



Jadason Enterprises Ltd

# Sustainability Report 2021



# **Content**

<b>1.</b>	<b>BOARD STATEMENT</b>	<b>1</b>
<b>2.</b>	<b>ABOUT THIS REPORT</b>	<b>2</b>
	2.1 Reporting Standard and Assurance	
	2.2 Reporting Scope and Period	
	2.3 Report Restatement	
	2.4 Report Accessibility	
	2.5 Feedback	
<b>3.</b>	<b>ABOUT JADASON ENTERPRISES</b>	<b>3</b>
	3.1 Geographic Presences	
	3.2 Principle Business	
	3.3 Corporate Governance	
	3.4 Supply Chain	
<b>4.</b>	<b>OUR PEOPLE</b>	<b>6</b>
	4.1 Employment Profile	
	4.2 Diversification	
	4.3 Growth and Development	
	4.4 Hire and Turnover	
<b>5.</b>	<b>SUSTAINABILITY APPROACH</b>	<b>14</b>
	5.1 Boundary Setting	
	5.2 Materiality Assessment	
	5.3 Stakeholders' Engagement	
<b>6.</b>	<b>REACHING OUT IN DONGGUAN, CHINA</b>	<b>16</b>
	6.1 Environmental	
	6.2 Employee Wellness	
	6.3 Health and Safety	
<b>7.</b>	<b>GRI CONTENT INDEX</b>	<b>22</b>

# BOARD STATEMENT

---

## DEAR STAKEHOLDER,

Jadason Enterprises Ltd (the “Company”, together with its subsidiaries, the “Group” or “Jadason” or “we” or “us” or “our”) is pleased to release our 5<sup>th</sup> Sustainability Report, subscribing to the Global Reporting Initiative (“GRI”) Standards, in accordance with the Core option, and is in line with the guidelines released by Singapore Exchange (“SGX”) on sustainability reporting.

The Group, which operates mainly in China, continue to focus and set its reporting boundary for FY2021 on the two plants situated in Dongguan, China. Classified under “Manufacturing and Support Services” in the Group’s business segment, the two plants provide PCB drilling services and PCB mass lamination to the PCB manufacturers in China. They relied heavily on energy, water and materials usage in their day-to-day operation.

The challenges in the Group’s operating environment had continued into 2021. The weak demand for PCB drilling services in China amidst the component shortages and the impact of US-China tensions faced by some of our customers, continue to have an adverse impact on our business and resulted in a decrease in usage of energy, water, and materials.

With the pandemic continue into 2021, the health and safety of our people is important to us. The Group follows closely to the guidelines and advisories issued by the authorities in the countries that our Group operates in, for example safe distancing, disinfection of premises, mask wearing and regular testing for our employees.

We are committed to run a responsible business which requires a delicate balancing of long-term interest of our planet earth, employees and business profitability as identified in our materiality topic namely, 1. Corporate Governance, 2. Environmental, 3. Economic and 4. Social, set out in page 14 of this report. With the growing concern on climate change and the revised requirement from SGX for sustainability report for FY2022 onwards, we start to standardise the measurement units reported for its energy, water and material usage. We are actively monitoring and improving on our sustainability practices and working towards a sustainable and responsible business.

We are committed to providing high quality and maintaining stringent controls for continuous operational excellence without compromising on efforts to safeguard the environment. We will continue to integrate sustainability into our business operation, building a sustainable business for the new generation.

## THE BOARD OF DIRECTORS

---

# ABOUT THIS REPORT

---

**JADASON** Enterprises Ltd reaffirm our commitment to sustainability, providing an overview of our approach towards sustainability in terms of our Environmental, Social and Government (“ESG”) aspects of our business as well as our FY2021 performance and progress in our 5<sup>th</sup> standalone Sustainability Report 2021.

This report is intended to supplement our annual report. It provides a reasonable and transparent presentation of the key aspects of our material sustainability issues identified in FY2017, remain valid in this reporting year.

## 2.1 Reporting Standard and Assurance

This report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards: Core option, and SGX-ST Listing Manual (Rules 711A and 711B). We have selected GRI Standards as our reporting framework as it provides a detailed breakdown and is widely accepted as a global standard for sustainability report.

We have not sought external assurance for this reporting period, and will consider it when our reporting matures over time.

## 2.2 Reporting Scope and Period

This sustainability report will only cover our two plants in Dongguan, China, which contributed the highest weightage of the Group’s revenue and had the widest range of material impact on sustainability issues. Relevant data, strategies, practices, and a detailed account of our sustainability performance are documented in this report.

This sustainability report, which is published on an annual basis, is our fifth standalone Sustainability Report, covering the period from 1 January 2021 to 31 December 2021, with limited historical information. The previous annual sustainability report was published in May 2021.

## 2.3 Report Restatement

In this fifth report, the following changes can be observed:

- Reported on the percentage of independent and non-independent director.
- Employee category of “management and above” has been further broken down into “senior management” and “management” categories.
- Measurement units for energy consumption, water and materials usage have been standardised to be in-line with the new changes for the next report.

There is no other restatement for this report other than those stated above.

## 2.4 Report Accessibility

In line with our sustainability efforts to be more environmental friendly, no printed copy of this report will be issued.

We will release this report in electronic edition (PDF format) and it is made available for download from our website at <http://www.jadason.com/ReportE.html>.

## 2.5 Feedback

We greatly welcome your feedback and suggestions as part of our continual effort to improve on our sustainability journey.

If you have any questions or comments about this report, you can reach us at [info-sing@jadason.com](mailto:info-sing@jadason.com).

# ABOUT JADASON ENTERPRISES



**JADASON** Enterprises Ltd (the “Company” and together with its subsidiaries, the “Group” or “Jadason” or “we” or “us” or “our”) started business in 1980. It is a leading supplier of equipment and supplies to the printed circuit board (“PCB”) industry in Asia, headquartered in Singapore and listed on Singapore Exchange Securities Trading Limited (“SGX-ST”).

The Group has an extensive distribution network in Asia, spanning across China, Hong Kong, Japan, Malaysia, Singapore and Thailand, providing equipment and supplies.

To provide better support on equipment sales and services to customers, the Group has established a comprehensive service network covering the area where it has marketing presence. The Group also provides PCB drilling services in Dongguan and Suzhou. Through a subsidiary company in Dongguan, the Group also provides mass lamination service to PCB manufacturers in China.

## 3.1 Geographical Presence

China



Hong Kong



Japan



Malaysia



Singapore



Thailand





### 3.2 Principle Business

Jadason had identified and categorised its core business into the following segments:

- Equipment and Supplies
- Manufacturing and Support Services

#### 3.2.1 Equipment and Supplies

Jadason has an extensive distribution network spanning across China, Hong Kong, Japan, Malaysia, Thailand and Singapore supplying a wide range of equipment and supplies for PCB industry.

The equipment and supplies range from CNC machines, laser drilling machines, drill bits, dry films and laminates. Jadason also fabricates some of the equipments used in the PCB manufacturing process.

#### 3.2.2 Manufacturing and Support Services

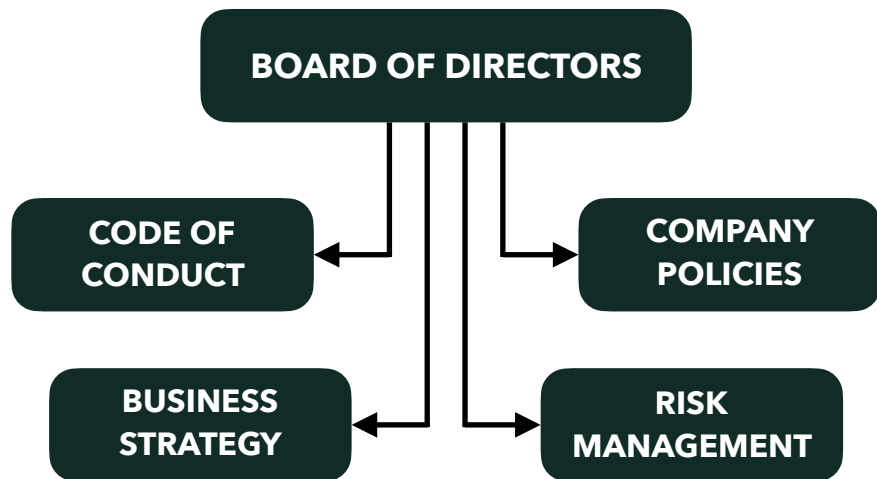
Jadason has an extensive support network to provide support on equipment sales and services to customers. The support network covers all the locations where it has marketing presence.

Jadason provides PCB drilling services in Suzhou and Dongguan to meet the outsourcing needs of PCB manufacturers operating in China.

Through a subsidiary in Dongguan, Jadason provides mass lamination services which complements the PCB drilling services provided by the Group. The Group plans to provide “one-stop” shop service in Dongguan to meet customer’s needs.

### 3.3 Corporate Governance

Our Board of Directors (the “Board”) and Managements are committed to maintaining a high standard of corporate governance so as to ensure that the Group’s activities are carried out in the best interest of its shareholders. Our governance policies and practices are generally in adherence to the principles and provisions of the revised Code of Corporate Governance issued in August 2018 (the “2018 Code”). Where there are deviations from the Code, explanations or reasons are provided in the Annual Report.



The Board, being the highest governance body of Jadason, provides general oversight of the Group’s activities, policies and performance. The Board is responsible for setting the corporate strategy and business direction of the Group, ensuring that the necessary financial and human resources are in place for the Group to meet its objectives. It also oversees that appropriate risk management policies and controls are established, reviews management performance, identifies the key stakeholder groups, recognising that the stakeholders’ perceptions affect the Group’s reputation, sets the Group’s value and standards and ensure that obligations to shareholders and other stakeholders are understood and met, and considers sustainability issues as part of its strategic formulation.

**J**adason is committed to maintaining a high standard of corporate governance, in terms of business and ethical conduct, risk management, process and company policies.

### 3.3.1 Risk Management

The Board acknowledges that it is responsible for the overall internal control and risk management systems. The Board oversees the Management in the formulation, update and maintenance of an adequate and effective risk management framework.

This risk management framework established by the Group covers the identification, assessment, monitoring and management of significant risks affecting the Group.

The AC, together with the Board and Chief Financial Officers “CFO”, reviewed the effectiveness of the Group’s internal control and risk management systems put in place to provide reasonable assurance that assets are safeguarded, proper accounting records are maintained and financial information are reliable.

### 3.4 Supply Chain

Jadason has a broad range of suppliers for both business segments - 1. Equipment and Supplies, and 2. Manufacturing and Support Services, across its network region in Asia. The majority of the suppliers are situated in China, with a handful of suppliers situated in the United States of America (“USA”), Germany, etc.

The Group has a comprehensive process to work with its supplier in a fair and ethical manner on the procurement of equipments, raw materials, as well as engaging on general and/or specialised professional services.

The Board has established three committees, namely, the Audit Committee (“AC”), Nominating Committee (“NC”), and Remuneration Committee (“RC”), to assist in the execution of its responsibilities. The committees operate within clearly defined terms of reference and the effectiveness of each committee is reviewed on a regular basis.

Full details of the Corporate Governance can be found in Jadason Enterprises Ltd Annual Report 2021, page 17-33.

### 3.3.2 Operational Practices

#### 3.3.2.1 Whistle-blowing Policy

Jadason has established whistle-blowing policy which provides persons a confidential channel to report on any suspected improper, unethical or inappropriate conduct within the organisation. This policy, with information on the proper reporting channels had been distributed to all employees in Jadason.

A copy of the whistle-blowing policy can be found in Jadason’s website

#### 3.3.2.2 Code of Conduct

The principles and guidelines of the Code provides a guidance on the Code of Conduct for employees of Jadason.

All employees are required to act with high standards of business integrity, complying with local regulations where we operate across our network region in Asia and ensuring that our business standards are not compromised.

#### 3.3.2.3 Dealing in Securities

The Group observes the best practices on dealing in securities as recommended in the Listing Manual of SGX-ST and has issued a policy on dealing in the securities of the Company which Directors and officers are required to observe.

# OUR PEOPLE

**OUR** People, forming the backbone of Jadason, contributed endlessly in providing a high and reliable quality services to our customers. Each individual played a crucial role to the growth and progress of Jadason. Without their contribution, commitment and effort, Jadason will not come to be where we are today.

In this Report, we report on the amendment of - 1. Total employee hire and turnover rate and diversification profile and 2. Growth and development of our employees, for the Group in FY2018 and FY2019 respectively. With the revision on the reporting requirements from SGX for FY2022 onwards, Jadason has therefore step ahead from this reporting period to update on the breakdown on the percentage of independent directors and non-independent directors in the Group as well as the percentage of female employee holding senior management position in Jadason.

## 4.1 Employment Profile

With the continuing US-China tension, restrictions imposed by the US have impacted the sale of telecommunications network gears and smart-phones of certain Chinese technology companies. The Group, which operates mainly in China, saw a weaker demand for PCB drilling services in China amidst the component shortages and the impact of US-China tensions faced by some of our customers, despite the slight increase in the total headcount in our China operations for FY2021. The weaker demand globally had impact on the employment headcount for Malaysia and Thailand, resulting in a lower total employment headcount reported in this reporting year.

The total employment headcount of the Group had decreased 6.71% from FY2020, to 389 in FY2021. China had reported a slight increase of 4.24% of the total employment headcount from the previous year. Whereas Thailand and Malaysia reported a decrease of 89.4% and 53.9% respectively on their total employment headcount from the previous year. Whilst Hong Kong, Singapore and Japan had reported minimum changes in their headcount from the previous reporting year.

With the weaker demand observed from FY2020 continuing into FY2021, contributed to a decrease in the total headcount of the Group for FY2021. The Group saw a decrease in the percentage of permanent contract workers as well as the percentage of female permanent contract workers in the Group.

This is the first year the Group reported a drop in percentage of permanent contract workers after FY2018. The Group saw a substantial increase in the number of temporary contract workers and a further reduction in the number of supervised workers in this reporting year.

China, in which the Group mainly operates, reported the highest total number of employees in Jadason,

PERMANENT CONTRACT EMPLOYEE IN JADASON	
FY2017	95.83%
FY2018	86.02%
FY2019	91.73%
FY2020	93.29%
FY2021	91.77%



## 4.2 Diversification

Jadason values all our employees regardless of their age, gender, religion, etc, and provides equal opportunities to each individual. We hire our employees on the basis of their value and competency in work instead of their age, gender, religion, etc.

Jadason greatly believes that having a diversified group of employees working and learning together can aid in the growth of the organisation. Younger group of employee tends to be more energetic, tech savvy and innovative, while the older group of employees tend to be more mature, reliable and have more work experience. Having these two groups working together, they can learn from each other and bring the company to the next level. Jadason had reported relatively balanced distribution of gender and age group throughout our reporting history.

From this reporting year onwards, Jadason will provide - 1. Breakdown of the percentage of independent directors and non-independant directors in the Group and 2. Recategorise our employees in the “Management and above” category to separate “Senior Management” and “Management” categories, to be in-line with the upcoming FY2022 changes on this section.

We started reporting diversification profile as a Group since FY2018, thus our historical data are for FY2018 and after.

### DISTRIBUTION OF EMPLOYEES BY COUNTRY AND GENDR IN EACH COUNTRY

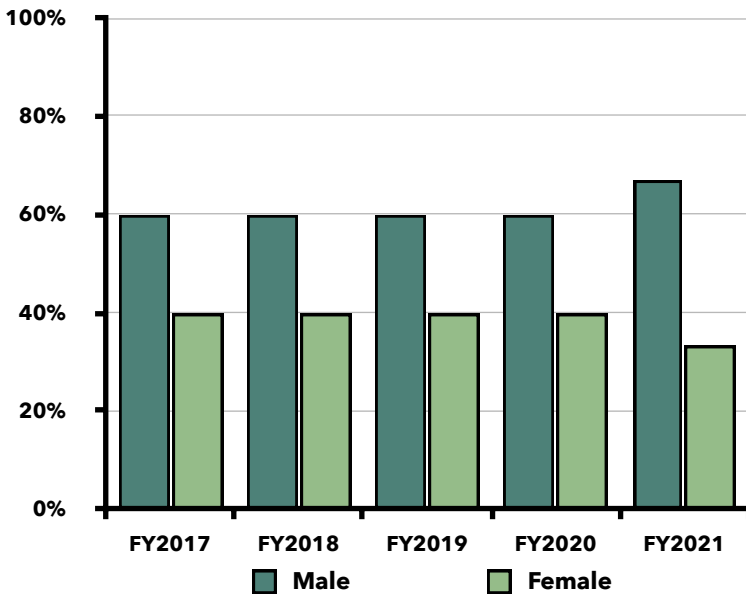
COUNTRY	CHINA	THAILAND	HONG KONG	JAPAN	MALAYSIA	SINGAPORE
<b>FY2017</b>	<b>84.77%</b> M - 74.7% F - 25.3%	<b>5.21%</b> M - 32.5% F - 67.5%	<b>4.04%</b> M - 70.0% F - 30.0%	<b>0.39%</b> M - 66.7% F - 33.3%	<b>1.95%</b> M - 40.0% F - 60.0%	<b>3.39%</b> M - 42.3% F - 57.7%
<b>FY2018</b>	<b>86.73%</b> M - 76.2% F - 23.8%	<b>5.42%</b> M - 31.6% F - 68.4%	<b>1.57%</b> M - 30.8% F - 69.2%	<b>0.43%</b> M - 66.7% F - 33.3%	<b>2.43%</b> M - 41.2% F - 58.8%	<b>3.28%</b> M - 34.8% F - 65.2%
<b>FY2019</b>	<b>82.90%</b> M - 75.4% F - 24.6%	<b>7..17%</b> M - 30.8% F - 69.2%	<b>2.39%</b> M - 30.8% F - 69.2%	<b>0.55%</b> M - 66.7% F - 33.3%	<b>2.76%</b> M - 40.0% F - 60.0%	<b>4.23%</b> M - 34.8% F - 65.2%
<b>FY2020</b>	<b>79.10%</b> M - 74.2% F - 25.8%	<b>9.11%</b> M - 31.6% F - 68.4%	<b>2.88%</b> M - 33.3% F - 66.7%	<b>0.72%</b> M - 66.7% F - 33.3%	<b>3.12%</b> M - 46.2% F - 53.8%	<b>5.04%</b> M - 38.1% F - 61.9%
<b>FY2021</b>	<b>88.43%</b> M - 75.9% F - 24.1%	<b>1.03%</b> M - 75.0% F - 25.0%	<b>2.83%</b> M - 27.3% F - 72.7%	<b>0.77%</b> M - 66.7% F - 33.3%	<b>1.54%</b> M - 66.7% F - 33.3%	<b>5.40%</b> M - 38.1% F - 61.9%

### 4.2.1 Board Composition

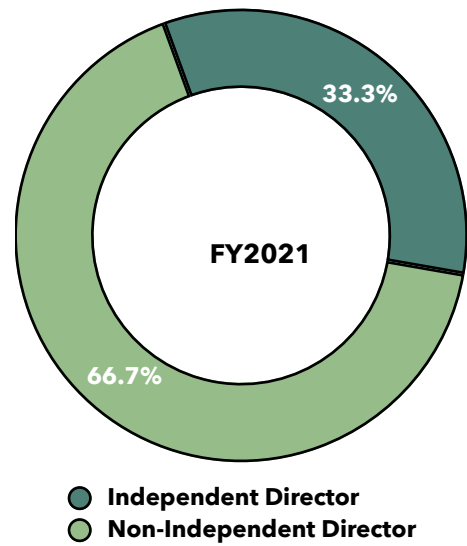
In this reporting year, we welcome a new Board member into the Group, which increased the number of Board members to six. The Group does not have a formal board diversity policy. The practices adopted by the Group are consistent with the 2018 Code - to have an appropriate level of independence and diversity of thought and background in its Board composition.

In the past years, our Board had comprised five members of which two are female. Whereas in this year, the Board consists of a total six members of which two are female. From this reporting year onwards, Jadason will include the percentage of Board independence in the report to be consistent to the common set of core ESG metrics for the upcoming FY2022 changes.

**BOARD OF DIRECTORS BY GENDER**



**PERCENTAGE OF INDEPENDENT DIRECTOR**



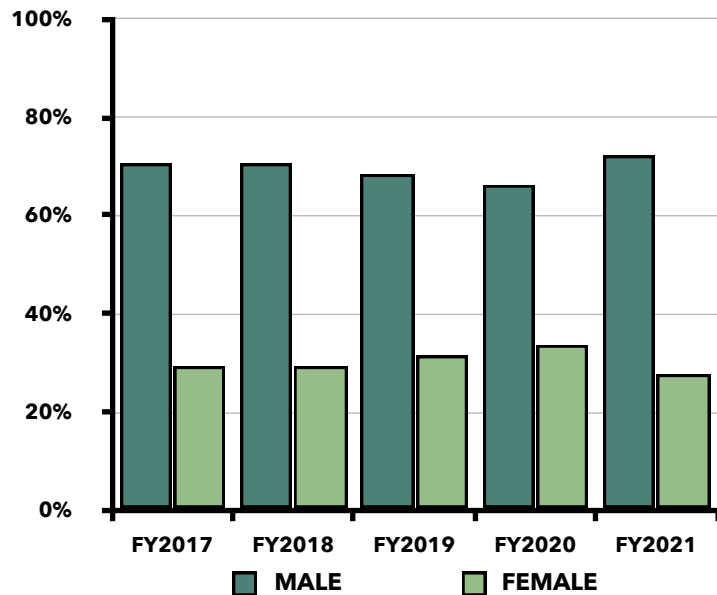
### 4.2.2 Employee Composition

Jadason reported a significant difference between the number of male and female employees in China, throughout the reporting history for Sustainability Report. The nature of our work in China, dealing with PCB drilling and PCB mass lamination service, are more physical demanding, resulting in a higher percentage of male employees in our workforce. The Group would hire female employees who are competent and possess the requirements for the job in China.

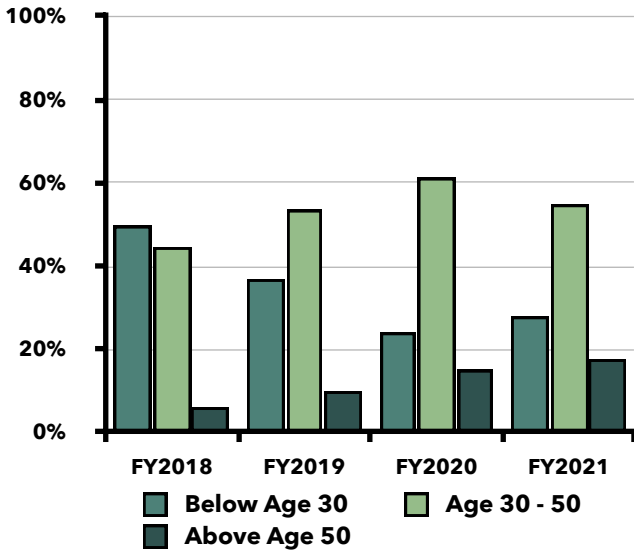
88.43% of the Group's total employees hired is from China, the major contributor to the Group's headcount. Out of the 88.43% of the total employee headcount in China, 75.9% are male, resulting in the gender diversification of the Group being steered towards male domination, despite other countries reporting higher female weightage.

The decrease in the headcount in Thailand and Malaysia, resulted in higher percentage headcount in China, leading to the percentage of male employees rising slightly to 72.2% the highest recorded percentage in our reporting history.

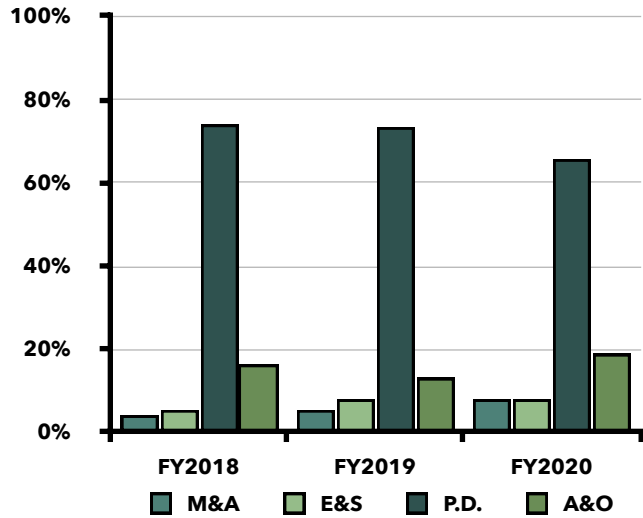
**TOTAL EMPLOYEES BY GENDER**



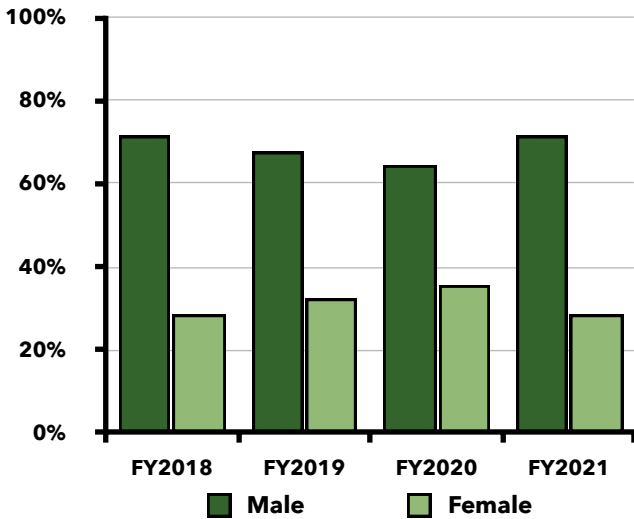
**TOTAL EMPLOYEES BY AGE**



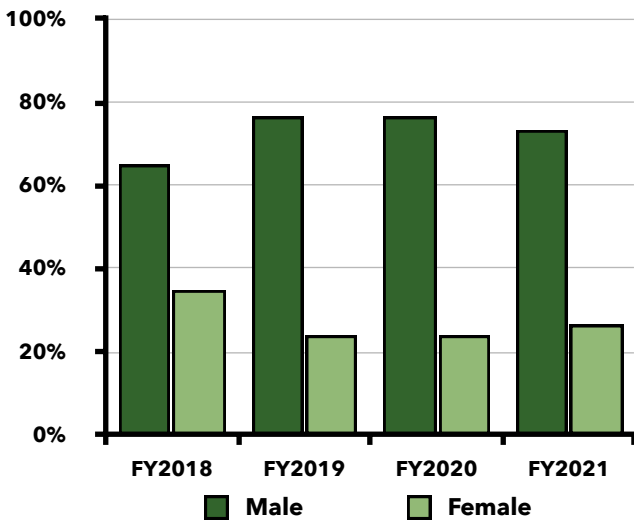
**TOTAL EMPLOYEES BY CATEGORY  
FY2018-FY2020**



**TOTAL EMPLOYEES BY GENDER  
BELOW AGE 50**



**TOTAL EMPLOYEES BY GENDER  
ABOVE AGE 50**



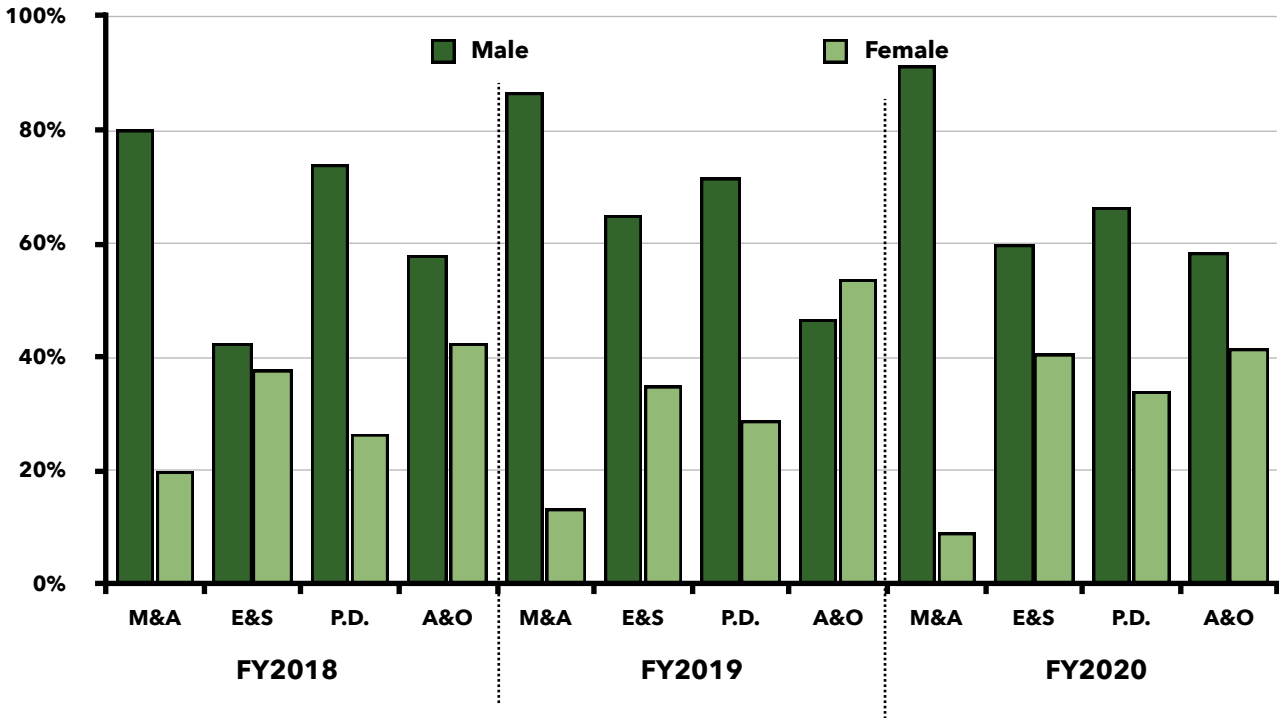
Since we started to report diversification together as a group in FY2018, Jadason had grouped its employees in four categories, namely - 1. Management and above (M&A), 2. Executives and supervisors (E&S), 3. Production (PD), and 4. Administrations and others (A&O) in its Sustainability Report. The employee categories provide a clear view on the weightage of our employees that we relied on.

With the upcoming changes on gender diversification for management position, we had implemented the changes to separate our employment category in the management position from this reporting year onwards.

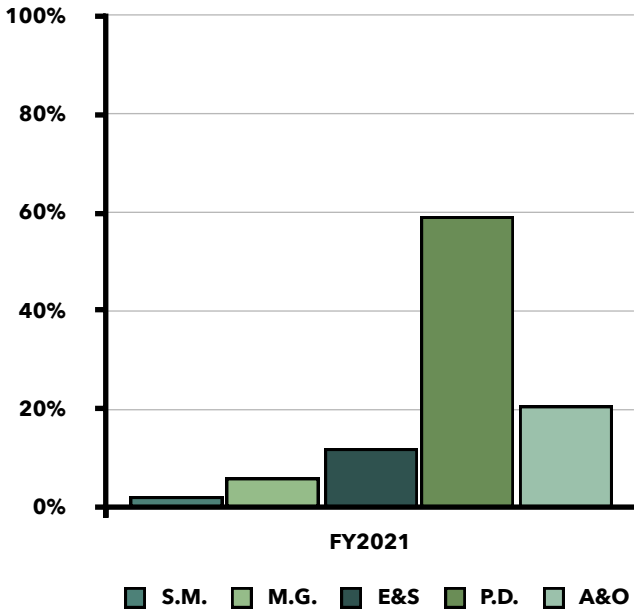
With the increasing attention on gender equalities in senior positions, we will separate Senior Management position from our current M&A category from this reporting year. Consequently, we will have five employee categories, namely - 1. Senior Management (S.M), 2. Management (M.G.), 3. Executives and Supervisors (E&S), 4. Productions (PD.), and 5. Administrations and others (A&O).



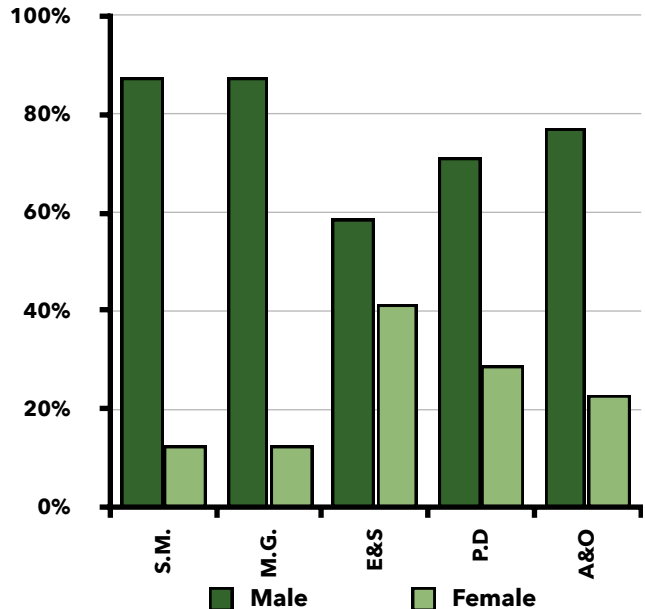
### GENDER DIVERSITY BY CATEGORY FY2018-FY2020



### TOTAL EMPLOYEES BY CATEGORY FY2021



### GENDER DIVERSITY BY CATEGORY FY2021



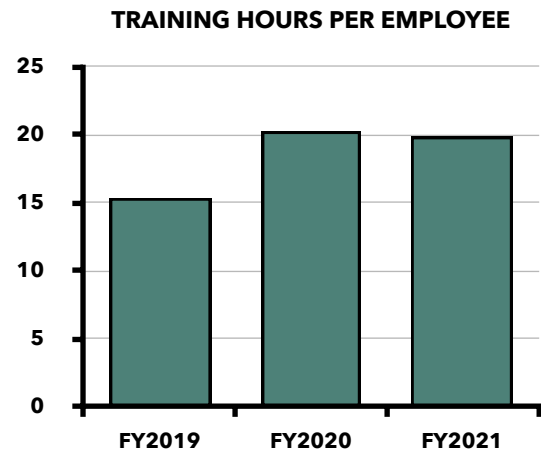
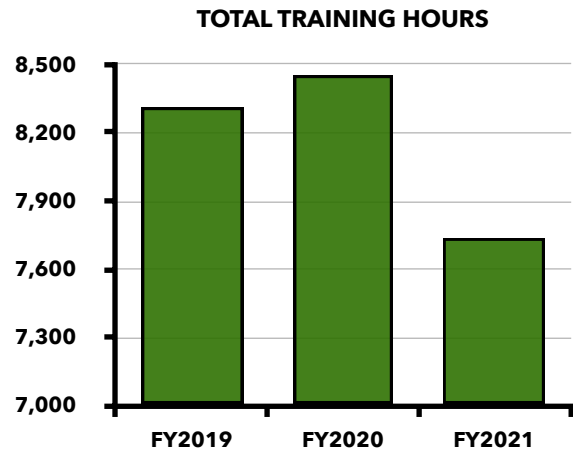
### 4.3 Growth and Development

While the Group’s growth and performance will be affected by business outlook around the world, we believe employee training and development as important in promoting and maintaining our growth and development. Hence, our employees undergo continuous training and learning be it in the skills of Information Technology (IT), Engineering, Technical, etc.

Continuous training provides our employees with better understanding and expectation on task being assigned to them and the skill sets required for proper execution of the assigned task. Despite continuation of the global pandemic in FY2021, the Group did not stop the provision of training its employees.

In FY2021, the Group clocked a total of 7,736 hours of training which is 8.44% lower than that reported in the previous reporting year. Due to the slight decrease in the total employee headcount from FY2020, the training hours per employee is reduced by 1.79% from the previous reporting year. We aim to maintain the training hours per employee for the coming years.

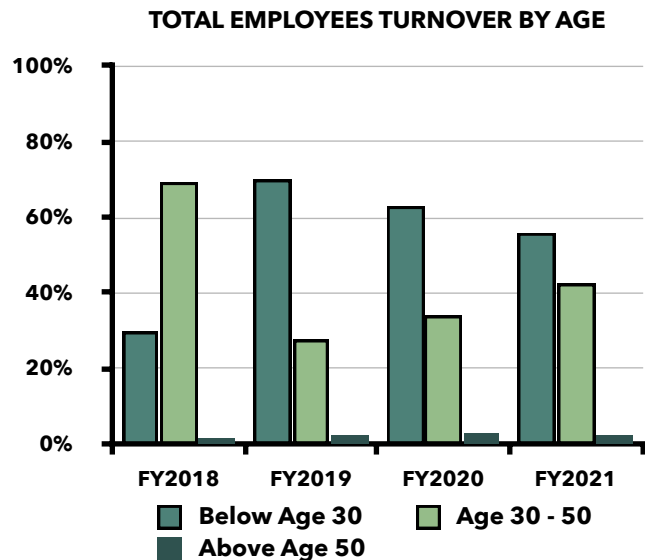
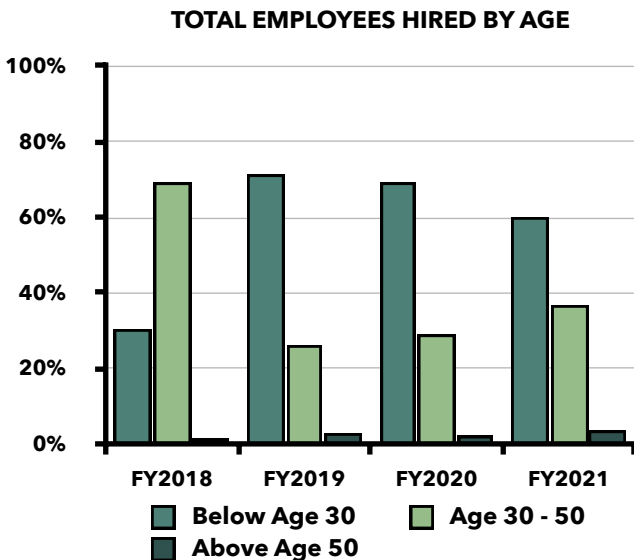
The Group started reporting the training and development of our employees in FY2019. As such, the historical data for this aspect is reported only for FY2019 onwards.



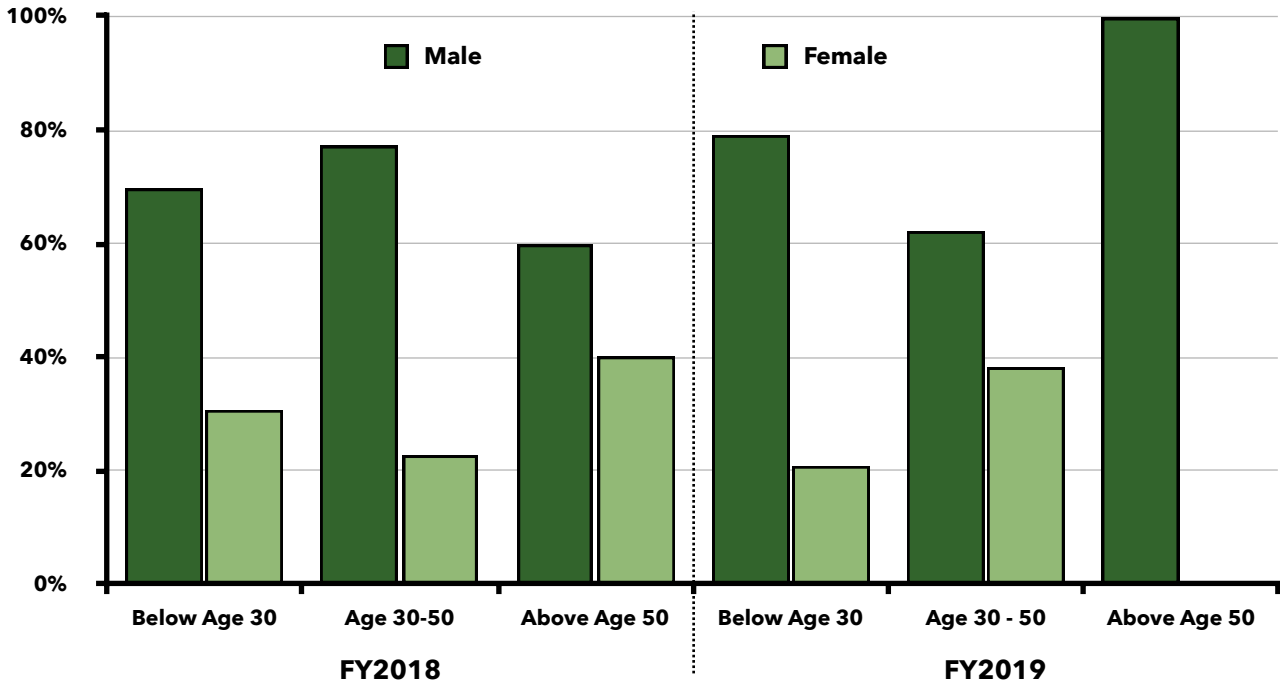
### 4.4 Hire and Turnover

In FY2021, the hire and turnover rate had increased by 15.47% and 2.71% from the previous year respectively. In FY2021, China is the only country in the Group that hired new employee despite the challenging business environment. Our China operations also experienced challenges in retaining workers. This results in the high hire and turnover rate reported.

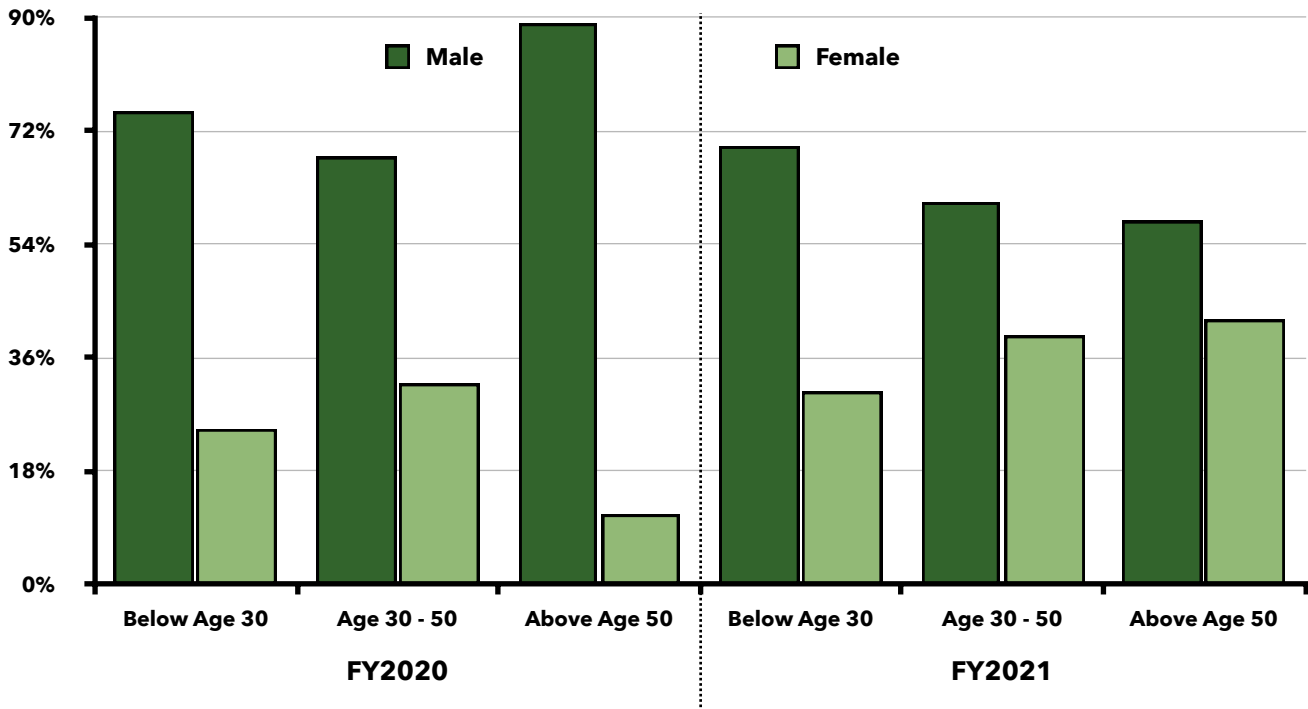
The Group consolidated and reported on the hire and turnover rate since FY2018. Historical data for this aspect is reported only for FY2018 and after.



**TOTAL EMPLOYEES HIRED BY GENDER - FY2018 & FY2019**

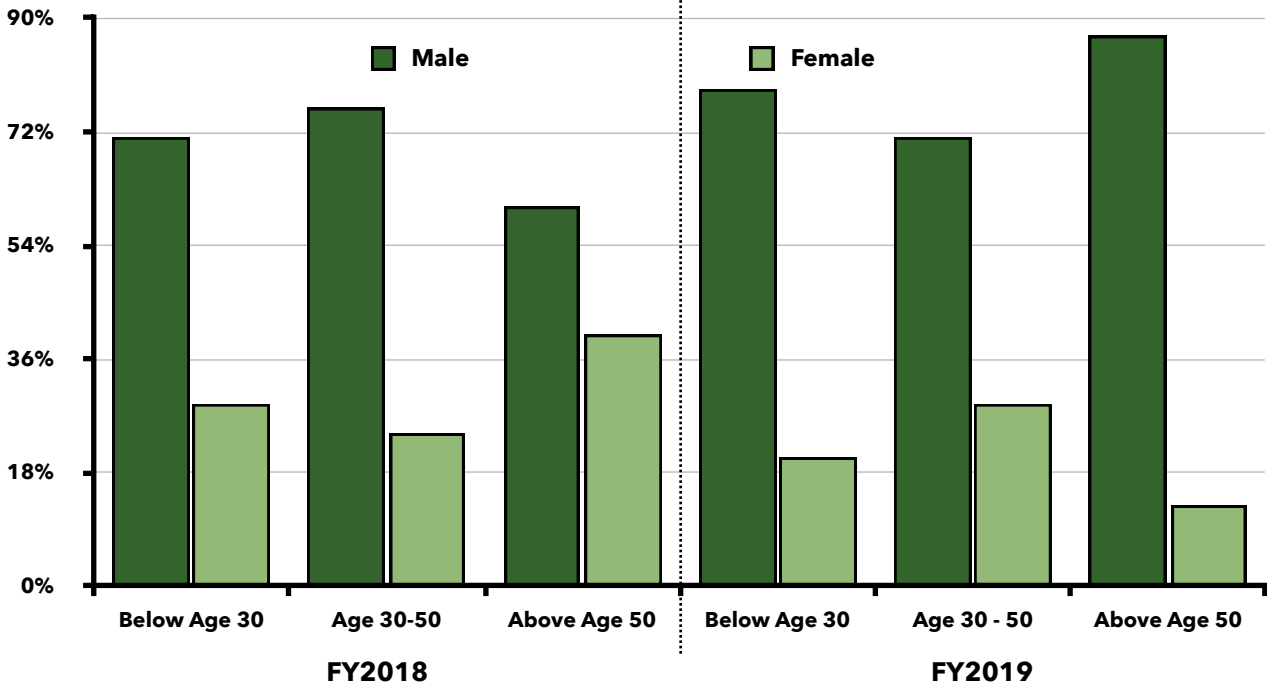


**TOTAL EMPLOYEES HIRED BY GENDER - FY2020 & FY2021**

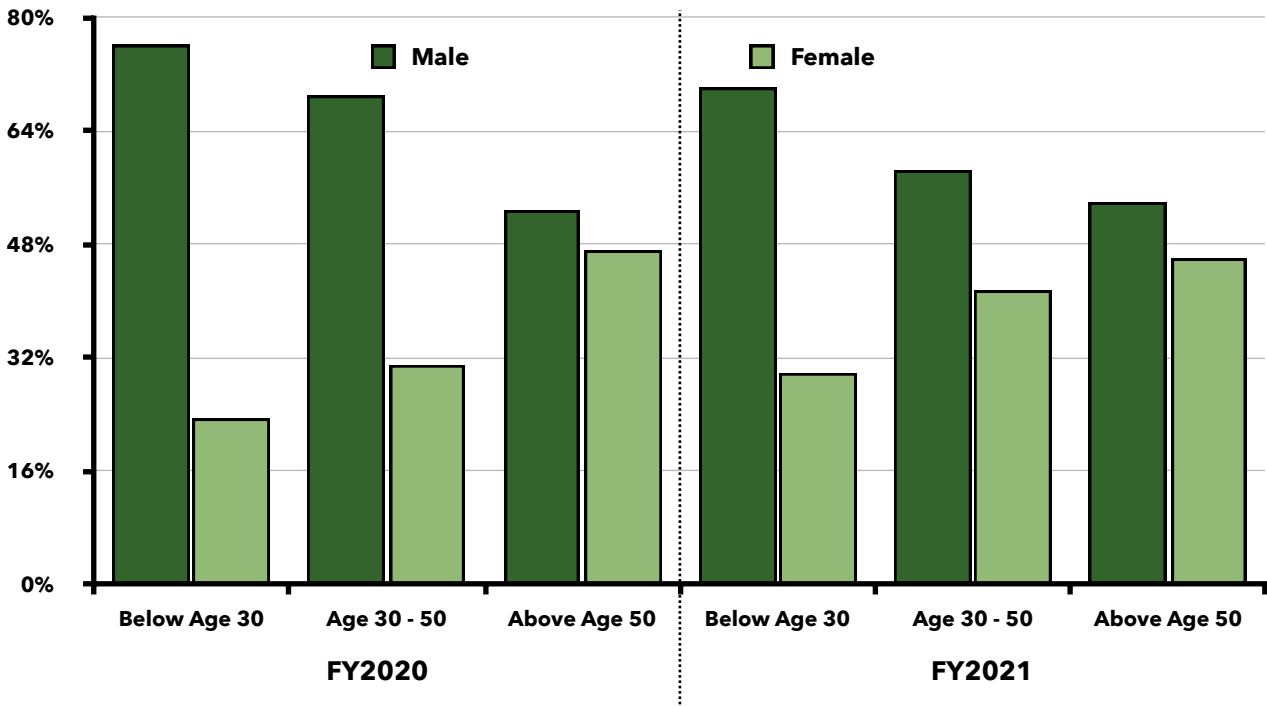




**TOTAL EMPLOYEES TURNOVER BY GENDER - FY2018 & FY2019**



**TOTAL EMPLOYEES TURNOVER BY GENDER - FY2020 & FY2021**



# SUSTAINABILITY APPROACH

**WITH** the rapid changes in the environment especially in the recent years, maintaining a sustainable business is important for both environment and businesses. As good corporate citizen, we have to play our part in protecting the environment. It is also in our enlightened self interest to pursue business policies that will promote our long term business sustainability.

## 5.1 Boundary Setting

In our fifth Sustainability Report, our two plants in Dongguan, China remain as the reporting boundary set by the Group on the environmental aspects and part of social aspects. The two plants contribute to the highest revenue weightage and widest material impact especially on the environmental aspects in the Group.

The Group will review on its reporting boundary when the reporting matures over the time.

**MATERIALITY ISSUES**

**CORPORATE GOVERNANCE**

- COMPLIANCE
- RISK MANAGEMENT
- OPERATIONAL PRACTICE

**ECONOMIC**

- ECONOMIC PERFORMANCE
- ANTI-CORRUPTION

**ENVIRONMENTAL**

- MATERIAL & WASTE
- ENERGY CONSUMPTION
- WATER USAGE

**SOCIAL**

- EMPLOYEE ENGAGEMENT
- OCCUPATION HEALTHY & SAFETY
- TRAINING & EDUCATION
- DIVERSITY & EQUAL OPPORTUNITY
- CHILD LABOUR

## 5.2 Materiality Assessment

The materiality issues identified in our first Sustainability Report back in FY2017 and serving as a guide to the Group on the focus of sustainability, remain valid in this reporting year. We recognised that the materiality issues and the focus on climate change may evolve over-time, and change in the years ahead. The Group will review the materiality issues as we go along and make changes as necessary and appropriate.

For this reporting year, the materiality issues that were identified and deemed important for the two plants in Dongguan, China are namely: 1. Corporate Governance, 2. Economic, and 3. Environmental and Social.

### 5.2.1 Economic Performance

The economic performance and financial contribution of Jadason had been tabulated and published in Jadason Enterprises Ltd Annual Report 2021.

The Group Financial Highlights and Operating Reviews can be found in Jadason Enterprises Ltd Annual Report 2021, page 04-10 .

The Group Financial Statement can be found in Jadason Enterprises Ltd Annual Report 2021, page 34-100.

### 5.2.2 Child Labour

In Jadason, we comply with the labour laws on wages, working hours, child labour and minimum employment age of the countries that we are operating in.

### 5.2.3 Anti-corruption

Jadason is committed to act professionally, fairly and with integrity in our business dealings and relationships.

Jadason has laid down acceptable standards and policies on procuring, managing and monitoring transactions, and applies necessary controls and supervision to minimise the likelihood of corruption and other illegal conduct occurring.

### 5.3 Stakeholders' Engagement

We engage with our stakeholders regularly to apprise them on developments in the Group and to obtain feedback on their concerns and expectations in pertinent aspects of the Group's business, operations and activities. We see stakeholder support as critical to the long-term success of the Group.

Regular engagements provide the Group a better insight on the materiality assessments and the validity of the material issues.

KEY STAKEHOLDERS	FORMS OF ENGAGEMENT
<p><b>SHAREHOLDERS &amp; INVESTORS</b></p>	<ul style="list-style-type: none"> <li>- <b>ANNUAL GENERAL MEETING (AGM)</b></li> <li>- <b>ANNUAL REPORT</b></li> <li>- <b>QUARTERLY RELEASE OF FINANCIAL RESULTS</b></li> <li>- <b>SGXNET ANNOUNCEMENT</b></li> </ul>
<p><b>CUSTOMERS/CLIENTS</b></p>	<ul style="list-style-type: none"> <li>- <b>POINT-OF-SALES</b></li> <li>- <b>DIRECT ELECTRONIC MAIL COMMUNICATION</b></li> <li>- <b>HOTLINE</b></li> </ul>
<p><b>SUPPLIERS/VENDORS</b></p>	<ul style="list-style-type: none"> <li>- <b>DIRECT ELECTRONIC MAIL COMMUNICATION</b></li> <li>- <b>BILATERAL COMMUNICATION</b></li> </ul>
<p><b>EMPLOYEES</b></p>	<ul style="list-style-type: none"> <li>- <b>SEMINARS AND TRAINING SESSIONS</b></li> <li>- <b>STAFF BONDING SESSIONS</b></li> <li>- <b>MEETINGS</b></li> <li>- <b>ELECTRONIC MAIL COMMUNICATION</b></li> </ul>



# SUSTAINABILITY IN DONGGUAN, CHINA

**JADASON** provides a “one-stop” service through its two plants in Dongguan, China to meet the outsourcing needs of PCB manufacturers operating in China. The two plants in Dongguan, categorised under “Manufacturing and Support Services” business segment, specialised in PCB, FPC drilling, laser drilling, PCB contour routing machine, drill pointing and PCB inner layer mass lamination.

The daily operations of the two plants revolve around energy, water and materials usage, which accounted for the major usage in the Group. The Group is very well aware that such usage will put pressure on the environment in the long-run, raising question about the future sustainability of our Group’s business.

The Group continuously reviews its process on manufacturing capacity to reduce manpower requirement. Despite the weaker demand for PCB drilling services in China, the two plants in Dongguan chalked up a slight increase of around 4.25% in the total employment headcount in FY2021. Jadason had progressively invested in automation equipments and processes to reduce its manpower needs and enhance operation effectiveness, while taking steps to prepare and provide significant support for a business upswing when the time comes.

## 6.1 Environmental

Jadason integrates our sustainability practices into the business processes of the two plants in Dongguan.

The progressive investment in automated equipments and processes to aid in the reduction of manpower reliance and to enhance operation and effectiveness as well as to prepare and support a subsequent business upswing, will represent more efficient utilisation of resources. We will seek to employ new technologies, equipments and/or machine and energy saving and environmentally friendly solutions.

The Group constantly reviews its energy reduction plan in both plants to reduce on energy usage and to improve on output productivity.

One of our plants in Dongguan is governed by ISO 14001 guidelines on the environmental management systems. The Group is committed to use best efforts to minimise the environmental impact of our business operations at both plants in Dongguan.

In FY2021, the two plants in Dongguan had reported two new suppliers that underwent screening based on the environment criteria.

***“Jadason aims to continuously drive operation excellence without compromising on the environment.”***

**6.1.1 Material**

Our business operations in the two plants in Dongguan require high volume of materials usage the bulk of which is procured in China.

These materials are mainly 1. Raw Materials, 2. Associated Process Materials, and 3. Materials for Packaging. The Group practice direct measurement for data collection on the volume of materials being identified in the two plants.

To play our part in sustainability and to minimise on the wastage and to save costs, the two plants apply the following practice, 1. Full utilisation of the materials, 2. Extend the expiry of the materials, and 3. Order only required quantity/volume to avoid storage and wastage.

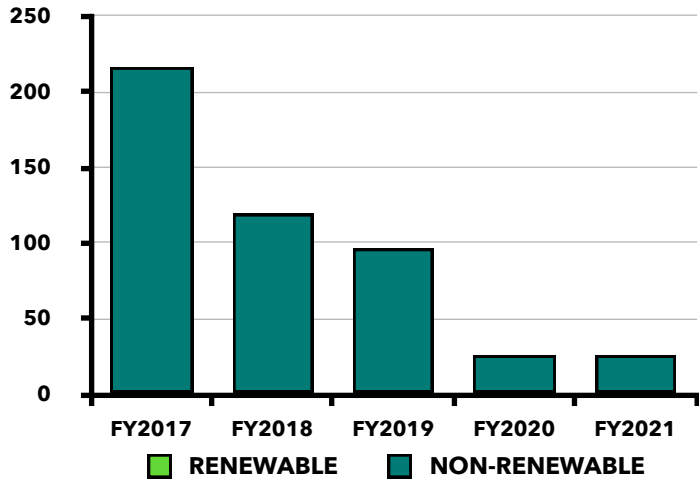
***“Jadason aims to minimise the impact created to the environment without producing sub quality product.”***

The Group aims to reduce the materials usage by 5% or to maintain the materials usage at the correct level in the coming years though improvement in production yield.

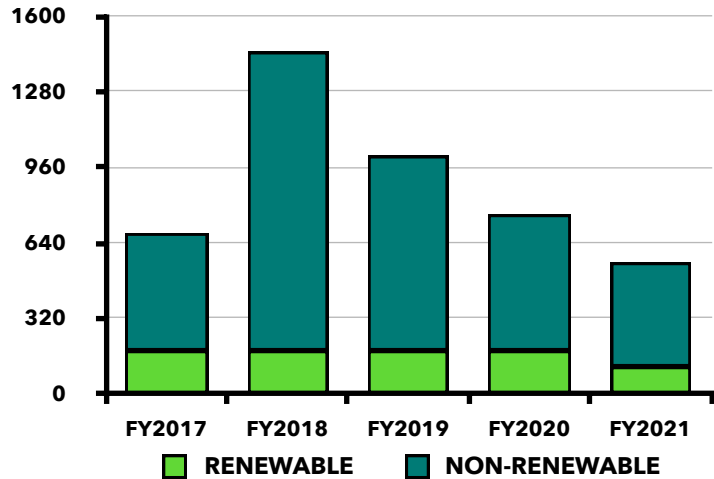
To be in-line with the upcoming changes on the reporting due to climate change for FY2022 onwards, the measurement unit for materials usage will change from the previous reporting years in Kilograms (KGS) to Tonnes from this reporting year. For easy comparison, the materials usage reporting from the first report has been converted to Tonnes in this report.

**MATERIAL CATEGORY & USAGE IN DONGGUAN, CHINA**

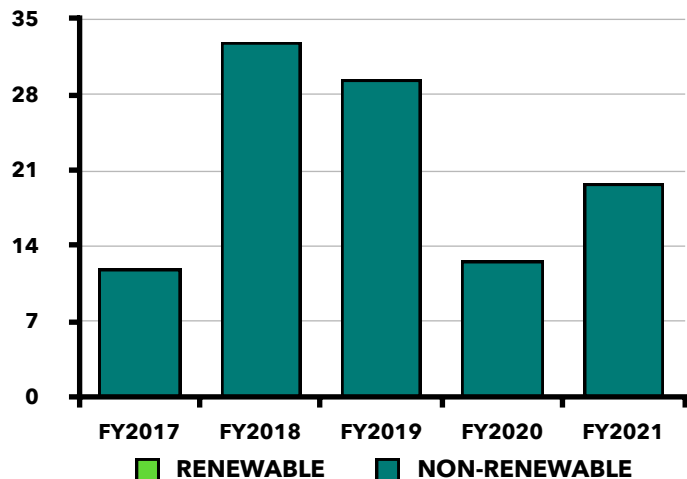
**RAW MATERIAL**



**ASSOCIATED PROCESS MATERIAL**



**PACKAGING MATERIAL**



### 6.1.2 Waste

The waste materials generated at the two plants in Dongguan are disposed off according to China waste disposal regulatory requirement. The two plants engaged licensed and certified third party waste treatment contractor for the collection and disposal of waste materials.

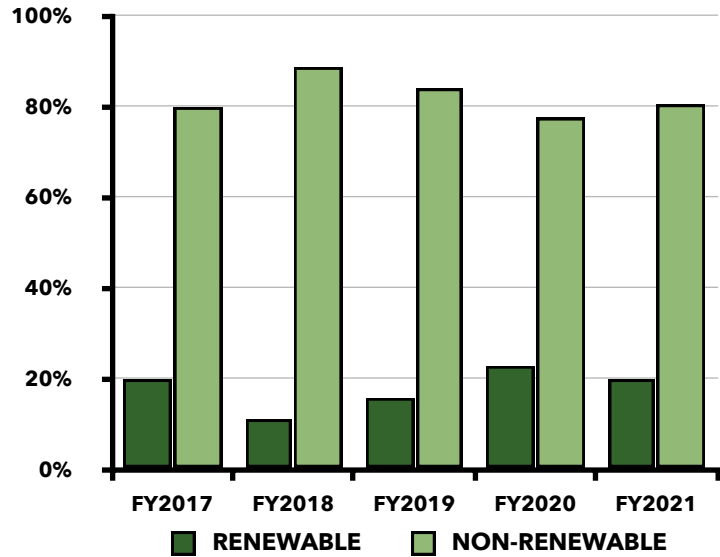
The waste materials generated in the plants were stored, categorised and labeled clearly in the plants to avoid mixing up with other usable material. The third party waste treatment contractor will collect the waste materials at scheduled times.

Waste materials that were identified as renewable will be stored in a separate area from the non-renewable waste. These renewable waste will be sold to a third party collector in Dongguan for recycling process.

The weightage of the renewable materials has increased gradually in FY2021. The Group will seek to use more renewable materials in preference to non-renewable materials.

We aim to maintain or even increase the weightage of renewable material used in the plants when the production increases in the upcoming years.

**PERCENTAGE OF RENEWABLE & NON-RENEWABLE MATERIAL**



### 6.1.3 Energy Consumption

Production in the two plants in Dongguan generally involves operating machineries and equipments on a daily basis, which consumes high amount of electricity.

The electricity used in the two plants is directly purchased from municipal electric supplier situated in Dongguan. Periodical checking and recording of the electricity usage from electric meters of the two plants is carried out by the electricity supplier, the two plants will be billed the usage amount.

In FY2018, we had changed the measurement unit for the energy consumption from “KWH” in FY2017 to “TCE” in FY2018 onwards. To be in-line with the changes on the reporting requirement due to climate change from FY2022, the Group has changed the measurement unit to “GWH” from this reporting year. The measurement unit of electricity for the past reporting years have also been changed to “GWH”. In this pattern, it was noted that the energy consumption for FY2017 was understated. This number has been corrected in this report.

The two plants in Dongguan subscribes to the standard of GB/T13234-2009 on the methodology and assumptions used to calculate the energy consumption.

The calculation method for “TCE” as follow:

$$\frac{12 \text{ months} \times 30 \text{ days} \times \text{KWh}}{10,000} \times 1.229 = \text{tce}$$

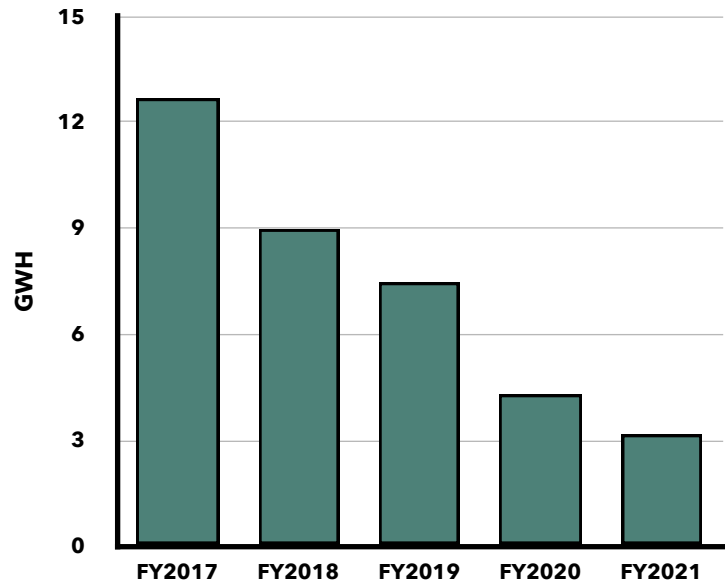
The electricity consumption of the two plants in Dongguan had recorded a drop around 26% from the previous reporting year, FY2020.

The decline in energy consumption is due to the Group’s continuing effort in reviewing and improving energy saving plans at the two plants to increase production at lower energy usage couple with the low demand for PCB drilling services caused by components shortage as well as the impact of US-China tension on some of our customers.

The Group strictly adheres to the standards on electric consumption and reduction plan to achieve on our energy reduction goal in FY2021. The Group continuously reviews our energy saving plan through monitoring, analysing, and optimising the energy consumption in the plants.

The Group aims to achieve a 5% reduction of electric energy consumption from FY2021 “TCE” reporting figure for our first short-term plan that was set in FY2018.

**ELECTRIC ENERGY CONSUMPTION**



***“We are committed to the continual reduction of electric energy consumption plan in the plants without penalising our customer’s expectations.”***

**ENERGY REDUCTION PLAN**

- PROMOTE AND UPGRADE ON INDUSTRIAL STRUCTURE TRANSFORMATION
- ADJUST AND OPTIMISE ENERGY STRUCTURE
- PROMOTE INDUSTRIAL AND BUILDING ENERGY RETROFIT
- PROMOTE INNOVATIVE ENERGY CONSERVATION IN TRANSPORTATION
- PROMOTE EQUIPMENT RETROFIT
- LAUNCH ONLINE ENERGY DEMONSTRATION PROJECT
- PROMOTE ENERGY SAVING AND CARBON FREE LIFESTYLE

The Group subscribes to the Five-Year Plan on energy savings from Dongguan for the energy consumptions at the two plants. We are committed to follow closely on our energy reduction plan as published with the view to achieve our energy reduction target.

We continue to educate our employee on energy savings in the two plants and to adhere to the follow practice, 1. Only to turn on the air-conditional half and hour after they started work, 2. Maintaining the room temperature at 25 degree Celcius and 3. To turn off the air-conditional half an hour before they end their work day.

Our production line management is trained and educated on how plant equipment should be maintained ad operated to maximise utilisation to seek opportunities for improvement in production yield and energy saving.

**6.1.4 Water Withdrawal**

Our two plants in Dongguan recorded substantially high amount of water withdrawal for our business operation and periodical machinery upkeep and maintenance. The main source of water supply for both plants is municipal water supplier situated in Dongguan. Some of their water supply comes from our own water recycle plant located in one of the plants.

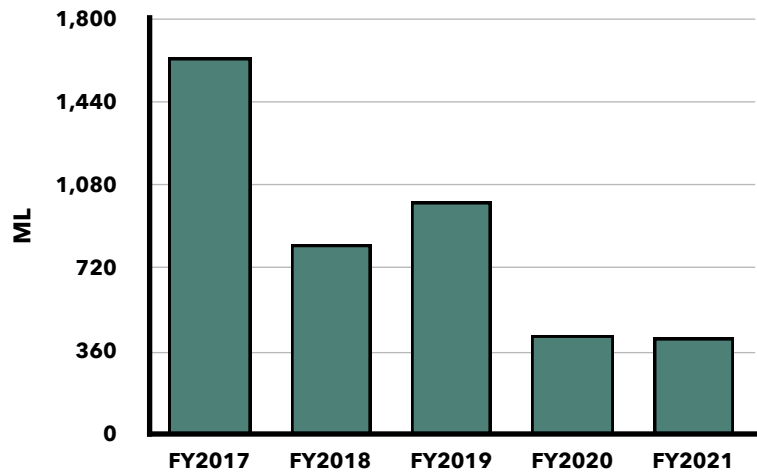
In our water recycle plant, we subscribe to the PCB industrial water standard, methodology and assumption. This standard is relevant to the business operation of the plant where the water recycle plant is situated.

The total water usage of the two plants in FY2021 totalled 149,600 tonnes (421.92 MegaLiter). The total water usage of the two plants had dropped slightly compared to the previous reporting year. The reduction is due to lower production as a result of weaker demand in FY2021.

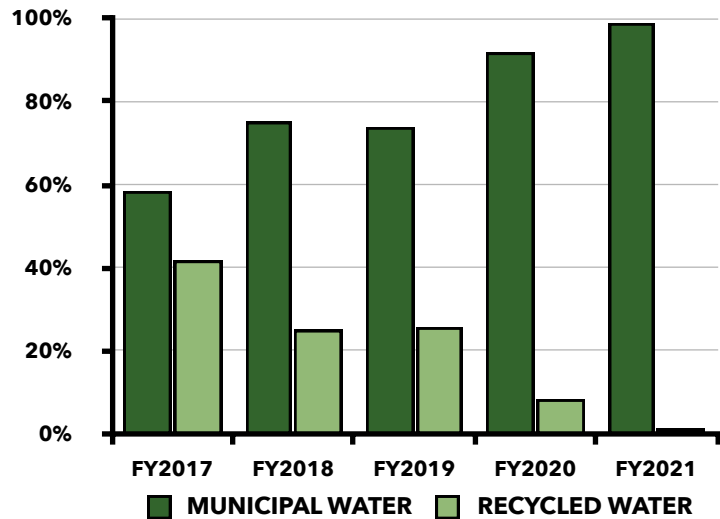
The amount of recycled water used in this reporting year does recorded a drop of about 83% from the previous reporting year. The total volume of water recycled in the plant had dropped nearly 48% from FY2020.

To be in-line with the changes on the reporting requirement due to climate change for FY2022, the Group has changed the measurement unit for water usage to megaliter (“ML”) from this reporting year. The measurement unit for water usage reported for the past reporting years has also been changed.

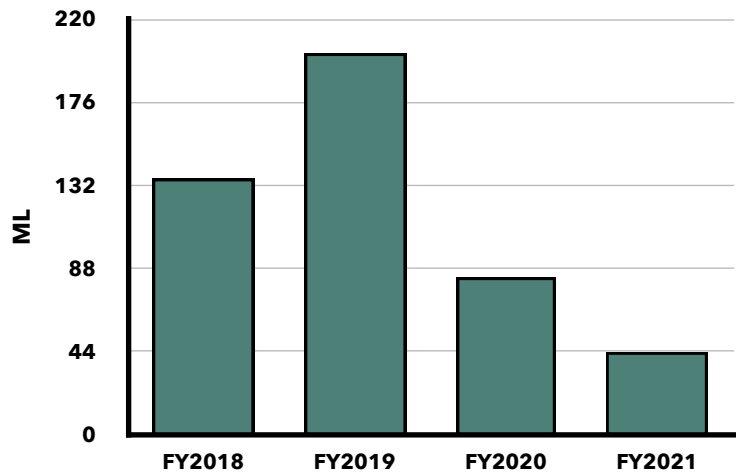
**TOTAL WATER USAGE**



**PERCENTAGE OF RENEWABLE & NON-RENEWABLE MATERIAL**



**TOTAL WATER RECYCLED**





## 6.2 Employee Wellness

The many years of rapid economic growth in China has created more work opportunities for the people. As result, companies in China, and Jadason included, are experiencing challenges in attracting and retaining employees.

Jadason considers it important to place greater focus on employee well-being, welfare and incentives. We believe that employee well-being and appropriate incentives are positive for employee retention and productivity.

Our two plants in Dongguan provide full-time employees with various benefits, including insurance (maternity, industrial injury, medical and pension/retirement, etc.), housing provident fund, and leaves (annual, marriage, maternity, etc.). Additional retirement plan is being drawn up for male and female employees above 60 years old and 50 years old respectively. Unlike full-time employees, our part-time and temporary employees do not enjoy most of the benefits mentioned.

We provide leisure and recreational facilities, such as Reading Room, Entertainment Room, TV Room, etc., at the plant premises for use by employees during their free time. We also organise activities like basketball match, tug-o-war, table tennis and other sports for participation by employees. We believe that such activities would nurture a sense of belonging and promote bonding among the employees.

Due to the pandemic situation, safe management measures are imposed in the plants in accordance with the guidelines released to companies and businesses operating in China. Appropriate measures have been taken at the plants to ensure that the health and wellness of our employees are safeguarded.

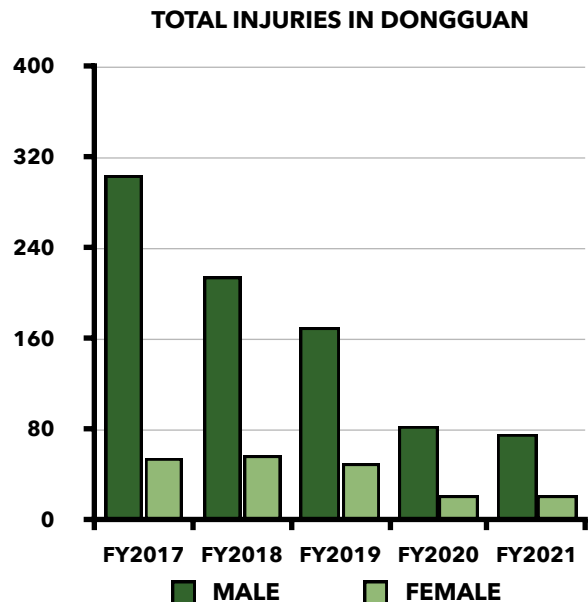
## 6.3 Health and Safety

The health and safety of our employees is important to us. This is especially so during the current pandemic situation. The Group follows strictly to the guidelines issued by the government, putting in place necessary safety measures, and scheduled disinfection process in the two plants.

The Group greatly believes that having an accidental prone, dangerous and/or hazardous working environment will affect both our employees and business operation. We subscribe to and comply with the safety requirements of China reporting standard (GB6641-86), ISO 9001 and ISO 14001 standards.

Employees are required to strictly comply with the safety measures drawn up in the two plants. Trainings were arranged to educate our employees on the proper methods of handling machineries, equipments, materials and waste materials, logistic flow in the plants, etc. so as to minimise the risk of accident occurring in the two plants.

The Group achieved zero fatality across the two plants in Dongguan in FY2021. We aim to continue with the record of zero fatality.



# GRI CONTENT INDEX

This report has been prepared in accordance with the GRI Standard: Core Option.

## GENERAL STANDARD DISCLOSURES

GRI Standard Number	Disclosure Number	Disclosure Title	Chapter Reference
<b>ORGANISATION PROFILE</b>			
GRI 102: General Disclosures 2016	102-1	Name of the organisation	About this report (page 02)
		Activities, brands, products, and services	Principle Business (page 04)
		Location of headquarters	About Jadason Enterprises (page 03)
		Location of operations	About Jadason Enterprises (page 03) Equipments and Supplies (page 03) Our People (page 06)
		Ownership and legal form	About Jadason Enterprises (page 03) Annual Report - page 15
		Markets served	About Jadason Enterprises (page 03) Principle Business (page 04)
		Scale of the organisation	Our People (page 06) Annual Report - page 04, 06, 101, 102
		Information on employees and other workers	Our People (page 06)
		Supply Chain	Supply Chain (page 05)
		Significant changes to the organisation and its supply chain	N.A.
		Precautionary Principle or approach	Director Statement (page 01) Risk Management (page 05)
		External initiative	Reporting Standard (page 02) About Jadason Enterprises (page 03)
		Membership of association	N.A. - No membership associations
<b>STRATEGY</b>			
GRI 102: General Disclosures 2016		Statement from senior decision-maker	Director Statement (page 01)
<b>ETHICS AND INTEGRITY</b>			
GRI 102: General Disclosures 2016		Values, principles, standards, and norms of behaviour	Corporate Governance (page 04)

# GRI CONTENT INDEX

<b>GRI Standard Number</b>	<b>Disclosure Number</b>	<b>Disclosure Title</b>	<b>Chapter Reference</b>
<b>GOVERNANCE</b>			
<b>GRI 102: General Disclosures 2016</b>	102-18	Governance structure	Corporate Governance (page 04)
<b>STAKEHOLDER ENGAGEMENT</b>			
<b>GRI 102: General Disclosures 2016</b>		List of stakeholder groups	Stakeholders' Engagement (page 15)
		Collective bargaining agreements	N.A. - Employees are not covered by collective bargaining agreements
		Identifying and selecting stakeholders	Stakeholders' Engagement (page 15)
		Approach to stakeholder engagement	Stakeholders' Engagement (page 15)
		Key topics and concerns raised	Stakeholders' Engagement (page 15)
<b>REPORTING PRACTICE</b>			
<b>GRI 102: General Disclosures 2016</b>		Entities included in the consolidated financial statement	Annual Report - page 65-100 About this Report (page 02)
		Defining report content and topic boundaries	Sustainability Approach (page 14)
		List of material topics	Sustainability Approach (page 14)
		Restatements of information	About this Report (page 02)
		Changes in reporting	N.A.
		Reporting period	About this Report (page 02)
		Date of most recent report	May 2021
		Reporting cycle	About this Report (page 02)
		Contact point for questions regarding the report	About this Report (page 02)
		Claims reporting in accordance with the GRI standard	About this Report (page 02) GRI Content Index (page 22)
		GRI content index	GRI Content Index (page 22)
		External assurance	About this Report (page 02)
<b>MANAGEMENT APPROACH</b>			
<b>GRI 103: Management Approach 2016</b>		Explanation of the material topic and its Boundary	Sustainability Approach (page 14)
		The management approach of its components	Reaching Out in Dongguan, China (page 16)
		Evaluation of the management approach	Sustainability Approach (page 14)

# GRI CONTENT INDEX

## TOPIC SPECIFIC DISCLOSURES

GRI Standard Number	Disclosure Number	Disclosure Title	Chapter Reference
<b>ECONOMIC PERFORMANCE</b>			
GRI 201: Economic Performance 2016	201-1	Direct economic values generated and distributed	Economic Performance (page 14)
<b>ANTI-CORRUPTION</b>			
GRI 205: Anti-corruption 2016		Operations assessed for risk related corruption	Anti-corruption (page 14)
<b>ENVIRONMENTAL</b>			
GRI 301: Materials 2016		Materials used by weight or volume	Materials (page 17) Waste (page 18)
GRI 302: Energy 2016		Energy consumption within the organisation	Energy Consumption (page 18-19)
		Reduction of energy consumption	Energy Consumption (page 18-19)
GRI 303: Water and Effluents 2016		Water withdrawal	Water Usage (page 20)
GRI 306: Effluents and Waste 2016		Waste by type and disposal method	Materials (page 17) Waste (page 18)
GRI 308: Supplier Environmental Assessment 2016		New suppliers that were screened using environmental criteria	Environmental (page 16)
<b>SOCIAL</b>			
GRI 401: Employment 2016		New employee hires and employee turnover	Hire and Turnover (page 11-13)
		Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Wellness (page 21)
GRI 403: Occupational Health and Safety 2016		Work-related injuries	Health and Safety (page 21)
GRI 404: Training and Education 2016		Average hours of training per year per employee	Growth and Development (page 11)
GRI 405: Diversity and Equal Opportunity 2016		Diversity of governance bodies and employees	Diversification (page 7-10)
GRI 408: Child Labour 2016		Operations and suppliers at significant risk for incidents of child labour	Child Labour (page 14)



**Jadason Enterprises Ltd**

**Registration No. 199003898K**

**No. 3 Kaki Bukit Crescent, #03-01  
Singapore 416237  
Tel: (65) 6383 1800  
Fax: (65) 6383 1390**