



SUSTAINABILITY REPORT 2018

SIN GHEE HUAT CORPORATION LTD

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INTRODUCTION

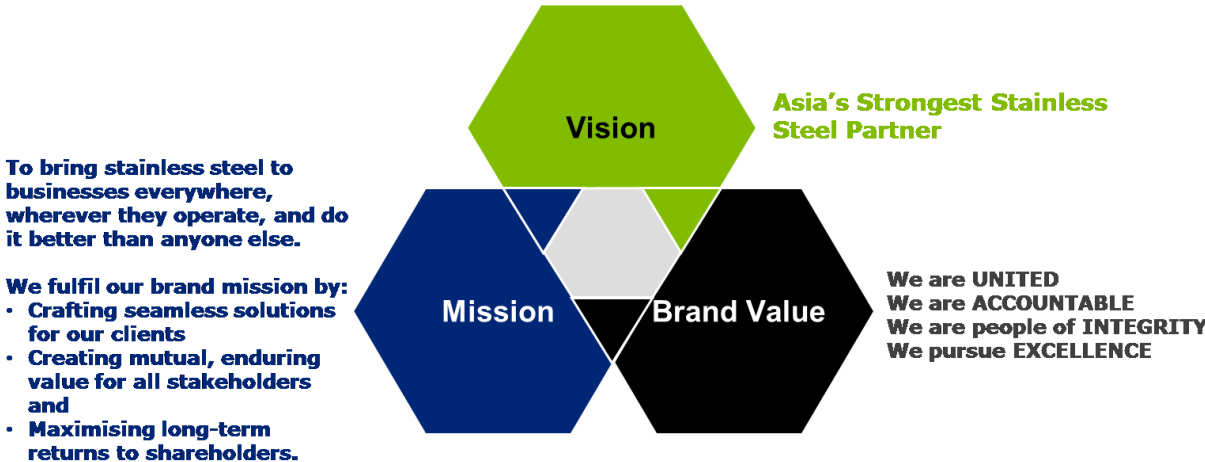
ABOUT SIN GHEE HUAT CORPORATION LTD

Sin Ghee Huat Corporation Ltd (the "Company") is a public company listed on the main board of Singapore Exchange. We have a track record of more than 30 years in the sales and distribution of stainless steel products.

The Company and its subsidiaries (the "Group") together hold a comprehensive range of stainless steel and duplex products, with in-depth product knowledge and solutions catering to the specific requirements of oil & gas and petrochemical, marine and shipbuilding, engineering and construction, trading and other industries such as food processing and pharmaceuticals.

Our business operations are mainly in Singapore with Headquarters located at 32 Penhas Road Singapore. We have a subsidiary in Suzhou Industrial Park, China and a joint venture in New Zealand.

OUR VISION, MISSION AND BRAND VALUE



OUR COMMITMENT

We are committed to embracing and upholding the highest standards of ethical values and principles of behaviour in our business activities.

We strive to maintain and protect the reputation of the Company with good governance and integrity, and ensure that we steer clear from questionable practices and conflict of interests in our business activities. We are endeavoured to stay on the path towards a sustainable business culture that will generate long-term value creation for all our stakeholders.

OUR POLICIES AND CODES

Whistle-blowing policy

The Company has in place a whistle-blowing policy. This policy provides a channel for our employees to report and raise, in good faith and in confidence, their concerns about possible improprieties in financial or other matters. To facilitate independent investigation of such matters and appropriate follow-up actions, our employees may raise their concerns directly to the Audit Committee members.

Conflict of interest policy

Under the conflict of interest policy, all employees shall never put themselves in a situation where their personal interests are in conflict of the interests of the Company. All business dealings must be at arm's length. An employee shall decline accepting unsolicited gifts. Unsolicited gifts, if received, shall be declared to the Company at the earliest opportunity.

MEMBERSHIP OF ASSOCIATIONS

We are a member of the Association of Process Industry (ASPRI) and Singapore Metal & Machinery Association (SMMA), as well as Singapore Business Federation (SBF) and Singapore National Employers Federation (SNEF).

OUR SUPPLY CHAIN

We are committed to ensuring that appropriate risk management procedures are implemented across our supply chain.

CERTIFICATIONS OBTAINED

CERTIFICATES		YEAR
ISO 14001:2015	Environmental Management System	2018
BS OHSAS 18001:2007	Occupational Health and Safety Management System	2016
SS506 PART 1: 2009	Occupational, Health and Safety Management	2016
BizSafe Star	Occupational Health and Safety Management System	2016
ISO 9001:2015	Quality Management System	2018

ABOUT THIS REPORT

This inaugural Sustainability Report (the "Report") of Sin Ghee Huat Corporation Ltd has been prepared in accordance with the Global Reporting Initiative (GRI) Standards: Core option, the international standard for sustainability reporting. The report is prepared with reference to the primary components set out in Singapore Exchange Securities Trading Limited's Listing Rule 711B.

We will focus on the sustainability performance of the Company covering environmental, social and governance (ESG) performance. The information contained in this report is in respect of the financial year ended 30 June 2018, unless stated otherwise. We plan to report our sustainability performance on an annual basis.

We are guided by the reporting principles established by GRI Standards in the preparation of this report. These principles are stakeholder inclusiveness, sustainability context, materiality as well as completeness.

We conducted materiality assessment of the ESG factors during the year taking into consideration the expectation and interests of the stakeholders. Specific and material topics were examined.

No external assurance has been sought for this report.

CONTACT US

We welcome constructive feedback pertaining to this report. Please email feedback to: enquiries@singheehuat.com.sg

MESSAGE FROM BOARD

BOARD STATEMENT

We recognise the importance of maintaining a balance between economic and financial achievement on one hand and social and governance obligations on the other hand. In this regard, the Board of Directors (the "Board") of the Company takes into consideration sustainability issues as part of the strategic formulation even as we pursue business growth. The Board is responsible for providing leadership and establishing the Group's values and ethical standards to meet stakeholder expectations.

Three key ESG indicators have been identified that bring significant impact on the business. These include the economic performance of the Company, the occupational health and safety of our workers and any issues on non-compliance with environmental laws and regulations.

Health and safety of our employees are always a priority in our business. We have implemented OHSAS 18001:2007 standards, which is a management system to manage this aspect. We also look to reduce the number of injuries and lost days.

The Company has adopted ISO 14001:2015, environmental management standards to manage our environmental footprint. Our goals and targets are to reduce and finally eliminate any case of non-compliance with environmental laws and regulations in our business.

We will report our sustainability performance annually and engage our stakeholders regularly in our sustainability journey towards a successful future in our business.

STAKEHOLDER ENGAGEMENT AND MATERIALITY REVIEW

STAKEHOLDER ENGAGEMENT

We are mindful of the important roles of our stakeholders in our sustainability journey. We will work toward improvement on our stakeholder engagement and take into consideration their respective interests in our business strategies and development. This would include engagement with investors through Annual General Meetings of the Company and meetings/discussions with employees. The stakeholders are mainly investors, customers, suppliers, employees and other business partners.

RESULTS FROM MATERIALITY ASSESSMENT

We have conducted the materiality assessment with the help of an external consultant. A three-step approach was adopted on the identification, prioritisation and validation of ESG factors.

- (1) Survey forms were distributed to the respective stakeholder representatives to gather their concerns and inputs for identification of ESG factors.
- (2) A Stakeholder Engagement and Materiality Assessment Workshop was conducted to review the economic, environmental and social factors and the impact thereon raised by respective stakeholder representatives and to determine prioritisation of these factors.
- (3) The results from the workshop were further reviewed and validated with endorsement by the management.

MATERIAL ASPECTS AND INDICATORS IDENTIFIED

TOP PRIORITIES	
GRI 201-1	Direct economic value generated and distributed
GRI 307-1	Non-compliance with environmental laws and regulations
GRI 403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities

EMERGING PRIORITIES	
GRI 302-1	Energy consumption within the organisation
GRI 308-1	New suppliers that were screened using environmental criteria
GRI 401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees
GRI 404-1	Average hours of training per year per employee
GRI 414-1	New suppliers that were screened using social criteria
GRI 417-1	Requirements for product and service information and labelling
GRI 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data
GRI 419-1	Non-compliance with laws and regulations in the social and economic area

This sustainability report will be focusing on ESG factors classified as top priorities. ESG factors classified as emerging priorities may be covered in our future reports.

REPORTING SCOPE AND BOUNDARIES

Material Aspects	List of ESG Indicators	Aspect Boundary
Economic Performance	GRI 201-1: Direct economic value generated and distributed	Within organisation
Environmental Compliance	GRI 307-1: Non-compliance with environmental laws and regulations	Within organisation
Occupational Health and Safety	GRI 403-2 : Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Within organisation

ECONOMIC PERFORMANCE

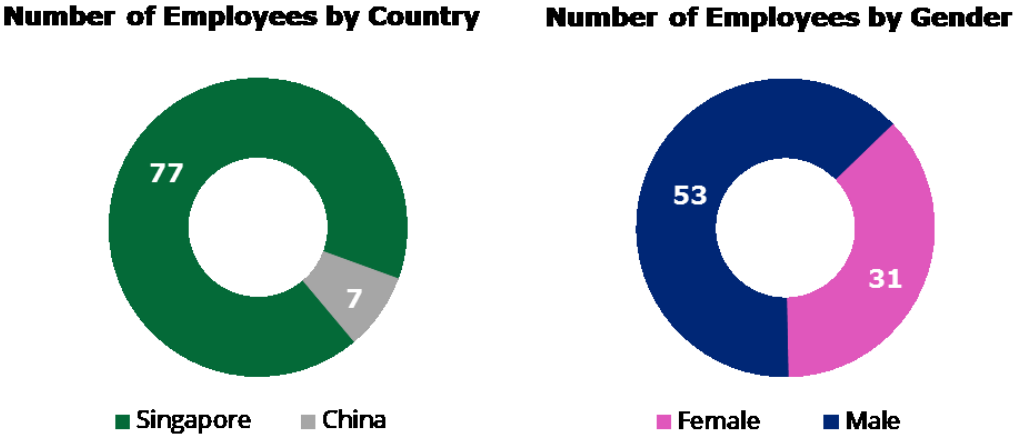
ECONOMIC PERFORMANCE

The Group posted a revenue of \$37.69 million and a profit of \$32,000 for the financial year ended 30 June 2018. By comparison, the preceding financial year ended 30 June 2017 registered \$33.13 million in revenue and a loss of \$274,000.

Please refer to our 2018 Annual Report for details of the financial information.

PEOPLE

We have a workforce of 84. The breakdown by gender demographics is as follows:



OUR APPROACH

We maintain a safe and conducive work environment for our employees. Together with the cooperation of our employees, we aim to keep incidence of workplace accidents at bay.

Safety at work is of utmost importance. Every employee has a part to play in ensuring and maintaining a healthy and safe work environment. The implementation of management systems on occupational health and safety under the OHSAS 18001:2007 standard reinforces our commitment to ensuring the health and safety of our employees.

In conjunction with occupational health and safety management, the company is also concurrently certified under SS506 Part 1: 2009 and Bizsafe Star.

We believe that these programmes will enhance awareness and constantly instil a safety-first mindset among our employees. As much as we would like to promote health and safety as an integral part of the work culture, we aim to keep lost days and work-related injuries to the minimum possible.

OCCUPATIONAL HEALTH AND SAFETY

Our injury incident record for FY2018 showed a total of 56 lost days per 200,000 hours worked. There has been no incidence of occupational disease and work-related fatality during the year.

A breakdown of the Company's occupational health and safety statistics for FY2018 is shown in the diagram below.



We will continue with efforts to reduce, if not eliminate, the rate of injuries in the workplace through appropriate initiatives.

Notes:

1. There are no reportable injuries, occupational disease or lost days pertaining to female employees.
2. The figure above represents operations in Singapore and China only.

ENVIRONMENT

OUR APPROACH

We have in place an environmental management system as part of our corporate sustainability governance. The Company formally began its environmental sustainability journey in 2016 with the certification of ISO 14001:2004. We further obtained the certification of ISO 14001:2015 in 2018.

We conduct our business operations in an ethical manner and within the ambit of the law, including relevant environmental laws and regulations. The principal business activities of the Group are those of stockholding and sale of stainless steel and specialty metal products. Wastes generated from the day-to-day operations are insignificant. Products which are no longer sellable are sold as scraps. Packaging materials, paper and other used materials are reused whenever feasible, and those which are not usable are sold or disposed of properly having regards to prevailing regulations on waste disposal. Efforts to reduce usage of energy and water are on-going though the usage is insignificant.

We respond appropriately to relevant import and export regulations as well as employment and labour regulations.

Records of non-compliance on environmental aspect are under the charge of the Company's committee for ISO 14001:2015 implementation.

ENVIRONMENTAL COMPLIANCE

We assess environmental performance and adhere to legal compliance. There were no incidences involving fines or non-monetary sanctions for non-compliance with environmental law and/or regulations in FY2018.

We are committed to maintaining environmental compliance.

GRI CONTENT INDEX

TABLE OF GRI CONTENT INDEX

GENERAL DISCLOSURES			
General Standard	Disclosure	URL(s)	Omission
ORGANISATIONAL PROFILE			
GRI 102: General Disclosures 2016	102-1 Name of the organisation	Introduction	
	102-2 Activities, brands, products and services	Introduction	
	102-3 Location of headquarters	Introduction	
	102-4 Location of operations	Introduction	
	102-5 Ownership and legal form	Introduction	
	102-6 Markets served	Annual Report 2018 – Company Profile	
	102-7 Scale of the organisation	People	
	102-8 Information on employees and other workers	People	
	102-9 Supply Chain	Introduction	
	102-10 Significant changes to organisation and its supply chain	Not Applicable	
	102-11 Precautionary principle or approach	Introduction	
	102-12 External Initiatives	Introduction	
	102-13 Membership of associations	Introduction	
STRATEGY			
GRI 102 : General Disclosures 2016	102-14 Statement from senior decision-maker	Message From Board	

GENERAL DISCLOSURES			
General Standard	Disclosure	URL(s)	Omission
ETHICS AND INTEGRITY			
GRI 102: General Disclosures 2016	102-16 Values, principles, standards, and norms of behaviour	Introduction	
GOVERNANCE			
GRI 102: General Disclosures 2016	102-18 Governance structure	Annual Report 2018 – Corporate Governance Statement	
STAKEHOLDER ENGAGEMENT			
GRI 102: General Disclosures 2016	102-40 List of stakeholder groups	Stakeholder Engagement And Materiality Review	
	102-41 Collective bargaining agreements	Not Applicable	
	102-42 Identifying and selecting stakeholders	Stakeholder Engagement And Materiality Review	
	102-43 Approach to stakeholder engagement	Stakeholder Engagement And Materiality Review	
	102-44 Key topics and concerns raised	Stakeholder Engagement And Materiality Review	

GENERAL DISCLOSURES			
General Standard	Disclosure	URL(s)	Omission
REPORTING PRACTICE			
GRI 102: General Disclosures 2016	102-45 Entities included in the consolidated financial statements	Annual Report 2018 – Corporate Information	
	102-46 Defining report content and topic Boundaries	Stakeholder Engagement And Materiality Review	
	102-47 List of material topics	Stakeholder Engagement And Materiality Review	
	102-48 Restatements of information	Not Applicable	
	102-49 Changes in reporting	Not Applicable	
	102-50 Reporting period	About This Report	
	102-51 Date of most recent report	Not Applicable	
	102-52 Reporting cycle	About This Report	
	102-53 Contact point for questions regarding the report	About This Report	
	102-54 Claims of reporting in accordance with the GRI Standards	About This Report	
	102-55 Content Index	GRI Content Index	
102-56 External assurance	About This Report		

CATEGORY: ECONOMIC			
General Standard	Disclosure	URL(s)	Omission
ECONOMIC PERFORMANCE			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Annual Report 2018 – Operating and Financial Review	
	103-2 The management approach and its components	Annual Report 2018 – Operating and Financial Review	
	103-3 Evaluation of the management approach	Annual Report 2018 – Operating and Financial Review	
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Economic Performance	
CATEGORY: ENVIRONMENT			
General Standard	Disclosure	URL(s)	Omission
ENVIRONMENTAL COMPLIANCE			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Environment	
	103-2 The management approach and its components	Environment	
	103-3 Evaluation of the management approach	Environment	
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	Environment	

CATEGORY: SOCIAL			
General Standard	Disclosure	URL(s)	Omission
OCCUPATIONAL HEALTH AND SAFETY			
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	People	
	103-2 The management approach and its components	People	
	103-3 Evaluation of the management approach	People	
GRI 403: Occupational Health and Safety 2016	403-2 Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	People	

Note: The column of "Omission" is intentionally left blank as there are no omissions made in the Sustainability Report.