page 14
	403-9	Work-related injuries	Page 15
GRI 404 Training and Education	DMA	Management approach disclosures	Page 13
	404-1	Average hours of training per year per employee	Page 13
	404-2	Programs for upgrading employee skills and transition assistance programmes	Page 13
	404-3	Percentage of employees receiving regular performance and career development reviews	All employees are assessed regularly and remunerated fairly based on their experience, qualifications and performance.
GRI 205 Anti-corruption	DMA	Management approach disclosures	Page 15, Refer to AR FY2020 – Corporate Governance
	205-3	Confirmed incidents of corruption and actions taken	Page 15, Refer to AR FY2020 – Corporate Governance



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