



**Nico Steel Holdings Limited**

尼尔金属控股有限公司

*The Specialist in Ferrous & Non-ferrous Metal Alloys*

**SUSTAINABILITY REPORT 2018**

# CONTENTS

---



Corporate Profile



Corporate Values – Nico Steel’s DRIVE



Board Statement



About the Report



Sustainability Governance



Our Stakeholders



Our Material Topics

## CORPORATE PROFILE

---

**Nico Steel Holdings Limited** 尼尔金属控股有限公司 (“**Nico Steel**” and together with its subsidiaries, the “**Group**”), is a specialist in ferrous and non-ferrous metal alloys with a focus on customising technologically innovative metal materials under its proprietary “Nico” brand.

The Group’s proprietary patented production technology allows it to customise metallurgical solutions to meet the evolving requirements of its broad base of customers, particularly in the mobile communications, consumer electronics, industrial and automotive sectors.

Well-established in the upstream metal materials industry, the Group drives growth through (i) providing customised solutions as value-added services to component and contract manufacturers to meet their metal fabrication requirements, and (ii) cultivating demand from brand owners and leaders of mobile communications, consumer electronics, industrial and automotive sectors for its proprietary “Nico” brand of specialised metal alloy materials that will meet the evolving and stringent requirements of new digital devices.

Headquartered in Singapore, the Group owns and operates processing and production facilities in Suzhou, China, and Thailand, while the production facility in Singapore acts as its R&D centre.

Nico Steel is listed on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 7 April 2005 and was upgraded to the Mainboard on 5 January 2009 under the stock code 5GF.

## CORPORATE VALUES – NICO STEEL'S DRIVE

---

Nico Steel's **DRIVE** distinguishes Nico Steel and its employees. At Nico Steel, we embrace and live by these values throughout our organization and also with our customers and suppliers. We call this '**Inside-Out Branding**'.

# D

### **Daring Creativity**

This involves breaking out of established patterns and problem-solving in order to look at things from a fresh perspective.

# R

### **Regards Change as an Opportunity**

Nico Steel is always sensitive to the constant change in the business environment, locally and globally, to seize opportunities.

# I

### **Intense Passion**

It is Nico Steel's belief that we have the ability and means to deliver our promises from concept to reality.

# V

### **Visionary Partnership**

Nico Steel's strategy of collaborating with our customers and suppliers is pivotal in achieving the desired performance of end-user electronic devices.

# E

### **Excellence**

The culture of excellence at Nico Steel has instilled pride and motivation in our employees and is the driving force behind our innovative spirit.

## BOARD STATEMENT

---

Started in 1995, Nico Steel has continuously improved its expertise and fortified its market position. From being a supplier of metal to major hard disk manufacturers, the Group has, today, transformed to a full-service coil centre with patented technology producing innovative metal alloys and metal material solutions for electronic devices manufacturers. As a specialist in ferrous and non-ferrous metal alloys, Nico Steel focuses on customising technologically innovative metal materials under its proprietary “Nico” brand. This combined specialised knowledge enables Nico Steel to customise and provide engineering solutions to meet the stringent specifications of its global customers.

Headquartered in Singapore, the Group has expanded its manufacturing operations to China and Thailand with R&D support centres in key countries including the USA, Canada, Japan, and Taiwan. As speed and innovation are crucial for the fast and competitive consumer electronics market, our R&D support centres work across different borders of disciplines to develop new materials and material combinations, enabling the simplification of processes to allow for electronic devices manufacturers to push the limits of more function in a smaller space.

With our technical expertise, commitment to excellence and focus on innovation, we are constantly striving to improve our performance. Through Nico’s innovative metal materials, we create high-quality solutions for our clients and strengthen their long-term competitiveness by combining unique material expertise with technology leadership.

While we continue to grow and pursue new business opportunities, we acknowledge the need for our stakeholders to be engaged in our sustainable growth strategies and practices. This is our inaugural Sustainability Report and we look to improve our disclosures over time. Together with the Board’s leadership, the management is committed to manage and disclose our environmental, social and governance (“ESG”) practices and economic performance. As we continue our sustainability journey, metrics and targets that are material to our business will be progressively added, providing even more insights in our subsequent reports.

## ABOUT THE REPORT

---

This is Nico Steel's inaugural annual sustainability report and is meant for our employees, business partners, all other stakeholders and the interested public. This report provides an overview of our responsible business practices and has been prepared with reference to the guidelines of Global Reporting Initiative ("GRI") and the Listing Rules 711A and 711B of SGX as well as the SGX Sustainability Reporting Guide.

This report focuses on Nico Steel's sustainability performance with regards to the Group's operations in Singapore, China and Thailand from 1 March 2017 to 28 February 2018.

We intend to expand the scope of our report in the future to also include other countries where the Group has a presence. Data collection has just started and we are establishing the baseline for most of the material topics. We intend to monitor and compare them in the subsequent reports, and with that, identify and set measurable sustainability targets.

No external assurance was sought for this report.

We welcome stakeholders to provide us with feedback and suggestions on this report. You may contact us at **[info@nico.com.sg](mailto:info@nico.com.sg)**

# SUSTAINABILITY GOVERNANCE

Nico Steel’s sustainability agenda is developed and directed by the senior management with guidance from the Board of Directors (the “**Board**”). Our sustainability approach is focused on generating stable and sustainable value for our stakeholders by managing the economic, environmental and social impacts, as well as risks and opportunities present in our business.

The Group’s Sustainability Committee includes senior management executives, led by the Executive Chairman and Group Finance Manager. The Sustainability Committee is responsible for reviewing the company’s sustainability performance, material topics, stakeholder concerns, setting of targets and goals for material topics, and establishing systems to collect, verify, monitor and report information required for this sustainability report.

The Sustainability Committee meets at least once a year and proposes, coordinates and promotes the company’s main sustainability initiatives.

The Board approves the Group’s general policies and strategies, including those relating to sustainability. It may not delegate this function. It also approves the sustainability report.

The Sustainability Committee is also regularly updated with reports on the progress of the Group’s sustainability efforts.

To better align our efforts with our long-term strategy, we have identified four Focus Areas with relevant material ESG factors, which are detailed in the section – Our Material Topics. The material ESG factors, which may have a group-wide impact have been reviewed and approved by our Sustainability Committee and our Board.

Our Focus Areas			
<b>COMPLIANCE</b>	<b>ENVIRONMENTAL PROTECTION</b>	<b>RESPONSIBLE PROCUREMENT</b>	<b>CARE FOR OUR EMPLOYEES</b>

# OUR STAKEHOLDERS

We use formal and informal engagement methods to interact with various groups of stakeholders as identified below. We plan to engage the various stakeholder groups in identification of material topics for our subsequent sustainability reports.

OUR STAKEHOLDERS	STAKEHOLDERS' EXPECTATIONS	MODE OF ENGAGEMENT	OUR INITIATIVES AND RESPONSES
<b>Customers</b>	<ul style="list-style-type: none"> <li>• Customer privacy</li> <li>• Quality control</li> <li>• On-time delivery and services</li> <li>• Technical support</li> <li>• Reasonable payment terms</li> <li>• Competitive pricing</li> </ul>	<ul style="list-style-type: none"> <li>- Customer feedback management (survey, face-to-face meetings)</li> <li>- Regular sales calls and meetings</li> </ul>	<ul style="list-style-type: none"> <li>➤ Active follow-up on customers' needs</li> <li>➤ Regular internal meetings to review on customers' fulfilment and new requirements</li> <li>➤ Update customers on new products and solutions</li> <li>➤ Provide timely feedback to customers</li> </ul>
<b>Employees</b>	<ul style="list-style-type: none"> <li>• Career growth</li> <li>• Training opportunities</li> <li>• Competitive salaries and incentives</li> <li>• A pleasant and safe working environment</li> </ul>	<ul style="list-style-type: none"> <li>- Regular internal communications</li> <li>- Regular review of working environment and welfare</li> <li>- Employee feedback</li> </ul>	<ul style="list-style-type: none"> <li>➤ Ensure effective implementation of HR policies</li> <li>➤ Regular internal meetings to review on safety</li> <li>➤ Annual review on performance</li> </ul>
<b>Shareholders &amp; Investors</b>	<ul style="list-style-type: none"> <li>• Higher financial returns</li> <li>• Industry conditions</li> <li>• Market presence</li> <li>• Profitability</li> <li>• Transparency &amp; corporate governance</li> </ul>	<ul style="list-style-type: none"> <li>- Announcements on SGX</li> <li>- Annual General Meeting</li> <li>- Investor roadshows</li> <li>- Analyst meetings</li> <li>- Electronic communications through investor relations</li> <li>- Annual reports</li> </ul>	<ul style="list-style-type: none"> <li>➤ Regular and timely updates via announcements and press releases as and when required</li> <li>➤ Ensure sustainable business growth</li> </ul>
<b>Government &amp; Regulators</b>	<ul style="list-style-type: none"> <li>• Regulatory compliance</li> <li>• Occupational health &amp; safety</li> <li>• Environmental issues</li> <li>• Social issues</li> </ul>	<ul style="list-style-type: none"> <li>- Meetings</li> <li>- Electronic communications</li> </ul>	<ul style="list-style-type: none"> <li>➤ Ensure compliance with applicable laws</li> <li>➤ Meetings with relevant authorities on regular basis</li> </ul>

# OUR MATERIAL TOPICS

This year was the first time Nico Steel conducted a materiality analysis with internal stakeholders to identify the social, environmental and governance issues that were most relevant. This process helps to define the contents of the report and the general sustainability agenda. This systematic analysis process took into consideration:

- Analysis of regulatory frameworks in the countries where we operate
- Materiality analysis of other similar companies in this industry
- Analysis of the United Nations Sustainable Development Goals
- Reporting frameworks (GRI Standards)

The table below shows the most relevant concerns for Nico Steel that were identified in the internal materiality analysis. Given that this is our inaugural report, we have just embarked on data collection for these material topics and would be sharing more information on performance and targets in our subsequent reports.

As we plan to also engage our other groups of stakeholders to better understand their materiality concerns, this list of material topics may in the future reflect other issues which we have not previously considered.

COMPLIANCE WITH LAWS AND REGULATIONS	ENVIRONMENTAL PROTECTION	RESPONSIBLE PROCUREMENT	CARE FOR OUR EMPLOYEES
Socioeconomic compliance (GRI 419-1)	Waste management (GRI 306-2)	Supplier Management (GRI 414-1)	Employment (GRI 401-1)
Environmental compliance (GRI 307-1)	Water recycled (GRI 303-3)		Occupational Health and Safety (GRI 403-2)



**Nico Steel Holdings Limited**  
**尼尔金属控股有限公司**

*The Specialist in Ferrous & Non-ferrous Metal Alloys*

(Incorporated in Singapore with UEN 200104166D)

Address : No. 51 Loyang Way, Singapore 508744

Main : (65) 6542 1886

Fax : (65) 6542 1986

Website: [www.nicosteel.com](http://www.nicosteel.com)

Email : [info@nico.com.sg](mailto:info@nico.com.sg)