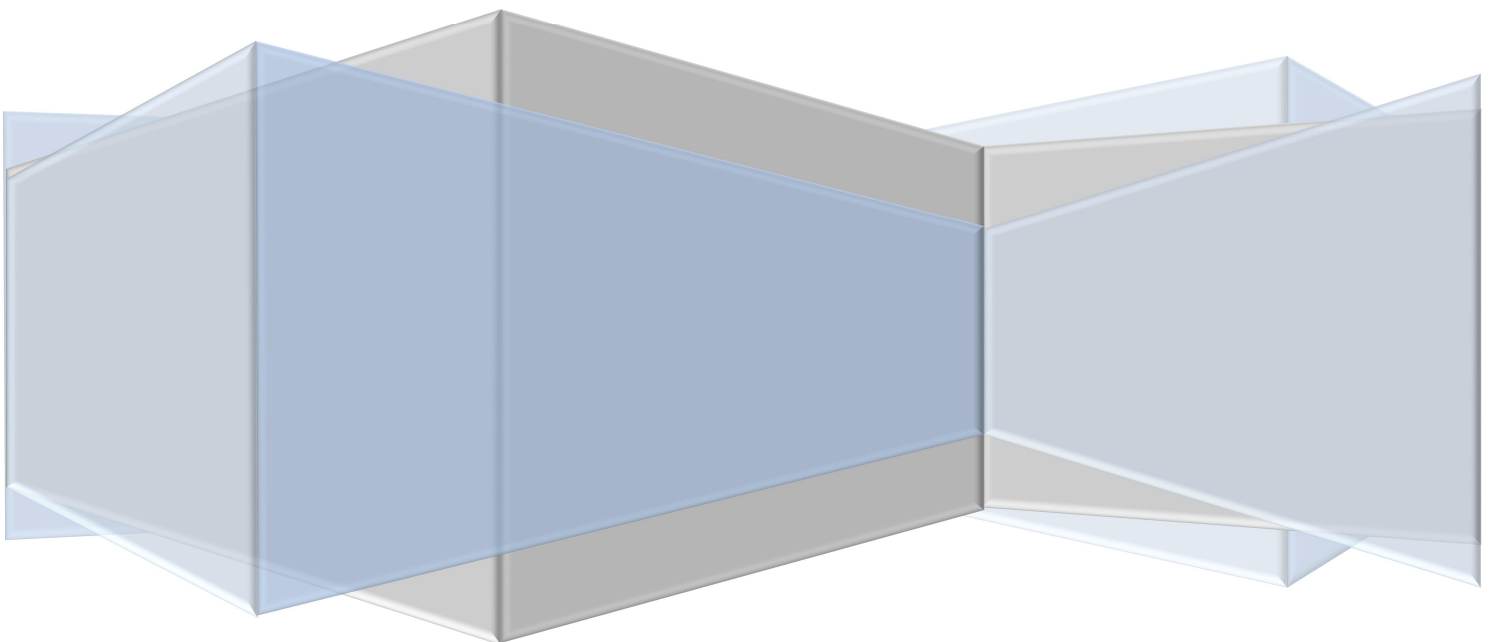


**NAM LEE PRESSED METAL  
INDUSTRIES LIMITED**



**SUSTAINABILITY REPORT**  
**2019**





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## Corporate Profile

Nam Lee Pressed Metal Industries Limited (the “Company”) was incorporated on 10 March 1975. Started as a family business in the 1950s by the late Mr Yong Kwong Fae, who founded Chop Nam Lee, the Company used to fabricate galvanised household products such as buckets and bath tubs.

In 1991, the Company commenced the design and manufacture of metal products for buildings when it entered the HDB market and became a HDB-approved supplier. Over the years, the Company has established itself into a one-stop specialist for a wide range of aluminium and steel products.

The principal activities of the Company include the design, fabrication, supply and installation of steel and aluminium products such as gates, door frames, railings, laundry racks, letter boxes, sliding windows and doors, curtain wall and cladding system for building and infrastructure projects, and the supply of aluminium industrial products for container refrigeration units.

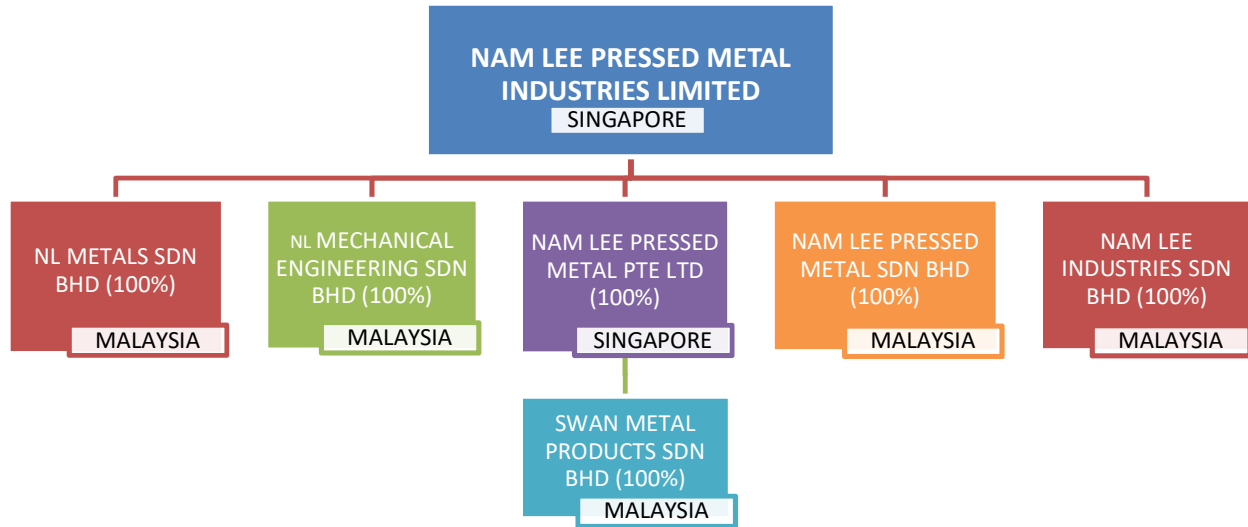
With the many years of experience in the business, vertically integrated production structure, well-equipped facilities and skilled staff, Nam Lee is able to offer the market a complete one-stop service from design, fabricate to installation. These include the manufacture of tooling, jigs and fixtures, metal fabrication, surface coatings and treatments, assembly and the installation of the final products. Headquartered in Singapore, the Company has subsidiaries in Singapore and Malaysia serving customers in the region.

Quality is never compromised at Nam Lee and their efforts have been recognised when they were awarded the ISO 9002 certificate by the PSB in 1995. Another testament to its quality products is the HDB Quality Award for Supplier 1999 awarded to it by the HDB. Its philosophy and management practice of ensuring quality at every stage of production plus the forward-looking management ensures that Nam Lee continues to progress and remain a competitive player in the market sectors.

The Company was listed on the Mainboard of the Singapore Exchange Securities Trading Limited in October 1999.



Group Structure





## Corporate Values and Principles

- Integrity
- Quality
- Customer Satisfaction
- Innovation

“Integrity, quality, customer satisfaction, and innovation” are the pillars on which the success of Nam Lee is built and they sum up the corporate values and principles embraced by the Board, Management and Staff of Nam Lee. As we adhere to these core values, Nam Lee strives to become the preferred and trusted partner of our customers, providing them with quality services and products.

Dedicated to total service and lean manufacturing methods, Nam Lee is committed to transforming our customers’ vision, needs and imagination into reality with our capabilities, eventually partnering them in achieving their goals and vision.

## Certifications Obtained

Certificate	Name of Certificate	Year of registration
<ul style="list-style-type: none"> <li>• ISO 9001: 2015</li> <li>• OHSAS 18001 : 2007</li> </ul>	<ul style="list-style-type: none"> <li>• Quality Management System</li> <li>• Occupational Health and Safety Management Systems</li> </ul>	<ul style="list-style-type: none"> <li>• 2004</li> <li>• 2010</li> </ul>
<ul style="list-style-type: none"> <li>• Bizsafe Star Certificate</li> </ul>	<ul style="list-style-type: none"> <li>• Occupational Health and Safety Management Systems</li> </ul>	<ul style="list-style-type: none"> <li>• 2016</li> </ul>
<ul style="list-style-type: none"> <li>• ISO 14001: 2015</li> </ul>	<ul style="list-style-type: none"> <li>• Environmental Management System</li> </ul>	<ul style="list-style-type: none"> <li>• 2018</li> </ul>
<ul style="list-style-type: none"> <li>• The Singapore Green Label</li> </ul>	<ul style="list-style-type: none"> <li>• Singapore Green Labelling Scheme</li> </ul>	<ul style="list-style-type: none"> <li>• 2019</li> </ul>



## About the Report

This is the Company's second sustainability report which is prepared for the financial year ended 30 September 2019.

The Sustainability Report (the "Report") is prepared in compliance with Singapore Exchange Limited ("SGX") reporting guidelines and references to the Global Reporting Initiative ("GRI") Standards.

The Company will continue to focus on the sustainability performance, covering environmental, social and governance ("ESG") performance. The information contained in this report covers our sustainability performance and efforts from 1 October 2018 to 30 September 2019 ("FY2019").

The Company applies a standardised approach to data collection and analysis across all our operations, which includes ensuring that data is verified internally before reporting externally.

We have not sought independent external assurance of the data in this report.

This report is available for download on Singapore Exchange Network ("SGXNET") as part of our environmental conservation efforts.

We welcome and value our stakeholders' suggestions and feedback. Please address all feedback and suggestions to [enquiry@namlee.com.sg](mailto:enquiry@namlee.com.sg) .



## Message from the Board

We are pleased to present Nam Lee Pressed Metal Industries Limited's ("Nam Lee") second sustainability report. Sustainability is a key consideration in strategy formulation for the company and through this report, we aim to share a balanced perspective of our ongoing efforts and progress in this area.

Nam Lee views the principles of sustainability in business development as an integral part of our business. In this regard, the Board of Directors considers sustainability issues as part of the Company's strategic formulation.

At Nam Lee, we believe in building sustainable businesses that deliver long-term shareholder value and growth. We believe that a truly sustainable business not only creates economic value, but performs so in a way that benefits its stakeholders.

The material ESG factors determined that may have significant impact on the business include occupational health and safety of our employees, training provided to employees, fair employment and any issues on non-compliance with environmental laws and regulations.

The Company will report the sustainability performance annually and engage our stakeholders regularly.

In this sustainability report, we provide insights into our businesses, while focusing on issues that affect most to our businesses and stakeholders, both internal and external, based on the materiality test.

We understand the impact of our operations on the environment, social and stakeholders. As such, we will continue to monitor sustainability which remains a core part of the business along with progress on the commitments in the material areas.



## Stakeholder Engagement

The Company reaches out to our key stakeholders actively through various channels to understand the expectations of both our internal and external stakeholders in order to identify ESG issues that are of significance to our business. The Company strives to incorporate their feedback into our planning and actions whenever appropriate and relevant to our business.

The key stakeholders have been identified that have significant influence on our business are customers, employees, shareholders and investors, suppliers, and government and regulators.

### Customers

The Company strives to provide quality products and services to our customers. Customers are encouraged to send us their feedback on our services and products provided. Feedback obtained is reviewed carefully and relevant follow up actions are considered and executed effectively. Regular communications with customers help us further understand their requirements and expectations.

### Employees

Our employees are the core of our business and also the key to achieve the Company's long term sustainable business goals. Through proper supervision, regular trainings, effective meetings and well-communicated performance appraisals, we are able to encourage critical thinking, boost staff morale and enhance work performance. Promoting employee's satisfaction in working with our Company can ensure that employees' contribution is aligned to the Company's business goals.

### Shareholders and Investors

Shareholders and investors play an important role in the financing, operations and control aspects of our business. The Company is committed to maintaining a high standard of corporate governance within the Company to ensure timely and transparent reporting of the financial statements to our investors and shareholders. Timely announcements and disclosures also update shareholders of the Company's significant developments, where necessary. Shareholders also have





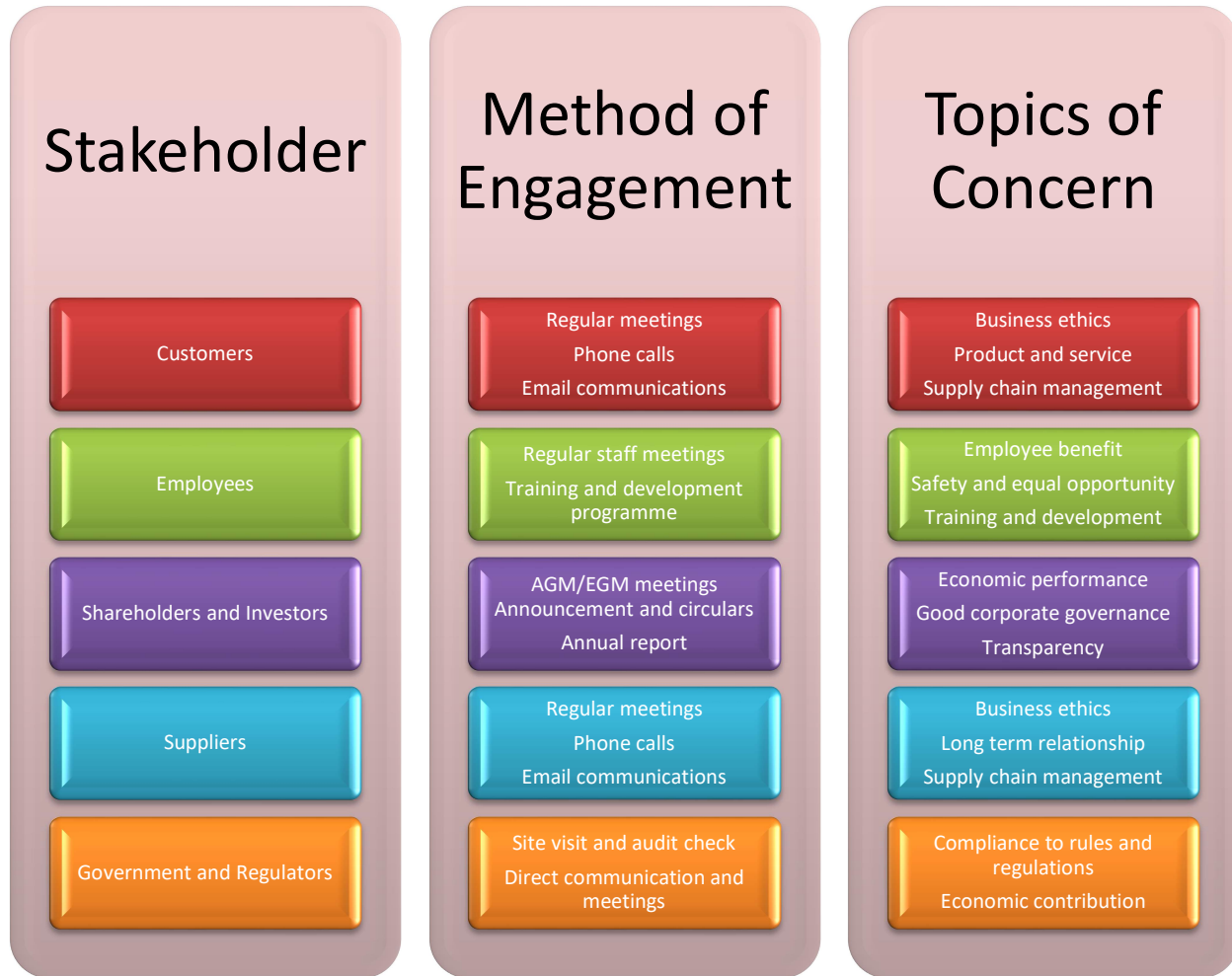
the opportunity to interact with the Board and Senior Management at our Annual General Meeting.

### **Suppliers**

Supplier management is important to us to ensure seamless business operations. Stringent supplier selection, screening and evaluations are performed, adhering to the guidelines set out in the Company's Procurement Policy. The Company engages suppliers regularly through various channels including meetings, emails and telecommunications. Feedback channels on our products and services are important in order to increase our efficiency and productivity in our business operations.

### **Government and Regulators**

The Company performs regular monitoring, analysis, evaluation and audits on our financial information and internal controls to ensure our activity complies with the existing regulatory and industry standards and guidelines. The Company is committed to having a competent team of personnels to ensure all legal and regulatory requirements.



### Materiality Assessment

In 2018, we conducted our first assessment to identify the material sustainability topics to focus on.

In preparation for the sustainability report, senior staffs of each main area of business are engaged to conduct materiality assessments based on internal and external stakeholders' expectations. By communicating with them about key topics, we gain a better understanding of their various views and perspectives. This enables us to actively address important issues and challenges and to report them in a transparent way.

A total of six ESG material sustainability topics are identified through the assessment. We will continue to review it on an annual basis to ensure its relevance to our business.



<u>Anti-Corruption</u>	<ul style="list-style-type: none"> <li>• GRI 205-3 : Confirmed incidents of corruption and action taken</li> </ul>
<u>Environmental Compliance</u>	<ul style="list-style-type: none"> <li>• GRI 307-1 : Non-compliance with environmental laws and regulations</li> </ul>
<u>Employment</u>	<ul style="list-style-type: none"> <li>• GRI 401-2 : Benefits provided to full-time employees that are not provided to temporary or part-time employees</li> </ul>
<u>Occupational Health and Safety</u>	<ul style="list-style-type: none"> <li>• GRI 403-9 : Work-related injuries</li> </ul>
<u>Training and Education</u>	<ul style="list-style-type: none"> <li>• GRI 404-1 : Average hours of training per year per employee</li> </ul>
<u>Diversity and Equal Opportunity</u>	<ul style="list-style-type: none"> <li>• GRI 405-1 : Diversity of governance bodies and employees</li> </ul>

## ANTI-CORRUPTION

The Company is committed to run our business with integrity and has zero tolerance towards fraud, bribery and other similar misconducts. The Company has also put in place a Code of Conduct including anti-corruption policies and whistle-blowing arrangement whereby the employees may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters to the AC Chairman. Arrangements are in place for the independent investigation of such matters for appropriate follow-up actions to be taken.

The Company's Code of Conduct and anti-corruption policies illustrates the guidelines on key ethical issues which explicitly emphasises on dishonest, illegal,



fraudulent, corrupt or other serious improper conduct which are communicated to all employees as and when necessary. Directors are also required to make declaration to uphold the Company's core value of not engaging in unethical practices.

For further details on Corporate Governance, kindly refer to our 2019 Annual Report pages 17 – 35.

## Governance

The Company observes a high standard of corporate governance within the Group to ensure accountability and transparency in conducting our business. The Company has established policies and procedures in place to safeguard against fraud and protect the interests of our stakeholders.

The Company has complied with the principles and guidelines set out in the Code of Corporate Governance 2012 and the SGX listing rules. We also perform regular monitoring, evaluation and audit of our internal policies and procedures to ensure compliance with the existing regulatory requirements.

The Board believes in the importance of maintaining a sound system of internal controls to safeguard shareholders' investments and the Company's assets. Policies and procedures for various business operations are established to provide guidelines to employees and also to address financial, operational and compliance risks and the internal controls in place are reviewed by management, the Audit Committee and the Board.

## Dealing in securities

In compliance with the internal code of conduct, the Company issues a quarterly memo to all directors and officers informing them that they are not permitted to deal in the Company's shares during the period commencing two weeks before the announcement of the Company's financial statements for each of the three quarters of its financial year and one month before the announcement of the Company's full year financial statements, or if they are in possession of unpublished price-sensitive information of the Company. The directors and



employees are also discouraged from dealing in the Company's securities on short-term considerations.

## ENVIRONMENTAL COMPLIANCE

The Company continues working on ways to manage and minimise the impact of our business operations on the environment. The Company strives to reduce carbon footprint to the environment.

The Company is certified under ISO 14001:2015 Certification in Environmental Management System in relation to fabrication and coating of metal products. The certification helps our processes to minimise negative effects on the environment.

Our offices are using FSC-Certified paper for daily operation. The FSC-Certified label enforces a strict set of standards that paper products must meet in order to prove that they are truly environmentally and socially responsible. Using these products will in-turn promote an environmental-friendly culture in our staff as well.

## Waste disposal and management

Waste management is an essential part of our day-to-day operation. We practise the 3 R's (reduce, reuse and recycle) waste hierarchy in order to extract the maximum practical benefits from materials and to generate the minimum amount of end waste. The Company promotes processes to optimise resource usage and eventually move towards zero waste processes.

Examples of recyclable waste include carton boxes or any other paper-based materials used for packaging and scrap metals leftover from the production processes.

The production workers are the first contact point to handle such materials. All production workers are trained to segregate the recyclable waste from general waste. Clearly labelled recycling bins are placed at designated areas for proper segregation of recyclable wastes. These recyclable wastes are collected and sorted out, not to be disposed with the general waste.



The Company also invested in waste water treatment equipments to reduce the impact on environment. Certain manufacturing plants are equipped with waste water treatment equipments to treat the waste water generated during manufacturing processes. The waste water will be treated in compliance with local authorities' requirements before releasing into public drains.

### Energy consumption

In our efforts to minimising carbon footprint, our offices are installed with electrical appliances with high energy efficiency rating, including energy efficient light bulbs. Electrical appliances with higher energy efficiency will help to reduce electricity consumption.

Our production warehouses layouts are structured in an energy efficient way so that lightings are reduced on unnecessary areas. Workers are also reminded frequently to switch off machineries and lightings when not in use.

In FY2019, the ratio of electricity and water consumption incurred against revenue generated is 1.25%.

## EMPLOYMENT

Employees are our most valuable assets as we are in a labour-intensive industry. We value and recognise our employees' contributions through an effective staff appraisal system to reward them. In addition to the competitive remuneration offered, the Company provides employment benefits and welfare to our dedicated employees.

### Employee benefits

Our employees are entitled to health care benefits such as hospitalisation insurance plan, medical care and dental care. Personal Accident Insurance Policy and Workmen Compensation Policies with disability/invalidity coverage are also provided. Our staffs are entitled to various leaves such as annual, parental, compassionate, marriage and examination leaves.

In addition, we are constantly reviewing our employment policies and remuneration practices to ensure compliance with the updated employment laws,



in order to keep up with the best industry practices to provide the optimal working conditions for our people.

In Singapore, we participate in the Central Provident Fund (CPF) scheme, which helps employees to have a secure retirement through a income retirement fund, healthcare financing and home financing. Under this scheme, monthly deductions from employees' gross salaries are paid into their CPF savings accounts. The Company will make corresponding employer contributions to these accounts, according to the rates stipulated in the CPF Act.

Similarly, for our staff employed under the subsidiaries in Malaysia, we also contribute to a government managed retirement savings scheme, the Employees Provident Fund ("EPF"), which provides retirement benefits for our staff.

## OCCUPATIONAL HEALTH AND SAFETY

We aim to achieve a zero work-related injuries environment as our safety management objective. We view our employees as the Company's most important asset that can bring growth and success to the company. We continue to provide close and effective supervision to ensure the health and safety of employees.

### Work-related injuries

The more our workers are educated about health, safety, and work-related hazards, the more they can protect themselves from harm and improve their own working environment. We conduct or facilitate timely and relevant workers' training to so that work-related (occupational) injuries and illnesses can be minimised.

The Company has successfully attained the bizSAFE Star award and OHSAS 18001 Certification in Occupational Health and Safety Management as a reflection of the Company's commitment to safety and confirming that the Company has met international occupational health and safety standards.

The Company engages both external and in-house safety officers to ensure safety regulations are duly complied with. The external safety consultant can be engaged to oversee the Company's safety rules and to propose improvements on these existing safety rules where necessary. They can also be engaged to conduct spot-



check within the premises to ensure the safety rules and regulations are complied with accordingly.

The in-house safety officer monitors the daily safety measures and continuously seeks ways to create a safer working environment. The in-house safety officer makes regular patrol in the premises to ensure all the production workers are adequately equipped with the proper protective gear required to be worn in their work tasks (masks, gloves, safety boots, ear plug, protective eyewear). To further minimise the risk of injury, safety posters/signboards with instructions and reminders are put up at the prominent locations to continuously remind workers on the safety rules.

The in-house safety officer will conduct safety orientation to all new employees who work at the production site. The safety orientation provides general guidelines including but not limited to housekeeping rules of maintaining a clean and safe workplace, proper usage of personal protective equipment, rules of operate machineries and guidelines on handling various type of materials.

For those employees that operate on more complex machineries, a separate briefing and a copy of the machinery manual will be provided to better guide the employee on safety issues.

During FY2019, there has been no incidence of occupational disease and work-related fatalities. Our safety record for FY2019 showed Accident Frequency Rate (“AFR”) was 6.77 cases and Accident Severity Rate (“ASR”) was 89.68 days. AFR measures the frequency of workplace accidents reported per one million man-hours worked. ASR refers to the number of man-days lost to workplace accidents per one million man-hours worked.

## **TRAINING AND EDUCATION**

The Company recognise that consistent and ongoing education is critical to maintaining a competitive, skilled, productive and motivated workforce. Employee career development and performance management are established based on merits and contributing skill sets towards the organization objectives through objective settings and regular performance reviews. We continue to review and





improve our career development and performance review process in light of the changing business and operation environment.

Our training programmes cover a variety of areas catering for employees with different job scopes and skills-set requirements. Our core training curriculum and contents are developed and guided by well-established industry and international standards. In addition, specific training curriculums are developed based on the specific requirements of the specific businesses and functions. Training topics range from soft skills development in areas such as communication and leadership, to technical programmes covering project management and office productivity tools.

In 2019, each employee received an average of about 7.3 hours of training. In light of the changing business requirements and training methodologies, we continue to revise our training curriculum and programme to align with our organisation objectives and to strive for effectiveness and efficiency in our training approach.

### **DIVERSITY AND EQUAL OPPORTUNITY**

Embracing Diversity, Equal Employment Opportunity and Affirmative Action are three components of our step towards creating equality in the working environment for our employees. We believe that harnessing the intelligence and perspectives of our diverse workforce is critical to driving growth and innovation.

We embrace diversity in gender, age, race, nationality, values and background to turn the energy and creativity generated by diversity into a source of strength. We aim to furnish a comfortable and friendly working environment for all, enabling employees to approach challenges with an entrepreneurial spirit, and be appropriately evaluated for their performance.

The Company has an all-inclusive work culture, with people working in harmony despite difference in ages, gender and ethnicity. Given the work nature in the manufacturing industry, about 91% of our employees are males.

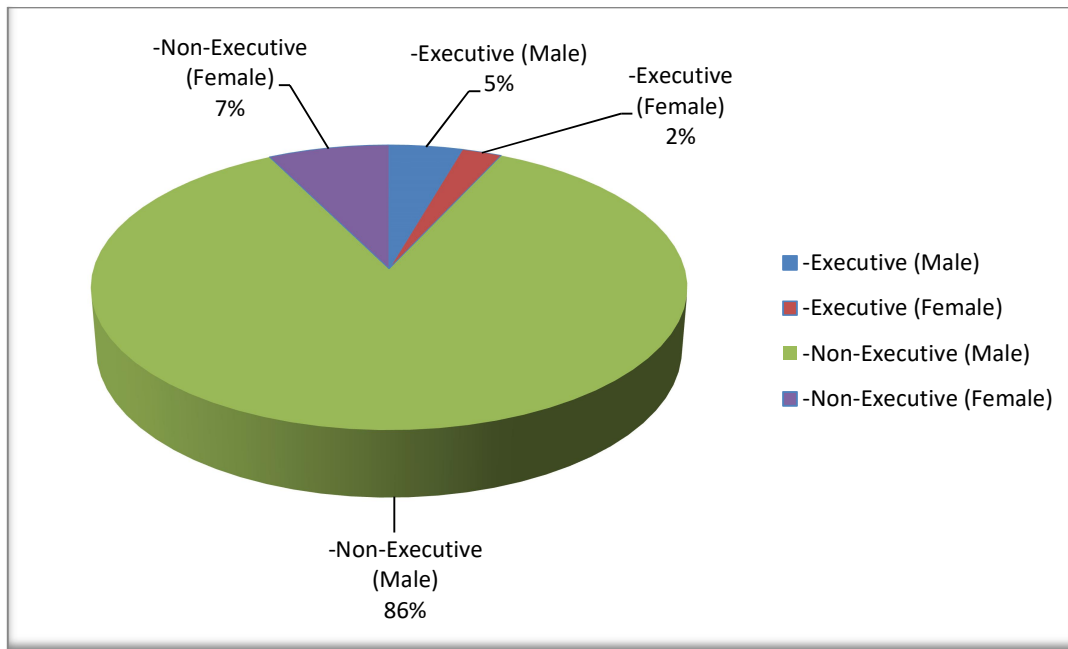
As an equal opportunity employer, we also do not discriminate against any employee on their age. Our staff's age can be as young as 22 and as matured as over 70, working together and learning from each other.



In accordance with the Retirement and Re-employment Act (“RRA”) in Singapore, the existing minimum retirement age is 62 years. On 18 August 2019, it was announced in Singapore that the statutory retirement age will be raised from 62 to 65 by 2030. In addition, the re-employment age will also be raised from the current 67 to 70. This increase will be done in stages, starting in 2022 where the retirement age will increase to 63 and the re-employment age will increase to 68. By 2030, the full increase to 65 (retirement age) and 70 (re-employment age) will be completed.

Considering these policies and changes, our Company’s retirement age is 67 years old – five years more than the existing requirement at 62 years old. Employees can opt for retirement at 62 or continue until they are 67. Although the benefits and compensation may be adjusted based on reasonable factors once they reach the legislated retirement age, our older employees continue to enjoy the same as they had before if they continue to work in the same job. We also do not dismiss any employee based on the employee’s age.

The profiles of our employees as at 30 September 2019 are as follows:





## GRI CONTENT INDEX

Category	GRI Standard	Descriptions	Page No.
•Organisational profile	•GRI 102-1	•Name of the organisation	•Page 2
	•GRI 102-2	•Activities, brands, products and services	•Page 2
	•GRI 102-3	•Location of headquarters	•Page 3
	•GRI 102-4	•Location of operations	•Page 3
	•GRI 102-5	•Ownership and legal form	•Page 118-119 of Annual Report FY2019
	•GRI 102-6	•Market served	•Page 2 - 3
	•GRI 102-7	•Scale of the organisation	•Page 2 - 4
	•GRI 102-8	•Information on employees and other workers	•Page 13 - 17
	•GRI 102-9	•Supply Chain	•Page 2 - 3
	•GRI 102-10	•Significant changes to the organisation and its supply chain	•N/A
	•GRI 102-11	•Precautionary principle or approach	•N/A
	•GRI 102-12	•External initiatives	•N/A
	•GRI 102-13	•Membership of associations	•N/A
•Strategy	•GRI 102-14	•Statement from senior decision-maker	•Page 6
•Ethics and integrity	•GRI 102-16	•Value, principles, standards, and norms of behavior	•Page 4
•Governance	•GRI 102-18	•Governance structure	•Page 17-35 of Annual Report FY2019



Category	GRI Standard	Descriptions	Page No.
<ul style="list-style-type: none"> <li>•Stakeholder engagement</li> </ul>	<ul style="list-style-type: none"> <li>•GRI 102-40</li> <li>•GRI 102-41</li> <li>•GRI 102-42</li> <li>•GRI 102-43</li> <li>•GRI 102-44</li> </ul>	<ul style="list-style-type: none"> <li>•List of stakeholder groups</li> <li>•Collective bargaining</li> <li>•Identifying and selecting stakeholders</li> <li>•Approach to stakeholder engagement</li> <li>•Key topics and concerns raised</li> </ul>	<ul style="list-style-type: none"> <li>•Page 7-8</li> <li>•N/A</li> <li>•Page 7-8</li> <li>•Page 7-8</li> <li>•Page 7-8</li> </ul>
<ul style="list-style-type: none"> <li>•Reporting practice</li> </ul>	<ul style="list-style-type: none"> <li>•GRI 102-45</li> <li>•GRI 102-46</li> <li>•GRI 102-47</li> <li>•GRI 102-48</li> <li>•GRI 102-49</li> <li>•GRI 102-50</li> <li>•GRI 102-51</li> <li>•GRI 102-52</li> <li>•GRI 102-53</li> <li>•GRI 102-54</li> <li>•GRI 102-55</li> <li>•GRI 102-56</li> </ul>	<ul style="list-style-type: none"> <li>•Entities included in the consolidated financial statements</li> <li>•Defining report content and topic boundaries</li> <li>•List of material topics</li> <li>•Restatements of information</li> <li>•Changes in reporting</li> <li>•Reporting period</li> <li>•Date of most recent report</li> <li>•Reporting cycle</li> <li>•Contact point for questions regarding the report</li> <li>•Claims of reporting in accordance with the GRI standards</li> <li>•GRI content index</li> <li>•External assurance</li> </ul>	<ul style="list-style-type: none"> <li>•Page 85-86 of Annual Report FY2019</li> <li>•Page 9</li> <li>•Page 9</li> <li>•N/A</li> <li>•N/A</li> <li>•Page 5</li> <li>•24-09-2019</li> <li>•Page 5</li> <li>•Page 5</li> <li>•Page 5</li> <li>•Page 18-20</li> <li>•Page 5</li> </ul>



Category	GRI Standard	Descriptions	Page No.
•Anti-corruption	•GRI 103-1/2/3	•Management approach	•Page 10-11
	•GRI 205-3	•Confirmed incidents of corruption and action taken	•Page 10-11
•Environmental compliance	•GRI 103-1/2/3	•Management approach	•Page 12-13
	•GRI 307-1	•Non-compliance with environmental laws and regulations	•Page 12-13
•Employment	•GRI 103-1/2/3	•Management approach	•Page 13-14
	•GRI 401-2	•Benefits provided to full-time employees that are not provided to temporary or part-time employees	•Page 13-14
•Occupational health and safety	•GRI 103-1/2/3	•Management approach	•Page 14-15
	•GRI 403-9	•Work-related injuries	•Page 14-15
•Training and education	•GRI 103-1/2/3	•Management approach	•Page 15-16
	•GRI 404-1	•Average hours of training per year per employee	•Page 15-16
•Diversity and equal opportunity	•GRI 103-1/2/3	•Management approach	•Page 16-17
	•GRI 405-1	•Diversity of governance bodies and employees	•Page 16-17



**NAM LEE PRESSED METAL INDUSTRIES LIMITED**

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