



Innovation & Excellence

SUSTAINABILITY REPORT 2020

Sustainability Report

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Sustainability Report

MESSAGE FROM THE GROUP CHIEF EXECUTIVE OFFICER

I present the Sustainability Report of Vicplas International Ltd (“Vicplas” or “the Company”, and together with its subsidiaries, “the Group”) for the financial year ended 31 July 2020 (“FY2020”).

FY2020 has been a particularly challenging year given the unprecedented nature of Covid-19. Our operations were impacted by the measures undertaken by the various governments to contain the spread of Covid-19 resulting in plant shutdowns, disruptions to supply chain and manpower shortages.

Both business segments remained operational and contributed in the common fight against Covid-19. The medical devices segment worked on new projects to manufacture medical devices (such as nasal swabs, test kits) designed to contain the spread of Covid-19. The pipes and pipe fittings segment supplied products to support critical construction and public infrastructure works in Singapore during the circuit breaker period which included quarantine/isolation facilities, temporary foreign workers dormitories and other emergency services.

In this Sustainability Report, we continue to track the progress of the Group, with particular focus on our commitment to working alongside our valued stakeholders to build a sustainable business. It is our belief that building a sustainable business is vital to our continued success and that we must be accountable for our impact on the environment, our customers, our people and our community as well as our financial performance. As we seek to grow our business, we are mindful of the way we operate - the importance of reducing our carbon foot print and waste, of building a culture of equality and investing in human capital, amongst others.

Our responsibility to society is to ensure that sustainable practices are incorporated into every link of our value chain and we are committed to the principles laid out in our Corporate Sustainability Policy. We must meet the needs not only of our customers, employees and the community we operate in, but also those of our environment and our future generations. This report provides detail about how we have met our responsibilities with our key stakeholders in FY2020 and our targets for beyond.

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2 ABOUT THE REPORT

This sustainability report articulates our commitment to sustainability and transparency. This report aims to include comprehensive and accessible information on the company's strategy towards sustainability, key issues as well as data according to recognised standards.

2.1 Report Scope

The report covers the performance of the Group in FY2020. The content of this report will focus on the sustainability performance, activities and initiatives that are under our direct control. This report excludes the joint venture which is not directly under our control. Material issues and topics described in this report have been selected in accordance with the Global Reporting Initiative ("GRI") Standards and their level of significance to the Group. This report covers both the pipes and pipe fittings segment and medical devices segment.

This sustainability report focuses on the Group's sustainability strategies and practices whilst highlighting the economic, environmental, and social and governance aspects of our activities and developments. The report aims to provide an overview of our approach, priorities and targets, as well as a performance review for our key sustainability areas.

2.2 Report Methodology

This report has been prepared in accordance with the GRI Standards Core option. We have chosen the GRI Standards reporting guidelines for its robust guidance which offers an international reference for the disclosure of governance approach and of the environmental, social and economic performance and impacts of organisations. This report also takes into consideration the primary components of the report content as set out by the Singapore Exchange's (SGX's) "Comply or Explain" requirements for sustainability reporting. Our data are reported in good faith and to the best of our knowledge. We will continue to improve our data collection processes. We did not seek external assurance for this report.

2.3 Report Structure

This Sustainability Report is structured to reflect the interests of our key stakeholders. We have identified five key stakeholder groups, namely, the environment and future generations, employees, customers, suppliers and communities. For each stakeholder group, we lay out our management approaches that govern how our material issues are identified as well as how the issues are prioritised and managed. Further, we will present our initiatives relating to sustainability in the areas of environmental, social and economic issues relevant to our aspects and boundaries. Finally, we will provide the information of our key performance indicators, performance targets and outcomes. The information regarding the basis for report boundaries and our materiality assessment is provided in section 4.

Altogether, this report provides the basis for our responses and disclosures to the GRI-Standards 'In-Accordance' - Core requirements. Relevant sections in the report are referenced in the GRI Content Index provided in section 7.

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2.4 Report Contact and Feedback

We welcome and value your feedback on the content of this report and encourage you to contact us through the following channels:

❖ In writing to:

Investor Relations
Vicplas International Limited
35 Joo Koon Circle
Singapore 629110

❖ Via our contact page at www.vicplas.com/contact

This report is provided in PDF format only and is available for download on the following page of our website: www.vicplas.com/investor-relations

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3 CORPORATE PROFILE

3.1 Vision and Mission

Our mission is to multiply profitability through continuous technological innovation and product and service improvements. This will help us to fulfil our commitment to provide optimum value to our customers, business partners and shareholders. We believe it is our responsibility to do so on a sustainable long-term basis.

3.2 Governance

Our Board of Directors (the “Board”) oversees all corporate governance and operational matters relating to our business. For corporate sustainability, the Board is supported by the Corporate Sustainability Committee (“CSC”) which is chaired by our Group Chief Executive Officer (“CEO”) and includes designated senior executives. CSC provides leadership and approval over corporate sustainability matters such as Corporate Social Responsibility (“CSR”) plan, community investment and environmental initiatives.

Supported by CSC, our Corporate Sustainability Champion (the “Champion”) is our Subject Matter Expert (“SME”) in the area of corporate sustainability, and pro-actively raises awareness through education and training across the organisation. Through the Corporate Sustainability Work Group (“CSWG”), our Champion engages the business functions in collectively executing the CSR plan, identifying and managing the Environment, Social and Governance (“ESG”) Factors as well as engaging sustainability stakeholders. The business functions provide back-to-back assurance over the quality of information for sustainability reporting.



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3.3 Ethics and Compliance

As a listed company on the Singapore Exchange (SGX), we adopt the Code of Corporate Governance as required in the listing rules. Our corporate governance framework covers ethics and compliance through a Code of Conduct as well as action guidelines which are to be adhered by the officers and employees across the organisation.

Every new employee is introduced to our Code of Conduct and our policies on ethics and compliances which includes areas such as anti-corruption. Communication channels, such as Whistle-Blowing Policy, are in place to enable all employees and individuals engaged in business activities to report complaints of unethical behaviour. We have a dedicated officer who maintains a register of incidences regarding ethics and compliance issues and escalates to the management where appropriate.

4 INTEGRATING SUSTAINABILITY INTO OUR BUSINESS

We believe corporate social responsibility is a key driver towards long-term sustainability. It is one of the core values in our corporate culture. Through our action today, we play a part in influencing the environment for our future generations. Through integrating the notion of sustainability in our business, we ensure that our business strategy and operations are in line with a long-term vision towards a conducive and sustainability future.

4.1 Sustainability Management Framework

In July 2017, we took the initiative to establish our sustainability reporting framework. We performed an analysis on our business and operation models as the basis for our stakeholder mapping and materiality assessment. Through our analysis, we identified five key stakeholder groups within our sustainability context and their respective material issues are shown in this report.

4.2 Key Stakeholders and Material Issues

We have regular reviews, assessments and feedback on ESG topics. Key to this is our Enterprise Risk Assessment and Quality Management System which entails the identification, assessment and documentation of material risks and corresponding internal controls. Such material risks include fraud and corruption, environmental, health and safety, and human capital risks which are ESG-relevant. We are continuously improving the adequacy and effectiveness of our processes in response to changing business and operation environment.

We identify and review material issues that are most relevant and significant to us and our stakeholders. For external stakeholders, priority is given to issues important to society and applicable to us. Then, we prioritise our sustainability efforts and report issues that are most material to the business and stakeholders.

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Stakeholders	Material Issues	Significance
Future Generation	<ul style="list-style-type: none"> ❖ Recycling of product material and packaging ❖ Environmental education of our employees and customers ❖ Reduction of carbon emissions ❖ Energy consumption 	Our sustainability agenda for the environment and future generation is embedded into the day-to-day business activities among our staff. We continue to strive to improve from a holistic perspective through the company culture and practices. Within the big picture of sustainability, we take steps to focus on key goals such as curbing global warming, conserving and recycling resources.
Employee	<ul style="list-style-type: none"> ❖ Employee well-being through workplace health & safety and work life balance ❖ Regular training of employees on critical skillsets to sustain competitiveness ❖ Competitive compensation scheme to retain talents ❖ Non-discrimination, diversity and equality ❖ Senior management engagement with employees 	An ethical and professional working environment is crucial in cultivating a corporate culture which motivates and empowers our employees to meet their full potential both professionally and personally. The ability to identify and attract people with knowledge and talent are crucial to sustainability of our businesses.
Customer	<ul style="list-style-type: none"> ❖ Safety of our products to customers ❖ Customer data privacy ❖ Customer satisfaction and customer-centric approach 	The quality and safety of our services and products to our customers are our core focus. Through our quality and safety commitments to our customer, we will, in turn, be contributing to their sustainable development.
Supplier	<ul style="list-style-type: none"> ❖ Environmental, labour and human rights impact in the supply chain 	To effectively and meaningfully implement our sustainability agenda, it is important that our suppliers and partners share our values in their business practices in the areas such as the environment, human rights, labour practices and corporate ethics. Such alignment of values is a crucial part of building mutually beneficial relations with supplier and channel partners to enhance both their own competitiveness and that of ours.
Community	<ul style="list-style-type: none"> ❖ Impact on communities and local economies, and future generation education ❖ Economic value generated and distributed to local community 	Within a broad range of our community engagements, we focus on providing financial and practical support to targeted local and communities, through donation, sponsorship, fundraising and voluntary activities.
Common to All Stakeholder Groups	<ul style="list-style-type: none"> ❖ Compliance with prevailing laws and regulations ❖ Good corporate governance & ethics, transparency and non-financial reporting ❖ Ethical business practices such as anti-corruption ❖ Grievance mechanisms 	Legal compliance and ethical practices are the core foundation of our business. Such culture is established and sustained through strong corporate governance, transparent reporting and open communications with all our stakeholder groups.

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4.3 Alignment with International Initiatives

4.3.1 Sustainable Development Goals (SDGs)

Established in 1945 under the Charter of the United Nations (“UN”), the General Assembly occupies a central position as the chief deliberative, policymaking and representative organ of the United Nations. Comprising all 193 Members of the United Nations, it provides a unique forum for multilateral discussion of the full spectrum of international issues covered by the Charter. It also plays a significant role in the process of standard-setting and the codification of international law.





On 25 September 2015, the UN General Assembly adopted the 17 SDGs to end poverty, protect the planet, and ensure prosperity for all as part of a new sustainable development agenda. Each goal has specific targets to be achieved over the next 15 years, until 2030. Although the SDGs are primarily aimed at governments, they represent an important opportunity for businesses to also act for a more sustainable world. We will use SDGs as one of the guiding principles for our sustainability initiatives. We acknowledge that our participation in reaching the SDGs has room for improvement. As we advance on our sustainability journey, we will continue to assess our alignment with the SDGs and, whenever possible, redirect our internal priorities and sustainability strategy to more effectively and comprehensively address the goals.

SDGs Logo Source: <http://www.un.org/sustainabledevelopment/news/communications-material>

SDG Goal	Relevant Targets to Our Businesses <i>(Source: http://sustainabledevelopment.un.org)</i>	Our Participation
	13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	We have our own internal processes and environmental policies to reduce electricity and fuel consumption. Our approach to mitigating climate change includes staff training and implementing energy-efficient measures. We monitor and report our GHG emissions and set reduction targets.
	15.1: By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.	All the paper used in our offices are Forest Stewardship Council (“FSC”) certified. We actively promote the use of such papers across our organisation. Through that, the Company supports efforts in mitigating global warming and the creation of positive rural community engagement, job opportunity, and better livelihood for the farmers and members of the community.

				The following SDG goals are relevant to our business, operations and value chain and our practices documented in this report highlight our efforts to contribute to such goals.
				
				

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				We do not believe these goals are relevant to our business or industry. They are not within our boundaries and scope of influence; therefore, we are currently unable to make noticeable contributions to such goals.
				

4.3.2 United Nations Global Compact (UNGC)

UNGC is a United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The UNGC is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and anti-corruption. Below are the references of our report to the 10 principles of the UNGC.

Principle		Report Section
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	5.2.2.1, 5.2.6
Principle 2	Make sure that they are not complicit in human rights abuses.	5.2.2.1, 5.2.6
Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	5.2.2.1, 5.2.6
Principle 4	Elimination of all forms of forced and compulsory labour.	5.2.2.1, 5.2.4.1
Principle 5	Effective abolition of child labour.	5.2.1, 5.2.2.1
Principle 6	Elimination of discrimination in respect of employment and occupation.	5.2.2.1, 5.2.6
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges.	5.1.1
Principle 8	Undertake initiatives to promote greater environmental responsibility.	5.1.2, 5.1.3, 5.1.4
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.	5.1.2, 5.1.3, 5.1.4
Anti-Corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	3.3

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4.4 Awards and Achievements

Year	Description
FY2018	Supplier of the Year Award – Platinum Becton Dickinson (“BD”) awarded the accolade of Supplier of the Year – Platinum to our medical devices segment in its seventh annual BD Supplier Recognition Awards to honour suppliers for their contributions to advancing or supporting key BD initiatives, products, processes and helping to increase customer satisfaction. *
FY2020	All the subsidiaries in the medical devices segment have quality certifications of ISO13485:2016 <i>Medical devices – Quality management systems – Requirements for regulatory purposes</i> and, with the exception of XentiQ (Pte.) Ltd., are registered under the United States Food and Drug Administration (FDA) as a “contract manufacturer for medical devices”.
FY2020	Forefront Medical Technology (Jiangsu) Co., Ltd has a Class II Medical Device Manufacturing License in China and Accreditation certificate of foreign medical device manufacturer from Japan.
FY2020	All the subsidiaries in the pipes and pipe fittings segment have quality certification of ISO9001:2015 <i>Quality management systems</i> .
FY2021	Forefront Medical Investment Pte. Ltd. was awarded the Singapore Quality Class Accreditation by Enterprise Singapore.

* <https://www.bd.com/en-us/company/trading-partners/bd-suppliers/supplier-recognition-program/2017-award-winners>

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5 STAKEHOLDER ENGAGEMENT

Key to the success of our sustainability programme is regular and up-to-date communication about our CSR policies and activities to all our stakeholders, and the provision of appropriate feedback mechanisms so that we can monitor and evaluate how we are doing and explore new possibilities stimulated by stakeholder responses. We see our sustainability reports as being a critical component of this continuous cycle of communication and evaluation.

Stakeholder	Management Approach	Initiatives	Outcome and Responses
Future Generation	Prevailing Laws and Regulation on Environment and Waste Management, Recycling	Internal Awareness and Education	Energy Efficient Lighting (e.g. LED), Lead Free Products, Reduce Paper Consumption
Employee	Code of Conduct, Fair Employment Practices, Training and Career Development, Workplace Health and Safety Act	Staff Communication Sessions, Staff Feedback Process, Staff Exit Interviews	Training Programmes, Career Progression, Employee Benefits
Customer	Customer Relationship Management System, Quality Management System, Privacy Policy, ISO9001	Customer Feedback Process, Customer Data Protection Awareness and Education Program	Customer Complaints and Compliments Statistics
Supplier	Supplier Selection and Regular Review Process	Feedback and Communication with Suppliers through Supplier Performance Review	Incident Register, Supplier Engagement
Community	Selection of Community Initiatives in Alignment with Organisation Goals	CSR Programme	Increase Visibility of Company's CSR Efforts

5.1 Protecting Our Environment for the Future Generations

5.1.1 Our Approach

We are committed to maintaining and building on the same stringent environmental policies and standards across the Group. We continually seek new and innovative ways to reduce the environmental impact of our products and services while maintaining the highest levels of quality. We recognise our responsibility to protect the environment for the health and wellbeing of future generations.

5.1.2 Reduction of Carbon Footprint

We recognise that the effective management and monitoring of carbon footprint can reduce operating costs, raise brand profile, create a competitive edge and increase stakeholder value. Our carbon footprint is measured in terms of Greenhouse Gas (GHG) emission. However, GHG emission is an absolute measure of how much carbon dioxide equivalent (CO2e) is emitted. Our GHG emission is predominantly indirect emission (Scope 2 as defined by the GHG Protocol). We have insignificant direct emission (Scope 1 as defined by the GHG Protocol), and we do not include the GHG emissions generated by our suppliers (Scope 3 as defined by the GHG Protocol).

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Considering the changes and dynamics of business and operations, we established our GHG emission efficiency index for consistent tracking of carbon footprint over time. To this end, we have set a target for GHG emission efficiency improvement of 12% from our 2018 level by 2030. Our target for GHG emission improvement is 1% per year. Although various business lines and operations account for different percentage of GHG emissions across the organisation, they all support this target and have aligned our environmental objectives accordingly.

In FY2020, our GHG emission efficiency index improved to 3.24 from 4.21 and 4.95 in FY2019 and FY2018 respectively. Please refer to section 6.1 for information on how this index is computed. FY2018 was our first year of sustainability reporting and is used as reference against which the performance will be measured in subsequent years. In comparison to our base year of FY2018, there has been a 35% improvement in FY2020 which exceeds our target.

5.1.3 Reduction of Paper Consumption

All our employees are urged to minimise paper wastage at work. For example, double-sided printing is set as a default, lower grammage paper is used for daily printing, and blank sides of unneeded single-sided copies are used for printing drafts. Paper re-use and recycling habits are also cultivated through initiatives such as our in-house reminders posted near the copy machines. All waste paper from our own offices is collected for recycling. Further, we encourage all employees to adopt digital documents instead of paper documents with an aim to further reduce paper consumption.

Considering the changes and dynamics of business and operations, we established our paper consumption index for consistent tracking of paper consumption over time. To this end, we have set a target for a paper consumption improvement of 12% from our 2018 level by 2030. Our target for paper consumption improvement is 1% per year.

Although various business lines and operations account for different percentage of paper consumption across the organisation, they all support this target and have aligned our environmental objectives accordingly.

In FY2020, we consumed total of 4,980 kg of paper as compared to 5,772 kg and 5,481 kg of paper in FY2019 and FY2018 respectively. 100% of the paper consumed are Forest Stewardship Council (FSC) certified. Our paper consumption index improved to 56.05 from 71.74 and 82.23 in FY2019 and FY2018 respectively. Please refer to section 6.2 for information on how this index is computed. FY2018 was our first year of sustainability reporting and is used as reference against which the performance will be measured in subsequent years. In comparison to our base year of FY2018, there has been a 9% improvement in FY2020 which exceeds our target.

5.1.4 Promoting Green Practices

We have embraced various green practices in our business and operation. Our pipes and pipe fittings fully conform to the relevant Singapore Standards on Specifications for unplasticised PVC pipes and fittings ("Singapore Standards") as well as its British, Australia and Japanese equivalent standards. Singapore Standards are nationally recognised published documents established by consensus; setting out specifications and procedures for the design, use or performance of materials, products, processes, services and systems.

Even though not required under the Singapore Standards, we have differentiated ourselves from our competitors and gone above the Singapore Standards to eliminate lead from our pipes and pipe fittings in accordance with the Restriction of Hazardous Substances Directive 2002/95/EC, (RoHS 1) adopted in February 2003 by the European Union.

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5.2 Caring for Our Employees

5.2.1 Our Approach

Our people are our most valuable resource and investing in their professional and personal well-being is vital to our business sustainability. Our goal is to establish work ethics among our employees, which are in line with our core values and code of conduct. They are the foundation upon which we build all our business initiatives and conduct our day-to-day activities.

We recognise that a motivated workforce will convey a positive and powerful message to all our key stakeholders, such as our customers, suppliers and the community. By attracting, nurturing, empowering and rewarding our employees, we create an environment conducive for innovation and inspiration flourish to further boost our competitiveness. Such commitment to our employees promotes a corporate culture of passion, quality, excellence and trust within the organisation which reflect in our ability to create values to our stakeholders.

Our Human Resource (“HR”) management principles and policies have been developed and established based on fair employment practices with the goal of attracting, supporting and retaining a motivated workforce. Our HR policies cover key areas such as remuneration, benefits, health and safety and training. All HR policies are published on the group’s intranet which can be assessed by all employees.

5.2.2 Employment Practices

Our employment practices focus on maximising the strength of our employees by providing equal opportunities based on merits, and helping our employees to develop strength through our training and development programme. We regularly review the performance and development of our employees and our performance-based reward scheme provides guidance and motivation to our employee to perform to their potential in alignment with the objectives of the company.

5.2.2.1 *The Tripartite Guidelines on Fair Employment Practices*

We adopt best practices in HR management. Our HR practices are guided by the Singapore Tripartite Alliance for Fair and Progressive Employment Practices. The Singapore Tripartite Alliance comprises the Ministry of Manpower, Singapore National Employers Federation and National Trades Union Congress. The Tripartite Alliance has formulated guidelines on fair employment practice for adoption by Singapore employers regarding the recruitment, training, treatment and reward of employees.

5.2.2.2 *Communications*

As our Group grows, effective communications across the organisation are crucial to ensure continuous alignment of objectives of the employees and the organisational objectives. We achieve this through our various communication sessions customised based on target employees. Communication sessions for our managers are held on a regular basis.

For example, monthly managers’ meetings are held to discuss operational matters with additional yearly meeting to discuss high level topics like strategic business direction and key project reviews.

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5.2.2.3 Employee Feedback

We value the expertise of our employees in their areas of responsibilities. Therefore, their feedback is important in the improvement of overall management and operation of the organisation.

We gather feedback through various employee engagement channels, such as employee objective setting, performance review as well as exit interview in the case of resignations. In addition, there are other feedback channels for areas specific to business and function, such as whistle-blowing policy on control and compliance matters.

5.2.2.4 Career Development and Training

We recognise that consistent and ongoing education is critical to maintaining a competitive, skilled, productive and motivated workforce. The training is targeted based on the employees' job scopes and skills set requirements. Training topics range from soft skills development in areas such as communications and leadership, to technical programmes covering project management and office productivity tools.

In FY2020, training received by each employee has dropped due to the global pandemic as the plants were shut down for a period of time and safe distancing measures were implemented thereafter resulting in a decrease in training workshops conducted. We recognise that the training requirements vary depending on the levels of management responsibilities. In light of changing business requirements and training methodologies, we continue to revise our training curriculum and programme to align with organisation's objectives and to strive for effectiveness and efficiency in our training approach.

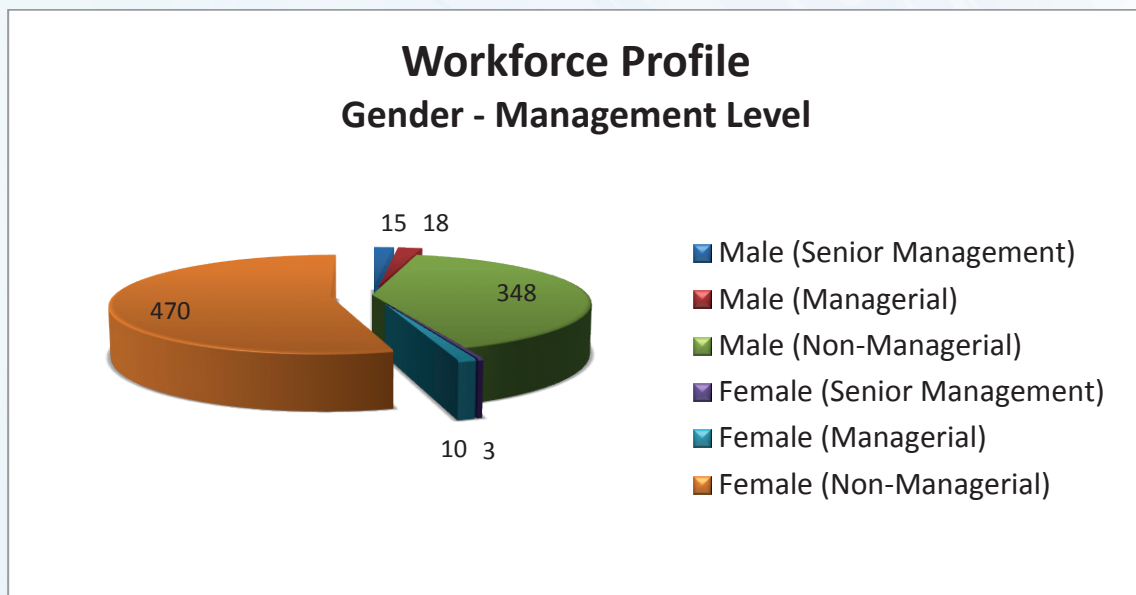
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5.2.3 Workforce Diversity

Our business operates in three main countries; Singapore, Malaysia and China. As such, there is a diverse workforce with employees from various ethnic groups, religion, age and gender.

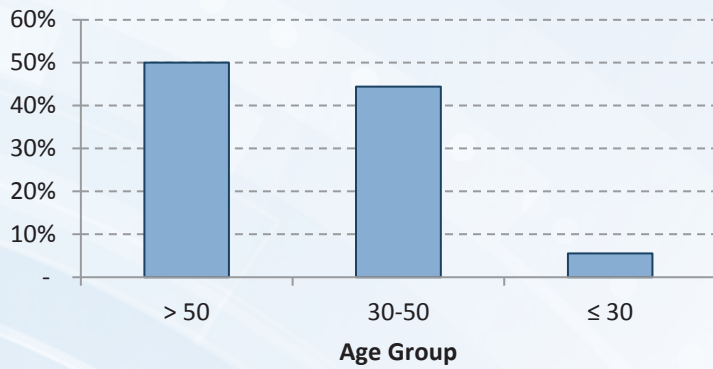
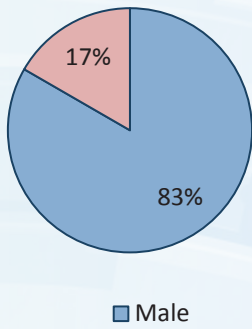
In FY2020, 483 of our employees were female, comprising 56% of our workforce, while 381 (44%) employees were male. In terms of management function, 13 females (28%) held managerial positions compared to 33 males (72%), while 470 females (57%) and 348 males (43%) held non-managerial positions. The male to female ratio managerial and non-managerial positions were 33: 13 and 348: 470 respectively. From age profile perspective, there were 329 employees below 30 years old, 479 employees between 30 and 50 years old and 56 employees above 50 years old. Our oldest employee is 76 years old.

In FY2019, 630 of our employees were female, comprising 61% of our workforce, while 397 (39%) employees were male. In terms of management function, 13 females (27%) held managerial positions compared to 36 males (73%), while 617 females (63%) and 361 males (37%) held non-managerial positions. The male to female ratio managerial and non-managerial positions were 36: 13 and 361: 617 respectively. From age profile perspective, there were 496 employees below 30 years old, 487 employees between 30 and 50 years old and 44 employees above 50 years old. Our oldest employee is 75 years old.

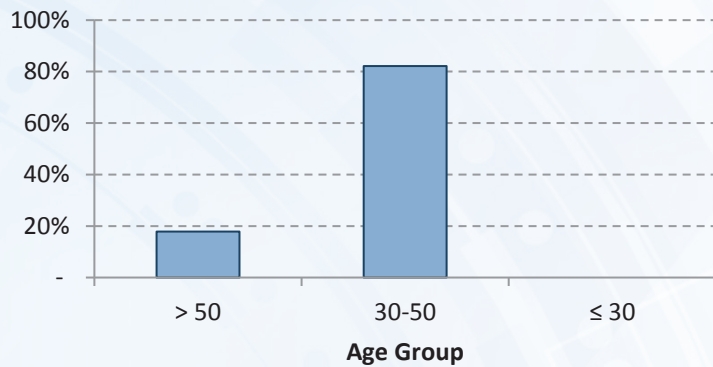
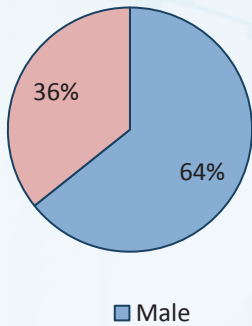


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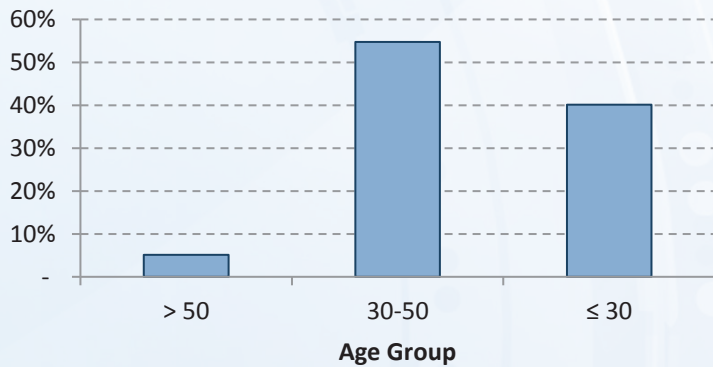
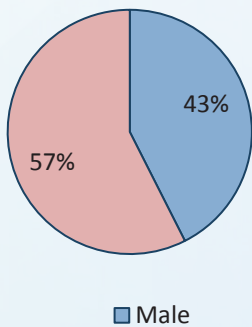
Senior Management



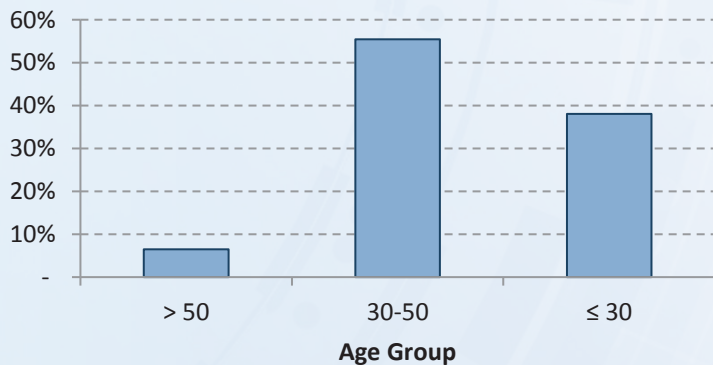
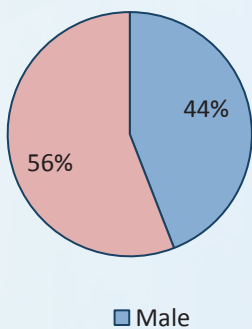
Managerial Staff



Non-Managerial Staff



Overall



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5.2.4 Employee Benefits

All non-managerial employees in Singapore are covered by the Employment Act, which provides basic employment terms and working conditions including contract requirements, remuneration, hours of work, overtime, rest days and annual leave entitlement. We also comply with the local laws and regulations regarding employment in the countries where we operate.

In addition to the statutory requirements, we provide beyond-compliance-level benefits to our fulltime employees. Examples of these benefits include paternity leave and compassionate leave.

5.2.4.1 Retirement and Healthcare

Our company has presence in various geographic locations where there are various local laws and regulations on pension and healthcare for employees. Our HR management practices comply with such laws and regulations.

In Singapore, we participate in the Central Provident Fund (“CPF”) personal savings scheme, which helps employees fund their retirement, home ownership, healthcare and education. Under this scheme, monthly deductions from employees’ gross salaries are paid into their CPF savings accounts.

We make employer contributions to these accounts, according to rates stipulated in the CPF Act. In addition to CPF contributions, we provide comprehensive medical coverage for all employees. For more information on the CPF scheme and contribution rates, please go to www.cpf.gov.sg.

5.2.5 Safety and Health in the Workplace

We are committed to Workplace Safety and Health and take every precaution to prevent occupational injuries among employees. We believe that optimum work conditions not only make our employees safer, but also boost morale. As an essential requirement we are in compliance with the Ministry of Manpower’s Workplace Safety & Health Act in Singapore.

5.2.6 Individual Rights

Respecting and protecting basic human rights is fundamental to all our operations and deeply ingrained in our Code of Conduct, which applies to all employees. Labour rights, the prohibition of discrimination and harassment, protection of privacy, prohibition of forced and child labour, and workplace health and safety are all strictly observed within the work environment and discrimination and harassment of any kind is not tolerated at our company.

We also respect our employees’ rights to freedom of association as well as their membership of trade unions and other professional bodies.

In FY2020 and FY2019, none of our workforce was covered by a collective bargaining agreement; no incidents of forced labour, child labour or young workers were identified across the organisation, and no human rights-related grievances have been reported.

Sustainability Report

5.3 Focusing on Our Customers' Needs

5.3.1 Our Approach

We are committed to providing quality products with the highest level of product safety and customer satisfaction is important to us. We are focused on customer service excellence and continuous improvements in the quality and safety of our products. Open and frequent communication and responsive feedback are ingrained into our interaction with the customers.

In addition to service excellence, we attach enormous importance to data privacy. We have process and controls in place over confidential and sensitive data related to our customers such as contracts. We are certified under the ISO 9001 standard for quality management systems. The certification has helped us to improve our internal processes and the quality of our products.

5.3.2 Customer Feedback and Satisfaction

We listen to our customers and take their opinions very seriously. We collect customer feedback through various channels including our website, regular customer survey, and our customer service personnel. The feedback is analysed and actioned upon for improvements. Customer compliments are also tracked so that we can monitor where we are getting things right and cascade positive feedback to our employees and the management.

5.3.3 Service Quality and Safety

Reliability and quality of our products are of paramount importance to us. Health and safety of our customers is always our priority. We have in place a set of key quality assurance processes and standards, such as ISO 9001:2015, ISO13485:2016, to ensure compliance with regulations and international standards. Ultimately, we aim to foster a 'Safety First' culture through employee training and quality control so as to eliminate product safety or recall incidents.

5.3.4 Data Safety and Privacy

Ensuring safety and privacy of our customers' data is of great priority to us. We have processes and controls in place for handling and communicating sensitive and confidential information of our customers such as contracts, customer orders and service delivery orders. Our information security policies ensure our customers' data are managed in accordance to the level of confidentiality. We strictly observe all local laws and internal regulations applicable to personal information protection.

Sustainability Report

5.4 Partnering Our Suppliers

5.4.1 Our Approach

We strive to encourage our suppliers to adopt sustainable business practices. We recognise that we are only at the beginning of our journey to integrate sustainable business practice throughout our supply chain. However, we are committed to collaboration with our suppliers to gradually increase transparency and minimise our indirect environmental and social impacts.

5.4.2 Supplier Selection

Our new suppliers are carefully selected through our supplier selection process. When selecting our new suppliers, we examine criteria such as financial health, quality of products and services, as well as competitiveness of pricing. In addition, we also take into consideration the overall sustainability policies adopted by our suppliers. Our final decision on supplier selection is based on the overall assessment which takes a balanced view across all selection criteria.

5.4.3 Supplier Review

We regularly review the performance of our key suppliers. During the key supplier review process, we engage with our key suppliers to communicate our expectations and feedback. Such review process ensures that our key suppliers' services and products are aligned to our business requirements and sustainability objectives.

5.5 Supporting Our Community

5.5.1 Our Approach

We believe in giving back to society and contributing to the community. Our CSR programme is geared towards helping the community and underprivileged in meaningful ways. Our engagement programmes encompass financial and practical support in carefully selected communities, through donation, voluntary activities and fundraising.

5.5.2 Our Community Initiatives Highlight

Event / Activity	Type of Engagement	Beneficiary
Event	Donation	Charities and Associations

In FY2019, we donated to various charities and associations. In FY2020, we continued to make donations to various charities and associations, albeit at a lower quantum.

5.5.3 Others

During the Covid-19 pandemic, our medical devices segment worked with our customers on new projects to manufacture medical devices (such as nasal swabs) designed to contain the spread of Covid-19. We were also able to reopen our plants relatively quickly during the early stages of the pandemic so that we were able to continuously provide medical products to our global customers and their patients.

Our pipes and pipe fittings segment supplied products to support critical construction and public infrastructure works in Singapore during the circuit breaker period which included quarantine/isolation facilities, temporary foreign workers dormitories and other emergency services.

Sustainability Report

6 PERFORMANCE TABLE

6.1 Energy Usage and CO₂ Emissions

GHG emissions are measured in tonnes (t-CO₂); the underlying measures for direct and indirect CO₂ emissions calculation are electricity consumption in kilowatt Hours (kWh) and fuel consumed. The electricity and fuel we purchase are both from non-renewable sources.

As our business and function change over time; the GHG emissions and electricity consumption will vary. To ensure consistency and comparability of the GHG emission and electricity consumption measures over time, we create a GHG emission index and electricity consumption index for our performance monitoring. The index adjusts the GHG emissions and electricity consumption for the size of our activities.

We normalise the amount GHG emissions and electricity consumption by the amount of our revenues which we use as a proxy of the size of our activities. The GHG emission index is measured in t-CO₂ per SGD million and the electricity consumption index is measured in kWh per SGD million.

	Performance			Target		
	FY2018	FY2019	FY2020	FY2018	FY2019	FY2020
GHG Emission Index (kg-CO ₂ / SGD million)	4.95	4.21	3.24	-	4.90 1% improvement	4.85 1% improvement
Electricity Consumption Index (kWh / SGD million)	215,929	163,808	155,756	-	213,770 1% improvement	211,610 1% improvement

6.2 Paper Consumption

We capture the data for paper consumption by how many reams of paper used where one ream is equivalent to 500 sheets of paper. To ensure consistency and comparability across various paper sizes, such as A3 and A4 papers, we measure the paper consumption by the weight of paper used which is adjusted for the various sizes and quality of papers.

Our business and function grow over time and the paper consumption patterns vary. We devise a paper consumption index for our performance monitoring. The index adjusts the paper consumption for the size of our activities. We normalise the amount of weights of paper consumed by the amount of our revenues which we use as a proxy of the size of our activities. The paper consumption index is measured in kilograms per million SGD.

	Performance			Target		
	FY2018	FY2019	FY2020	FY2018	FY2019	FY2020
Weight of Paper Consumption (kg) [% of paper with FSC certification]	100%	100%	100%	-	100%	100%
Paper Consumption Index (kg / SGD million)	82.23	71.74	56.05	-	81.41 1% improvement	80.59 1% improvement

Sustainability Report

6.3 Employment Profile

	Performance		
	FY2018	FY2019	FY2020
Male : Female ratio in non-managerial positions	284 : 373 (Total = 657)	361 : 617 (Total = 978)	348 : 470 (Total = 818)
Male : Female ratio in managerial positions	34 : 12 (Total = 46)	36 : 13 (Total : 49)	33 : 13 (Total : 46)

We have not set a target for this ratio as our employees are hired based on their suitability in relation to the job scope and not gender. We will monitor and report our employment profile every year.

6.4 Employees Engagement and Training

	Performance		
	FY2018	FY2019	FY2020
Average Training Hours per Employee	1	1	-

We have not set a target for training as it varies and is dependent on the employees' job scope and skills set requirements. We will monitor the average training hours per employee every year.

6.5 Customer Feedback

	Performance			Target		
	FY2018	FY2019	FY2020	FY2018	FY2019	FY2020
Customer Satisfaction Index	91%	91%	94%	-	>90%	>90%

In FY2020, we achieved a high customer satisfaction index of 94%. Our target for each year is to achieve a customer satisfaction index of more than 90%. We will track our customer satisfaction index every year.

6.6 Supplier Screening for Sustainability Criteria

	Performance			Target		
	FY2018	FY2019	FY2020	FY2018	FY2019	FY2020
New Suppliers Screened for Sustainability Criteria (%)	100%	100%	100%	-	100%	100%

We include sustainability as a criterion when screening new suppliers on top of existing criteria such as financial health, quality of products and services, and competitiveness of pricing. We will continue to screen new suppliers for sustainability and report every year.

Sustainability Report

6.7 Community Contribution

	Performance		
	FY2018	FY2019	FY2020
Donation	\$1,000	\$4,000	\$600
Number of Beneficiaries	5	4	2

We have not set a target for community contribution as we have always been committed to participate in local events, charitable and worthy causes. We will monitor our community contribution every year.

Sustainability Report

7 GRI CONTENT INDEX

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards Core option. We did not seek external assurance for this report.

N.B.: AR = Annual Report, SR = Sustainability Report (i.e. this report)

GRI Reference	Disclosure	Response	
General Standard Disclosure			
Organisation Profile	102-1	Name of the organisation	SR Section 1
	102-2	Activities, brands, products, and services	AR Preface
	102-3	Location of headquarters	AR Page 10, 48
	102-4	Location of operations	AR Page 95-99
	102-5	Ownership and legal form	AR Page 95-99, 126-127
	102-6	Markets served	AR Preface
	102-7	Scale of the organisation	AR Page 40-47
	102-8	Information on employees and other workers	SR Section 5.2.3
	102-9	Supply chain	SR Section 5.4, 5.4.1, 5.4.2, 5.4.3
	102-10	Significant changes to the organisation and its supply chain	Not significant changes
	102-11	Precautionary Principle or approach	SR Section 3.2, 3.3, 0, 4.1, 5, 5.1.1, 5.2.1, 5.3.1, 5.4.1, 5.5.1
	102-12	External initiatives	SR Section 4.4
	102-13	Membership of associations	SR Section 4.4
Strategy	102-14	Statement from senior decision-maker	SR Section 0
Ethics and Integrity	102-16	Values, principles, standards, and norms of behaviour	AR Page 13-29 (Code of Governance), SR Section 3.1, 3.3
Governance	102-18	Governance structure	AR Page 13-29 (Code of Governance), SR Section 3.2
Stakeholder Engagement	102-40	List of stakeholder groups	SR Section 5, 5.1, 5.2, 5.3, 5.4, 5.5
	102-41	Collective bargaining agreements	None of our workforce was covered by collective bargaining agreements
	102-42	Identifying and selecting stakeholders	SR Section 5
	102-43	Approach to stakeholder engagement	SR Section 5
	102-44	Key topics and concerns raised	SR Section 4.2, 5
Reporting Practice	102-45	Entities included in the consolidated financial statements	AR Page 95-99
	102-46	Defining report content and topic boundaries	SR Section 2.1, 2.2, 2.3
	102-47	List of material topics	SR Section 4.2
	102-48	Restatements of information	No restatements of information
	102-49	Changes in reporting	No significant changes
	102-50	Reporting period	SR Section 2.1
	102-51	Date of most recent report	SR Section 2.1
102-52	Reporting cycle	SR Section 2.1	

Sustainability Report

GRI Reference		Disclosure	Response
	102-53	Contact point for questions regarding the report	SR Section 2.4
	102-54	Claims of reporting in accordance with the GRI Standards	SR Section 2.2
	102-55	GRI content index	SR Section 7
	102-56	External assurance	SR Section 2.2
Economic			
Economic Performance	201-1	Direct economic value generated and distributed	AR Page 40-47
	201-2	Financial implications and other risks and opportunities due to climate change	SR Section 5.1.4
	201-3	Defined benefit plan obligations and other retirement plans	SR Section 5.2.4.1
Anti-corruption	205-1	Operations assessed for risks related to corruption	SR Section 4.2
	205-2	Communication and training about anti-corruption policies and procedures	SR Section 3.3
	205-3	Confirmed incidents of corruption and actions taken	There were no confirmed incidents of corruption
Anti-competitive Behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	There were no legal actions for anti-competitive behaviour, anti-trust, and monopoly practices
Environment			
Energy	302-1	Energy consumption within the organisation	SR Section 5.1.2
	302-4	Reduction of energy consumption	SR Section 5.1.2, 6.1
Emissions	305-1	Direct (Scope 1) GHG emissions	SR Section 5.1.2, 6.1
	305-2	Energy indirect (Scope 2) GHG emissions	SR Section 5.1.2, 6.1
	305-3	Other indirect (Scope 3) GHG emissions	SR Section 5.1.2, 6.1
	305-5	Reduction of GHG emissions	SR Section 5.1.2, 6.1
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	No reports were received on non-compliance with environmental laws and regulations
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	SR Section 5.4.3, 6.6
Social			
Employment	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR Section 5.2.4
	401-3	Parental leave	SR Section 5.2.1, 5.2.2.1, 5.2.4
Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	SR Section 5.2.2
Occupational Health and Safety	403-1	Workers representation in formal joint management-worker health and safety committees	SR Section 5.2.5
Training and Education	404-1	Average hours of training per year per employee	SR Section 5.2.2.4, 6.4

Sustainability Report

GRI Reference		Disclosure	Response
	404-2	Programs for upgrading employee skills and transition assistance programs	<i>SR Section 5.2.2.4</i>
	404-3	Percentage of employees receiving regular performance and career development reviews	<i>SR Section 5.2.2.1, 5.2.2.4</i>
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	<i>SR Section 5.2.3</i>
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	<i>No reports were received regarding incidents of discrimination</i>
Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	<i>No reports were received regarding incidents of violations involving rights of indigenous peoples</i>
Human Rights Assessment	412-2	Employee training on human rights policies or procedures	<i>SR Section 5.2.2.1, 5.2.6</i>
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	<i>SR Section 5.4.1, 5.4.2, 5.4.3, 6.6</i>
Public Policy	415-1	Political contributions	<i>No political contributions were made</i>
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	<i>SR Section 5.3.1, 5.3.3</i>
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<i>No reports were received on non-compliance concerning the health and safety impacts of products and services</i>
Marketing and Labelling	417-2	Incidents of non-compliance concerning product and service information and labelling	<i>No reports were received on non-compliance concerning product and service information and labelling</i>
	417-3	Incidents of non-compliance concerning marketing communications	<i>No reports were received on non-compliance concerning marketing communications</i>
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<i>No reports were received regarding breaches of customer privacy and losses of customer data</i>
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	<i>No reports were received on non-compliance with laws and regulations in the social and economic area</i>



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