

# **NEW WAVE HOLDINGS LTD.**

## **SUSTAINABILITY REPORT 2021**

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# BOARD STATEMENT

The board of directors (the “Board”) of New Wave Holdings Ltd. (“New Wave” or the “Company”, and together with its subsidiaries, the “Group”) is pleased to present the annual Sustainability Report of the Company for our financial year ended 31 March 2021 (“FY2021”). This report is prepared by taking reference from the Sustainability Reporting Guide in Practice Note 7F of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist and references the Global Reporting Initiative (GRI) Standards which represent the global best practices for reporting on a range of economic, environmental and social impacts. This report highlights the key economic, environmental, social and governance (“EESG”) related factors and initiatives carried throughout a 12-month period, from 1 April 2020 to 31 March 2021.

Sustainability is a part of the Group’s wider strategy to create long-term value for all its stakeholders. As such, the key material EESG factors for the Group (“**Material EESG Factors**”) have been identified and cautiously reviewed by the management and approved by the Board. The data and information provided have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy of data and information. The Board has overseen the management and monitoring of the Material EESG Factors and takes them into consideration in the determination of the Group’s strategic direction and policies.

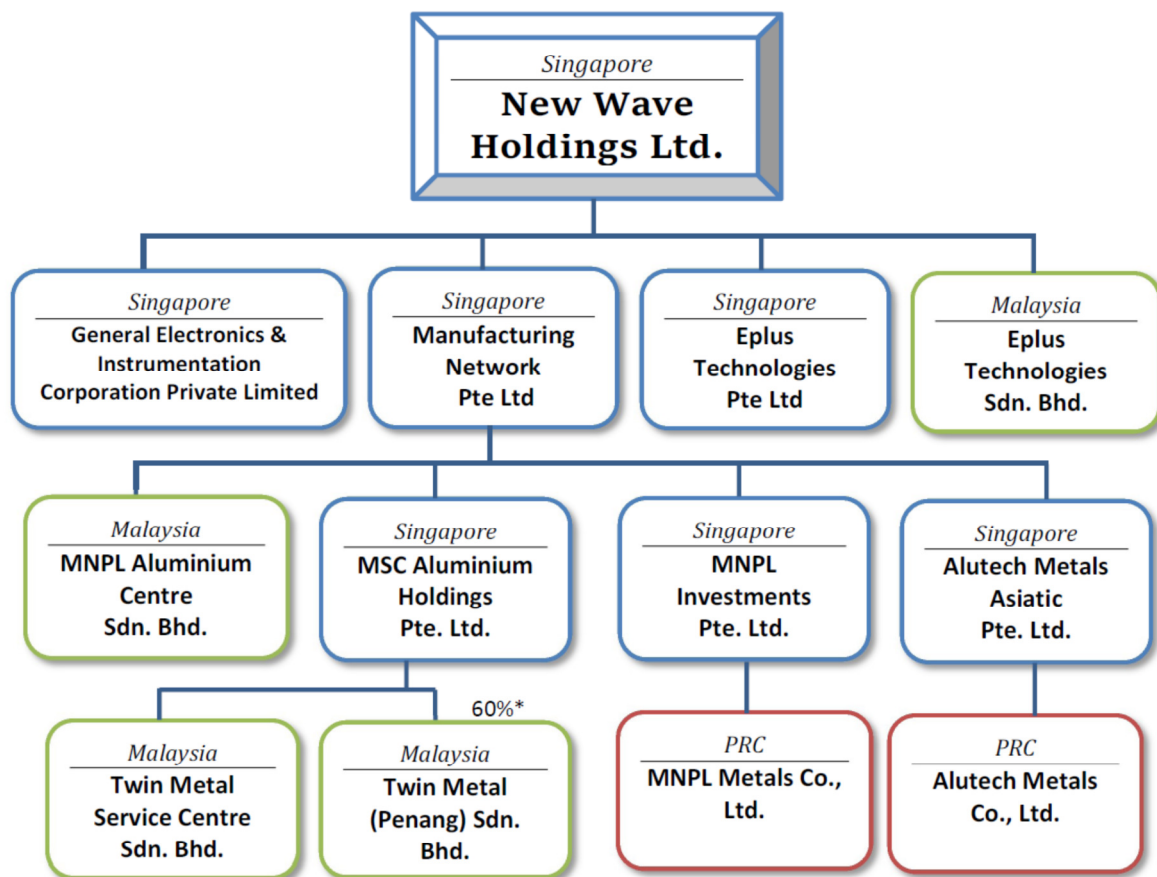
We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to consistently improve our policies, systems and results. Please send your comments and suggestions to [NW\\_IR@newwave.com.sg](mailto:NW_IR@newwave.com.sg).

30 August 2021

# ORGANISATIONAL PROFILE

The Company was incorporated in Singapore on 4 November 1999 and has been listed on Catalist of the Singapore Exchange since 14 August 2000. Headquartered in Singapore at 101 Kitchener Road #02-17, Jalan Besar Plaza, Singapore 208511, the Company operates through several subsidiaries in Singapore, Malaysia and the People’s Republic of China (the “PRC”), and has two core business activities, namely the distribution of aluminium alloy products and the components distribution business. Our aluminium alloy products are sold to a wide spectrum of customers ranging from multi-international corporations to small and medium size local firms and are used in many industries including precision engineering, transport engineering, semiconductor equipment, electronics, and many others. The components distribution business encompasses the distribution of active and passive IT cabling system solutions, portable cabling testing and certification tools, monitoring and troubleshooting handheld tools and appliances, intelligent cabling system based projects and includes professional consultancy, training services, software implementation, database integration and customer care services.

The table below shows the organizational structure of the Group:



\* Other than as indicated, all other subsidiaries are wholly owned.

# APPROACH TO SUSTAINABILITY

## SUSTAINABILITY METHODOLOGY



## SUSTAINABILITY GOVERNANCE

The Group has in place a Sustainability Steering Committee which is led by key management executives and supported by representatives from various functional and geographic divisions in the Group.



The Board of Directors and Chief Executive Officer (“CEO”) formulate the corporate sustainability strategies and guidelines and monitor overall performance.

The Sustainability Steering Committee comprise the General Managers of each division, the Financial Controller and representatives from each geographic segment and helps to organize and coordinate the sustainability initiatives.

New Wave’s employees support the Group’s sustainability programmes and policies and assist with the implementation and execution of the sustainability initiatives and the collection of data for monitoring performance.

## STAKEHOLDERS 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, shareholders, employees, 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.

Key Stakeholders	Engagement Platforms	Frequency of Engagement	Key Concerns Raised
<b>Customers</b>	Meetings, e-procurement platforms, phone calls, teleconferences and email communications	Daily	Quality control and on-time delivery, technical support, competitive pricing, suitable payment terms
<b>Suppliers</b>	Meetings, e-procurement platforms, phone calls, teleconferences, email communications and factory visits	Regular basis	Quality of products, smooth and timely delivery, competitive prices
<b>Shareholders</b>	Announcements on SGXNet, annual general meetings, annual reports, the Company's website (www.newwave.com.sg)	Half yearly for financial results announcements, general meetings are held annually, other communications on ad-hoc basis throughout the year	Profitability and returns, good corporate governance, timely and accurate information
<b>Employees</b>	Induction programme for new employees, team discussions, training sessions, meetings, feedback channels, emails, performance reviews	Regular basis	Career growth, training opportunities, benefits and incentives, pleasant and safe working environment, alignment of personal goals with Company's goals
<b>Regulators</b>	Seminars and consultation sessions with key regulatory bodies, meetings	On-going basis for reviews and updates, and whenever there are changes in regulations	Compliance with laws and regulations, safe environment, health and other social issues
<b>Community/ Industry Associations</b>	Phone calls and other communications with non-profit organisations, participation at trade exhibitions, seminars, social events	On-going basis	Corporate citizenship, update on industry trends

### Membership of Associations

We engage with several industry associations through membership and participation at their activities and events in FY2021 and on an on-going basis:

- Singapore Business Federation
- Singapore Metal and Machinery Association
- Singapore Precision Engineering and Technology Association
- Infocomm Development Authority of Singapore

Networking with other companies in similar industries as ours enables us to be constantly updated on industry trends and help us locate new potential customers and suppliers.

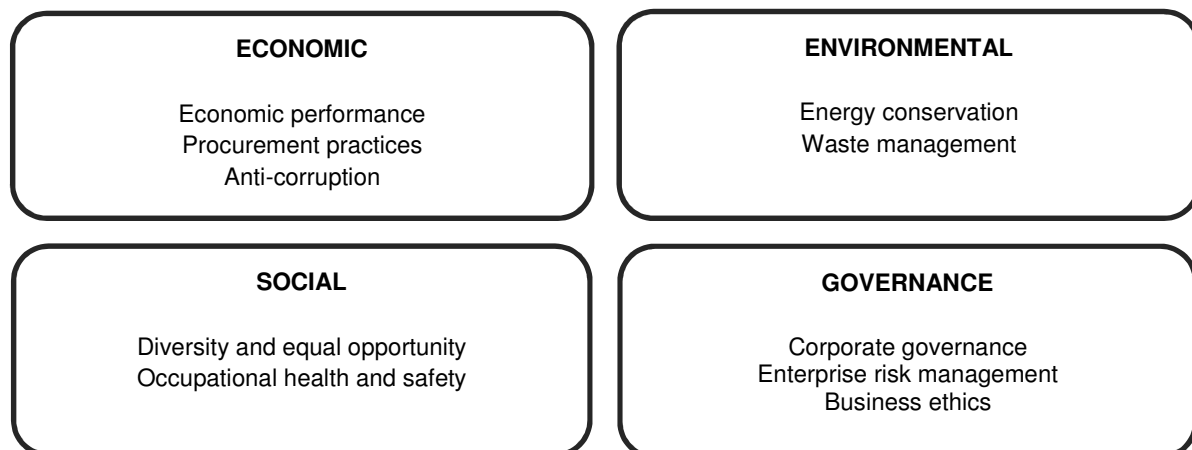
## MATERIALITY ASSESSMENT

Our sustainability process begins with the identification of relevant aspects. Relevant aspects are then prioritised to identify material factors which are subject to validation. The end result of this process is a list of material factors disclosed in this Sustainability Report.



The Group has conducted a materiality assessment during FY2018 with the engagement of an external consultant, spearheaded by the Sustainability Steering Committee. We engaged our employees from different departments, seeking our internal stakeholders' feedback in the prioritisation of these topics. The Sustainability Steering Committee reviews the Group's materiality assessment on a yearly basis, and has done the review this year, using inputs gathered from the day-to-day engagements with our various stakeholders during the year.

In order to determine if an aspect is material, we assessed its potential impact on the economy, environment and society and its influence on the stakeholders. Applying guidance from the GRI, we are of the view that the following factors identified as Material EESG Factors in the previous year are still relevant in this current period:



# ECONOMIC

## ECONOMIC PERFORMANCE

The Group believes that our financial growth is interconnected to our environmental, social and governance factors. We strive to maintain our financial growth to safeguard shareholders' interests and maximise long-term shareholder value through strategic planning to meet the challenges of our business environment and through proper management of our resources, which includes a diligent and experienced staff force and the long established relationships with our customers and suppliers. We will also strive to be a sustainable, socially responsible corporation and will maintain high standards of corporate governance, business integrity and professionalism in our dealings with all our stakeholders.

Through our operating activities, the Group has created value to various stakeholders – our customers, suppliers, employees, banks and others. We append below a table showing the direct economic value generated and distributed in FY2021:-

<b>DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED - S\$'000</b>		
<b>Item</b>	<b>Stakeholder</b>	<b>FY2021</b>
<b>Direct economic value generated</b>		<b>16,961</b>
Revenue from sales of goods	Customers and various other stakeholders	16,502
Revenue from financial investments		40
Revenue from sale of waste products		38
Other operating income		381
<b>Economic value distributed</b>		<b>(17,687)</b>
Payment to suppliers of goods and services	Suppliers and other contractors	(14,610)
Employment costs and other benefits	Employees	(2,772)
Payments to providers of capital	Banks and other finance institutions	(222)
Payments to government including taxes	Government	(83)
<b>Economic value lost</b>		<b>(726)</b>

We are committed to generating and increasing economic value to our stakeholders, however, the Group has to contend with the adverse effects on its performance from the long drawn trade disputes among the larger economies as well as the COVID-19 pandemic outbreak. The Components Distribution business in particular suffered loss of revenue as customers shelved major projects for future consideration. The Aluminium Products Distribution Division supplies to essential services and thus avoided protracted periods of inactivity from lockdowns, and was able to achieve some growth in sales. However, as a Group, we were not able to turn in profits during the year. For more detailed information regarding our FY2021 financial results, please refer to the "Financial Review" section and the financial statements contained in our Annual Report 2021.

## PROCUREMENT PRACTICES

### Distribution of Aluminium Alloy Products

Our first core business is the distribution of aluminium alloy products. Lightweight and durable, aluminium is in itself a highly sustainable material, being abundant, highly recyclable and reusable. According to the Aluminium Association based in Virginia, United States, nearly 75% of all aluminium

ever produced is still in use today<sup>1</sup>. Aluminium's unique properties therefore present to traders and users a future of infinite possibilities and opportunities.

Our major suppliers are from USA, South Africa, Europe and the PRC and we in turn distribute mainly to local customers. Our top suppliers are industrial leaders in their own locality and they employ workers on a large scale. Most of them have ISO14001 certification for environmental management and ISO9001 certification for quality management and are committed to sustainability development. Our South African supplier for instance, is BBBEE (Broad-Based Black Economic Empowerment) certified for their efforts towards growing, on a sustainable basis, the economic involvement in mainstream businesses for the previously disadvantaged groups. We also buy from local suppliers, and our definition for "local" in this report is when the supplier is in the same geographic boundary as our subsidiary that buys from it. For instance, a PRC aluminium mill supplying to our PRC subsidiary directly is considered a local supplier. We purchase from local suppliers mostly for ready products, so the lead time for the supply is shortened and may, as in Singapore's case, be a matter of only hours to one or two days. This enables us to respond more flexibly to requests of urgent deliveries from our local customers.

Our purchasers choose the suppliers based on needs, quality, service, pricing, terms of payment and other relevant conditions and the decision made is in the best interest of the Company and not for any personal benefit or gain. We have been in the business since 2004 and have built up good business relationships with many of our suppliers on the basis of mutual respect and trust. We do not condone unfair business practices such as concealment or misrepresentation of material facts or acceptance of bribes. We also will not abuse confidential or privileged information obtained from our suppliers. We work closely with our suppliers to ensure their support, for instance, when we need deliveries on an urgent basis. In FY2021, we did not receive any reports of malfeasance from our employees or from our suppliers, and we target to maintain this zero complaints record for the next financial year ending 31 March 2022 ("FY2022").

### **Components Distributions and Cabling Systems Solutions**

Our second core business is components distribution and cabling systems solutions. We are the appointed distributor for our cabling systems products and our electronic test tools. We buy mostly through the Singapore outlets of these principals and we consider such purchases as local purchases. One of our principals is an innovative industrial technology company that produces calibration and measurement tools for various applications including environmental, health and safety compliance, industrial condition monitoring, next-generation product design, and healthcare safety solutions. They produce meters that are used to track and reduce greenhouse gas emissions and software-enabled smart instruments to maintain temperature, humidity and ventilation levels for occupant health and comfort, and help regulate building health and manage energy costs. As for their electronic test tools which form the bulk of our purchases from them, the increasing need for companies to improve quality, comply with regulatory or industrial standards, and maintain a safe working environment, should further increase the demand for such products.

Other than from our principals, we also purchased from other local suppliers, who are mostly small and medium-sized enterprises. Maintaining close relationships with these local suppliers who have information on the local industry trends will benefit the Group, by enhancing our market awareness locally as well. Our procurement practices are similar to that for our aluminium products distribution business, as mentioned above.

### **Supporting local suppliers**

The trade tensions that began in 2018 had affected our businesses across all segments adversely, with the PRC market segment being the worst hit. As a part of our continuous plan to support local suppliers and to mitigate the effects of high tariffs imposed as a result of the trade disputes between the United States of America and the PRC, we had in FY2020 increased our purchases from the PRC local suppliers significantly as these purchases are not subject to tariffs. We have continued this practice for this financial year, and thus purchases from local suppliers made up 48% of total purchases, as compared to 47% for the previous financial year. We have therefore met our target of maintaining the same percentage, and in fact have even achieved a slight increase. We hope to

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<sup>1</sup> According to the Aluminium Association's website at <https://www.aluminum.org>



continue our goal of supporting local suppliers, and we therefore target to maintain the same percentage of local purchases (48%) in FY2022, so as to improve our response time in delivering to our customers as a whole and to enhance our local market presence.

## **ANTI-CORRUPTION**

As the Group's businesses are conducted in various countries, the Group expects the directors and staff to be apprised of the legal and regulatory requirements applicable to their business responsibilities and to conduct our businesses in accordance with these laws and regulations. In particular, the Group requires that the directors and staff carry out business transactions with integrity and avoid corruption or bribery in any form.

Our finance teams oversee the implementation of appropriate controls and procedures to monitor and prevent inappropriate forms of payment across all our subsidiaries. This includes, for example, duplicate or overpayments, and payment requests to third parties not associated with underlying transactions. We will take disciplinary action against any employee confirmed of bribery or corruption or may also refer the case to the relevant law enforcement authorities if appropriate.

In the context of Singapore, we are subject to the **Prevention of Corruption Act**, which covers employees, public servants and others who corruptly receive or give bribes as an inducement or reward for performing or not performing a transaction. The law also has extra-territorial effect, so Singaporeans who offer bribes or receives bribes overseas will be liable for punishment.

We have implemented a whistle blowing policy to provide a mechanism for employees as well as other external stakeholders to raise concerns in confidence and without fear of reprisals about possible improprieties in the areas of:

1. Fraudulent financial reporting
2. Misappropriation of assets
3. Improper or unauthorized expenditures including bribes
4. Violations of laws and regulations, for instance, securities frauds
5. Substantial and specific danger to public health or safety

Whistle-blowers may address their concerns via the email address [auditcom@newwave.com.sg](mailto:auditcom@newwave.com.sg) and the Audit Committee will carry out confidential investigations and withhold the identity of the complainant, as appropriate.

For the financial year under review, we have not received any report of any corruption (FY2020: Nil), as targeted in the previous sustainability report. There are also no reports of whistle blowing received (FY2020: Nil). Our target is to maintain zero corruption and zero violations of any laws and regulations for FY2022.

# ENVIRONMENTAL

Although the direct impact of our business activities on the environment is relatively small, we would like to do our part to contribute to the global goals of mitigating climate change and conserving resources. Our environmental efforts focus on finding ways to reduce energy consumption and waste.

## ENERGY CONSERVATION

We believe in investing our time and effort towards energy efficiency, as we not only help protect the environment but can also lower our operating costs. The Group's electricity consumption is from regular operations of the offices and factories in the various regions where our subsidiaries are situated and is consumed for operating machines and office equipment, lighting as well as cooling/heating systems. We monitored the total electricity usage for our metal service centers situated in Singapore, the PRC and in Johor and Penang in Malaysia but have not included usage at locations with only sales offices, as consumption at these locations are insignificant in comparison. Based on historical consumption patterns we had initially set a target for electricity consumption of 214,000 kWh for FY2020. However the total consumption for FY2020 was 180,190 kilowatt hours (kWh), which was 16% below our initial target. We have expended much effort towards conservation, but the decline in usage is also mainly attributable to the outbreak of the COVID-19 pandemic and the lockdowns implemented by the governments in Malaysia and the PRC.

We had expected this trend to continue into FY2021 and therefore have set our target to maintain electricity consumption at a slightly higher volume of 190,000 kWh. We have met our target for FY2021 as the total consumption recorded was 188,173 kWh. During FY2021, our factories in Singapore and Malaysia were closed for two weeks and one month respectively, while our facilities in the PRC were not affected as all offices resumed normal operations just before the start of our financial year on 1 April 2020. As our factories are involved in the distribution of high grade aluminium alloy products and these are needed in the supply chains that service the medical and healthcare industries, the transport sector, the defence and military equipment industries, etc. our services are considered essential services. As such we have avoided prolonged closures of our operations. However, we encourage our Administrative and accounts staff to work from home where possible.

Globally, governments are working towards containment of the pandemic through vaccinations and other measures. If some degree of success is achieved, we expect to see further growth in sales, and hence greater usage of our facilities and our machines. We therefore expect higher consumption of electricity and have set a target at 200,000 kWh for FY2022, although we will continue with all energy conservation efforts.

We have since FY2018 and as at the date of this report observed energy conservation efforts by adopting the following practices across the subsidiaries:

- Switching off lights, computers and air conditioning systems at the end of the work day.
- Regular maintenance of all our operations machines, as well as office equipment such as refrigerators, air-conditioners and heaters so as to maintain higher efficiency.
- Use energy saving equipment and lighting.
- Set temperature of air conditioners to 25°C for the Singapore and Malaysian subsidiaries.
- Raising awareness among employees and educating them about energy conservation and emission reductions.

We use fuels and diesel for operating our forklifts, vans and trucks. Regular maintenance and scheduled overhauls for our forklifts and transport vehicles are part of our asset management policy to improve fuel consumption and reduce emission of pollutants. Our logistics staff also plans the delivery route each day to cut wastage of fuels where possible.

We are also supportive of industry-wide initiatives undertaken by our business partners and especially our principals to mitigate the environmental impacts. The products we distribute are designed to include operational energy efficiency and end-of-life and disposal considerations.

## WASTE MANAGEMENT

We strive to be environmentally responsible with our commitment towards preserving the environment through efficient waste management such as reuse and recycling to allow us to operate in a sustainable environment.

Key initiatives that have been in place since FY2018 and as at the date of this report include the following:

- a. We remind our staff across the Group to reduce the consumption of paper through enhancements made to our daily operating routines. Such enhancements include the scanning of documents which are then stored digitally in computers and servers to avoid overprinting. In addition, electronic version of statement of accounts are issued to customers and suppliers. We also recycle used paper, using them for drafts and internal documentation.
- b. We refurbish and reuse equipment and tools to prolong their useful life where ever possible.
- c. The main waste materials generated from our aluminium products distribution operations are the aluminium shavings from the cutting and sawing of our materials. Our aluminium shavings from production are collected for outsource recycling.
- d. Used saw blades for cutting our aluminium products are re-sharpened for re-use to prolong their useful life.
- e. We are actively involved in the recycling of used packaging materials including cartons, plastic, strings, wraps, wooden pallets and paper.

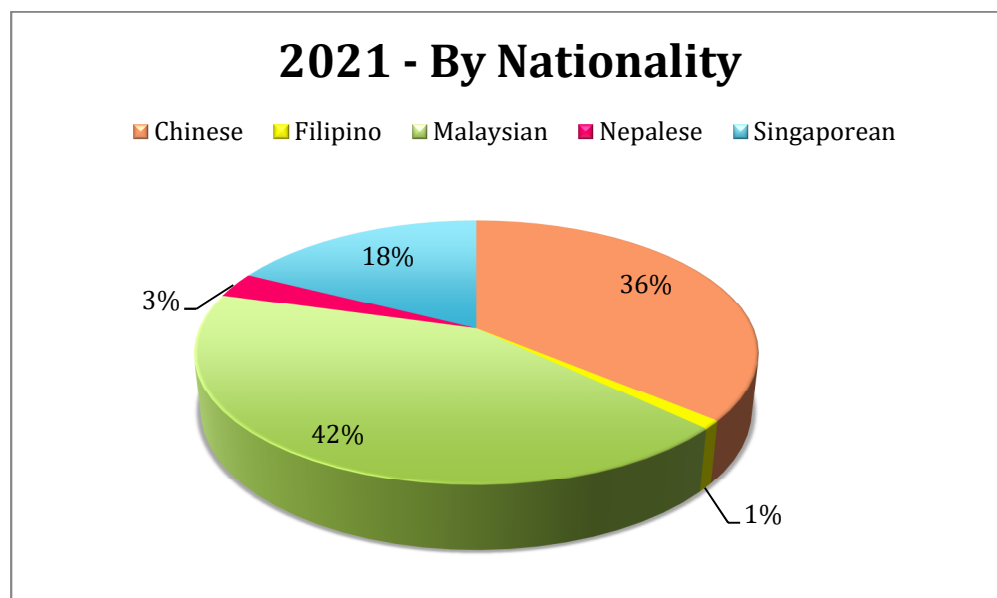
We also do our part to protect the environment by proper disposal of waste, and especially toxic waste, through licensed contractors. We are committed to ensuring compliance with applicable environmental laws. There were no incidents of non-compliance with environmental rules or regulations in FY2021 as targeted in the previous year (FY2020: Nil) and we target to perform the same for FY2022.

# SOCIAL

## DIVERSITY AND EQUAL OPPORTUNITY

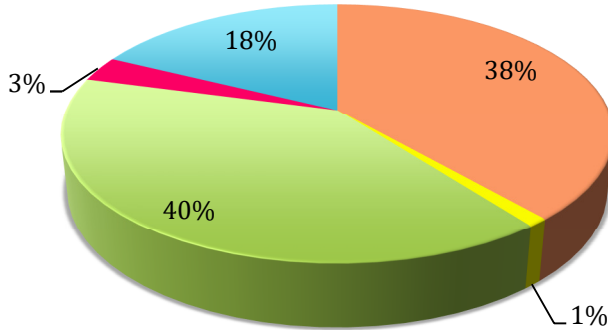
We are an equal opportunity employer and embrace the principles of equality and non-discrimination when hiring employees. Recruitment, remuneration, promotion and benefits are handled based on objective assessment, equal opportunity and non-discrimination basis, regardless of gender, race, religion, age or marital status.

We encourage diversity in our work force, as we believe that by bringing in people with different experiences, backgrounds and skills, we can encourage innovation and we are better able to meet various challenges. Our diversity strategy is facilitated by our physical locations in three geographic regions, and we employ individuals of several nationalities. The majority of our employees are Singaporeans, Malaysians and Chinese, which corresponds with the location of our factories in Singapore, Malaysia and the PRC. However, there are several Malaysians and Chinese employed in Singapore, while our Malaysian factories employed several Nepalese for the production teams. The composition by nationality has remained fairly consistent over the two years shown in the charts below.



## 2020 - By Nationality

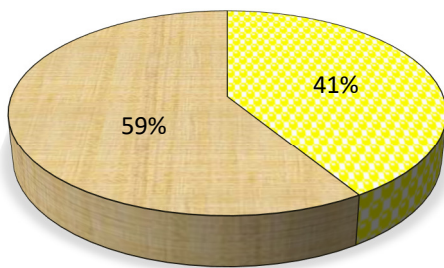
Chinese Filipino Malaysian Nepalese Singaporean



As for gender diversity, we actively address any unconscious bias for gender preference and promote gender balance. We aim to develop an inclusive culture that respects the contribution of all employees regardless of gender, race or age. The proportion of males as a percentage of the total workforce as at the end of FY2021 is 59% (FY2020 – 58%) denoting more men are hired to work on the production floor handling the machines as well as doing the deliveries to customers, as indicated in the pie charts below. The proportion has remained consistent over the two years period.

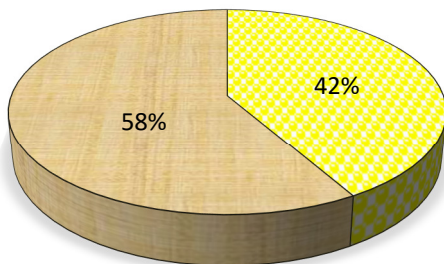
## 2021 - By Gender

Female Male

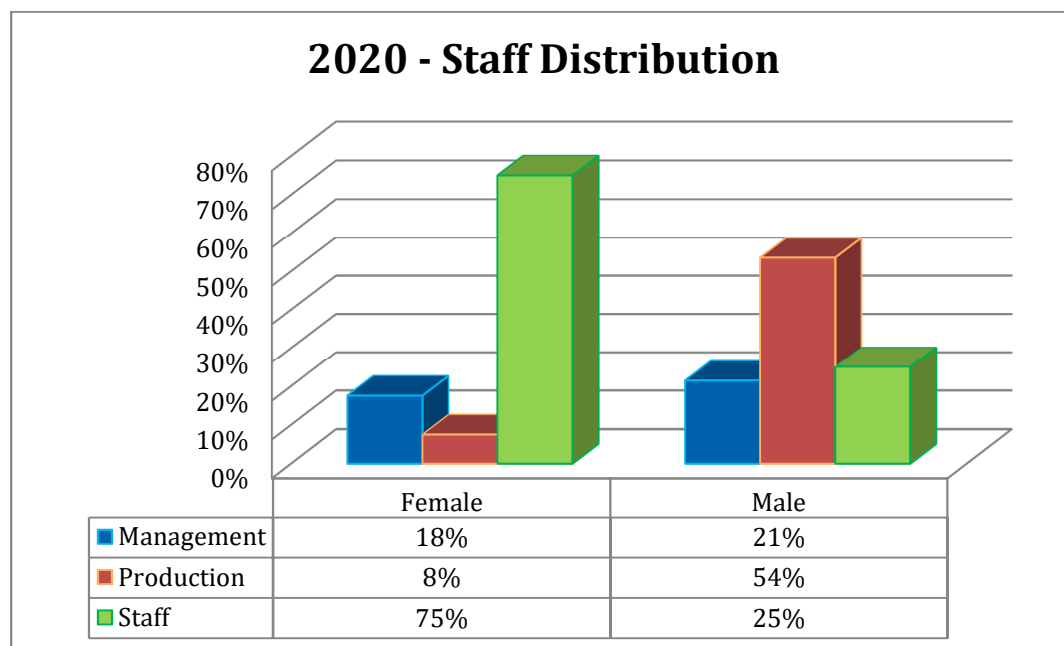
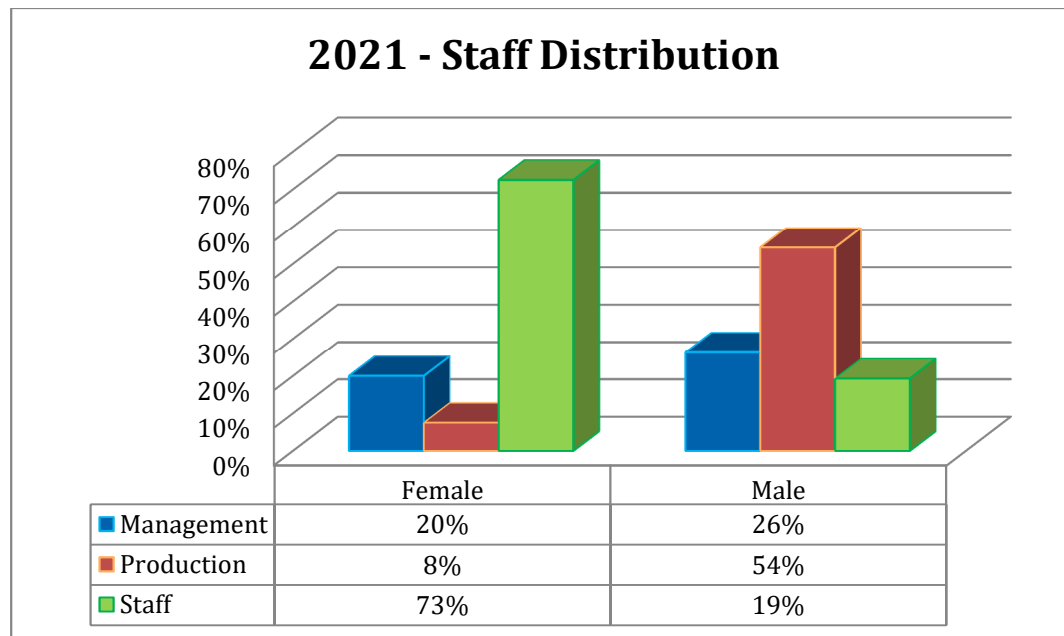


## 2020 - By Gender

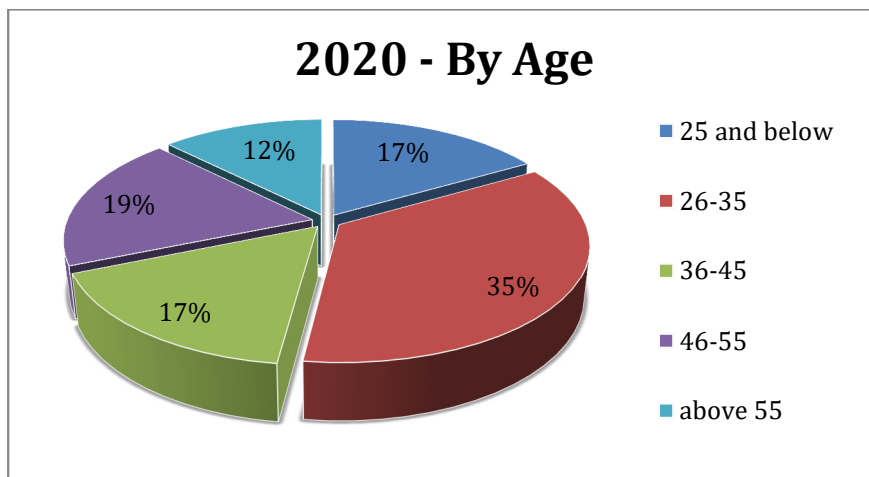
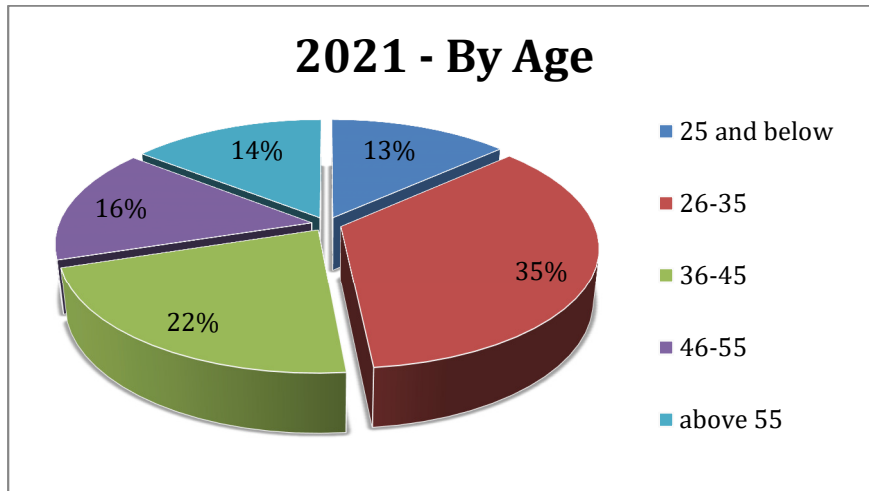
Female Male



The total staff strength as at the end of FY2021 remains the same as for FY2020. There were improvement in sales during FY2021 for Malaysia and the PRC subsidiaries, hence there was the need to increase recruitment of sales staff for these subsidiaries; however we have reduced administrative staff through attrition, as well as staff strength in the Components Distribution division, as that division has been hard hit by the COVID-19 pandemic and has not done well. The overall distribution of men and women in our three major categories of employees has remained consistent over the two years with slightly more proportion of men holding management position than women in both years. As in the previous year, more men are hired in the production departments due to the nature of the job, while the accounts and administrative jobs are staffed mostly by women, as indicated in the bar charts below.



As for age diversity, we value our matured workers for their experience, knowledge and skills, but recognize the need for succession planning and to employ younger workers to drive the Group's operations in the future. For FY2021, the percentage of our workforce below the age of 35 is at 48%, slightly lower than the percentage for FY2020 of 52%. The Company will continue to remain open to the recruitment of young and suitable candidates who are willing to learn on the job.



## TRAINING AND STAFF DEVELOPMENT

We provide employees with equal opportunities for training and development based on their strengths and needs, to help them achieve their full potential. Suitable training is extended to employees to enable them to perform at optimal levels and include on-the-job training and mentoring, job rotation, product and technical updates conducted by principals and courses, seminars and webinars conducted by external trainers.

In Singapore, any new production staff that is required to handle forklifts will be sent for a week-long certificate course conducted by companies approved by the Ministry of Manpower. All production staff handling the cutting of metals are sent regularly to attend courses on safety in the handling of machines. For all locations under the aluminium products distribution business, we conduct in-house training to improve knowledge of our products for sales staff to enable them to communicate better with customers. As for the components distribution business, our various principals conduct seminars and workshops to update their distributors on their products and we have in the past years always participated by sending our sales engineers and the General Manager to attend such courses.

However due to the COVID-19 pandemic, no such courses were conducted for FY2021. Administrative and accounts staff are sent for courses relevant to the work they handle, for instance when there are changes in regulations that affect the Group, as in the case of changes in regulations under the Goods and Services Tax (GST), corporate income tax laws or changes in the financial reporting systems of their respective countries.

We had set a target to achieve an average training of two hours per employee for our operations and we have for FY2021 included all operations throughout the Group i.e. all operations in Singapore, Malaysia and the PRC.

The PRC was one of the earliest economy to recover from the adverse effects of the lockdown implemented during the COVID-19 pandemic. The PRC government supported local businesses through increased infra-structure spending and tax incentives, and our PRC subsidiaries have benefitted from the boost to the economy as reflected in the increase in our PRC sales by approximately 49% as compared to the prior year. As such, there were recruitment of new sales staff to cope with the improved sales and the need to urgently train them for the job. The management then took the opportunity to extend the in-house training programmes to include the production and administrative staff, by covering in the training programmes, besides product training and sales techniques, various other aspects to improve operational efficiency – including in particular safety on the production floor, health and safety measures specifically pertaining to the current pandemic situation and handling of emergencies e.g. a fresh pandemic attack.

We have thus achieved in FY2021 an average of 5.36 hours of training per employee for the Group, exceeding our target set of two hours of training per employee. However, we are not able to manage such comprehensive training programmes on a yearly basis; as such, we target to maintain the previously set level of two hours of training per employee per year for FY2022.

Employees are appraised through inputs from the supervisors and managers, as well as periodic formal appraisals. Promotion is based on merit, competency and suitability. As we value our employees, we will typically consider promoting existing employees before hiring for new or vacant positions.

The Company and its subsidiaries will continue to abide by the local labour laws in the countries within which we operate to promote fair employment practices. In FY2021, we did not receive any complaints from our staff nor any reports of non-compliance from the authorities (FY2020: Nil) and we target to maintain this record for FY2022.

## **OCCUPATIONAL HEALTH AND SAFETY**

Our employees are an integral part of our organization and we are committed to providing them a safe and pleasant environment to work in. Production sites will have safety risks, but we aim to create and sustain a safety focused, zero-accident culture. In addition, due to the COVID-19 pandemic, we are concerned not only with safety in terms of avoiding all accidents, but also the health and well-being of our employees.

At our production sites, the workers are required to operate the cutting machines, forklifts and to handle the heavy aluminium products. We must therefore maintain a safety-conscious culture amongst our workers to avoid any industrial accidents. We have a set of safety rules and regulations in place and all new employees are briefed on safety procedures during orientation. As targeted last year, the management held regular briefing sessions in FY2021 with the purpose of constantly reminding employees the importance of maintaining a safety conscious culture and to emphasize to every employee that each is responsible for his own safety and the safety of his co-workers. To curb the spread of the COVID-19 infections, we have also reminded the staff of the safe distancing measures that are in place. The employees on the production floor have always worked with their work gear on, which included appropriate uniform, hard boots, gloves and face masks to protect against the dust generated from cutting of the aluminium. At the start of the pandemic, we have changed the face masks supplied to them with high quality surgical face masks that have good



bacteria filtration efficiency to better protect them. The employees were also reminded to keep their masks on even if they moved away from the production floor.

The house rules include:

- proper housekeeping to maintain tidy work areas to avoid falls from unexpected obstacles. Workers are to keep the aisles clear of products or debris for safe operation of the forklifts.
- cleaning and sweeping the production floor regularly and at the end of the day.
- wearing the right protective gear when handling the machines which include gloves, face masks, and safety boots.
- be always alert when operating machines and not engage in any unsafe or negligent act that may endanger yourself or others working in the vicinity.
- report to the supervisor any possible health or safety hazards that have come to your attention.

Due to the pandemic, we have added in the house rules that the daily cleaning routine should include disinfection of surface areas, and door knobs and other frequently touched areas.

Each location will have ready first-aid kits maintained on the premises to provide immediate first aid treatments to workers or others who sustain injuries at the location. The employees handling forklifts are licenced to do so after attending proper training courses. In Singapore, all our workers have attended safety courses on metal working, as required by the Ministry of Manpower.

The Group recorded zero workplace accidents during FY2021 as targeted in the previous sustainability report (FY2020: Nil) and is targeting the same for FY2022.

We encourage our employees to live healthy lives with proper diets and regular exercise. The Company provides free medical consultations and medication, so workers who are unwell may visit the Company approved clinics situated near each of our offices, or any government run clinics. We believe in reducing workplace stress and encourage workers to relax during breaks and aim for work-life balance.

# GOVERNANCE

## CORPORATE GOVERNANCE

Our Board and Management are committed to continually enhancing shareholder value by maintaining high standards of corporate governance, professionalism, integrity and commitment at all levels, underpinned by strong internal controls and risk management systems.

Our corporate governance practices are set out in the Group's 2021 annual report in the section entitled "Corporate Governance Report" (pages 10 to 28), with specific references to the principles and guidelines of the Code of Corporate Governance 2018 (the "Code"). Where the Group's practices differ from the principles and guidelines under the Code, the deviation from the recommended guidelines under the Code will be duly explained and set out under the Corporate Governance Report.

The Board of Directors sets the overall strategic directions for the Group, establishes goals for management and monitors the achievement of these goals. Specific functions are delegated to Board Committees. The Nominating Committee ensures the balance and diversity of the Board, assesses the performance of the Board and of each Board Committee, as well as the contribution each director made towards the Board's effectiveness. The Nominating Committee also conducts rigorous evaluations of the independence of the independent directors. The Audit Committee works with the external auditors and ensures the quality and integrity of the financial reports, audit procedures, risk management and internal controls. . The Audit Committee also ensures that the internal audit function is independent, effective and adequately resourced. The Remuneration Committee ensures that the Directors and key management personnel are adequately but not excessively remunerated.

The Board's policy is to treat all shareholders fairly and equitably and to provide them with timely information on the Group's financial performance and material developments through public announcements via SGXNET, press publications where appropriate, circulars and annual reports.

The Group has in place an internal code of conduct to ensure that the Directors and key officers adhere to the provisions of the Companies Act and other relevant regulations with regard to their securities transactions, with particular attention to observe insider-trading laws and regulations.

In FY2021, there were no incidents of non-compliance with relevant laws and regulations (FY2020: Nil) and we target to maintain this record in FY2022.

## ENTERPRISE RISK MANAGEMENT

The Group is subject to various risks inherent to the different countries, industries and markets in which it does business and to the activities it carries out in each location. Such risks may have negative impacts on its productivity and profitability, and work against achieving its objectives and implementing its strategies.

Aware of the significance of this issue, the Management undertakes to provide resources to adequately identify, measure, manage and control the significant risks to all the activities and businesses of the Group. It has established an enterprise-wide risk management framework which is embedded in the internal control systems of the Group so as to enhance its risk management capabilities. This included institutionalising a systematic risk assessment methodology for the identification, assessment, reporting and monitoring of risks on a consistent and reliable basis. The system is also constantly reviewed and refined, to ensure its relevance in a dynamic operating environment.

The risk management framework addresses financial, operational, compliance and information technology risks to safeguard the Group's assets. On an annual basis, the Audit Committee reviews the risk management policies and system implemented by the Group.

## **BUSINESS ETHICS**

We are committed to operating our businesses with integrity, accountability and high ethical standards.

We do not tolerate bribery and corrupt practices or any other behaviour that may bring disrepute to the Group. We expect honesty, integrity and respect to be exhibited in our dealings and interactions within and outside the Group. All business dealings should be transparently performed and accurately reflected in the Group's books and records.

The Group also ensures that measures are in place to safeguard access to personal data that are stored on its premises or servers. This applies to data obtained during recruitment of staff, personal data of existing staff, including their medical records and other confidential information relating to customers, suppliers and shareholders. Access to personal data is restricted to authorised persons on a strict need-to-know basis. The Group has appointed a Data Protection Officer and has ensured that he had received the relevant training by attending talks and seminars. He is also registered with the Personal Data Protection Commission so that he could keep abreast of related developments and help the organisation comply with the Personal Data Protection Act (PDPA). In FY2021, there were no incidents of non-compliance with the PDPA as targeted last year and we target to maintain this record for FY2022.

We will also try to protect all confidential data against cyber security risks in order to protect the confidential information of all stakeholders through constant monitoring of our information technology systems. The Group subscribes for an internet leased line from a reputable internet service provider who also manages the firewall to ensure first line protection against malware and infections. The service provider works closely with our own IT staff to ensure that regular updates are done and any potential cyber-attacks are discovered early and are disarmed before doing any harm to our systems. We also regularly remind all our computer users to stay vigilant to avoid falling prey to phishing or other threats.

In FY2021, there were no reports of any leaks from our information systems and we did not suffer any loss of data through any attempted attacks on our systems. We target to maintain this performance in FY2022.

## GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure	Reference / Description	
<b>GRI 101: Foundation 2016</b>			
<b>GENERAL DISCLOSURE</b>			
<b>GRI 102: General Disclosures</b>	102-1	Name of organisation	New Wave Holdings Ltd.
	102-2	Activities, brands, products and services	Organisational Profile, page 3
	102-3	Location of headquarters	Organisational Profile, page 3
	102-4	Location of operations	Organisational Profile, page 3
	102-5	Ownership and legal form	Organisational Profile, page 3
	102-6	Markets served	Organisational Profile, page 3
	102-7	Scale of the organisation	Organisational Profile, page 3 Social, page 12 to 15
	102-8	Information on employees and other workers	Social, page 12 to 15
	102-9	Supply chain	Procurement Practice, page 7 to 8
	102-10	Significant changes to the organisation and its supply chain	Not applicable
	102-11	Precautionary Principle or approach	New Wave does not specifically address the precautionary approach.
	102-12	External initiatives	Procurement Practice, page 7 to 8 Energy conservation, page 10 Corporate Governance and business ethics, page 18 to 19
	102-13	Membership of associations	Stakeholders Engagement, page 5
	102-14	Statement from senior decision maker	Board Statement, page 2
	102-16	Values, principles, standards and norms of behaviour	Governance, page 18 to 19
	102-18	Governance structure	Annual report, page 10 to 28
	102-40	List of stakeholder groups	Stakeholders Engagement, page 5
	102-41	Collective bargaining agreements	None
	102-42	Identifying and selecting stakeholders	Stakeholders Engagement, page 5
	102-43	Approach to stakeholder engagement	Stakeholders Engagement, page 5
	102-44	Key topics and concerns raised	Stakeholders Engagement, page 5
	102-45	Entities included in the consolidated financial statements	Organisational Profile, page 3 Annual report, page 85 to 86
	102-46	Defining report content and topic boundaries	Board Statement, page 2
	102-47	List of material topics	Materiality Assessment, page 6
	102-48	Restatement of information	Not applicable
	102-49	Changes in reporting	None
	102-50	Reporting period	1 April 2020 to 31 March 2021
102-51	Date of most recent previous report	1 April 2019 to 31 March 2020	
102-52	Reporting cycle	Annually	
102-53	Contact point for questions about the report	NW_IR@newwave.com.sg	
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	Page 20 to 21	
102-56	External Assurance	We may seek external assurance in the future when the Group's Sustainability Reporting has matured.	
<b>MATERIAL TOPICS</b>			
<b>GRI 201: Economic performance</b>	201-1	Direct economic value generated and distributed	Page 7
<b>GRI 204: Procurement Practice</b>	204-1	Proportion of spending on local suppliers	Page 8
<b>GRI 205: Anti-corruption</b>	205-1	Operations assessed for risks related to corruption	Page 9

## GRI STANDARDS CONTENT INDEX

<b>GRI Standard</b>	<b>Disclosure</b>		<b>Reference / Description</b>
<b>GRI 302: Energy</b>	302-4	Reduction of energy consumption	Page 10
<b>GRI 306: Effluents and Waste</b>	306-2	Waste by type and disposal method	Page 11
<b>GRI 403: Occupational Health and Safety</b>	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Page 16 to 17
<b>GRI 405: Diversity and equal opportunity</b>	405-1	Diversity of governance bodies and employees	Page 12 to 15