

EINDECKYODO














英德集团

SUSTAINABILITY REPORT 2020

EINDEC CORPORATION LIMITED



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This sustainability report is prepared by Eindex Corporation Limited (“**Company**”) and its contents have been reviewed by the Company’s sponsor, ZICO Capital Pte. Ltd. (“**Sponsor**”), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalyst.

This sustainability report has not been examined or approved by the SGX-ST and the SGX-ST assumes no responsibility for the contents of this sustainability report, including the correctness of any of the statements or opinions made or reports contained in this sustainability report.

The contact person for the Sponsor is Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road #09-00 ASO Building Singapore 048544, telephone (65) 6636 4201.



CORPORATE PROFILE



Eindec Corporation Limited (“**Eindec**” or the “**Company**” and together with its subsidiaries, the “**Group**”) is a regional clean air environmental technology solutions manufacturer and distributor with customised proprietary products for residential, commercial and industrial customers.


Established since 1984, the Group has expertise in design, manufacturing and distribution capabilities in cleanroom equipment (“**CRE**”) as well as heating, ventilation and air-conditioning (“**HVAC**”) equipment for the real estate sector.

Tapping on its technological expertise and customisation capabilities in cleanroom and HVAC equipment and systems, the Group broadened its product range to include air purification and ventilation systems under its “Eindec Kyodo” proprietary brand. These air purification and ventilation systems are designed, manufactured and sold in the Southeast Asia region and the People’s Republic of China (“**PRC**”).



Headquartered in Singapore, the Group operates a manufacturing facility in Malaysia and carries out its product research and development in Singapore. The Group has also established offices in the PRC.

Eindec was listed on the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 15 January 2016 under stock code 42Z.



CORPORATE PROFILE

The Group offers a diversified range of air environmental solutions:

Air purification and ventilation



Air Purifier

Equipped with four stages of filtration, our air purifiers are able to capture up to 99% of allergens and remove PM 2.5 to improve the quality of the indoor air. Our air purifiers are low in power consumption, ultra-quiet in operation and easy to maintain, which are perfect for uses in residential and commercial properties



Air Purification & Ventilation System

Our air purification and ventilation system have a small footprint, but efficient in generating fresh clean air through its sophisticated technology. This product is easy to install and maintain, which is suitable for residential, commercial and industrial properties.

Heating, ventilation, and air-conditioning



Grilles & diffusers

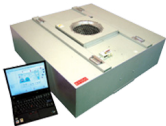
Our range of grille & diffuser products provide thermal comfort in buildings, where temperature, humidity, air cleanliness and freshness satisfy the operational and thermal environment required for machinery or production processes.



Dampers & Vav terminal unit

This range of products are used to vary the volume of air passing through a confined cross section by varying the cross-sectional area to maintain the thermal environment for people and business equipment.

Clean Room



Fan Filter

A self-contained ceiling unit used in turbulent mixing and laminar flow cleanroom applications that delivers high quality air filtration and air movement performance in cleanrooms.



Air Shower

Our air shower system is designed and manufactured to meet your specific requirements and comes with high degree of flexibility. The system uses blowing air jet to remove fine particles on clean room clothing and footwear before entry into the cleanroom.

Fire/smoke, marine damper



Our range of dampers complement the comprehensive range of automatic fire and smoke dampers and associated controls, providing the complete solution for ventilation and air conditioning systems on shipboards as part of their fire safety and engineering programs.

At Eindec, we are committed to delivering value and quality clean air control management solutions and systems in buildings and even vessels for our customers to benefit the end-users with a quality air environment. As we transformed from an equipment manufacturer to a customised clean environmental air solutions provider, we have developed a full suite of solutions and services within our core product segments including analysis of airflow management for buildings, design, and manufacturing of customised equipment, installation, monitoring and maintenance of environmental air systems.

The Group continues to strive towards our vision of becoming a leading clean environmental air solutions provider under our proprietary “Eindec” and “Kyodo” brands with our transformation. While the Group emphasises on better cost management, it also strengthens our overall capabilities gradually through (i) product innovation and development – improving clean environmental air solutions and systems for our proprietary brands of products across our three product segments, (ii) marketing and distribution capabilities – understanding the evolving requirements of end-users and increasing market reach for our proprietary brands of products, and (iii) engineering and production capabilities – strengthening our abilities to meet the increasing sophistication of equipment and systems.

BOARD STATEMENT

The board of directors (“**Board**”) of Eidec is pleased to present the annual sustainability report for the financial year ended 31 December (“**FY**”) 2020.

The ongoing COVID-19 pandemic continues to cause disruptions to business activities and everyone’s daily lives since early 2020. Lockdowns of cities were re-implemented and extended to curb resurgence of the virus transmission.

The Group remains committed to doing business in a responsible manner, ensuring that health and safety of our stakeholders, particularly our employees and customers, remains as our utmost priority. We have adopted all the recommendations set out by the health ministries of the respective countries in which we operate, implemented split team arrangements as well as safe distancing in workplaces to ensure a safe working environment for our employees.

During the year under review, the lockdown in China, the circuit breaker measures in Singapore, and the movement control order in Malaysia affected our operations. As China emerged from the pandemic, the Group was able to resume its operations gradually and performed better in the second half of the FY2020. Nevertheless, the Group continues to stay vigilant and compliant with the directives of the respective governments and authorities, ensuring the health and safety of our stakeholders (primarily employees, customers and business partners). Our employees have adopted telecommuting and online trainings, as well as making the necessary adjustments in our manufacturing facility to continue production of customised equipment to fulfil orders for our customers. We are appreciative of the concerted efforts of our employees, suppliers and customers to overcome the adversities during this challenging time.

With the Group’s core business focusing on clean environmental air solutions and products – an essential indoor requirement for quality air management systems, we believe that our transformation from an equipment manufacturer to a customised clean environmental air solutions provider over the years, will drive sustainability in our business naturally as more businesses re-open when the pandemic is under control.

The Board will continue to oversee the management and monitoring of key factors in our sustainability practices, improving on our disclosures as well as progressively including metrics and updating targets that are material to our business.

This sustainability report is prepared with reference to the Global Reporting Initiative (“**GRI**”) Standards and in compliance with Rules 711A and 711B of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (the “**Catalist Rules**”) as well as the SGX-ST’s Sustainability Reporting Guide. We have chosen the GRI framework as it is a well-known and globally-recognised sustainability reporting standard.

This sustainability report highlights our key economic, environmental, social, and governance (“**EESG**”) performance during the 12-month period, from 1 January 2020 to 31 December 2020, focusing on the Group’s manufacturing facility in Malaysia, and operations in Singapore. Performance data from our China operations, primarily the air purification system solutions segment (“**AP**”) has not been included as part of the report as the operations are usually on project basis. Our initiatives during FY2020 in broadening our solutions and services in the AP segment to encompass ‘smart home’ or home automation solutions and services will take time to stabilise. Notwithstanding that, we intend to expand the scope of our sustainability performance of the operations in China in the future, when more activities take place.

No external assurance was sought for this report. This sustainability report is done in good faith and to the best of our knowledge.

This sustainability report will not be printed as part of Eidec’s commitment to environmental conservation. The report is available on Eidec’s corporate website www.eidec.com.sg and under the Company’s corporate announcements on www.sgx.com.

We welcome feedback from our stakeholders with regards to our sustainability practices and reporting, which could potentially assist us to further improve our policies and systems. You may reach out to us at enquiry@eidec.com.sg.

Zhang Wei

Non-Executive Chairman

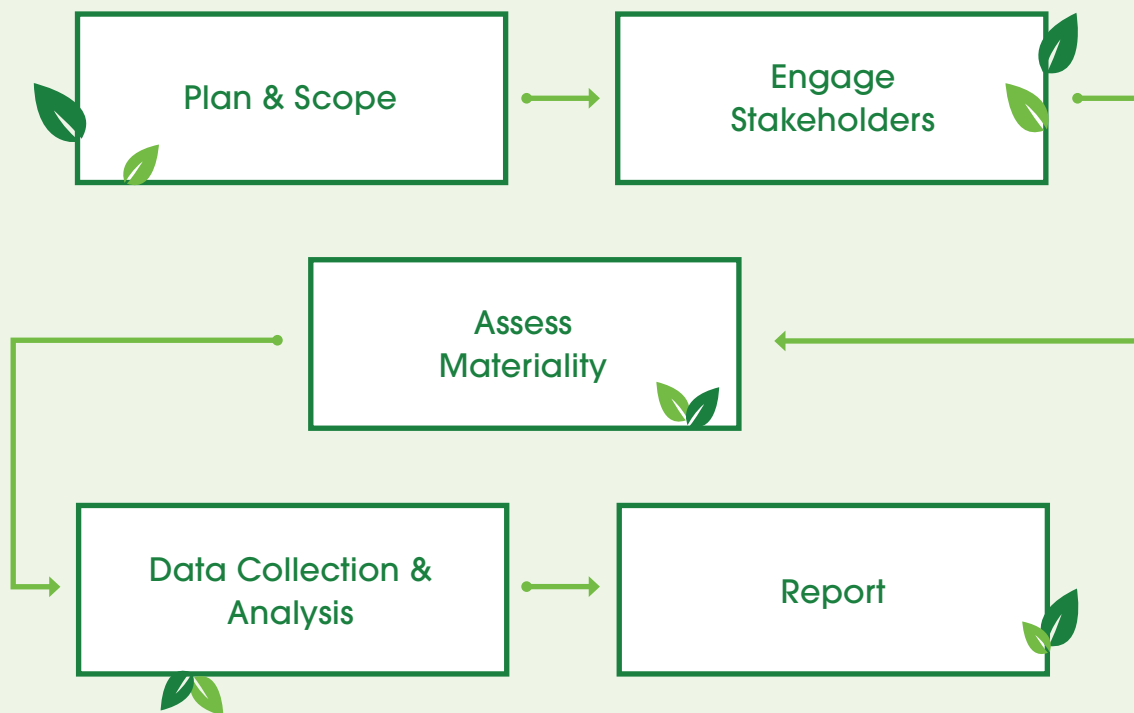
28 May 2021

SUSTAINABILITY GOVERNANCE

Sustainability Approach

The Group's sustainability approach is focused on generating stable and sustainable value for our stakeholders by managing the EESG impact, as well as risks and opportunities present in our businesses.

We take a strategic and comprehensive approach towards sustainability as we acknowledge the importance of effective EESG strategy and management across the business operations. Any key issues relating to the sustainability framework will be raised by the management team during board meetings, where the Board will review and deliberate on the sustainability issues.



We also strive to improving our sustainability performance through regular review of our policy and operational processes to deliver positive values for our stakeholders, particularly our end customers who place their trust in our air environmental products and solutions to improve their living environment.

SUSTAINABILITY GOVERNANCE

Stakeholder Engagement

The Group believes that sustainable operations require regular interaction of both internal and external stakeholders. It is important for the Group to establish efficient communication platforms, and achieving mutually beneficial goals. Hence, the Group remains committed to establish and strengthen mutually beneficial relationships with our stakeholders through a variety of channels and platforms to facilitate better understanding of their concerns.

Our engagements with our key stakeholders are summarised as follows:

Key Stakeholders	Engagement Platforms	Stakeholders' Expectations	Our Initiatives
INTERNAL			
Board of Directors	<ul style="list-style-type: none"> • Board meetings • Regular updates via electronic communications (emails, phone calls) 	<ul style="list-style-type: none"> • Ensure that the internal policies and systems are effective and implemented throughout the organisation 	<ul style="list-style-type: none"> • Regular update on corporate activities, developments, and financial performance • Seek advice and approvals from the Board on all material proposed developments
Employees	<ul style="list-style-type: none"> • Regular internal communications through meetings and electronic communications (emails, phone calls) • Training & development programmes • Recreational activities • Employee feedback 	<ul style="list-style-type: none"> • Career growth • Training opportunities • Competitive remuneration and benefits • Pleasant and safe working environment 	<ul style="list-style-type: none"> • Ensure effective implementation of internal systems and policies • Regular meetings to review health and safety measures • Sponsor employees to attend courses and conferences regularly • Formal and informal get-togethers to strengthen working relationships among employees • Annual review on performance

SUSTAINABILITY GOVERNANCE

Key Stakeholders	Engagement Platforms	Stakeholders' Expectations	Our Initiatives
EXTERNAL			
Shareholders & Investors	<ul style="list-style-type: none"> • Announcements on SGXNet • Annual general meeting or extraordinary general meeting • Company website • Annual report 	<ul style="list-style-type: none"> • Higher financial returns • Industry conditions and prospects • Market presence • Profitability • Transparency and corporate governance 	<ul style="list-style-type: none"> • Ensure all public disclosures on corporate results and developments are factual, timely and accurate to provide fair and equitable treatment to all shareholders
Customers	<ul style="list-style-type: none"> • Customer feedback via surveys, dialogue sessions, and meetings • Regular follow-up via calls and face-to-face meetings • Email enquiries • Networking events 	<ul style="list-style-type: none"> • Quality control • On-time delivery, installation and post-project services • Technical support • Reasonable payment terms • Competitive pricing 	<ul style="list-style-type: none"> • Product and quality certifications to ensure a consistent level of product quality • Active follow-ups with customers on product applications and requirements • Update customers on new products • Provide timely feedback to customers
Government & Regulators	<ul style="list-style-type: none"> • Meetings • Electronic communications • Through external professionals and agencies • Announcements on SGXNet 	<ul style="list-style-type: none"> • Regulatory compliance • Occupational health & safety • Environmental issues • Social issues 	<ul style="list-style-type: none"> • Ensure compliance with applicable laws • Meeting relevant authorities as and when necessary

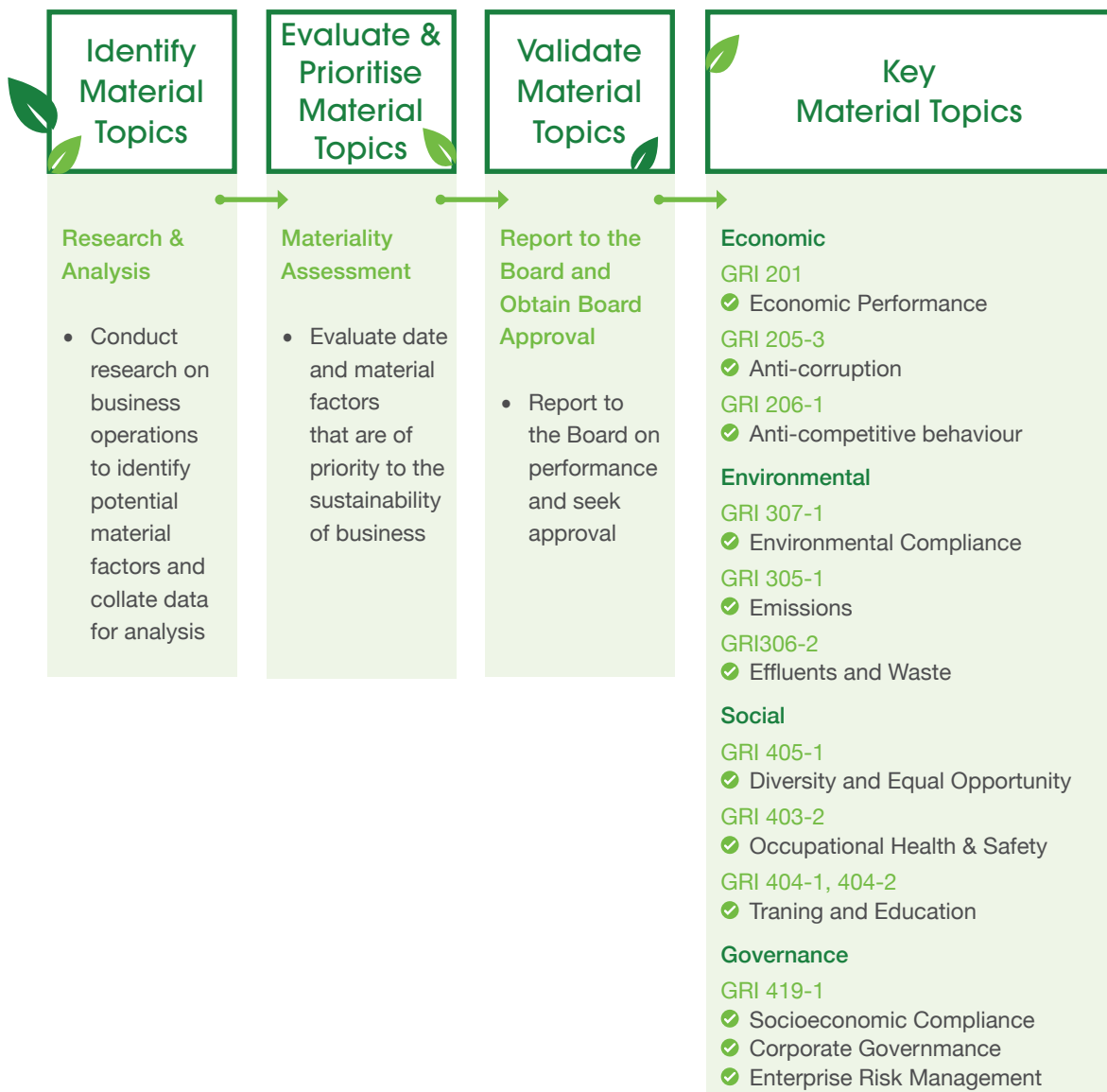
MATERIALITY ASSESSMENT

The Board approves the Group's general policies and strategies including those relating to sustainability. The management team reports to the Board and is responsible for reviewing the Group's sustainability performance, material topics, stakeholder concerns, the setting of targets for material topics, and establishing systems to collect, verify, and monitor information required for the sustainability reports.

The adoption of the matrix-based approach, which is based on the likelihood and impact of occurrences to address the Group's sustainability risk profile and priority issues, allows the Group to continue to use this method to monitor our risk profile on a regular basis.

We reviewed our material topics in FY2020 based on internal stakeholders' discussion. The material topics reviewed continue to have an economic, environment and social influence on our business activities.

As a result of the ongoing COVID-19 pandemic, the Group's business activities in the manufacturing of air environmental equipment in Malaysia as well as the marketing and operations in Singapore slowed down. Nevertheless, we endeavour to increase our interactions with the various stakeholder groups related to the material topics identified for our subsequent sustainability reports as we look forward to normalcy in our business operations.



MANAGING SUSTAINABILITY: ECONOMIC

Economic Performance

We continue to give our best efforts, driving possible improvements to be the partner of choice for customised clean environmental air solutions and services in residential, commercial and industrial property developments.

The Group's operations in China were the main contributor to the set of satisfactory results in FY2020 as the rest of the world continues to grapple with the COVID-19 pandemic. The Group had ceased its operations in Singapore and Malaysia during the lockdowns of cities due to the COVID-19 pandemic.

In FY2020, the Group registered 81.3% year-on-year increase in revenue to S\$20.40 million, up from S\$11.25 million for the financial year ended 31 December 2019 ("FY2019"). The increase was mainly attributed to contributions from cleanroom equipment ("CRE") and air purification system solutions ("AP") segments. In FY2020, the AP segment registered commendable growth with the completion of projects and the increase in demand for air purification systems, as well as maiden contribution from the enhanced services through the Group's Chinese subsidiaries, Henan Yunzhi Security Technology Co., Ltd and Henan Eindec Construction & Technology Co., Ltd. The CRE segment had also recorded higher revenue from demand for cleanroom equipment in semiconductor factories located in Malaysia. These higher contributions were partially offset by the Group's heating, ventilation and air-conditioning segment registered a negative growth in FY2020 on the back of suspension of work at construction sites in Singapore.

Please refer to the following sections of our annual report for FY2020, which can be downloaded from the SGXNet, for more details on our operations and financial information:

- ✔ Operations Review on pages 4 to 6
- ✔ Financial Review on pages 7 to 9
- ✔ Financial Statements on pages 52 to 115

Performance in FY2020

- Delays in fulfilment of secured contracts due to suspension of work for property development projects in Singapore, had an adverse impact on the Group's revenue and earnings.
- Narrowed net loss attributable to shareholders by 63.1% to S\$0.61 million on the back of improved operational efficiency and strong contribution from China operations and Malaysia.
- Reduced operating expenses by 11.1% from S\$5.18 million in FY2019 to S\$4.60 million in FY2020 with lower administrative expenses as well as research and development expenses for industrial dampers and air purifier products.

Targets for FY2021

- The uncertainties arising from the COVID-19 pandemic continue to affect the operations and financial performance of the Group, particularly the operations in Malaysia and Singapore.
- The Group will strive to improve financial performance through cost management and look forward to fulfil the secured contracts when construction and property development activities resume.
- Continue to explore opportunities within the Group's existing range of products to drive growth.

MANAGING SUSTAINABILITY: ECONOMIC

GRI 205-3 Anti-corruption

We are committed to conducting our business with integrity and transparency with no compromise on corruption.

The Group has zero-tolerance on fraudulent and corrupt practices that may disrupt business operations and impede the growth of the business.



The Group has implemented several policies including the Conduct and Discipline Policy, the Conflict of Interest Policy, and the Fraud and Whistle-Blowing Policy, as pre-emptive measures to prevent, govern, and facilitate the reporting of any illegal or unethical practices in the organisation.

In FY2020, there was no incidence of non-compliance with the relevant laws and regulations. There was also no non-compliance relating to bribery, extortion, fraud, and money laundering.

Performance in FY2020

- Achieved the target set for FY2020.
- Recorded no incident of non-compliance with the relevant laws and regulations that cover corruption, bribery, extortion, fraud, and money laundering.

Targets for FY2021

- Continue to maintain no incident of non-compliance with the relevant laws and regulations involving corruption, bribery, extortion, fraud, and money laundering.

GRI 206-1 Anti-competitive Behaviour

The Group is committed in ensuring businesses are conducted in an ethical and fair manner. We actively seek to enhance and expand our clean air environmental solutions and services to satisfy the requirements of our customers.

The Group has implemented a Fraud and Whistle-blowing Policy whereby a designated mailing address and email address are provided for all employees to raise concerns about possible improprieties in matters of financial reporting or other matters, which they become aware and to ensure that:

1. independent investigations are carried out in an appropriate and timely manner;
2. appropriate action is taken to correct the weakness in internal controls and policies which allowed the perpetration of fraud and/ or misconduct and to prevent a recurrence; and
3. administrative, disciplinary, civil, and/or criminal actions that are initiated following the completion of investigations are appropriate, balanced, and fair while providing reassurance that employees will be protected from reprisals or victimisation for whistle-blowing in good faith and without malice.

Please refer to the Corporate Governance Report section of our annual report for FY2020, which can be downloaded from the SGXNet for more details on the following Group's policies and practices:

- The Board's Conduct of Affairs from pages 13 to 18
- Risk Management and Internal Controls on pages 27 to 31

Performance in FY2020

- No reported anti-competition behaviours or anti-trust violations in FY2020.

Targets for FY2021

- Continue to maintain no incident of legal actions with respect to anti-competition behaviour, anti-trust, or monopoly practices.

MANAGING SUSTAINABILITY: ENVIRONMENTAL

GRI 307-1

Environmental Compliance

We are committed to make a positive difference to protect our environment.



We continue to undertake our role and responsibility in the management of our operations and we are conscious of the impact our operations have on the environment. While we continue to strive to grow and prosper in our business, we will also continue to do our part to care for the environment.

In FY2020, the Group continues to record no incident of non-compliance with the relevant laws and regulations relating to environmental in all the respective countries where it has operations. The Group ensures that all its operating entities continues to abide all the relevant rules and regulations in the respective countries.

Performance in FY2020

- Recorded no incident of non-compliance with the relevant laws and regulations for environmental protection, which could result in internal disciplinary action or public allegation.

Targets for FY2021

- Continue to maintain no incident of non-compliance with the relevant laws and regulations on environmental protection.

GRI 305-1

GHG Emissions

The Group is committed to taking positive and proactive action on climate change and reducing carbon emission in our operations.

We collected energy data from our business operations in Malaysia and computed the total annual greenhouse gas emissions. The emission mainly arose from fuel consumption of our vehicles used for the business operations in Malaysia.

In FY2020, the Group generated a carbon footprint of 98.7 tonnes of carbon emissions.

Performance in FY2020

- The Group generated a carbon footprint of 98.7 tonnes of carbon emission.

Targets for FY2021

- To lower or at least maintain carbon footprint and carbon emission intensity level by enhancing production efficiency and better economic performance amidst the uncertainties and challenges in the current business environment.

GRI 306-2

Effluents and Waste

The manufacturing facility in Malaysia that manufactures the range of clean air environmental products and systems for the Group, continues to abide the rules and regulations applicable to Licensed Manufacturing Warehouse under the Malaysian Customs Act. Waste materials from our production activities are separated for proper handling and disposal. We have engaged third-party service providers to manage all proper disposal of our waste materials.

As part of our environmental conservation effort, we have implemented energy savings and recycling within our offices. These include maintaining unnecessary wastage such as two-sided printing, using recycled paper for printing, and switching off lights in office premises when not in use.

Performance in FY2020

- The Group generated 7,257 kilograms of hazardous waste and 22,858 kilograms of non-hazardous waste from the manufacturing facility in Malaysia.

Targets for FY2021

- To reduce the amount of waste generated through improving production efficiency.

MANAGING SUSTAINABILITY: SOCIAL

GRI 405-1

Diversity and Equal Opportunity

We are committed to nurturing a workplace that advocates fairness, justice, respect, and inclusiveness regardless of race, religion or nationality, as our diverse workforce reflects the diversity of markets and customers we serve.

We view our employees as the most valuable assets of our organisation. As the organisation grows, particularly with the increase in production capacity, we have to complement the growth by increasing our personnel across all departments to support the expansion.

We have in place our staff handbook and human resources manual that adhere to the legislation and guidelines in the country of operations. Discretionary incentives are granted to eligible employees based on their performance and contributions to the Group. Remuneration policies and packages are reviewed regularly to ensure that compensation and benefits are in line with the industry. This helps the Group in recruitment and retention of talent.

At Eindec, we do not discriminate against our employees or potential recruits according to their race, age, gender, religion, ethnicity, facial attractiveness, physical impairments, sexual preference, political viewpoints, or nationality. In line with the Group's transformation from an equipment manufacturer to a customised clean environmental air solutions provider, we have invested in new employees to expand our sales and engineering teams. As at 31 December 2020, the Group has a staff strength of 131 for our operations in Singapore and Malaysia, an increase from 127 employees as at 31 December 2019.

The demographics of our employees for our operations in Singapore and Malaysia are as follows:

Location	Gender		Age (years)		
	Male	Female	< 30	30 - 50	> 50
Singapore	59.4%	40.6%	18.8%	50.0%	31.2%
Malaysia	77.8%	22.2%	38.4%	52.5%	9.1%

New Employees and Employee Turnover

Location	New Hires		Employee who Left		Employee Turnover
	Male	Female	Male	Female	
Singapore	44.4%	55.6%	62.5%	37.5%	25.4%
Malaysia	37.5%	62.5%	40.0%	60.0%	5.1%

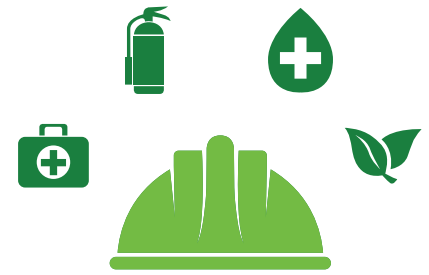
Performance in FY2020

- No staff engagement activities were held due to the ongoing COVID-19 pandemic situation.
- The Group adopted Tripartite Standard on flexible work arrangements to offer greater flexibility to employees to balance work and personal commitments.

Targets for FY2021

- Due to the global coronavirus pandemic, the Group will reduce group activities as a preventive measure.

MANAGING SUSTAINABILITY: SOCIAL



GRI 403-2 Occupational Health and Safety

We are committed to manage health and safety risks to provide a healthy and safe working environment for our employees.

The health and safety of our employees are of utmost priority. We committed to providing a healthy and safe working environment for our employees. We remain vigilant in managing and monitoring the health and safety risks through various policies and procedures including Office Environment, Office Order and Safety Management Policy, and Employee Behaviour and Responsibilities Guidelines.

We have insured our employees with employee liability insurance, accident and injury insurance, and hospitalisation and surgery insurance as part of employees' welfare. Our employees are also encouraged to go for annual health checks to monitor their health status and well-being.

Amid the ongoing COVID-19 pandemic, the Group continues to practise stringent precautionary and safe management measures including physical distancing and sanitizing workplaces regularly, to provide a safe working environment and minimise risks of COVID-19 transmission.

Toolbox briefings are conducted at the start of each work day to remind employees of important safety measures. In FY2020, we recorded four reportable work-related injuries and an aggregate of 119 lost days at our manufacturing facility in Malaysia. These cases resulted in hand and leg injuries and we have since conducted refresher training for all our employees to emphasise safe work procedures on the importance of using personal protective equipment. We will strive to minimise occurrences and continue to promote safety measures in our operational facilities.

Performance in FY2020

- Recorded four reportable work-related injuries at the manufacturing facility in Malaysia.

Targets for FY2021

- To maintain no incident of significant work-related injuries and fatalities.
- To maintain no incident of non-compliance with the relevant laws and regulations relating to occupational health and safety, providing a safe working environment and protecting employees from occupational hazards.

Performance in FY2020

- Achieved target set in FY2020 to conduct skills enhancing programmes virtually for employees amid the COVID-19 pandemic situation.

Targets for FY2021

- To continue to explore activities including skills enhancing programmes that can be conducted through online/virtual platforms for employees.

GRI 404-1, 404-2 Training and Education

We believe human capital management is essential in increasing the value of our employees who contribute to the success of our business. We remain committed to provide opportunity for our employees to attend courses to equip themselves with the necessary knowledge and skills required for their roles and responsibilities.

Due to the ongoing COVID-19 pandemic, most of the courses were conducted through virtual classrooms and/or web conferencing. The employees in Singapore and Malaysia recorded 809 training hours in FY2020.

The courses carried out for our employees in Singapore and Malaysia in FY2020 includes Product Training, Microsoft Dynamic NAV, LHDN Seminar, and Impairment of Assets.

MANAGING SUSTAINABILITY: GOVERNANCE

GRI 419-1

Socioeconomic Compliance

We are committed to operate our business in compliance with the relevant social and economic laws and regulations through internal checks and balances.

We pride ourselves on having good corporate governance and observing compliance with applicable laws and regulations. We are committed to conducting the business with integrity and safeguarding the interest of all our stakeholders, both internal and external.

Please refer to the Corporate Governance Report section of our annual report for FY2020, which can be downloaded from the SGXNet for more details on the following Group's policies and practices:

- The Board's Conduct of Affairs from pages 13 to 18
- Risk Management and Internal Controls on pages 27 to 31



Corporate Governance

The Board and the management of Eindex are committed to the best practices in corporate governance to ensure the sustainability of the Group's operations. We believe that our constant drive for corporate excellence will allow us to establish a more transparent, accountable, and equitable system, thereby delivering higher value to our stakeholders.

Please refer to the Company's annual report for 2020 from pages 13 to 44 for details of the Group's corporate governance principles and practices.

The corporate governance report outlines the Company's corporate governance structures and practices that were in place during FY2020, with specific reference made to the principles and the provisions of the Code of Corporate Governance 2018 pursuant to Rule 710 of the Catalist Rules.

Performance in FY2020

- Achieved target set for FY2020.
- Recorded no incident of non-compliance with the relevant laws and regulations in the social and economic area that could potentially result in internal disciplinary action or public allegation for all the Group's operations.

Targets for FY2021

- To maintain no incident of non-compliance with the relevant laws and regulations relating to social and economic in the countries that the Group operates, that could potentially result in internal disciplinary action or public allegation.

Performance in FY2020

- Achieved the target set for FY2020.
- Recorded no incident of non-compliance with management controls and procedures.

Targets for FY2021

- Continue to maintain no incident of noncompliance with management controls and procedures.
- Continue to monitor and update the adequacy of the risk management framework.

MANAGING SUSTAINABILITY: GOVERNANCE

Enterprise Risk Management

The Board has overall responsibility for the establishment and oversight of the Group's risk management framework.

The Group had engaged third party professional to establish the Group's Risk Control Assurance Framework. Risk management policies have been established to identify and analyse the key risks faced by the Group, to set appropriate risk limits and controls, develop a risk control matrix, and to implement procedures to monitor and report risks and adherence to limits.

Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through training and management standards and procedures, aims to develop a disciplined and constructive control environment whereby all employees understand their roles and obligations.

The Audit Committee of the Company oversees how the management monitors compliance with the Group's risk management policies and procedures, and from time to time, reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Audit Committee is assisted in its oversight role by the internal auditor. The internal auditor undertakes both regular and ad-hoc reviews of the Group's risk management controls and procedures and reports its findings to the Audit Committee.

We will continue our practice of performing risk assessment at least once per year, either internally or with the assistance of a third party professional as determined by the Audit Committee.



GRI CONTENT INDEX

GRI Standards	Disclosure	Reference / Description
GENERAL DISCLOSURE		
GRI 102: General Disclosures	102-1	Name of organisation Eindec Corporation Limited
	102-2	Activities, brands, products and services Sustainability Report 2020 (“ SR ”): Corporate Profile, page 3
	102-3	Location of headquarters Singapore
	102-4	Location of operations Singapore, Malaysia, China
	102-5	Ownership and legal form Annual Report 2020 (“ AR ”): Statistics of Shareholdings, pages 116 to 117
	102-6	Markets served AR – Operations Review, pages 4 to 6
	102-7	Scale of the organisation AR – Financial Review, pages 7 to 9 SR – Economic Performance, page 10
	102-8	Information on employees and other workers SR – Social, page 13
	102-9	Supply chain SR – Corporate Profile, page 3
	102-10	Significant changes to the organisation and its supply chain AR – Letter to Shareholders, pages 2 to 3 SR – Economic Performance, page 10 • Transformation from original equipment manufacturer to customised solutions provider
	102-11	Precautionary Principle or approach Eindec supports the intent of the Precautionary Principle, but has not expressed a specific commitment.
	102-12	External initiatives None
	102-13	Membership of associations Eindec is a member of Singapore Business Federation and Federation of Malaysian Manufacturers
	102-14	Statement from senior decision maker SR – Board Statement, page 4
	102-16	Values, principles, standards and norms of behaviour AR – Corporate Governance, pages 13 to 44
	102-18	Governance structure AR – Corporate Governance, pages 13 to 44
	102-40	List of stakeholder groups SR – Stakeholder Engagement, pages 7 to 8
	102-41	Collective bargaining agreements None

GRI CONTENT INDEX

GRI Standards		Disclosure	Reference / Description
GENERAL DISCLOSURE			
GRI 102: General Disclosures	102-42	Identifying and selecting stakeholders	SR – Stakeholder Engagement, pages 7 to 8
	102-43	Approach to stakeholder engagement	SR – Stakeholder Engagement, pages 7 to 8
	102-44	Key topics and expectations raised	SR – Stakeholder Engagement, pages 7 to 8
	102-45	Entities included in the consolidated financial statements	AR – Notes to Financial Statements, pages 84 to 89
	102-46	Defining report content and topic boundaries	SR – Board Statement, page 4
	102-47	List of material topics	SR – Materiality Assessment, page 9
	102-48	Restatement of information	None
	102-49	Changes in reporting	None
	102-50	Reporting period	SR – Board Statement, page 4
	102-51	Date of most recent previous report	29 May 2020
	102-52	Reporting cycle	Annual
	102-53	Contact point for questions about the report	SR – Board Statement, page 4
	102-54	Claims if reporting in accordance with the GRI Standards	SR – Board Statement, page 4
	102-55	GRI content index	SR – GRI Content Index, pages 17 to 19
	102-56	External Assurance	We may seek external assurance in the future.
GRI 103: Management Approach	103-1	General requirements for reporting the management approach	SR – Sustainability Approach, page 6; Materiality Assessment, page 9
MATERIAL TOPICS			
GRI 201: Economic performance Approach		Direct economic value generated and distributed	SR – Economic Performance, page 10
GRI 205: Anti-corruption	205-3	Communication and training about anti-corruption policies and procedures	SR – Anti-corruption, page 11
GRI 206: Anti-competitive Behaviour	206-1	Legal actions for anti-competitive, antitrust, and monopoly practices	SR – Anti-competitive Behaviour, page 11

GRI CONTENT INDEX

GRI Standards		Disclosure	Reference / Description
GENERAL DISCLOSURE			
GRI 305: Emissions	305-1	Direct (Scope 1) GHG emissions	SR – GHG Emissions, page 12
GRI 306: Effluents and Waste	306-2	Waste by type and disposal method	SR – Effluents and Waste, page 12
GRI 307: Environmental compliance	307-1	Non-compliance with environmental laws and regulations	SR – Environmental Compliance, page 12
GRI 403: Occupational health and safety	403-2	Types of injury and rates of injury, occupational diseases, lost	SR – Occupational Health and Safety, page 14
GRI 404: Training and Education	404-1 404-2	Average hours of training per year per employee Programs for upgrading employee skills and transition assistance programs	SR – Training and Education, page 14
GRI 405: Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	SR – Diversity and Equal Opportunity, page 13
GRI 419: Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	SR – Socioeconomic Compliance, page 15

CORPORATE INFORMATION

Board of Directors

Zhang Wei

Non-Executive Chairman

Jiang Nan

Non-Executive Director

See Yen Tarn

Independent Director

Wong Chee Meng Lawrence

Independent Director

Jeffrey Ong Shen Chieh

Independent Director

Audit Committee

See Yen Tarn (Chairman)

Wong Chee Meng Lawrence

Jeffrey Ong Shen Chieh

Nominating Committee

Jeffrey Ong Shen Chieh (Chairman)

See Yen Tarn

Wong Chee Meng Lawrence

Remuneration Committee

Wong Chee Meng Lawrence (Chairman)

See Yen Tarn

Jeffrey Ong Shen Chieh

Principal Place of Business and Registered Address

100H Pasir Panjang Road,

OC@Pasir Panjang #01-01

Singapore 118524

Tel: (65) 6265 1311

Fax: (65) 6265 8100

www.eindec.com.sg

Email: enquiry@eindec.com.sg

Company Secretary

Shirley Tan Sey Liy (ACIS)

External Auditors

Moore Stephens LLP

10 Anson Road

#29-15 International Plaza

Singapore 079903

Partner-in-charge: Lao Mei Leng

(Public Accountants and

Chartered Accountants Singapore)

(Appointed since financial year ended

31 December 2019)

Sponsor

ZICO Capital Pte. Ltd.

8 Robinson Road #09-00

ASO Building

Singapore 048544

Share Registrar and Warrant Agent

RHT Corporate Advisory Pte. Ltd.

9 Raffles Place #29-01

Republic Plaza Tower 1

Singapore 048619

Principal Banker

United Overseas Bank Limited

80 Raffles Place

UOB Plaza

Singapore 048624

Investor Relations

Octave FinComm Private Limited

富登财经通讯私人有限公司

www.octavecomms.com

Email: enquiry@octavecomms.com

EINDECKYODO

—— 英德集团 ——

EINDEC CORPORATION LIMITED

(Company Registration No.: 201508913H)

(Incorporated in the Republic of Singapore on 2 April 2015)

100H Pasir Panjang Road | OC@Pasir Panjang | #01-01 | Singapore 118524