FH 复华国际



SUSTAINABILITY REPORT 2019

ABOUT THIS REPORT

The Board of Directors of Forise International Limited (the "Board") is pleased to present our Sustainability Report for our financial year ended 31 December 2019 ("FY2019").

This report is prepared in compliance with the requirements of Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules 711A and 711B and references the Global Reporting Initiative (GRI) Standards, Core option. Forise International Limited has chosen the GRI framework as it is one of the most established international sustainability reporting standards. The report highlights the key economic, environmental, social and governance related initiatives carried out throughout the 12-month period, from 1 January to 31 December 2019.

Recognising the importance of sustainability, the Executive Committee (EMCO) leads sustainability efforts at Company. The EMCO reports directly to the Board, which has considered sustainability issues as part of its strategic formulation, determined the material EESG factors and overseen the management and monitoring of these factors.

We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to improve our policies, systems and results. Please send your comments and suggestions to contact@foriseinternational.com.

22 April 2020

ORGANIZATIONAL PROFILE

Forise International Limited (formerly known as Great Group Holdings Limited) was incorporated on 29 February 2008 and listed on the Main Board of the Singapore Exchange Securities Trading Limited (SGX) on 25 September 2009.

Following the divestment of the garment trading business and cessation of inactive subsidiaries in FY2019, the strategic direction of the Group is to focus on the development of strategic planning, corporate advisory, financial restructuring and solution and management consultancy services. In view of the growth and potential applications of digital transformation in the new economy, the Group has entered into a joint venture with Prisma AI Corporation Pte. Ltd. in October 2019 and incorporated a subsidiary corporation, Prisma Technologies Pte. Ltd.

SUSTAINABILITY APPROACH

OUR SUSTAINABILITY METHODOLOGY



STAKEHOLDER ENGAGEMENT

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

The table below sets out our engagement with our stakeholders:

Stakeholders	Engagement and Communication Channels	Frequency of Engagement	Key concerns and expectations	Our Responses and Actions
Clients	Email queries Customer visit Information discourse	Ad-hoc	Compliance operation Provide quality services Rights protection	Establish a two-way communication mechanism with customers Customer satisfaction feedback
Employees	Open dialogues among teams Internal memorandum Relevant Information disclosure	Yearly / Ad-hoc	Guarantee their basic rights and interests Offer suggestions for enterprise development Develop employee capabilities and promote career development Sense of belongings and recognition Share the development achievements with the Company	Protection of employee lawful rights and interests Create a good working environment Provide relevant training to employees Promote the reward system for rational proposals Increase input in employees' occupational health Career planning and development path
Local Communities	Official website	Yearly / Periodical	Serve community development Work for public benefit	Drive employment and local economic development

Stakeholders	Engagement and Communication Channels	Frequency of Engagement	Key concerns and expectations	Our Responses and Actions
	Sustainability Report Various social and charity events		Create job opportunities Help poor and disadvantaged group	Volunteer CSR activities
Government and regulators	Face-to-face meetings Regular reports Participation in discussions	Periodical	Abide with laws and regulations Service national economic development	Pay taxes Regular reporting to the government Realize prudent operation
Service providers	Face-to-face meetings Annual review and feedback sessions Contracts and agreements	Yearly / Ad-hoc	Realize fair and transparent procurement Promote joint development	2-way communication with service providers and work closely to improve the quality of service
Investors/ Shareholders	Group Annual Report Annual General Meeting Quarterly result briefings Informal discussion	Quarterly / yearly	Enhance earning capacity Improve corporate governance structure Perform the obligation of information disclosure	Realize healthy growth Establish shareholder communication mechanism Issue annual report on a regular basis
Media / SGX	Quarterly result Announcements	Quarterly and ad-hoc	Timely communication to public /regulators	Release quarterly result and other announcements in timely manner

MATERIAL ASPECTS ASSESSMENT

We conducted a materiality review every year and incorporating inputs from the stakeholder engagements.

To determine if an aspect is material, we assessed its potential impact on the economy, environment and society and the influence on the stakeholders. Senior management took part along with our assessments. Aspects were identified and prioritised through internal workshops, peer reviews and social impact assessments at site level. Applying the guidance from GRI, we have identified the following material aspects:



ECONOMIC

ECONOMIC PERFORMANCE

Forise considers Economic, Environment, Social and Governance (EESG) as an important lever for value creation. We also believe that our investment practices and advisory services have impact on society and are committed to promoting sustainable development.

Environment, Governance, Internal Controls, Social and Health and Safety and Human Capital are some of the areas assessed by deal teams and considered by our Board of Directors as part of the investment decision-making process. In addition, various best practices processes are discussed with management for implementation in the areas of business conduct, management reporting, financial planning and analysis, cash management, internal controls and risk management, amongst others.

Thus, when providing advisory services to clients or making decisions on what to invest, we will invest in industries which are eco-friendly or morally ethical and also encourage our clients to do the same. If clients have specific requests to invest in companies with undesirable EESG factors, Forise may choose to turn down the transaction or re-assess the relationship.

Notwithstanding of the economy slowdown in China market, we will continue to focus and develop on the business of corporate advisory services.

For detailed financial results, please refer to the following sections in our Annual Report 2019:

- Financial Highlights, page 4
- Financial Review, page 5 - 6
- Financial Statements, page 32 - 98

ANTI-CORRUPTION

Forsie has a zero-tolerance stance on corruption. In our dealings with our clients, we require our employees to strictly uphold company the Company's policy on anti-corruption, fraud, whistle-blowing bribery clauses. Employees have been informed of such policies via internal memo and employment contracts.

There have also been no reported incidents of corruption during the reporting period (FY2018: Nil).

Our goal is to maintain zero incident of corruption. We will review the anti-corruption and whistle-blowing policies regularly and update all employees of the policies on yearly basis.

ENVIRONMENT

Forise's direct environmental impact is limited, but we always strive to avoid unnecessary impact on the environment and to further reduce environmental impact.

ENERGY

Forise, as a group, is committed to energy efficiency. In order to manage energy effectively, our offices adopted the following measures:

1. Installed LED energy saving bulbs,
2. Encouraged employees to practise energy-saving initiatives, we use energy only when needed (i.e., turn off the lights when not in use),
3. Printing of paper is minimised and print only when necessary, recycle paper for internal usage purposes, electronic mail is used.

We will continue to use energy on required basis and avoid wastage.

SERVICE PROVIDER ENVIRONMENTAL ASSESSMENT

Forise will continue to reduce its environmental impact and to encourage its stakeholders, such as service partners and trading partners, to meet the same expectations. We have been using reputable mid-tier firms who are environmental friendly.

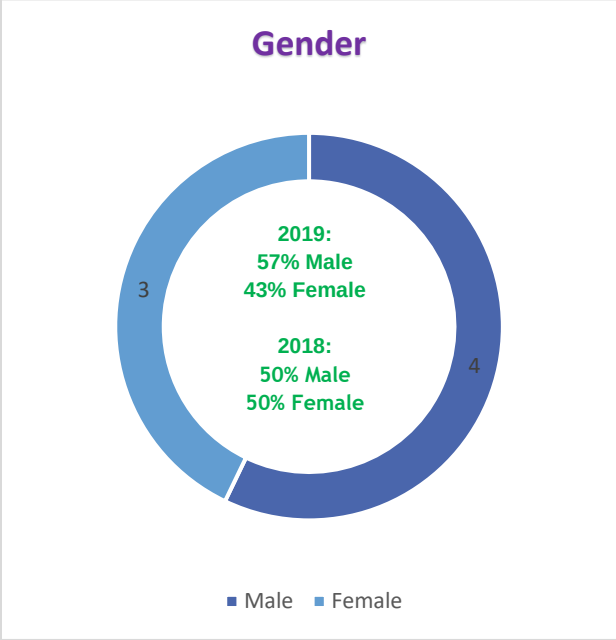
Going forward, Forise will regularly conduct annual evaluation of key service providers. Many of our clients now demand that we comply with anti-child labour laws and refrain from the use of non-eco-friendly materials which we will in due course pass on to our service providers.

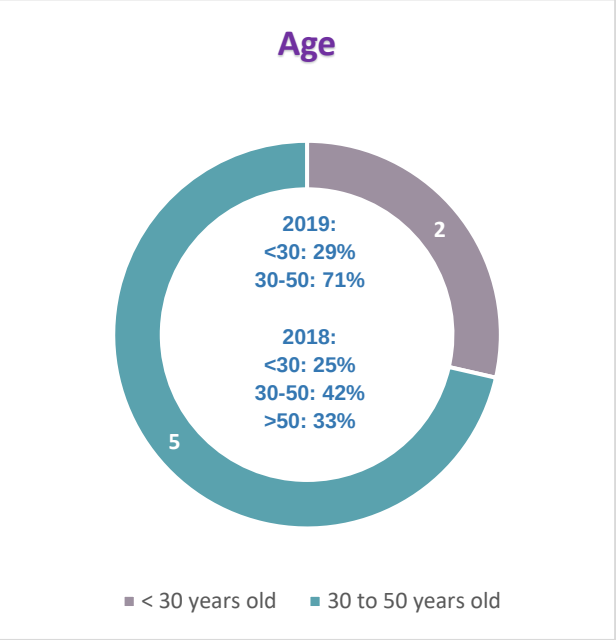
In addition to questions about child labour and the use of non-eco-friendly materials, Forise will ask key service providers on their policies in monitoring and managing their supply chain with regards to environmental issues, their policies that promote efficient use of resources, ethics, training and any cases of non-compliance on environmental or safety issues. We ensure that all new suppliers are screened and selected with taking into consideration of environmental criteria in FY2020.

SOCIAL

DIVERSITY AND EQUAL OPPORTUNITY

We embrace diversity, and at the same time expect employees to be aligned with group's vision and strategic initiatives. The age of our staff ranges from 20s to 50s. The ratio of male to female staff is 4:3.





Forise ensures compliance with labour and employment laws, including working hours. Furthermore, through the Code of Conduct, it is also stated that no colleagues should be discriminated against because of age, gender, national origin, disability, religion, sexual orientation, marital or maternity status, union membership or political opinion, among others. Non-compliance in relation to discrimination was reportable to the manager, human resources or through our whistleblowing system.

We give preference to the hiring of local talent. We are committed to providing competitive remuneration and benefits to our employees. We are also committed to safeguarding our employees' health and safety against any potential workplace hazards. There has been no work place incidents for FY2019 (FY2018: Nil).

We aim to maintain zero incidents of complaints on discrimination and continue to have diversity and equal opportunity to employees.

TRAINING AND EDUCATION

Forise understands that there is a continuous need to upgrade staff skills and knowledge. This is beneficial to the staff development and also to the Company. Thus, staff are encouraged to go for courses and seminars to keep themselves updated of the latest rules and regulations and the market investment trends. Senior Management team goes for training at least once every quarter.

We aim to continue providing relevant trainings to our employees in upcoming years.

SOCIOECONOMIC COMPLIANCE

Forise firmly believes that focus on sustainability is critical and that it offers attractive opportunities. Companies that are best-in-class when it comes to operating in a sustainable way will be able to provide superior products and services and recruit the best employees, thereby outperforming their competitors longer-term.

We are fully committed to the highest standards of corporate governance. The company's basic principle is that long-term profitability and shareholder value is ensured by taking into account the interests of stakeholders, such as shareholders, employees, suppliers, government, media, local communities and society as a whole.

We will:

- comply with all local and national legislation in each country of operation,
- continuously improve our social, environmental and economic impact,
- analyse risks, formulate objectives and to have adequate processes to manage and monitor control risks,
- adhere to the UN Global Compact (a voluntary initiative based on businesses' commitments to implement universal sustainability principles and to undertake partnerships in support of UN goals) and its ten principles as well as the OECD guidelines for Multinational Enterprises (which provide voluntary principles and standards for responsible business conduct consistent with applicable laws),
- encourage and promote diversity in our organizations, and
- have an active dialog with our stakeholders such as trading partners and shareholders.

Our objective is to maintain zero incident of non-compliance and continue to be in compliance with socio-economic laws and regulations

LOCAL COMMUNITIES

Forise believes in being socially responsible and we are actively involved in corporate social responsibility ("CSR") projects. These projects include reaching out to the less fortunate and extending a helping hand to them. In our recent years' CSR projects, we had visited Lee Ah Mooi Old age home in November 2018, we had arranged lunch catering for the residents and staff and had interacted with the residents during the events. In addition, both Forise and its employees had contributed some donation and the proceeds of such donation were used to buy some groceries for the residents of the old age home. Back in October 2017, our Tianjin WFOE team had visited a cerebral palsy rehabilitation centre and made donation of certain medical and sanitisation supplies. The centre provides special education, rehabilitation services, day activity centre programmes and training to persons with cerebral palsy and related disabilities.

We intend to continue supporting various community projects, to do our parts to contribute to society and the environment.

AWARDS

We have been awarded Singapore 1000 Company - Public Listed Companies 2019.

GOVERNANCE

In FY2019, we complied with the Code of Corporate Governance. Please refer to the Annual Report pages 13 to 31 on our Corporate Governance Statement.

We will continue to comply with the Code of Corporate Governance and meet all requirements that are expected of us by our stakeholders.

BUSINESS ETHICS AND COMPLIANCE

When it comes to hiring, we seriously take any possibility of conflict of interest into consideration. Our Code of Conduct clearly outlines our expectations regarding employees' behaviour towards their colleagues, supervisors and overall organization, and consequences if any of the rules are violated or standards not met.

We also expect our employees to foster a well-organized, respectful and collaborative environment.

Employees of the Company are bound by their contracts to follow our Employee Code of Conduct while performing their duties. The components of our code of conduct mainly comprise of compliance of law, respect of workplace, protection of company property and professionalism.

Our target is to ensure all allegation received are promptly addressed and to maintain zero incidents of non-compliance.

ENTERPRISE RISK MANAGEMENT (ERM)

ERM is an integral part of good corporate governance as well as resource management. A thorough and comprehensive ERM framework enables Forise to identify, communicate and manage its risks and exposures in an integrated, systematic and consistent manner. For detailed disclosure on ERM, please refer to our Annual Report, pages 24 to 25.

We will regularly review the ERM policies to ensure all relevant risks are identified, communicated and addressed timely.

GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure		Reference / Description
GRI 101: Foundation 2016			
GENERAL DISCLOSURE			
GRI 102: General Disclosures	102-1	Name of organisation	Forise International Limited
	102-2	Activities, brands, products and services	Sustainability Report (SR) page 1
	102-3	Location of headquarters	Singapore
	102-4	Location of operations	China
	102-5	Ownership and legal form	Annual Report ("AR") page
	102-6	Markets served	China
	102-7	Scale of the organisation	AR page 7
	102-8	Information on employees and other workers	SR page 7
	102-9	Supply chain	Not applicable
	102-10	Significant changes to the organisation and its supply chain	None
	102-11	Precautionary Principle or approach	Forise does not specifically address the precautionary approach.
	102-12	External initiatives	SR page 9
	102-13	Membership of associations	Member of Singapore Business Federation
	102-14	Statement from senior decision maker	SR page 1
	102-16	Values, principles, standards and norms of behaviour	SR page 10
	102-18	Governance structure	AR page 13 to 31
	102-40	List of stakeholder groups	SR page 2 to 3
	102-41	Collective bargaining agreements	None
	102-42	Identifying and selecting stakeholders	SR page 2 to 3
	102-43	Approach to stakeholder engagement	SR page 2 to 3
	102-44	Key topics and concerns raised	SR page 2 to 3
	102-45	Entities included in the consolidated financial statements	AR page 7
	102-46	Defining report content and topic boundaries	SR page 2
	102-47	List of material topics	SR page 4
	102-48	Restatement of information	None
	102-49	Changes in reporting	None
	102-50	Reporting period	1 Jan to 31 Dec 2019
	102-51	Date of most recent previous report	23 April 2019
	102-52	Reporting cycle	Annually
	102-53	Contact point for questions about the report	SR page 1
	102-54	Claims if reporting in accordance with the GRI Standards	This report was guided by the GRI standards, Core option.
	102-55	GRI content index	SR page 11 to 12
	102-56	External Assurance	We may seek external assurance in the future.
MATERIAL TOPICS			
GRI 201: Economic performance	201-1	Direct economic value generated and distributed	SR page 5
GRI 205: Anti-corruption	205-1	Operations assessed for risks related to corruption	SR page 5
GRI 302: Energy	302-1	Energy consumption within the organization	SR page 6
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	SR page 6
GRI 404: Training and Education	404-1	Average hours of training per year per employee	SR page 8

GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure		Reference / Description
GRI 405: Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	SR page 7
GRI 413: Local Communities	413-1	Operations with local community engagement, impact assessments, and development programs	SR page 9
GRI 419: Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	SR page 8