



JADASON ENTERPRISES LTD

SUSTAINABILITY REPORT 2020



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BOARD STATEMENT

DEAR STAKEHOLDERS,

Jadason Enterprises Ltd (the “Company”, together with its subsidiaries, the “Group” or “Jadason” or “we” or “us” or “our”) is pleased to release our fourth Sustainability Report, subscribing to the Global Reporting Initiative (“GRI”) Standards, in accordance with the Core option, and is in line with the guidelines released by Singapore Exchange (“SGX”) on Sustainability Report.

The Group, which operates mainly in China, continue to focus and set its reporting boundary for FY2020 on the two plants situated in Dongguan, China. Classified under “Manufacturing and Support Services” in the Group’s business segment, the two plants provide PCB drilling services and PCB mass lamination to the PCB manufacturers in China, relied heavily on energy, water and material usage in their day-to-day operation.

It had been an exceptionally challenging year for the operating environment in 2020, having to deal with the escalating tensions between the two largest economies over trade and national security, and the Covid-19 pandemic, which caused significant disruptions to economic activities and supply chains during the year. The Group saw a weaker demand in the PCB drilling services and PCB mass lamination at our plants in China in 2020.

With the increasing tension between US and China on issues including trade, Covid-19 pandemic, technology and media wars that have hurt many businesses, it is unclear how the new US administration will recast on the relationship and handle on trade tariffs. Firms are looking to ensure that suppliers are closer to their home countries or consumer markets.



The health and safety of our people is important to us, especially during this pandemic. Safety measures like regular disinfecting the premise, temperature checking and recording, safety distances, etc. had been drawn out and follow strictly according to the advisories released from the country that the Group operates in.

We are committed to run a responsible business which requires a delicate balancing of long-term interest of our planet, employees and business profitability as identified on the materiality topic namely - Corporate Governance, Environmental, Economic and Social for our Sustainability Report, which can be found on page 12 of this report. We are actively monitoring and improving on our sustainability practices and working towards a sustainable and responsible business.

We are committed to providing high quality and maintaining stringent controls striving for continuous operational excellence without compromising on the environment. We will continue to integrate sustainability into our business operation, building a sustainable business for the new generation.

THE BOARD OF DIRECTORS

ABOUT THIS REPORT

Jadason Enterprises Ltd reaffirms our commitment to sustainability, providing an overview of our approach towards sustainability in terms of Environmental, Social and Government (“ESG”) aspects of our business as well as our FY 2020 performance and progress in our fourth standalone Sustainability Report 2020.

This report is dedicated to supplement our annual report. It provides a reasonable and transparent presentation of the key aspects of our material sustainability issues identified in FY 2017, had remained valid.

2.1 Reporting Standard and Assurance

This report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards 2016: Core option, as well as SGX-ST Listing Manual (Rules 711A and 711B). We have selected the GRI Standards as our reporting framework as it provides a detailed breakdown and is widely accepted as a global standard for sustainability report.

We have not sought for external assurance for this reporting period, and will consider it when our reporting matures over time.

2.3 Report Accessibility

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

We will only release this report in electronic edition (PDF format) and it is made available for download from our website at <http://www.jadason.com/ReportE.html>.



2.2 Reporting Scope and Period

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

This Sustainability Report, which is published on an annual basis, is our fourth standalone Sustainability Report, covering the period from 1 January 2020 to 31 December 2020, with limited historical information. The previous annual sustainability report was published in May 2020.

2.4 Feedbacks

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

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

ABOUT JADASON ENTERPRISES



Jadason Enterprises Ltd (the “Company” and together with its subsidiaries, the “Group” or “Jadason” or “we” or “us” or “our”) started business in 1980, is a leading supplier of equipment and supplies to the printed circuit board (“PCB”) industry in Asia, headquartered in Singapore and is listed in Singapore Exchange Securities Trading Limited (“SGX-ST”).

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

To provide better support on equipment sales and services to customers, the Group has established a comprehensive service network covering the area where it has marketing presence. The Group also provide PCB drilling services in Dongguan and Suzhou. Through a subsidiary company in Dongguan, the Group provides mass lamination to PCB manufacturers in China.

3.1 Geographical Presence



China



Hong Kong



Japan



Malaysia



Singapore



Thailand

3.2 Principle Business

Jadason had identified and categorised its core business into the following segments:

- Equipment and Supplies
- Manufacturing and Support Services

3.2.1 Equipment and Supplies

Jadason has an extensive distribution network spanning across China, Hong Kong, Japan, Malaysia and Singapore supplying a wide range of equipment and supplies for PCB industry.

The equipment and supplies range from CNC machines, laser drilling machines, drill bits, dry films and laminates. Jadason also fabricate some of the equipments used in the PCB manufacturing process.

3.2.2

Manufacturing and Support Services

Jadason has an extensive support network to support on equipment sales and services to customers. The support network covers all the location where it has marketing presence.

Jadason provides PCB drilling services in Suzhou and Dongguan to meet the outsourcing needs to the PCB manufacturers operating in China.

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

3.3 Corporate Governance

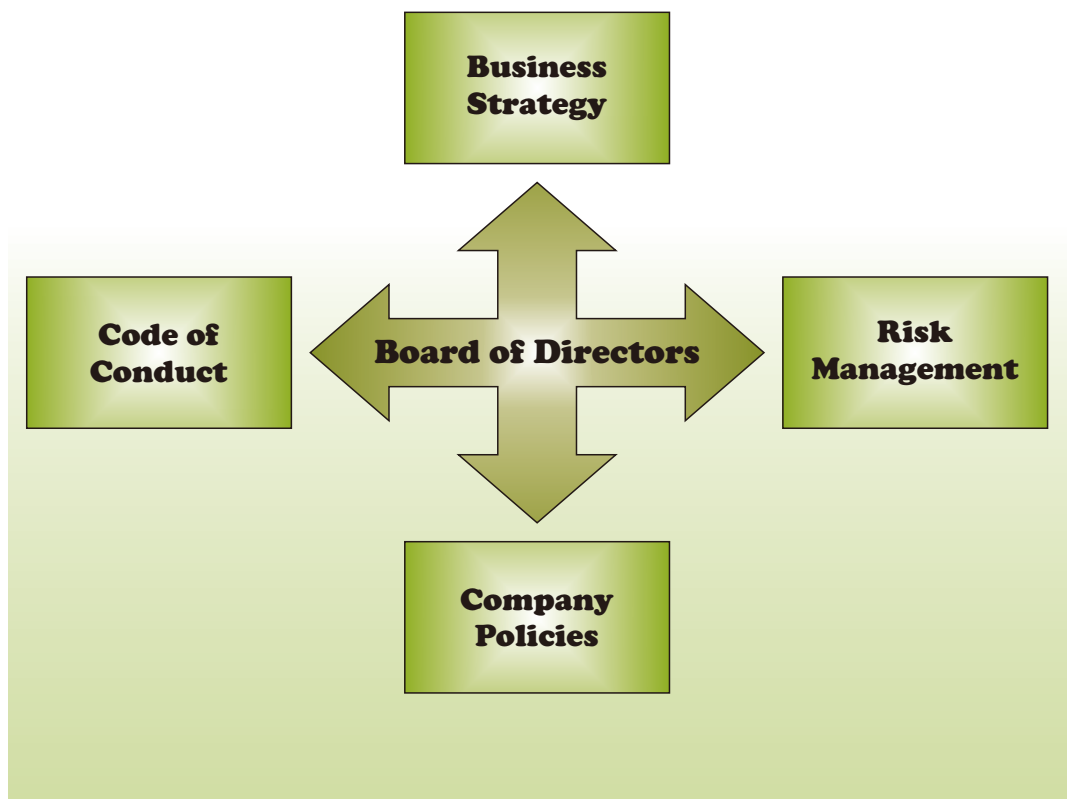
Our Board of Directors (the “Board”) and Managements are committed to maintaining a high standard of corporate governance so as to ensure that the Group’s activities are carried out in the best interest of its shareholders. Our governance policies and practices are generally adhered to the principles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

The Board being the highest governance body of Jadason provides general oversight of the Group’s activities, policies and performance. The Board is responsible for setting the corporate strategy and business direction of the Group, ensuring that the necessary financial and human resources are place for the Group to meet its objective.

The Board has established three committees, namely, the Audit Committee (“AC”), Nominating Committee (“NC”), and Remuneration Committee (“RC”), to assist in the execution of its responsibilities. The committees operate within clearly defined terms of reference and the effectiveness of each committee is reviewed on a regular basis.

Full details of the Corporate Governance can be found from Jadason Enterprises Ltd Annual Report 2020 , page 17 - 33.

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



3.3.1 Risk Management

The Board acknowledges that it is responsible for the overall internal control and risk management systems. The Board oversees the Management in the formulation, update and maintenance of an adequate and effective risk management framework.

The risk management framework established by the Group covers the identification, assessment, monitoring and management of significant risks affecting the Group.

The AC, together with the Board and Chief Financial Officers “CFO”, reviewed the effectiveness of the Group’s internal control and risk management systems put in place to provide reasonable assurance that assets are safeguarded, proper accounting records are maintained and financial information are reliable.

3.3.1 Operational Practices

3.3.1.1 Code of Conduct

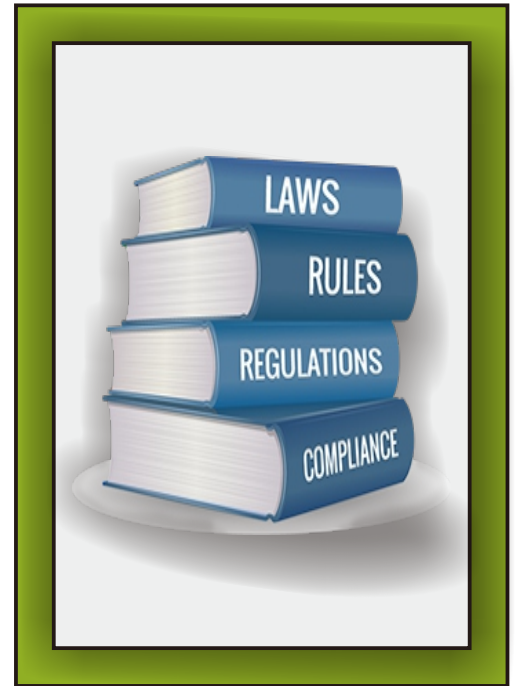
The principles and guidelines of the Code provides a guidance on the Code of Conduct for the employees in Jadason.

All employees are required to act with high standards of business integrity, complying with local regulations where we operate across our network region in Asia and ensuring that our business standards are not compromised.

3.3.2.2 Whistle-blowing Policy

Jadason has established whistle-blowing policy which allows individual a confidential channel to report on any suspected improper, unethical or inappropriate conduct within the organisation. This policy, with information on the proper reporting channels had been distributed to all employees in Jadason.

A copy of the whistle-blowing policy can be found in Jadason website that was mentioned in this report.



3.3.1.3 Dealing in Securities

The Group observes the best practices on dealing in securities as recommended in the Listing Manual of SGX-ST and has issued a policy to the Directors and officers to set out the guidance on dealing in the securities of the Company.

3.4 Supply Chain

Jadason has a broad range of suppliers for both business segments - 1. Equipment and Supplies, and 2. Manufacturing and Support Services, as identified in its principal business, across its network region in Asia. Majority of the suppliers are situated in China, with a handful of suppliers situated in the United States of America, Germany, etc.

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

OUR PEOPLE

Our People, forming the backbone of Jadason of our identified core business segment - 1. Equipment and Supplies, and 2. Manufacturing and Support Services. Our People contributed endlessly in providing a high and reliable quality as well as good services to our customer across our distribution network across Asia. They are crucial to the growth and progress of Jadason. Without the contribution, commitment and effort of each and every employees that work with us throughout the years, Jadason will not come to be where we are today.

4.1 Employment Profile

With the brewing tension between US and China, and the long-drawn-out COVID-19 pandemic, the Group saw a weaker demand in the business segment - Manufacturing and Support Services, on PCB mass lamination and PCB drilling services at our plants in China leading to the decrease in employment headcount for China.

In FY2020, the Group total employment headcount had decreased 23% from FY2019, bring it to a total of 417 in FY2020. China alone had reported a decrease of 26% of the total employment headcount from the previous year, whereas other countries where the Group operates, reported minimum changes compared from the previous years.

PERMANENT CONTRACT EMPLOYEES IN JADASON	
FY2017	95.83%
FY2018	86.02%
FY2019	91.73%
FY2020	93.29%

In FY2018, we had started to consolidate and report both total employee hire and turnover rate as well as diversification profile as a Group and is in line with GRI standard.

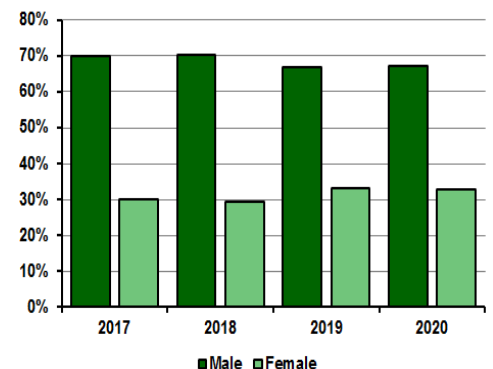
In FY2019, we had started to report the growth and development of our employees as a Group instead of focusing only on the two plants in Dongguan, China.

Whereas, FY2020, Jadason will not be implementing any changes to the reporting of our employees.

In FY2020, Jadason saw an increase in the percentage of permanent contract workers in the Group compared to the previous reporting year. The percentage of permanent contract worker had being gradually increasing after the drop recorded in FY2018. The total number of temporary contract worker and supervised worker were further decreased from FY2019 in this reporting year.

Similar to all our previous reports, in FY2020, China, being the country where the Group mainly operates in, had recorded the highest total number of employee in Jadason, following by Thailand and Singapore.

TOTAL PERMANENT CONTRACT WORKER BY GENDER



OUR PEOPLE

4.2 Diversification

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

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

From the distribution table shown in this report, there is a significant difference between the number of male and female employees hired in China, comparing to the other countries in the Group. Our PCB drilling and PCB mass lamination service, located in China, is traditionally leaning towards a male dominated industry due to the nature of the work being more physical demanding. As such, this does not stop us from hiring female employees whom are deemed as competent for the job.

79.1% of the Group's total employee is hired in China, being the major consistution of the Group's headcount. Out of the 79.1%, 74.2% of the China's headcount are male, resulting in the Group's gender diversification of the total employee being steered towards male dominant, despite other countries having higher female employees weightage.

With the further decrease of headcount in China this year, the percentage of female worker in the Group had increase slightly to 33.6% in FY2020.

We started reporting the diversification of our total employment headcount as a Group in FY2018. Thus, our historical data for this aspect is limited to FY2018 and after.

Similar to the past reporting years, the Board of Directors in the Group consists of three male and two female Directors in 2020.

TOTAL EMPLOYEES BY GENDER		
YEAR \ GENDER	MALE	FEMALE
FY2017	70.6%	29.4%
FY2018	70.8%	29.2%
FY2019	68.4%	31.6%
FY2020	66.4%	33.6%

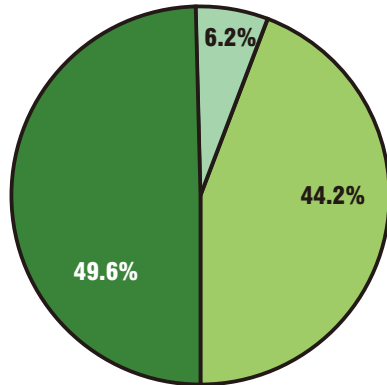
DISTRIBUTION OF EMPLOYEES BY COUNTRY AND GENDER IN EACH COUNTRY

COUNTRY	FY2017	FY2018	FY2019	FY2020
CHINA	84.77%	86.73%	82.9%	79.1%
	M - 74.7% F - 25.3%	M - 76.2% F - 23.8%	M - 75.4% F - 24.6%	M - 74.2% F - 25.8%
THAILAND	5.21%	5.42%	7.17%	9.11%
	M - 32.5% F - 67.5%	M - 31.6% F - 68.4%	M - 30.8% F - 69.2%	M - 31.6% F - 68.4%
HONG KONG	4.04%	1.57%	2.39%	2.88%
	M - 70.0% F - 30.0%	M - 30.0% F - 69.2%	M - 30.0% F - 69.2%	M - 33.3% F - 66.7%
JAPAN	0.39%	0.43%	0.55%	0.72%
	M - 66.7% F - 33.3%	M - 66.7% F - 33.3%	M - 66.7% F - 33.3%	M - 66.7% F - 33.3%
MALAYSIA	1.95%	2.43%	2.76%	3.12%
	M - 40.0% F - 60.0%	M - 41.2% F - 58.8%	M - 40.0% F - 60.0%	M - 46.2% F - 53.8%
SINGAPORE	3.39%	3.28%	4.23%	5.04%
	M - 42.3% F - 57.7%	M - 34.8% F - 65.2%	M - 34.8% F - 65.2%	M - 38.1% F - 61.9%
TAIWAN	0.26%	0.14%	0%	0%
	M - 100% F - 0%	M - 100% F - 0%	M - 0% F - 0%	M - 0% F - 0%

OUR PEOPLE

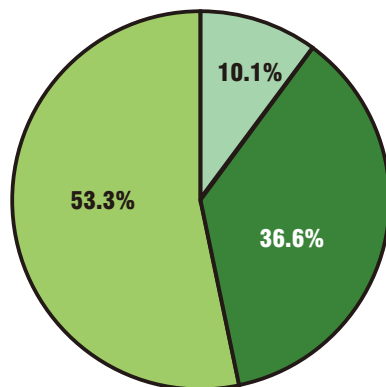
TOTAL EMPLOYEE BY AGE

YEAR 2018



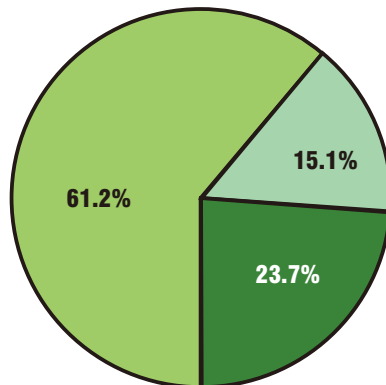
■ AGE 30 BELOW ■ AGE 30 - 50 ■ AGE 50 ABOVE

YEAR 2019



■ AGE 30 BELOW ■ AGE 30 - 50 ■ AGE 50 ABOVE

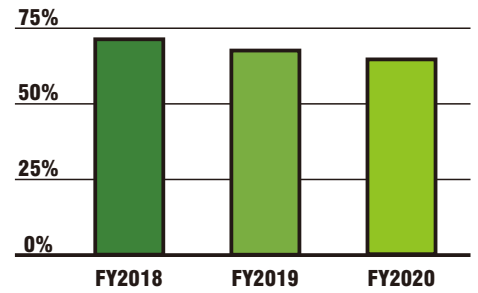
YEAR 2020



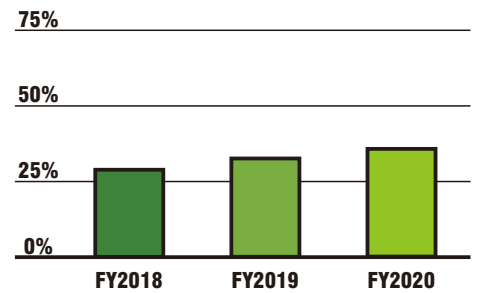
■ AGE 30 BELOW ■ AGE 30 - 50 ■ AGE 50 ABOVE

TOTAL EMPLOYEE BY GENDER BELOW 50 YEARS OLD

MALE

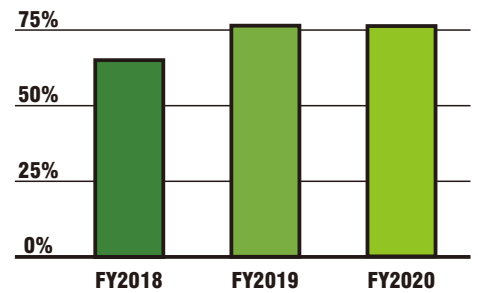


FEMALE

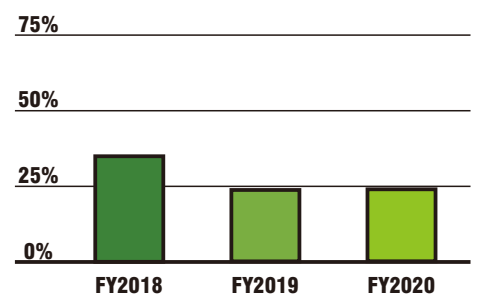


TOTAL EMPLOYEE BY GENDER ABOVE 50 YEARS OLD

MALE



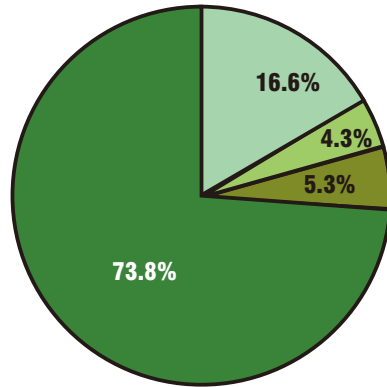
FEMALE



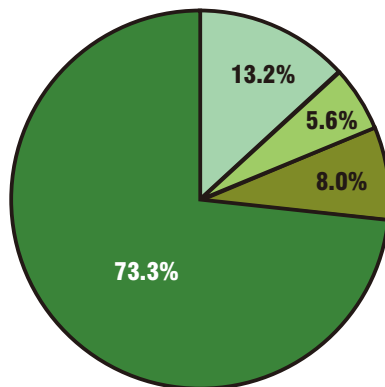
OUR PEOPLE

TOTAL EMPLOYEE BY CATEGORY

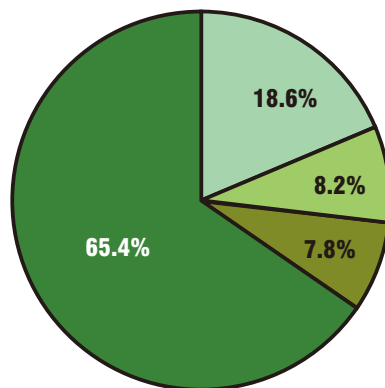
YEAR 2018



YEAR 2019

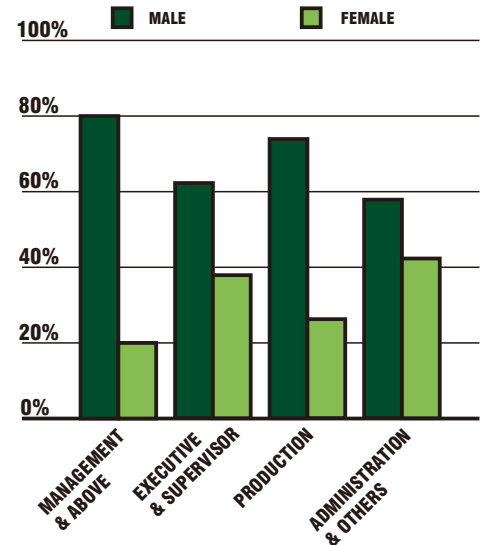


YEAR 2020

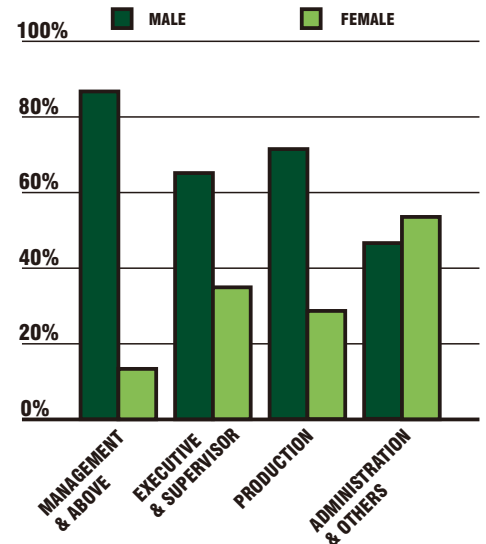


GENDER DIVERSITY BY CATEGORY

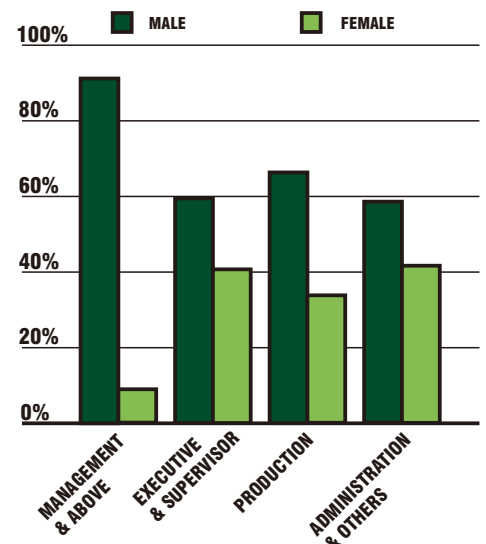
YEAR 2018



YEAR 2019



YEAR 2020



4.3 Growth and Development

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

Continuous training provides employee with better understanding and expectation on task being assigned to them. This could help to employee to build up their confidence when performing on daily work as well as business operation and further excelling them. Despite the global pandemic in FY2020, affecting business and trades, this did not stop the Group from providing training to the employees.

4.4 Hire and Turnover

In FY2020, the hire and turnover rate had decreased by 56.5% and 51.8% from the previous reporting year respectively. Similar to the past reporting years, the major contribution for the hire and turnover rate for FY2020 is reported in China.

China is the only country in the Group that hired new employee despite the challenges in FY2020. The turnover rate reported in FY2020 mainly contributed from China, while the rest of the country reported to a sum less than 1% of the Group.

In 2020, the Group managed to clock a total of 8,449 hours of training. This figure is slightly higher than 2019. With the drop in the total headcount of the Group, the average training hour for each employee had increased. We aim to maintain the training hours per employee for the coming year, despite the pandemic had crossed over to 2021.

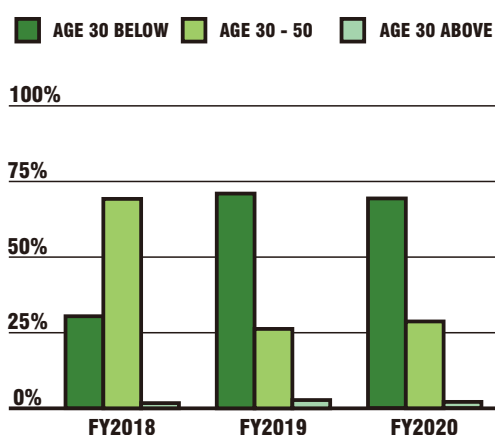
Since the previous reporting year, 2019, we had started to record and report the growth and development of our employees as a Group. As such, the historical data for this aspect will be limited to 2019 and after.

	FY2019	FY2020
TOTAL TRAINING HOURS	8,315 HRS	8,449 HRS
TRAINING HOURS PER EMPLOYEE	15.28 HRS	20.28 HRS

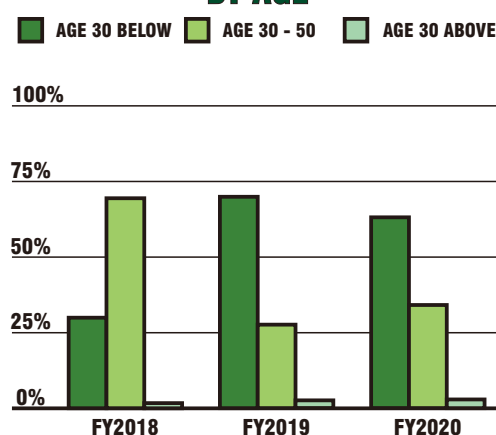
Employing and retaining of employees is still a challenge to the Group for our China factory despite on the challenges faced in FY2020.

In FY2018, the hire and turnover rate was being consolidated and reported as a Group. Thus, our historical data for this aspect will be limited to FY2018 and after.

TOTAL EMPLOYEE HIRED BY AGE



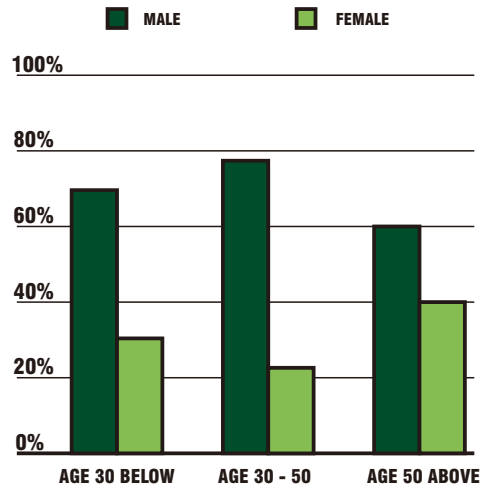
TOTAL EMPLOYEE TURNOVER BY AGE



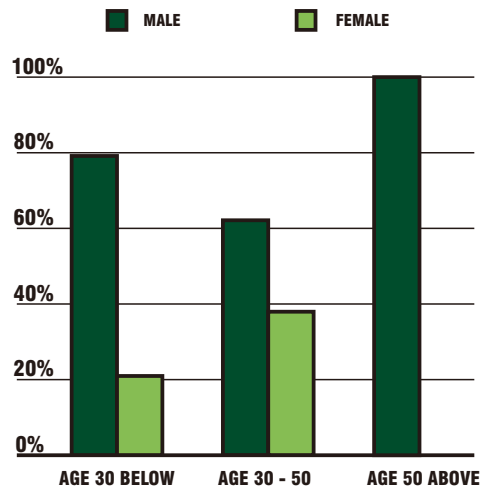
OUR PEOPLE

TOTAL EMPLOYEE HIRED BY GENDER

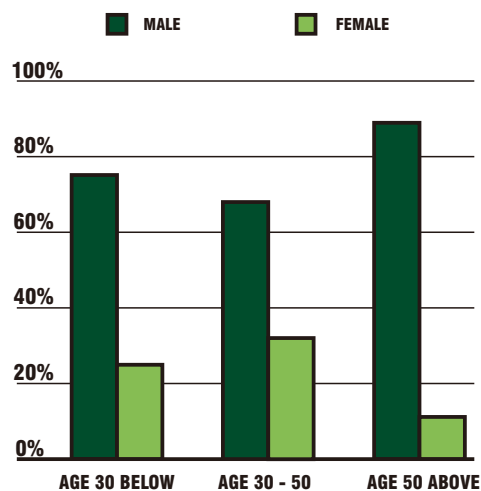
YEAR 2018



YEAR 2019

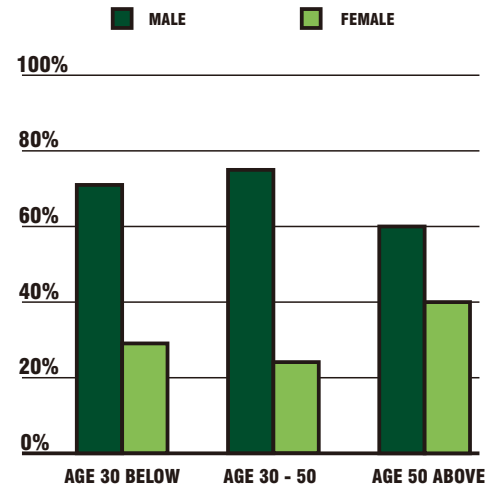


YEAR 2020

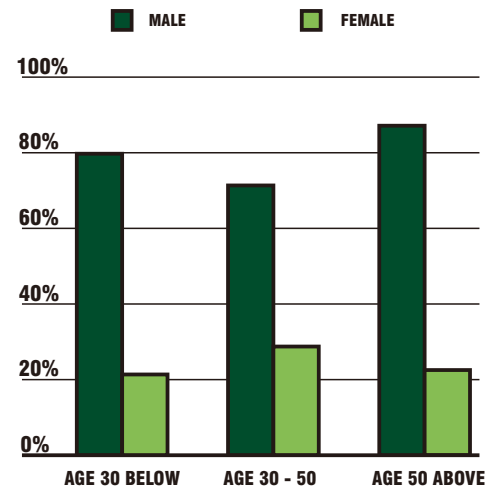


TOTAL EMPLOYEE TURNOVER BY GENDER

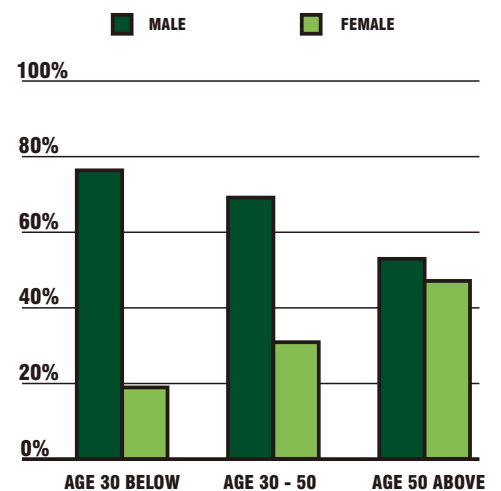
YEAR 2018



YEAR 2019



YEAR 2020



5.1 Boundary Setting

In this fourth Sustainability Report, the two plants in Dongguan, China, remain as the reporting boundary of the Group, of which contributes the highest weightage of the Group's revenue and has the widest material impact on sustainability issues.

The Group will review on the reporting boundary when the reporting matures over time.

5.2 Materiality Assessment

The materiality issues identified in our first Sustainability Report for FY2017 marks as a guide to the Group on the focus of sustainability in a long-run remains valid and important on our business practice and our stakeholders for this reporting year. The materiality issues that were identified and deemed as important for the two plants in Dongguan, China covers on Corporate Governance, Economic, Environmental and Social.

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

MATERIALITY ISSUES	
CORPORATE GOVERNANCE	- COMPLIANCE - RISK MANAGEMENT - OPERATIONAL PRACTICE
ECONOMIC	- ECONOMIC PERFORMANCE - ANTI-CORRUPTION
ENVIRONMENTAL	- MATERIAL & WASTE - ENERGY CONSUMPTION - WATER USAGE
SOCIAL	- EMPLOYEE ENGAGEMENT - OCCUPATION HEALTH & SAFETY - TRAINING & EDUCATION - DIVERSITY & EQUAL OPPORTUNITY - CHILD LABOUR

5.2.1 Child Labour

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

5.2.2 Economic Performance

The economic performance and financial contribution of Jadason had been tabulated and published in Jadason Enterprises Ltd Annual Report 2020.

The Group Financial Highlights and Operating Reviews can be found from Jadason Enterprises Ltd Annual Report 2020, page 04 - 10.

The Group Financial Statement can be found from Jadason Enterprises Ltd Annual Report 2020, page 34 - 99.

5.2.3 Anti-corruption

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

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

5.3 Stakeholders' Engagement

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

KEY STAKEHOLDERS	FORMS OF ENGAGEMENT
SHAREHOLDERS & INVESTORS	- ANNUAL GENERAL MEETING (AGM) - ANNUAL REPORT - QUARTERLY RELEASE OF FINANCIAL RESULTS - SGXNET ANNOUNCEMENT
CUSTOMERS/ CLIENTS	- POINT-OF-SALES - DIRECT ELECTRONIC MAIL COMMUNICATION - HOTLINE
SUPPLIERS/ VENDORS	- DIRECT ELECTRONIC MAIL COMMUNICATION - BILATERAL COMMUNICATION
EMPLOYEES	- SEMINARS AND TRAINING SESSIONS - STAFF BONDING SESSIONS - MEETINGS - ELECTRONIC MAIL COMMUNICATION

REACHING OUT IN DONGGUAN, CHINA

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

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

6.1 Environmental

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

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

The Group constantly review on its energy reduction plan in the plants to lighten the stress on the energy usage and to improve on the output productivity.

With the challenges faced in FY2020 - retaining of employees, lower volume of PCB drilling and PCB mass lamination job flowing to China due to US-China trade war and Covid-19 pandemic, the total employment headcount recorded for the two plants in Dongguan, China had further decreased by 27% compared to the previous reporting year.

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

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

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

In FY2020, the two plants in Dongguan, China had reported two new suppliers that underwent screening based on the environment criteria.

REACHING OUT IN DONGGUAN, CHINA

6.1.1 Material

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

The category of materials being used in the two plants in Dongguan, China are namely “raw material”, “associated process material” and “materials for packaging”. Direct measurement methodology is being practiced in the two plants for data collection on the volume of materials being identified prior.

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

Due to the undervalue figures collected in FY2017 for the category “Associated Process Material” and “Materials for Packaging”, shows a lower usage figures despite having the highest production yield since the start of our sustainability reporting effort.

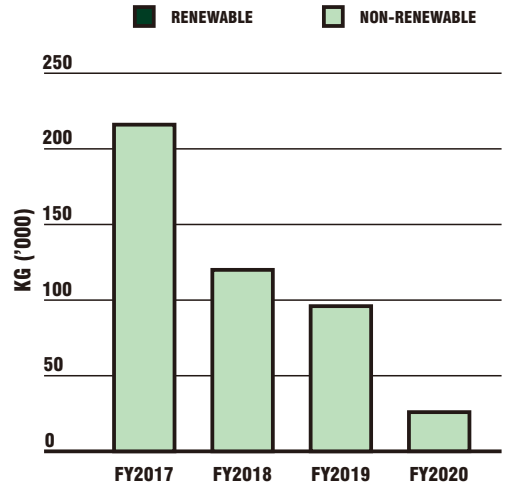
We aim to maintain or to have a lower increase in the material used in the upcoming years, when the production yield increase in the two plants.

Due to Covid-19 pandemic, our plants in China has to shutdown for few months to curb the spread of the virus in the beginning of FY2020, leading to a much lower usage of materials as compared to the past years record.

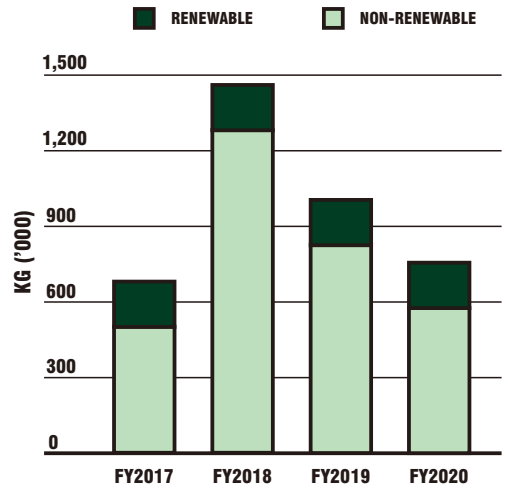
Jadason aims to minimise the impact to the environment without producing sub quality product.

MATERIAL CATEGORY & USAGE IN DONGGUAN, CHINA

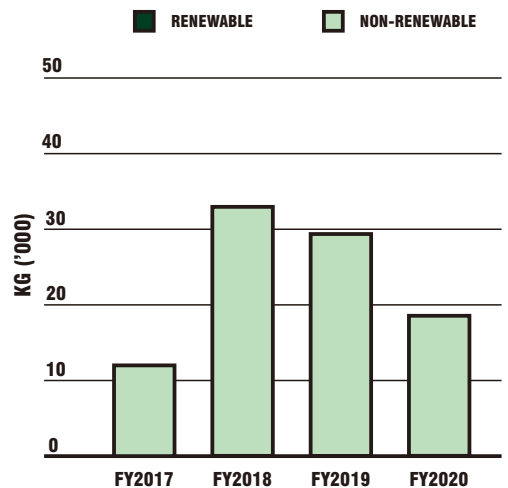
RAW MATERIAL



ASSOCIATED PROCESS MATERIAL



MATERIAL FOR PACKAGING



REACHING OUT IN DONGGUAN, CHINA

6.1.2 Waste

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

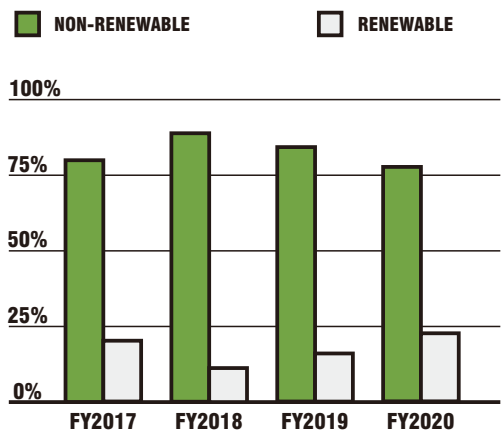
The waste materials generated in the plants were stored and categorised in an easily understand manner in the plants to avoid mixing up with the other usable material. The third party waste treatment contractor will then drop by the two plants as scheduled to collect the waste material.

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

The weightage of renewable materials had gradually increase in FY2020. We recognised that the high weightage of non-renewable materials used in the two plants put a strain to the environment.

We aim to maintain the weightage of renewable material used even though the production yield increase in the next reporting year.

PERCENTAGE OF RENEWABLE & NON-RENEWABLE MATERIAL



6.1.3 Energy Consumption

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

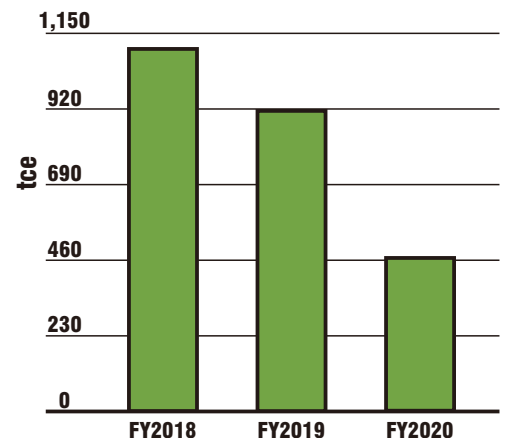
Our electric energy is directly purchased from municipal electric supplier situated in Dongguan, China. Periodical checking and recording of the electric usage from electric meters for the two plants were arranged by the electric supplier follow by billing the usage amount to the two plants.

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

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

ELECTRIC ENERGY CONSUMPTION

FY2017 35 KWh/m²



REACHING OUT IN DONGGUAN, CHINA

The electric energy consumption of the two plants in Dongguan, China had dropped near 50% in terms of “TCE” calculation compared to the previous reporting year.

With the continuous improvement to the energy saving plans to obtain higher output with lower energy usage, and the Covid-19 pandemic that forces companies and businesses to shutdown in the early FY2020 to curb the spread of the virus, as well as the lower volume of jobs flowing in, had resulted in a steep drop in the energy consumption in FY2020.

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

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

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

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

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

We strengthen our management in the production line on daily operation to better understand and utilise the equipments to increase output in the production line, in turn reducing the electric energy consumption generated from production line. With the upgrading of equipment to increase output with lesser time, thus increase in the productivity.



ENERGY REDUCTION PLAN

PROMOTE AND UPGRADE ON INDUSTRIAL STRUCTURE TRANSFORMATION

ADJUST AND OPTIMISE ENERGY STRUCTURE

PROMOTE INDUSTRIAL AND BUILDING ENERGY RETROFIT

PROMOTE INNOVATIVE ENERGY CONSERVATION IN TRANSPORTATION

PROMOTE EQUIPMENT RETROFIT

LAUNCH ONLINE ENERGY DEMONSTRATION PROJECT

PROMOTE ENERGY SAVING AND CARBON FREE LIFESTYLE

REACHING OUT IN DONGGUAN, CHINA

6.1.4 Water Withdrawal

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

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

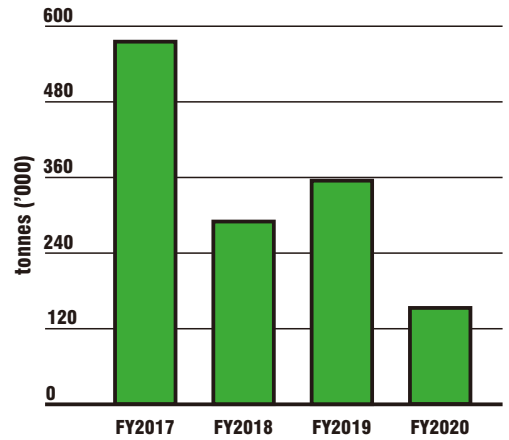
The total water usage of the two plants is tabulated to an estimate of 152,400 tonnes of water withdrawn from both our municipal water supplier and our water recycle plant. The total water usage of the two plants had dropped 50% compare to the previous reporting year.

With the continuous improvement to the equipment and process to obtain higher output with lower water usage, and the Covid-19 pandemic that forces companies and businesses to shutdown in the early FY2020 to curb the spread of the virus, as well as the lower volume of jobs flowing in, resulting in the drop on water usage in FY2020.

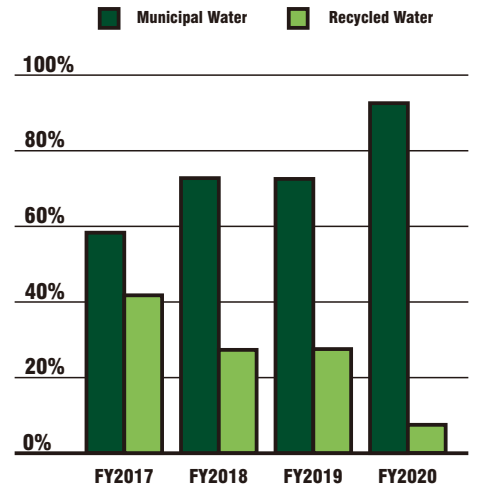
Similarly, the amount of recycled water being used in this reporting year, recorded a dropped of about 70% from the pervious reporting year. The total volume of water recycled in the plant had dropped near 60% from FY2019.

WATER USAGE IN DONGGUAN

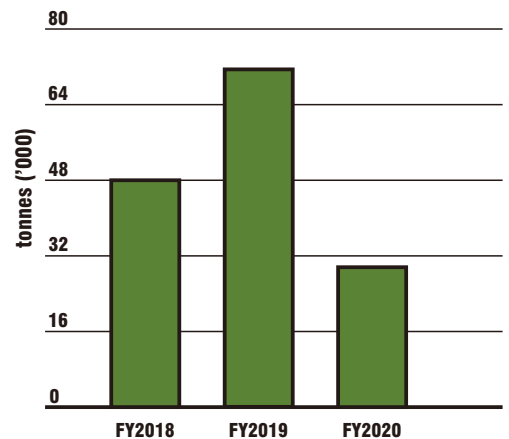
TOTAL WATER USAGE



TOTAL WATER USAGE (%)



TOTAL RECYCLED WATER



REACHING OUT IN DONGGUAN, CHINA

6.2 Employee Wellness

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

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

The two plants in Dongguan, China provide full-time employees with benefits consisting insurance (maternity, industrial injury, medical and pension/retirement, etc), housing provident fund, and leaves (annual, marriage, maternity, etc). Additional retirement plan is being drawn up for male and female employees above 60 years old and 50 years old respectively. Unlike full-time employee, our part-time and temporary employees do not enjoy most of the benefits mentioned.

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

Due to the pandemic, safe management are imposed in the plants with the wellness of our employees being the priority, following the guidelines released to companies and businesses operating in China.

6.3 Health and Safety

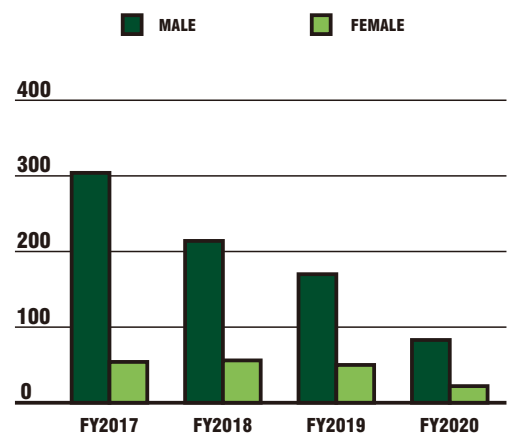
The health and safety of our employees is an important fact to us. Especially during this pandemic situation, we follow strictly to the guidelines issued by the government, having necessary safety measurement in place, and disinfection schedule in the plants.

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

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

We achieved zero fatality across our plants in Dongguan, China in FY2020 and we aim to achieve zero fatality for the upcoming reporting years.

TOTAL INJURIES IN DONGGUAN



GRI CONTENT INDEX

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

GENERAL STANDARD DISCLOSURES

GRI Standard Number	Disclosure Number	Disclosure Title	Chapter Reference
ORGANISATION PROFILE			
GRI 102: General Disclosures 2016	102-1	Name of the organisation	About this report (page 02)
	102-2	Activities, brands, products, and services	Principle Business (page 03)
	102-3	Location of headquarters	About Jadason Enterprises (page 03)
	102-4	Location of operations	About Jadason Enterprises (page 03) Equipments and Supplies (page 03) Our People (page 06)
	102-5	Ownership and legal form	About Jadason Enterprises (page 03) Annual Report - page 15
	102-6	Markets served	About Jadaon Enterprises (page 03) Principle Business (page 03)
	102-7	Scale of the organisation	Our People (page 06) Annual Report - page 04, 06, 100, 101
	102-8	Information on employees and other workers	Our People (page 06)
	102-9	Supply chain	Supply Chain (page 05)
	102-10	Significant changes to the organisation and its supply chain	N.A.
	102-11	Precautionary Principle or approach	Director Statement (page 01) Risk Management (page 05)
	102-12	External initiative	Reporting Standard (page 02) About Jadason Enterprises (page 03)
	102-13	Membership of association	N.A. - No membership associations
STRATEGY			
GRI 102: General Disclosures 2016	102-14	Statement from senior decision-maker	Director Statement (page 01)
ETHICS AND INTEGRITY			
GRI 102: General Disclosures 2016	102-16	Values, principles, standards, and norms of behaviour	Corporate Governance (page 04)
GOVERNANCE			
GRI 102: General Disclosures 2016	102-18	Governance structure	Corporate Governance (page 04)

GRI CONTENT INDEX

GRI Standard Number	Disclosure Number	Disclosure Title	Chapter Reference
STAKEHOLDER ENGAGEMENT			
GRI 102: General Disclosures 2016	102-40	List of stakeholder groups	Stakeholders' Engagement (page 12)
	102-41	Collective bargaining agreements	N.A. - Employees are not covered by collective bargaining agreements
	102-42	Identifying and selecting stakeholders	Stakeholders' Engagement (page 12)
	102-43	Approach to stakeholder engagement	Stakeholders' Engagement (page 12)
	102-44	Key topics and concerns raised	Stakeholders' Engagement (page 12)
REPORTING PRACTICE			
GRI 102: General Disclosures 2016	102-45	Entities included in the consolidated financial statement	Annual Report - page 78 - 81 About this Report (page 02)
	102-46	Defining report content and topic boundaries	Sustainability Approach (page 12)
	102-47	List of material topics	Sustainability Approach (page 12)
	102-48	Restatements of information	N.A.
	102-49	Changes in reporting	N.A.
	102-50	Reporting period	About this Report (page 02)
	102-51	Date of most recent report	May 2020
	102-52	Reporting cycle	About this Report (page 02)
	102-53	Contact point for questions regarding the report	About this Report (page 02)
	102-54	Claims reporting in accordance with the GRI standard	About this Report (page 02) GRI Content Index (page 19)
	102-55	GRI content index	GRI Content Index (page 19)
	102-56	External assurance	About this report (page 02)
	MANAGEMENT APPROACH		
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	Sustainability Approach (page 12)
	103-2	The management approach of its components	Reaching Out in Dongguan, China (page 13)
	103-3	Evaluation of the management approach	Sustainability Approach (page 12)

GRI CONTENT INDEX

TOPIC SPECIFIC DISCLOSURES

GRI Standard Number	Disclosure Number	Disclosure Title	Chapter Reference
ECONOMIC PERFORMANCE			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Economic Performance (page 12)
ANTI-CORRUPTION			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risk related corruption	Anti-corruption (page 12)
ENVIRONMENTAL			
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Materials (page 14) Waste (page 15)
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Energy Consumption (page 15 - 16)
	302-4	Reduction of energy consumption	Energy Consumption (page 15 -16)
GRI 303: Water and Effluents 2016	303-3	Water withdrawal	Water Usage (page 17)
GRI 306: Effluents and Waste 2016	306-2	Waste by type and disposal method	Materials (page 14) Waste (page 15)
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Environmental (page 13)
SOCIAL			
GRI 401: Employment 2016	401-1	New employees hires and employee turnover	Hire and Turnover (page 10 - 11)
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Wellness (page 18)
GRI 403: Occupational Health and Safety 2016	403-9	Work-related injuries	Health and Safety (page 18)
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Growth and Development (page 10)
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Diversification (page 7 - 9)
GRI 408: Child Labour 2016	408-1	Operations and suppliers at significant risk for incidents of child labour	Child Labour (page 12)



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