



JADASON ENTERPRISES LTD

**SUSTAINABILITY
REPORT
2019**



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BOARD STATEMENT**DEAR STAKEHOLDERS,**

Jadason Enterprises Ltd (the “Company”, together with its subsidiaries, the “Group” or “Jadason” or “we” or “us” or “our”) is the leading supplier of equipment and supplies to the printed circuit board (“PCB”) industry. We are pleased to release our third Sustainability Report, subscribing to the Global Reporting Initiative (“GRI”) Standards, in accordance with the Core option, and in line with Singapore Exchange (“SGX”) guidelines on Sustainability Report.

The Group continue to focus on the two plants in Dongguan, China as the reporting boundary for FY2019 as they generate the highest weightage on the Group’s revenue, as well as having the widest material impact on sustainability issues that were identified. The two plants in Dongguan, China classified under “Manufacturing and Support Services” in the Group’s business segment, provides PCB drilling service and PCB mass lamination to the PCB manufacturers in China, relied heavily on energy, water and material usage in their day-to-day operation.

BOARD STATEMENT

2019 had been a challenging year for the Group. For the most part of the year, the US-China trade war remains unresolved, and uncertainties had continue to weigh on manufacturers and their business decisions. The “Manufacturing and Support Services” business segment in China had saw a lower volume of PCB drilling and PCB mass lamination jobs flowing into the plants.

We remain positive in the growth prospect of the PCB industry in the coming year. The increasing demand for greater digitalisation / automation, connected devices, high speed data transmission, usage of electric vehicles due to growing environmental concern, biodegradable PCB, etc., provides opportunities for growth in this industry. We will invest to enhance our manufacturing capabilities and ensure that we are able to meet the requirements of our customers and to prepare for the upswing in business.

With the continue investment to enhance our manufacturing capabilities and to prepare for the upswing in business, it will inevitably increase the usage on energy, water and materials in the plants. We are well aware that this will create an impact on the environment and we had integrated our sustainability practices into our business process, like electric reduction plan, etc. in both plants.

We are committed to run a responsible business which requires a delicate balancing of long-term interest of our planet, employees and business profitability as identified on the materiality topic namely Corporate Governance, Environmental, Economic and Social for our Sustainability Report, which can be found on page 16 in this report. 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 striving for continuous operational excellence without compromising on the environment. We will continue to integrate sustainability into our business operation, building a sustainable business for the next generation.

THE BOARD OF DIRECTORS

ABOUT THIS REPORT

Jadason Enterprises Ltd reaffirms our commitment to sustainability, providing an overview of our approach towards sustainability in terms of Environmental, Social and Governance (“ESG”) aspects of our business as well as our FY2019 performance and progress in our third standalone Sustainability Report 2019.

This report is dedicated to supplement our annual report. It provides a reasonable and transparent presentation of the key aspects of our material sustainability issues identified in FY2017, has remained valid.

2.1 Reporting Standard and Assurance

This report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards 2016: Core option, as well as SGX-ST Listing Manual (Rules 711A and 711B). We have selected the 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 for external assurance for this reporting period and will consider it when our reporting matures over time.

2.3 Report Restatement

In this third sustainability report, employees’ training and development of Jadason Enterprises Ltd had been recorded and reported as a Group. Unlike the two previous sustainability report where employees’ training and development were only focused on the two plants in Dongguan, China.

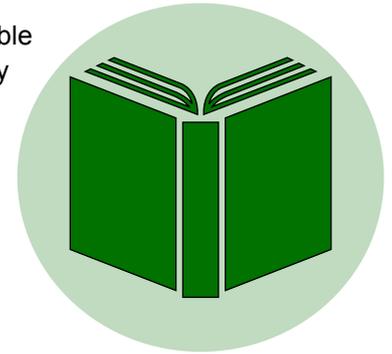
There is a re-adjustment on the total injuries figures on the past sustainability report due to wrong figures being provided by one of the plants in Dongguan, China.

There is no other further restatement for this report other than the above mentioned.

2.5 Feedbacks

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

If you have any questions or comments about this report, you can reach us at info-sing@jadason.com.



2.2 Reporting Scope and Period

This sustainability report covers only on the two plants in Dongguan, China which contribute to the highest weightage of the Group’s revenue and had a wide range of material impact on sustainability issues. Relevant data, strategies and practices, and a detailed account of our sustainability performance had been documented in this report.

This report published on an annual basis is our third standalone sustainability report, covering the period from 1 January 2019 to 31 December 2019 with limited historical information. The previous annual sustainability report was published in May 2019.

2.4 Report Accessibility

In line with our sustainability efforts to be more environmental friendly, we will not be printing this report.

We will only 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>.

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, is a leading supplier of equipment and supplies to the printed circuit board (“PCB”) industry in Asia, headquartered in Singapore and is listed in Singapore Exchange Securities Trading Limited (“SGX-ST”).

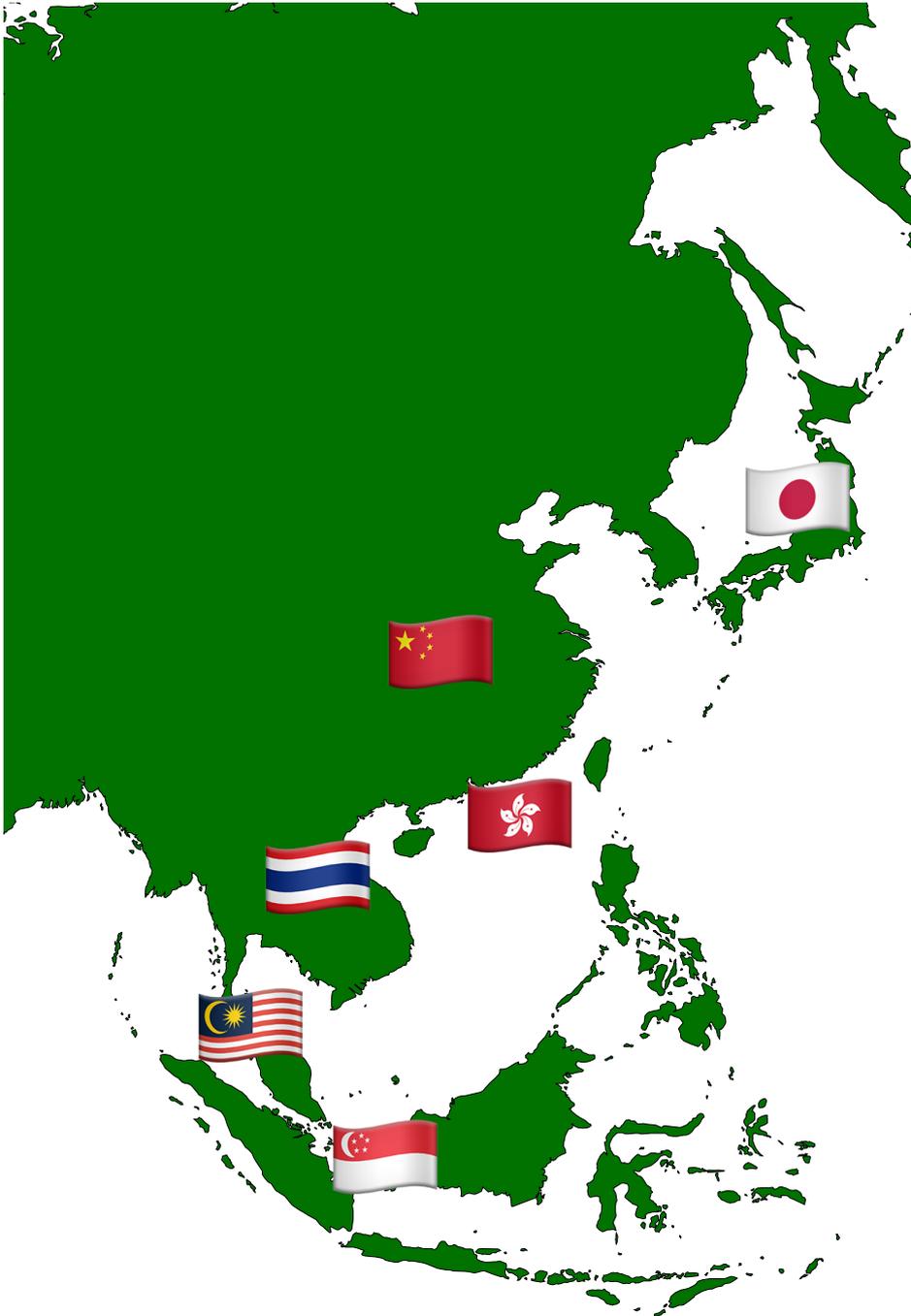
The Group has an extensive distribution network in Asia spanning across China, Hong Kong, Japan, Malaysia, Singapore, and Thailand providing equipment and supplies

To provide better support on equipment sales and service 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 provides mass lamination to PCB manufacturers in China.

The Group subscribes to the standards and guidelines of SGX-ST, Monetary Authority of Singapore (“MAS”), International Organization for Standardisation (“ISO”) - ISO 9001:2015 and ISO 14001:2015, GRI standards, and local regulations where the Group operates across its distribution network.

ABOUT JADASON ENTERPRISES

3.1 Geographical Presence



Network Region	
	China
	Hong Kong
	Japan
	Malaysia
	Singapore
	Thailand

ABOUT JADASON ENTERPRISES

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 and Singapore supplying a wide range of equipment and supplies for PCB industry.

The equipment and supplies that Jadason supplies range from CNC machines, laser drilling machines, drill bits, dry films and laminates.

Jadason also fabricate some of the equipments used in the PCB manufacturing process.



3.2.2

Manufacturing and Support Services

Jadason has an extensive support network to 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 the PCB manufacturers operating in China.

Through a subsidiary in Dongguan, Jadason provides mass lamination services which complements on the PCB drilling services. Coming up with a “one-stop” shop in Dongguan to meet customer’s needs.



ABOUT JADASON ENTERPRISES

3.3

Corporate Governance

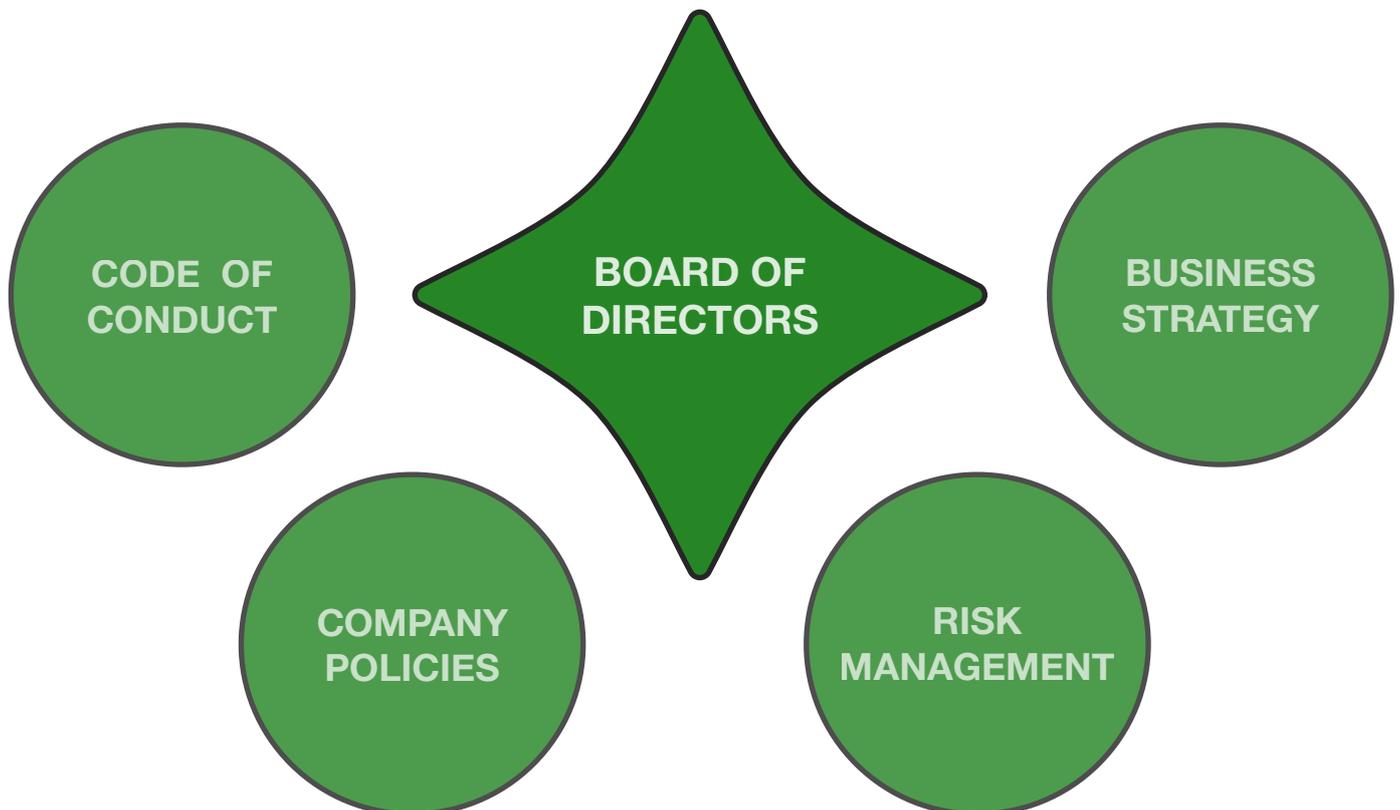
Our Board of Directors (the “Board”) and Managements are committed to maintaining a high standard of corporate governance so as to ensure that the Group’s activities are carried out in the best interest of its shareholders. Our governance policies and practices are generally adhered to the principles and provisions of the Code of Corporate Governance issued in August 2018 (the “2018 Code”) by MAS, which introduced new principle on managing stakeholder relationship.

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 objective.

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.

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

Full details of the Corporate Governance can be found from Jadason Enterprises Ltd Annual Report 2019, page 17 to 31.



ABOUT JADASON ENTERPRISES

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.

The risk management frame work 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.

3.3.2

Operational Practices

3.3.2.1

Code of Conduct

The principles and guidelines of the Code provide a guidance on the Code of Conduct for the employees in 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.

3.3.2.2

Whistle-blowing Policy

Jadason has established whistle-blowing policy which allows individual 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 website that was mentioned in this report.

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 to the Directors and officers to set out the guidance on dealing in the securities of the Company.

3.4

Supply Chain

Jadason has a broad range of suppliers for the two business segments identified in its principal business across its network region in Asia. Majority of the suppliers are situated in China, and a handful of suppliers situated in the United States of America (“USA”), and Germany.

The Group categorised its suppliers according to the two business segments - “Equipment and Supplies” and “Manufacturing and Support Services”.

The Group has a comprehensive process to work with its suppliers in a fair and ethical manner on procuring of equipments, raw materials, and engaging on general and specialised professional services.



OUR PEOPLE

Our People form the backbone of Jadason with our identified core business segment - Equipment and Supplies, and Manufacturing and Support Services. Our People contributed endlessly in providing a high and reliable quality as well as good services to our customer across our distribution network across Asia. They are crucial to the growth and progress of Jadason. Without the selfless contribution, commitment and effort of each and every employees that work with us throughout the years, Jadason will not come to be where we are today.

In FY2018, we had consolidate and report the Group’s total employee hire and turnover rate as well as diversification profile to be in line with GRI standard. In FY2019, Jadason will not be implementing any changes to the reporting of our employees other than including the growth and development of our employees into our report as a Group instead of reporting within the two plants in Dongguan, China.

4.1 Employment Profile

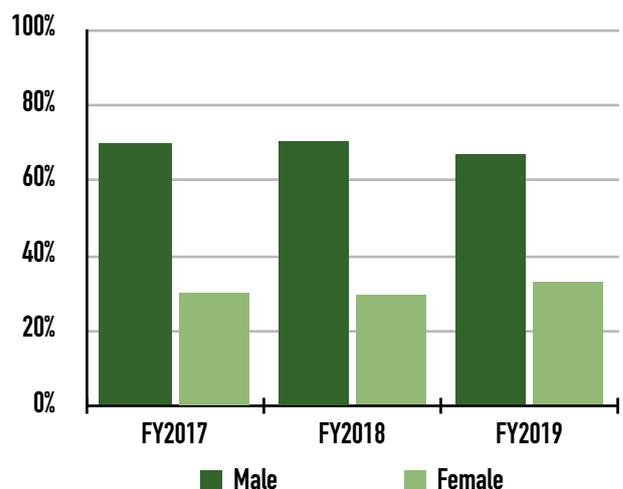
With the lower volume of PCB drillings and PCB mass lamination jobs in China, and the difficulty in retaining employees in China as well as gearing towards automation, the total employment headcount for China had decreased by 25% compared to the previous reporting year. The total employment headcount in other countries reported minimum changes from previous year. This results in the decrease of the total employment headcount in Jadason across Asia by 22% from 2018, bringing it to 544 in 2019.

In 2019, Jadason saw an increase in the percentage of permanent contract workers in the Group compared to the previous reporting year, where the total number of temporary contract worker and supervised worker decreased in this reporting year.

Similar to the years before, China had accounted the largest workforce in Jadason in 2019 followed by Thailand and Singapore.

PERMANENT CONTRACT EMPLOYEES IN JADASON	
FY2017	95.83%
FY2018	86.02%
FY2019	91.73%

TOTAL PERMANENT CONTRACT WORKER BY GENDER



OUR PEOPLE

4.2 Diversification

In Jadason, we value all our employees despite of their age, gender, religion, etc and provide equal opportunity to them. We hire our employees on the basis of value and competency instead of age, gender, religion, etc.

We believe that having a diversified group of employees working and learning together can aid with the growth of the organisation. The younger group tends to be more energetic, tech savvy and innovative while the older group tends to be more mature, reliable and possessed wealth of experience. This two group can learn from each other to bring the company to the next level.

From the distribution table shown on the right, there is a significant difference between the male and female employees in China as compared to the other countries. Our business in China, mainly where our PCB drilling and PCB mass lamination service is situated, is traditionally more towards male dominated due to the nature of the work being more physical demanding. As such, it does not stop us from hiring female employees whom are deemed as competent for the job.

China carrying a huge weightage of the total employee headcount of 82.9% in the Group of which 75.4% of the total employee headcount in China are male, putting a heavy weightage on the total male employee in the Group despite several countries reported a higher percentage of female headcount.

With the decrease in total headcount in China this year, the percentage between male and female employee in the Group had slide towards female employees. Breaking the record on the reported total male employee above 70% for 2 consecutive years.

In 2018, we started to report diversification of the total employment headcount as a Group, our historical data for this aspect will be limited to 2018 and after.

Similar to the past reporting years, the Board of Directors in the Group consists of three male and two female Directors in 2019.

TOTAL EMPLOYEES BY GENDER

	FY2017	FY2018	FY2019
	70.6%	70.8%	68.4%
	FY2017	FY2018	FY2019
	29.4%	29.2%	31.4%

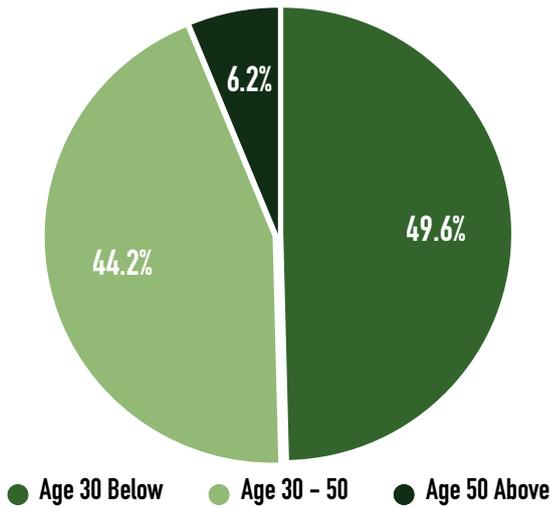
DISTRIBUTION OF EMPLOYEES BY COUNTRY AND GENDER IN EACH COUNTRY

Country	FY2017	FY2018	FY2019
China	84.77% Male - 74.7% Female - 25.3%	86.73% Male - 76.2% Female - 23.8%	82.9% Male - 75.4% Female - 24.6%
Thailand	5.21% Male - 32.5% Female - 67.5%	5.42% Male - 31.6% Female - 68.4%	7.17% Male - 30.8% Female - 69.2%
Hong Kong	4.04% Male - 71.0% Female - 30.0%	1.57% Male - 30.8% Female - 69.2%	2.39% Male - 30.8% Female - 69.2%
Japan	0.39% Male - 66.7% Female - 33.3%	0.43% Male - 66.7% Female - 33.3%	0.55% Male - 66.7% Female - 33.3%
Malaysia	1.95% Male - 40.0% Female - 60.0%	2.43% Male - 41.2% Female - 58.8%	2.76% Male - 40.0% Female - 60.0%
Singapore	3.39% Male - 42.3% Female - 57.7%	3.28% Male - 34.8% Female - 65.2%	4.23% Male - 34.8% Female - 65.2%
Taiwan	0.26% Male - 100% Female - 0%	0.14% Male - 100% Female - 0%	0% Male - 0% Female - 0%

OUR PEOPLE

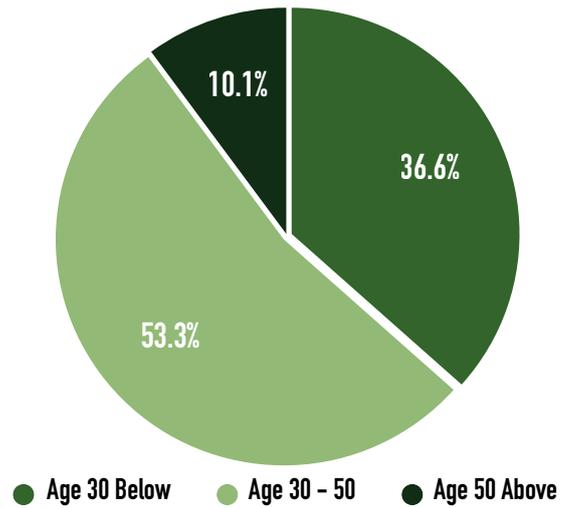
FY2018

TOTAL EMPLOYEE BY AGE

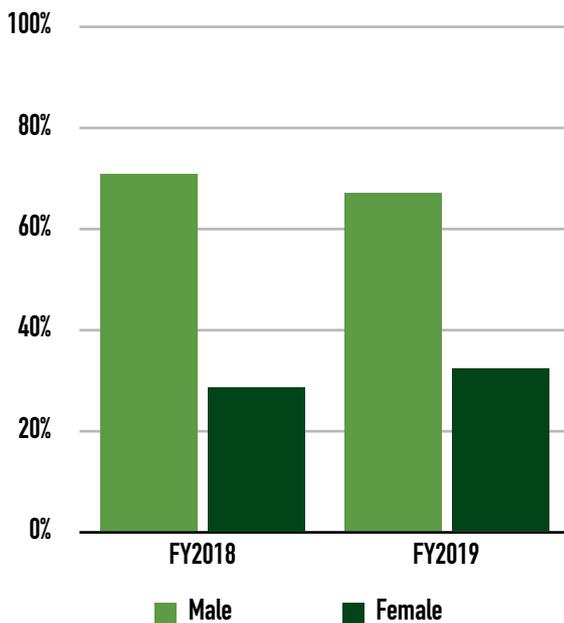


FY2019

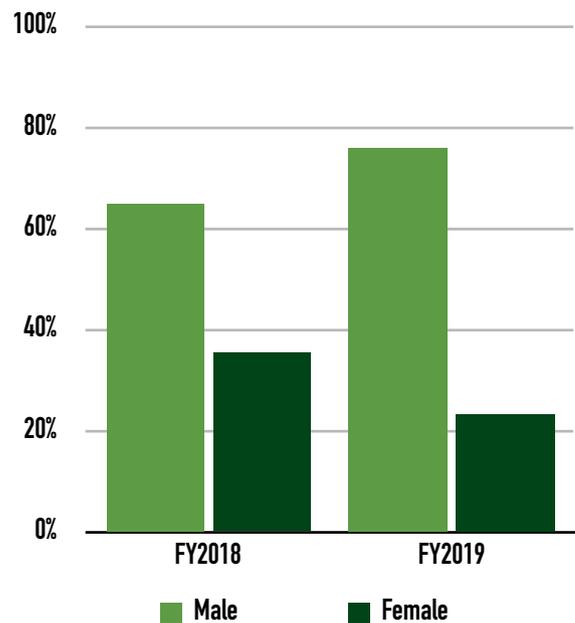
TOTAL EMPLOYEE BY AGE



TOTAL EMPLOYEE BY GENDER BELOW 50 YEARS OLD



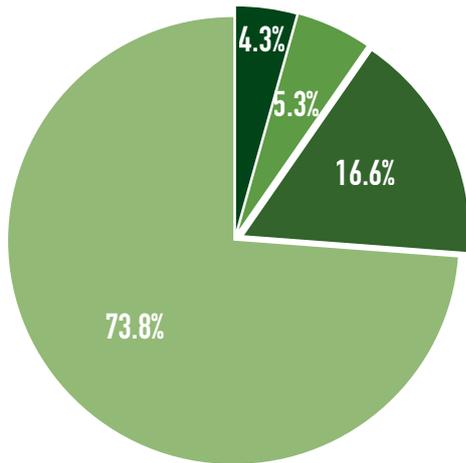
TOTAL EMPLOYEE BY GENDER ABOVE 50 YEARS OLD



OUR PEOPLE

FY2018

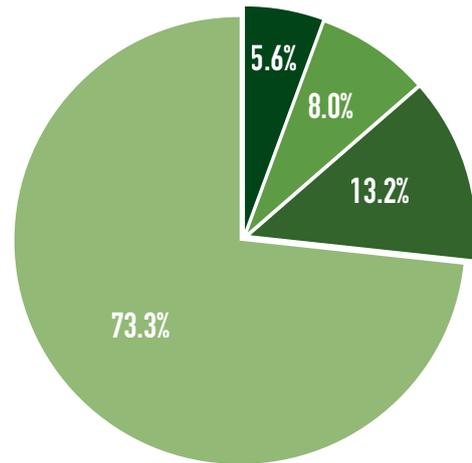
TOTAL EMPLOYEE BY CATEGORY



- Management and above
- Executives and Supervisors
- Administration and Others
- Productions

FY2019

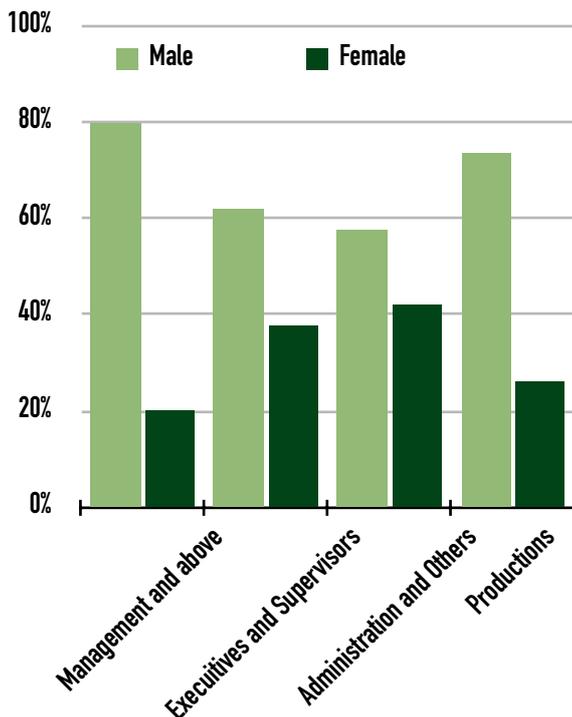
TOTAL EMPLOYEE BY CATEGORY



- Management and above
- Executives and Supervisors
- Administration and Others
- Productions

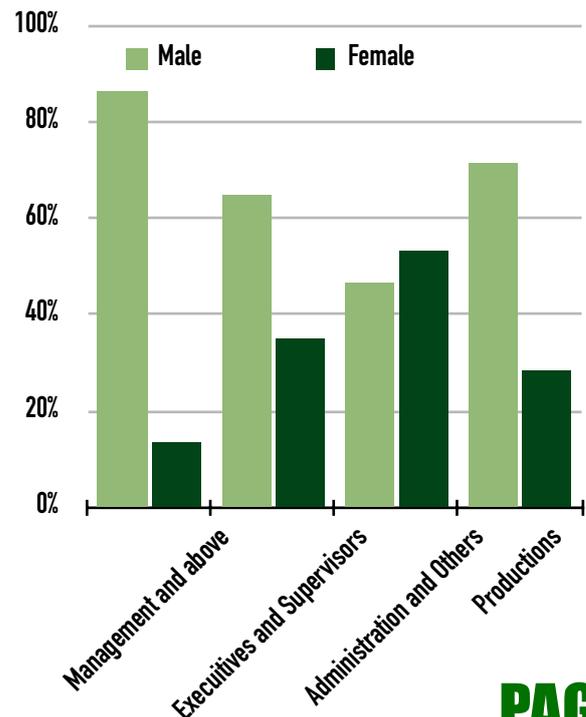
FY2018

GENDER DIVERSITY BY CATEGORY



FY2019

GENDER DIVERSITY BY CATEGORY



OUR PEOPLE

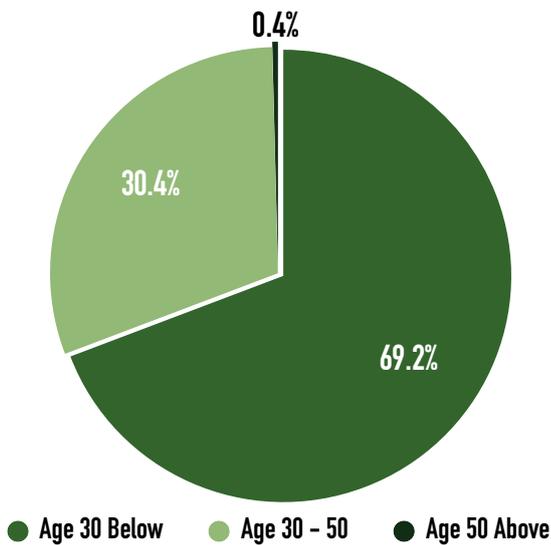
4.3 Hire and Turnover

In 2019, the hire and turnover rate had decreased by 26.0% and 18.1% from the previous reporting year respectively. The major contribution for 2019 hire and turnover is reported from China at 96%. While all other countries reported a minimum employee hire and turnover. With the vast employment opportunities in China, employing and retaining employees is still a challenge to the Group.

In 2018, we started to report the hire and turnover rate as a Group, our historical data for this aspect will be limited to 2018 and after.

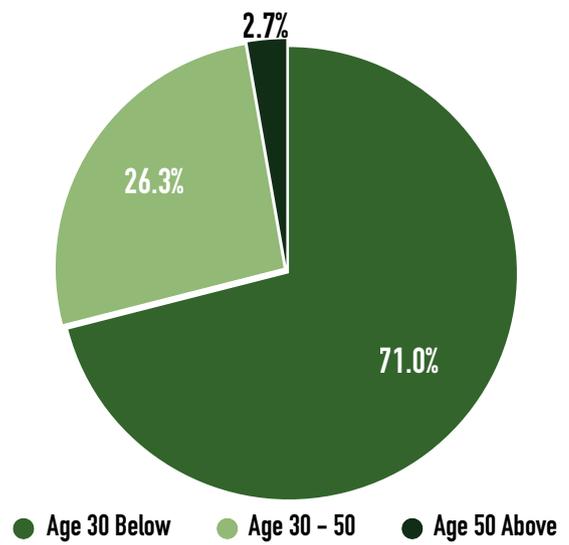
FY2018

TOTAL EMPLOYEE HIRED BY AGE



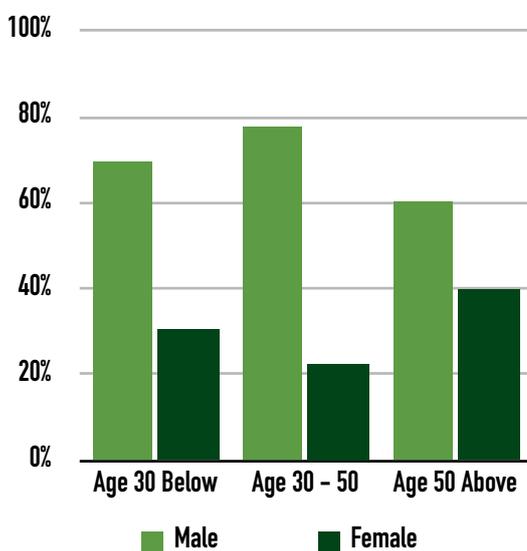
FY2019

TOTAL EMPLOYEE HIRED BY AGE



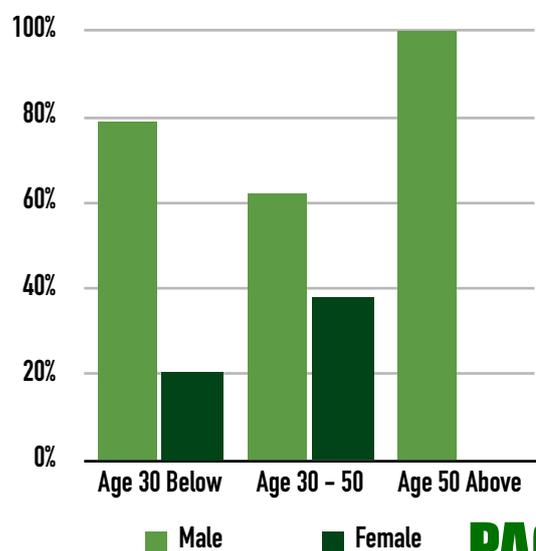
FY2018

TOTAL EMPLOYEE HIRED BY GENDER



FY2019

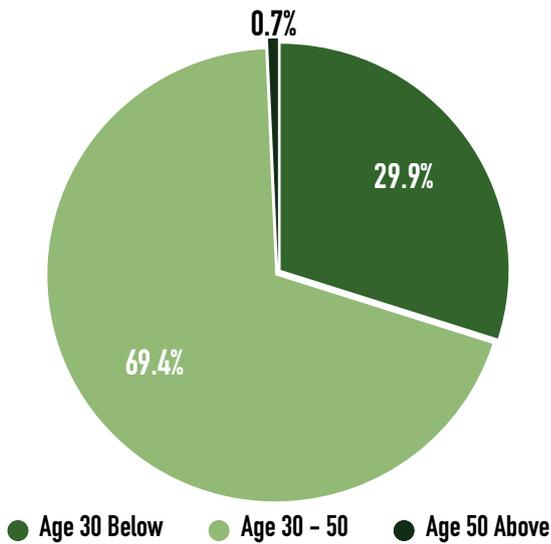
TOTAL EMPLOYEE HIRED BY GENDER



OUR PEOPLE

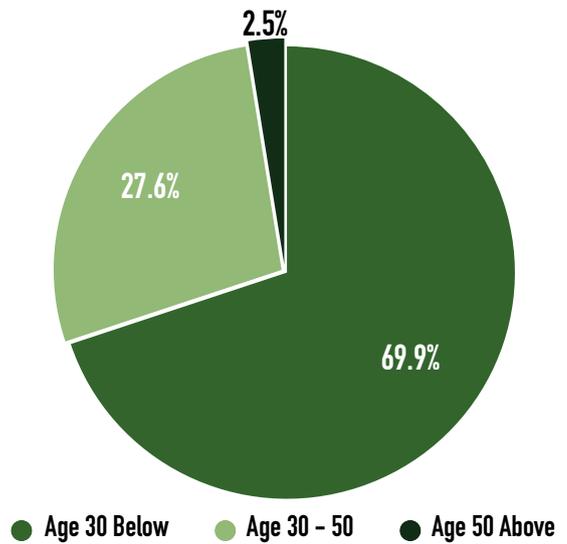
FY2018

TOTAL EMPLOYEE TURNOVER BY AGE



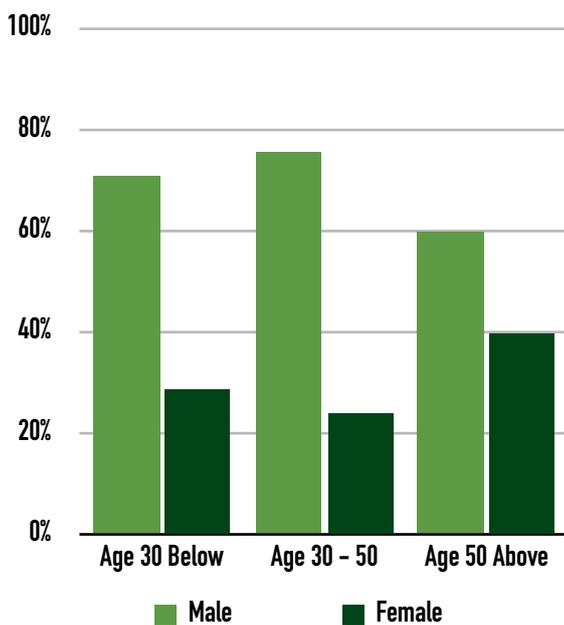
FY2019

TOTAL EMPLOYEE TURNOVER BY AGE



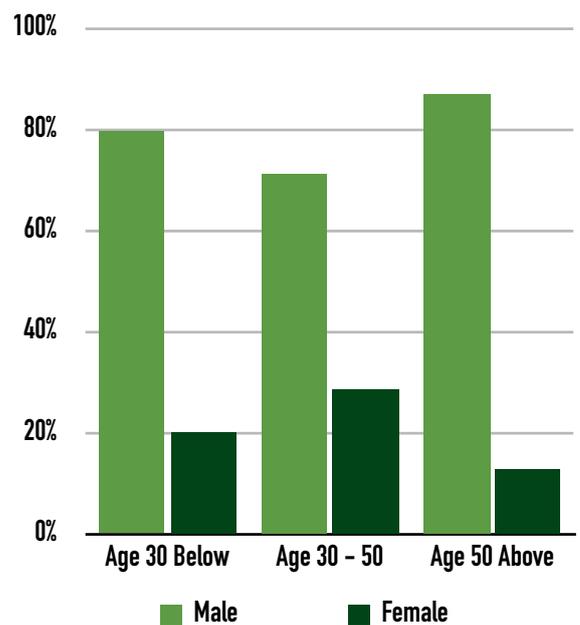
FY2018

TOTAL EMPLOYEE TURNOVER BY GENDER



FY2019

TOTAL EMPLOYEE TURNOVER BY GENDER



OUR PEOPLE



4.4 Growth and Development

Subtracting the business outlook around the world that will affect the organisation, the growth and development of the employees may affect the organisation as well. With the continuous training, learning and developing in view with the movement and changes in the business market around the world, be it in the skill of Information Technology (IT), Engineering, Technical, etc., the Group will be able to sustain and growth together.

Continuous training provides the employee with better understanding and expectation on task being assigned to them. This could help the employee to build up their confidence when performing on daily work as well as business operation and further excelling them.

With COVID-19 situation that arise in the December 2019 affecting several countries in 2020, we aim to maintain the training hours per employee for 2020.

Starting from this reporting year, we will not limit on the reporting of our growth and development record to the two plants in Dongguan, China. Jadason will report the growth and development record as a Group.

As such, the historical data for this aspect will be limited to this reporting year.

FY2019	
Total Training Hours	8,315 Hours
Training Hours Per Employee	15.28 Hours



SUSTAINABILITY APPROACH

5.1 Boundary Setting

In this third Sustainability Report, our two plants in Dongguan, China remain as the Group reporting boundary in 2019 which contributes the highest weightage of the Group’s revenue and has the widest material impact on sustainability issues. The Group will review on the reporting boundary when the reporting matures over time.

5.2 Stakeholders’ Engagement

We engage with our stakeholders regularly to access on their concerns, interest and potential impact to the Group which is critical to the long-term success of the Group. Regular engagements provide a better insight on the materiality assessments of the Group.

The figure below shows our key stakeholders and the form of engagement with them.

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

SUSTAINABILITY APPROACH

5.3

Materiality Assessment

The materiality issues identified in FY2017 marks as a guide to Jadason on the focus of sustainability in a long-run, remains valid and important on our business practice and our stakeholders for this reporting year. The materiality issues that were identified and deemed as important for the two plants in Dongguan, China cover on Corporate Governance, Economic, Environmental and Social. The breakdown on the materiality issues can be found on the table at the right.

We recognised that the materiality issue may evolve over time, and aim to conduct reviews on the identified materiality issue every three years to access on the validity of the materiality issues identified for our sustainability footprint.



5.3.1

Economic Performance

The economic performance and financial contribution of Jadason had been tabulated and will be published in Jadason Enterprises Ltd Annual Report 2019. Due to COVID-19 situation around the world, affecting globally, Jadason Enterprises Ltd Annual Report 2019 will be released at a later date from Sustainability Report 2019.



The Group Financial Highlights and Operating Reviews can be found from Jadason Enterprises Ltd Annual Report 2019, page 04 to 10.

The Group Financial Statement can be found from Jadason Enterprises Ltd Annual Report 2019, page 42 to 100.

5.3.2

Anti-corruption

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



Jadason has a standard procedure in managing and monitoring its internal resource flow and had strengthen its supervision in each department to identify and weed out the possibilities of corruption.

5.3.3

Child Labour

In Jadason, we comply to the labour laws on wages, working hours, child labour and minimum employment age of the countries we operate in.



REACHING OUT IN DONGGUAN, CHINA

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

The daily operations in the two plants in Dongguan, China, works around with energy, water and material and accounted as the major usage in the Group and are aware that such usage will put the environment to strain in the long-run. This will in turn affects the sustainability of our future generations and the Group’s business.



With the challenge in retaining employees and the lower volume of PCB drilling and PCB mass lamination job flowing to China from the drawn-out US-China trade war in FY2019, the total employment headcount recorded for the two plants in Dongguan, China had decreased by 30% comparing to the previous reporting year.

The Group continuously review its process to reduce manpower requirement and expanding on the production capacity. Jadason had progressively invested in automation equipments and processes to reduce its manpower needs and enhanced on operation effectiveness while to prepare and support in the upswing of the business.

6.1 Environmental

In Jadason, we integrate our sustainability practices into our business process of the two plants in Dongguan, China to manage the impact of our business operations and activities to the environment.

The progressive investment in automated equipments and processes to reduce reliance of manpower and enhanced operation effectiveness, to prepare and support in the upswing of the business, will no doubt adding stress to the environment due to the increase in energy and water requirement. With more environmental concern and the improve in technology, equipments and/or machines moving towards energy saving criteria which on the other hand maintaining on the energy usage despite have more equipments. The Group constantly review on its energy reduction plan in the plants to lighten the stress on energy usage.

Of the two plants in Dongguan, China, one of the plants is governed by ISO 14001 guidelines on the environmental management systems. We are committed to minimise the environmental impact of the business operation for both plants in Dongguan, China with our best effort.

In FY2019, the two plants in Dongguan, China had reported one new supplier that underwent screening based on the environment criteria.

Jadason aims to continuously drive operational excellence without compromising on the environment.

REACHING OUT IN DONGGUAN, CHINA

6.1.1 Material

The business operation of our two plants in Dongguan, China requires high volume of materials of which majority are procured across China.

The category of materials being used in the two plants in Dongguan, China are namely “raw material”, “associated process material” and “materials for packaging”. Direct measurements methodology is practiced in the two plants to collect the usage volume of the materials identified.

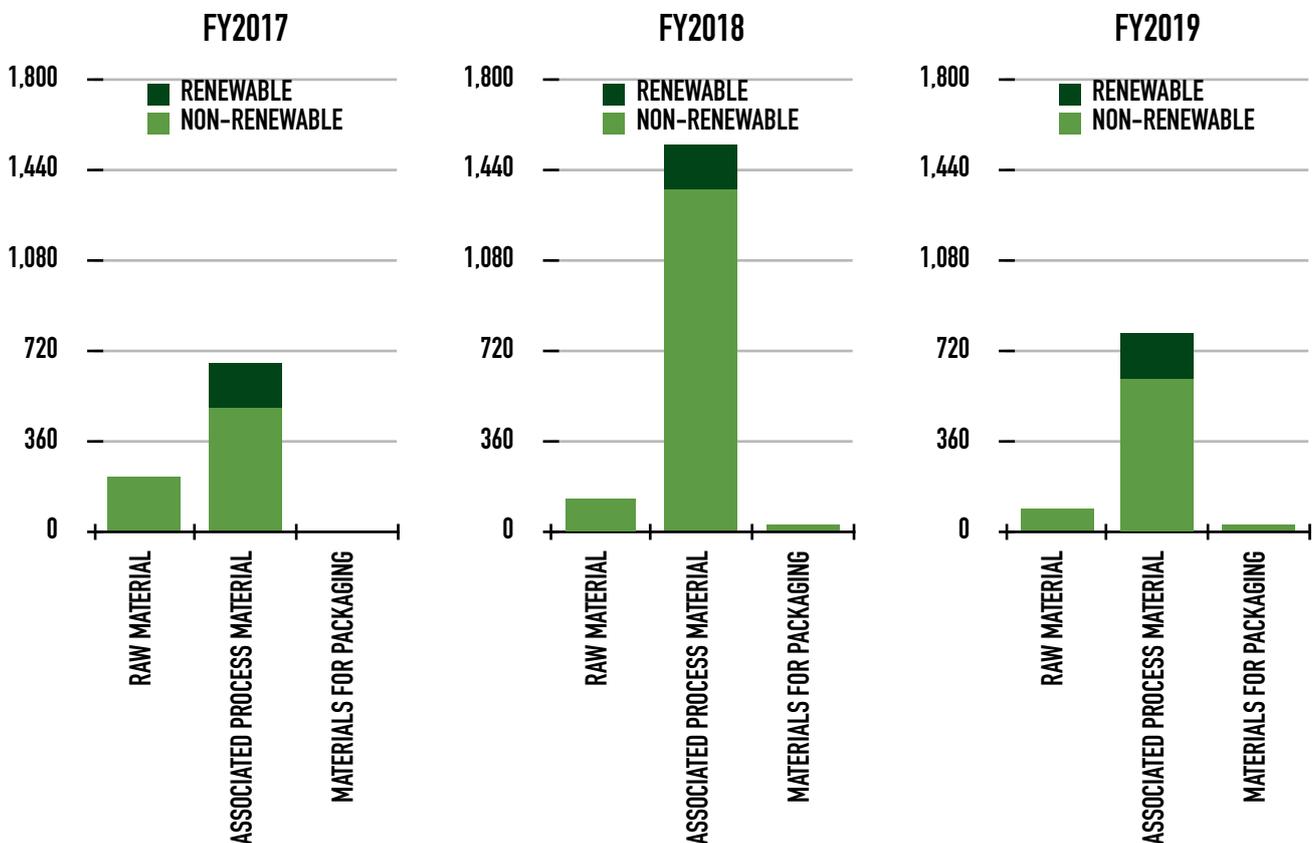
We recognised that the volume of materials used in our business operation in Dongguan, China will inevitably create an impact to the environment. We practice on utilising the materials to every bits that we can before disposing them to minimise the wastage of the material and to play our part moving towards sustainability.

Due to the undervalue figures collected in FY2017 for the category “Associated Process Materials” and “Materials for Packaging”, shows a lower usage figure despite having the highest production yield in the three years in Dongguan, China.

We aim to maintain or to have a low increase in the material used in the coming years, when the production yield increase.

J adason aims to minimise the impact to the environment without producing sub quality product.

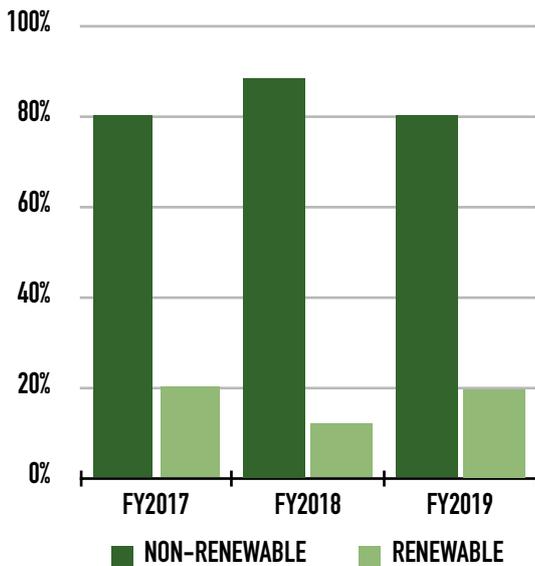
MATERIAL CATEGORY AND USAGE IN DONGGUAN, CHINA



REACHING OUT IN DONGGUAN, CHINA

6.1.2 Waste

PERCENTAGE OF RENEWABLE & NON-RENEWABLE MATERIAL



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

The waste materials generated in the plants were stored and categorised in an easily understand manner in the plants to avoid mixing up with other usable material. The third party waste treatment contractor will then drop by the two plants as scheduled to collect the waste material.

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

The lower volume of PCB drillings and PCB laminating jobs flow to the plants, and the gradual change in the equipments the amount of materials used in the two plants had decreased compared to the previous reporting year. The percentage of renewable and non-renewable materials had falls back to almost the same weightage in FY2017.

We recognised that the high weightage of non-renewable materials used in the two plants put a strain to the environment. We aim to maintain the weightage of renewable material used even though the production yield increase in the next reporting year.



REACHING OUT IN DONGGUAN, CHINA

6.1.3 Energy Consumption

Our business operation in Dongguan, China generally works around machineries and equipments on a daily basis, consuming high amount of electric energy. We are well aware that the amount of energy consumption in the plants will create an impact to our environment and affect on the sustainability of our business in the long-run.

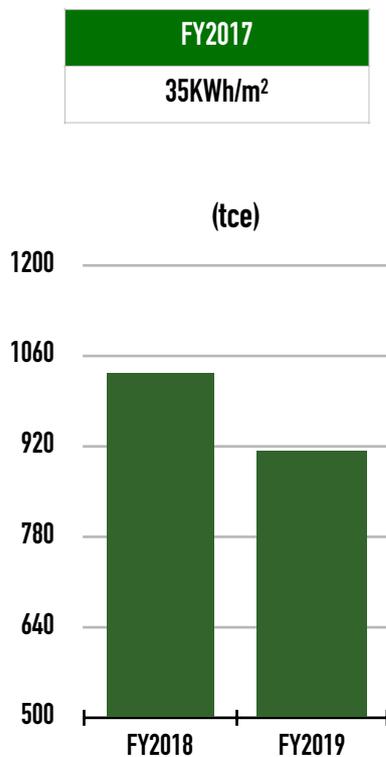
Our electric energy is directly purchased from municipal electric supplier situated in Dongguan, China. Periodical checking and recording of the electric usage from electric meters for the two plants were arranged by the electric supplier follow by billing the usage amount to the two plants.

In the previous reporting year, we had changed the recording measurement from “KWH” in FY2017 to “TCE” in FY2018 and will follow this measurement unit from FY2018 onwards. The two plants in Dongguan, China subscribes to GB/T13234-2009 on the methodologies and assumptions used for calculation of energy consumption with the calculation method as follow:

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



ELECTRIC ENERGY CONSUMPTION



The electric energy consumption of the two plants in Dongguan, China had dropped 11% in terms of “TCE” calculation compared to the previous reporting year. With the energy saving plan in place, the electric energy consumption was further reduced in FY2019 from the lower production yield and employment headcount of the plants.

We will strictly adhere to the standards on electric energy consumption and reduction plan to achieve our energy reduction goal in FY2020. We continuously review our energy saving plan through monitoring, analysing and optimising the energy consumption in the plants.

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

REACHING OUT IN DONGGUAN, CHINA

We subscribed to the Five-Year Plan on energy savings from Dongguan Province, China for the two plants. Committed to achieve on our energy reduction target, we follow closely on our energy reduction plan found on the right.

The Five-Year Plan that we subscribed, calls for a total energy reduction of 19.3% energy consumption per unit of GDP by FY2020.

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

We continue to educate our employees on energy savings in the plants by (1) only to turn on the air-conditional half an hour after they start work, (2) maintaining the temperature at 25 degree Celcius, and (3) to turn off the air-conditional half an hour before they end work for the day.

We strengthen our management in the production line on daily operation to better understand and utilise the equipments to increase output in the production line, in turn reducing the electric energy consumption generated from production line. We changed our exposure machines to LED lightings to aid in the reduction of electric energy consumption.



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

CULTIVATE ENERGY CONSERVATION AND ENVIRONMENTAL PROTECTION



REACHING OUT IN DONGGUAN, CHINA

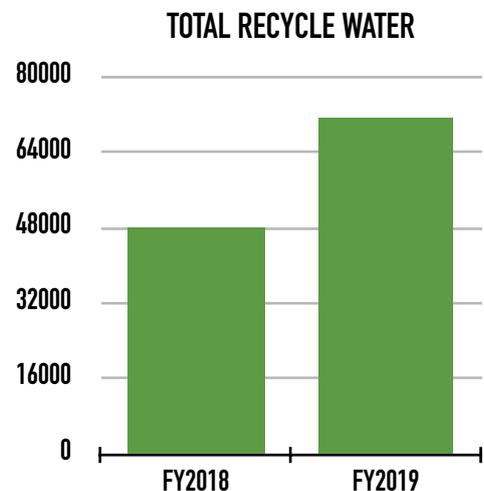
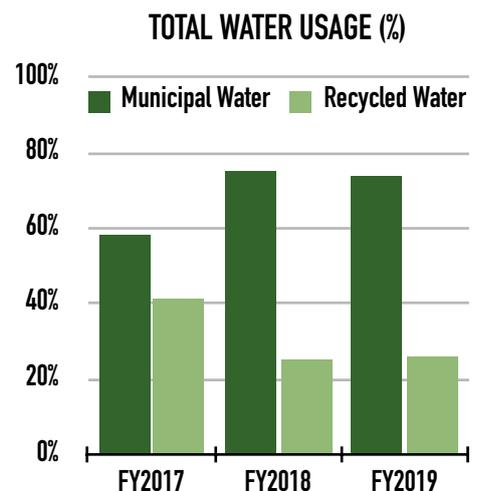
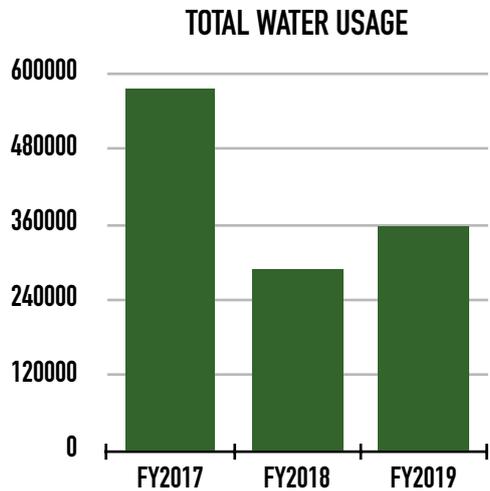


6.1.4 Water Withdrawal

Our two plants in Dongguan, China, recorded substantially high amount of water withdrawal for our business operation and periodically machinery upkeep and maintenance. The main water supply source for our plants is from municipal water supplier situated in Dongguan, while other water supply source is from our own water recycle plant that is situated in one of our plants.

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

The total water usage of the two plants is tabulated to an estimate of 354,700 tonnes of water withdrawn from our municipal water supplier and our water recycle plant. Despite the decrease in employment headcount and the decrease in production yield, the total water usage of the two plants had increased by 18.3% from the previous reporting year. There is a slight increase in the amount of recycled water used in the plant compared to municipal water used in the plant from the previous reporting year and the total volume of water recycled in the plant had increased by 48.5% from FY2018.



REACHING OUT IN DONGGUAN, CHINA

6.2 Employee Wellness

With the rapid growth in China over the years, and more business setting up in the country creating more working opportunities for the people, it poses a challenge to the businesses in China to retain manpower in the company, which does not exclude Jadason.

Growing importance on employee well-being, welfare, and incentives had surfaced over the years. It's believed that employee wellness leads to higher employee retention rate, which could affect the productivity of the workforce in the plants.

The two plants in Dongguan, China provide full-time employees with benefits consisting 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 employee, our part-time and temporary employees do not enjoy most of the benefits mentioned.

Our employees are able to utilise places like the Reading Room, Entertainment Room, TV Room, etc during their spare time. We recognise on the importance for our employees to feel a sense of belonging with the company throughout their employment with Jadason. Activities such as basketball match, tug-of-war, table tennis or even other sports were organised for the employees, which could unite the employees, promote on team bonding and cultivating team work among the employees.



REACHING OUT IN DONGGUAN, CHINA

6.3 Healthy and Safety

The health and safety of our employees is an important factor to us. We believe that having an accidental prone, dangerous and/or hazardous working environment will affect both our employees and business operation. We subscribe and comply to the safety requirements of China reporting standard (GB6441-86), ISO 9001:2015 and ISO 14001:2015 standards.

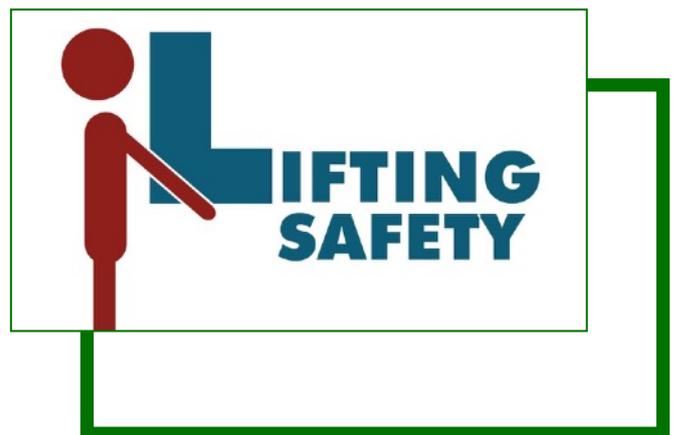
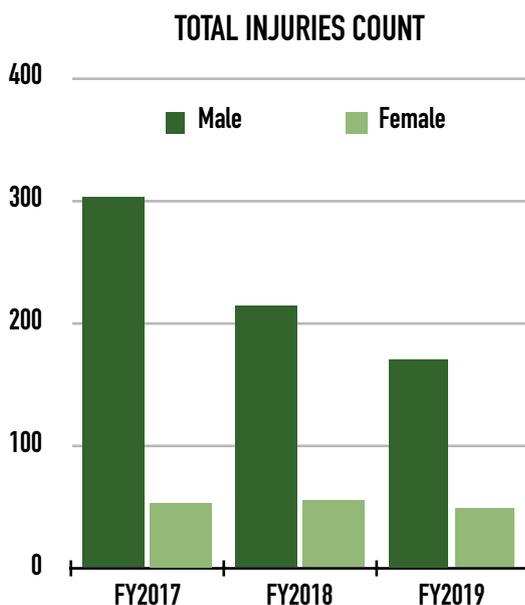
Employees are required to strictly comply to the safety measures drawn up in the plants. We will arrange trainings for our employees to educate on the proper method in handling machineries, equipments, materials and waste materials, logistic flow in the plants, etc to minimise the risk of accident in the plants.

We achieved zero fatality across our plants in Dongguan, China in FY2019 and aim to achieve zero fatality for the upcoming reporting years.

There is a re-adjustment on the total injuries counts for the previous reporting years due to the figures provided by one of the plants had been provided wrongly. With the adjustment, a downward trend on the total injuries count can be observed compared to the previous years. We aim to continue reduce our total injuries count for the upcoming reporting years.



In FY2019, we achieved ZERO fatality across our plants.



GRI CONTENT INDEX

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

GENERAL STANDARD DISCLOSURES

GRI Standard Number	Disclosure Number	Disclosure Title	Chapter Reference
ORGANISATION PROFILE			
GRI 102: General Disclosures 2016	102-1	Name of the organisation	About this report (page 03)
	102-2	Activities, brands, products, and services	Principle Business (page 06)
	102-3	Location of headquarters	About Jadason Enterprises (page 04)
	102-4	Location of operations	About Jadason Enterprises (page 04 - 06) Our People (page 09)
	102-5	Ownership and legal form	About Jadason Enterprises (page 04) Annual Report (page 15)
	102-6	Markets served	About Jadason Enterprises (page 04 - 06)
	102-7	Scale of the organisation	Our People (page 09) Annual Report (page 04 - 06, 101, 102)
	102-8	Information on employees and other workers	Our People (page 09)
	102-9	Supply chain	Supply Chain (page 08)
	102-10	Significant changes to the organisation and its supply chain	N.A.
	102-11	Precautionary Principle or approach	Director Statement (page 01 - 02) Risk Management (page 08)
	102-12	External initiative	Reporting Standard (page 03) About Jadason Enterprises (page 04)
	102-13	Membership of association	N.A. - No membership associations
STRATEGY			
GRI 102: General Disclosures 2016	102-14	Statement from senior decision-maker	Director Statement (page 01 -02)
ETHICS AND INTEGRITY			
GRI 102: General Disclosures 2016	102-16	Values, principles, standards, and norms of behaviour	Corporate Governance (page 07 - 08)
GOVERNANCE			
GRI 102: General Disclosures 2016	102-18	Governance structure	Corporate Governance (page 07 - 08)

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GRI Standard Number	Disclosure Number	Disclosure Title	Chapter Reference
STAKEHOLDER ENGAGEMENT			
GRI 102: General Disclosures 2016	102-40	List of stakeholder groups	Stakeholders' Engagement (page 16)
	102-41	Collective bargaining agreements	N.A. - Employees are not covered by collective bargaining agreements
	102-42	Identifying and selecting stakeholders	Stakeholders' Engagement (page16)
	102-43	Approach to stakeholder engagement	Stakeholders' Engagement (page 16)
	102-44	Key topics and concerns raised	Materiality Assessment (page 17)
REPORTING PRACTICE			
GRI 102: General Disclosures 2016	102-45	Entities included in the consolidated financial statement	Annual Report (page 74, 75) About this Report (page 03)
	102-46	Defining report content and topic Boundaries	Sustainability Approach (page 16)
	102-47	List of material topics	Materiality Assessment (page 17)
	102-48	Restatements of information	About this Report (page 03) Growth and Development (page 15) Health and safety (page 25)
	102-49	Changes in reporting	About this Report (page 03) Growth and Development (page 15) Health and safety (page 25)
	102-50	Reporting period	About this Report (page 03)
	102-51	Date of most recent report	May 2019
	102-52	Reporting cycle	About this Report (page 03)
	102-53	Contact point for questions regarding the report	About this Report (page 03)
	102-54	Claims reporting in accordance with the GRI standard	About this Report (page 03) GRI Content Index (page 26)
	102-55	GRI content index	GRI Content Index (page 26 - 28)
	102-55	External assurance	About this Report (page 03)
	MANAGEMENT APPROACH		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Sustainability Approach (page 16)
	103-2	The management approach and its components	Reaching Out in Dongguan, China (page 18 - 25)
	103-3	Evaluation of the management approach	Sustainability Approach (page 16)

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TOPIC SPECIFIC DISCLOSURES

GRI Standard Number	Disclosure Number	Disclosure Title	Chapter Reference
ECONOMIC PERFORMANCE			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Economic Performance (page 17)
ANTI-CORRUPTION			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Anti-corruption (page 17)
ENVIRONMENTAL			
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Materials (page 19) Waste (page 20)
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Energy Consumption (page 21 - 22)
	302-4	Reduction of energy consumption	Energy Consumption (page 21 - 22)
GRI 303: Water and Effluents 2016	303-3	Water withdrawal	Water Usage (page 23)
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	Materials (page 19) Waste (page 20)
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Environmental (page 18)
SOCIAL			
GRI 401: Employment 2016	401-1	New employees hires and employee turnover	Hire and Turnover (page 13 - 14)
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Wellness (page 24)
GRI 403: Occupational Health and Safety 2016	403-9	Work-related injuries	Health and Safety (page 25)
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Growth and Development (page 15)
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Diversification (page 10 - 12)
GRI 408: Child Labour 2016	408-1	Operations and supplies at significant risk for incidents of child labour	Child Labour (page 17)



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