



**NAM LEE PRESSED METAL  
INDUSTRIES LIMITED**

# **SUSTAINABILITY REPORT 2021**



## OUR CORE VALUES

**“Integrity, quality, customer satisfaction, and innovation”** are the pillars on which the success of Nam Lee is built and they continue to be firmly grounded as the corporate values embraced by the Board, Management and Staff of Nam Lee. Our trademark Swan brand embodies grace, trust and loyalty, enduring qualities of a faithful partner. 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.



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## OUR COMPANY AT A GLANCE

Nam Lee Pressed Metal Industries Limited (the “Company” and its subsidiaries, collectively known as “Nam Lee”) was incorporated on 10 March 1975 and has been listed on the Mainboard of the Singapore Exchange Securities Trading Limited since October 1999. Headquartered in Singapore, Nam Lee has subsidiaries in Singapore and Malaysia serving customers in the region.

The principal activities of Nam Lee 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 systems for buildings and infrastructure projects, and the supply of aluminium industrial products for container refrigeration units.

With the many years of experience in the business, its vertically integrated production structure, well-equipped facilities and skilled staff, Nam Lee is able to offer our clients a complete one-stop service from design to fabrication and 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.

Our philosophy and management practice of ensuring quality at every stage of production ensures that quality is never compromised at Nam Lee. Our forward-looking management ensures that Nam Lee remains a competitive player in the market sectors we focus on.

We continually strive to improve our service capabilities in line with various local and international standards, including the following:

### Manufacturing and Service Quality – ISO 9001:2015

- Nam Lee has ISO 9001 certification for Quality Management Systems since 2004 and benchmarks performance of our products and service management relative to our peers, identifying best industry practices in our continuing quest for excellence and competitiveness.
- Clear guidelines and regular training are provided to our employees to ensure that our products are manufactured according to required specifications and address our customers’ requirements effectively.

### Environmental Management System – ISO 14001:2015

- Nam Lee has in place a formal environmental policy to demonstrate to our stakeholders our commitment and approach to continuous improvement of environmental protection. We have been certified since 2018 and regularly assess system effectiveness both internally and externally to achieve continuous improvement.

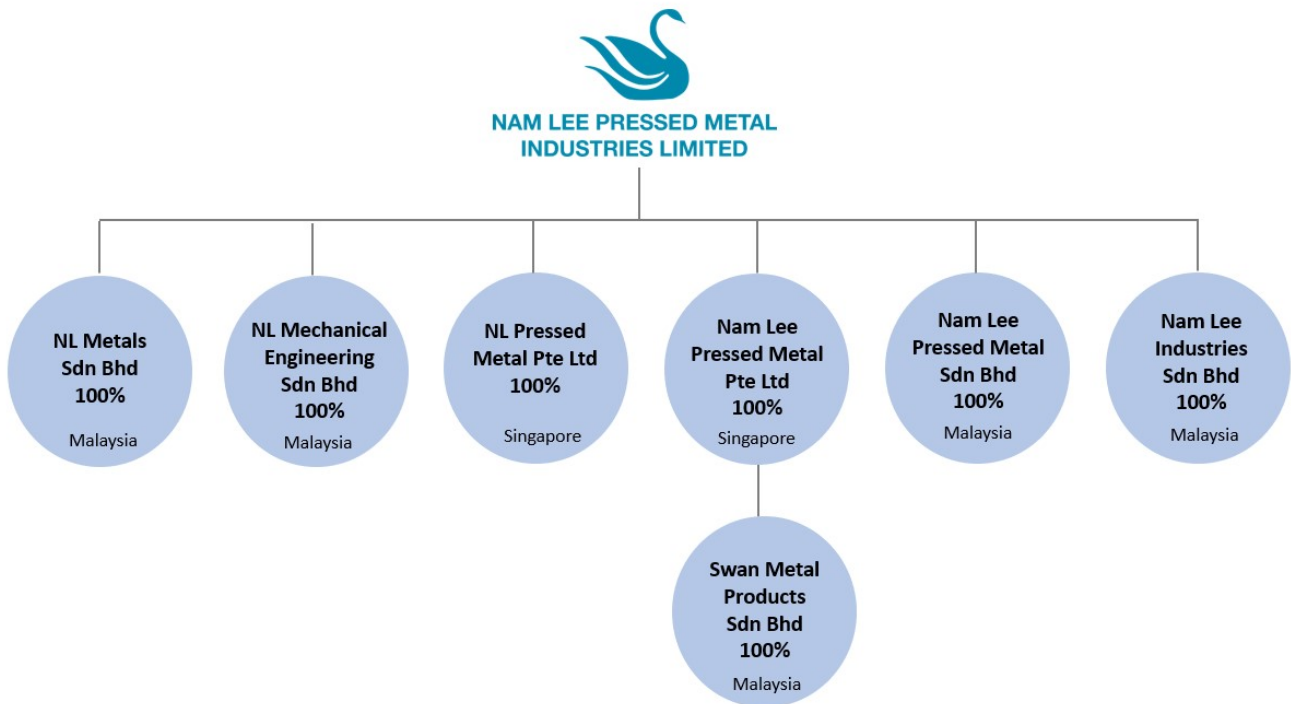
### Occupational Health and Safety Management System – ISO 45001:2018

- Nam Lee works relentlessly with both employees and subcontractors to promote health and safety at our manufacturing sites and areas of operations. We cultivate a sense of responsibility for health, safety and well-being throughout our entire Group. We have achieved ISO 45001 certification since 2019 and bizSAFE Level Star certification for our Singapore plant since 2016.

### The Singapore Green Label

- Nam Lee's products (Swan Naturally SNNL Series) have been certified as Environmentally Preferred Flooring under the Singapore Green Labelling Scheme since 2019, which recognises products that have met certain eco-standards. We continue to adhere to international environmental best practices in our manufacturing process.

## CORPORATE STRUCTURE



## ABOUT THE REPORT

This is Nam Lee's fourth sustainability report ("Report") and covers our performance from 1 October 2020 to 30 September 2021 ("FY2021"). This Report covers our operations in Singapore and Malaysia, and has been prepared in compliance with Rules 711A and 711B of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section A: Rules of Mainboard (the "Mainboard Rules") as well as the SGX-ST's Sustainability Reporting Guide. The Global Reporting Initiative (GRI) Standards have been referenced for reporting on material topics as it is used internationally as a reporting framework and provides a holistic framework for us to address social, environmental and governance topics.

Nam Lee applies a standardised approach to data collection and analysis across our operations in Singapore and Malaysia.

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

This report is available for download on Singapore Exchange Network ("SGXNET").

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).

## BOARD STATEMENT

The Board of Directors (“the Board”) of Nam Lee Pressed Metal Industries Limited’s (“Nam Lee”, the “Company”, and together with its subsidiaries, the “Group”) is pleased to present the fourth sustainability report for the Group’s financial year ended 30 September 2021 (“FY2021”). The Board is responsible for the overall direction of the Group’s operations and business development while monitoring and reviewing corporate governance practices across all operations.

The Board believes in the importance of sustainability reporting and is responsible for considering sustainability of Environmental, Social and Governance (“ESG”) factors as part of its strategic consideration.

Notwithstanding the challenges of the COVID-19 pandemic, the Group remains focused on achieving its long-term sustainability goals by adopting a phased approach. We aim to progressively enhance our sustainability performance while growing our business in the long-term.

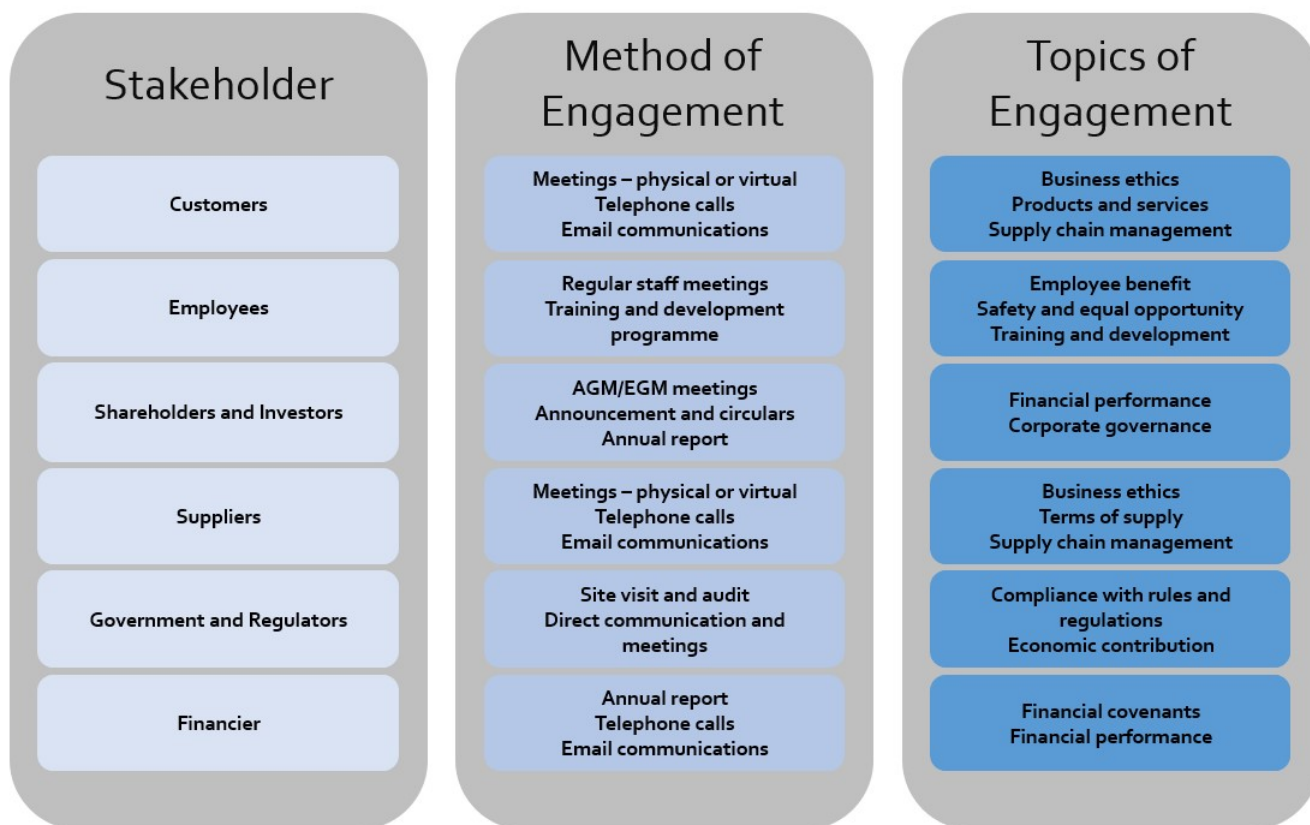
The Report seeks to present accurately the practices and performances in our quest to be a sustainable and responsible corporate citizen. The ESG matters in this Report have been reviewed by the Board.



## OUR APPROACH TO STAKEHOLDER ENGAGEMENT

Engaging with stakeholders who are connected with the Group deepens our understanding of the evolving expectations and views about the Company’s environmental, social and governance (ESG) matters.

We engage regularly with a range of stakeholders on topics of interest to them through multi-channels as summarized in the chart below. In addition to ongoing dialogue with stakeholders as part of our day-to-day operations, we also evaluate on an annual basis the pertinence of our identification of ESG factors taking into consideration how external and internal situations evolve.



## MATERIALITY ANALYSIS

Nam Lee reviewed the relevance of the various ESG topics first identified in FY2018 based on discussions with our internal and external stakeholders. We refined our materiality matrix with input from senior management, and grouped these topics into three key Sustainability Focus Areas:

1. Governance and Compliance
2. Environmental Stewardship
3. Employee Management

We expanded the use of relevant GRI standards to report on the practices and performance of material topics.

Sustainability Focus Areas	Materiality Topics	Relevant GRI Standards
<b>Governance and Compliance</b>	Anti-Corruption	GRI 205-3 Anti-Corruption
	Socio-economic Compliance	GRI 419-1 Socio-economic Compliance
<b>Environmental Stewardship</b>	Environmental Compliance	GRI 307-1 Environmental Compliance
	Waste Management	GRI 306-2 Waste
	Energy & Emissions Management	GRI 302-1 Energy GRI 305-2 Emissions
<b>Our Employees and Partners</b>	Employee Welfare	GRI 401-1 Employment GRI 405-1 Diversity & Equal Opportunity
	Employee Development	GRI 404-1 Training & Education
	Occupational Health & Safety	GRI 403-1 to GRI 403-7 Occupational Health and Safety

## SUSTAINABILITY FOCUS AREAS

### Governance and Compliance

To ensure compliance with legal and regulatory requirements and the high standards that Nam Lee sets for itself, Nam Lee adopted internal rules to govern the Company and processes for monitoring compliance with external and internal rules by all business units and functions in the Company.

#### *Dealing in securities*

The Company's code of conduct regarding dealings in the securities of the Company by Directors and officers in the Group is based on Listing Rule 1207(19).


The Company issues reminders to all Directors and officers informing them that they are not permitted to deal in the Company's shares during the period commencing one month before the announcement of the Company's half-year financial statements and full-year financial statements, or if they are in possession of unpublished price-sensitive information of the Company.

The Directors and employees are discouraged from dealing in the Company's securities based on short-term considerations.

Directors are required to report to the Company Secretaries whenever they deal in the Company's shares. The Company Secretaries update the Register of Directors' Shareholdings and make timely announcements on SGXNET.

#### *Anti-Corruption (GRI 205-3)*

At Nam Lee, we maintain ethical and governance standards and will not tolerate corrupt practices of any kind in our business operations. Our commitment to prevent corruption is clearly set out in our Company's anti-corruption policies and the Code of Conduct which state that no staff should accept advantages, gifts or entertainment from our business partners, including suppliers and contractors. Our anti-corruption measures are supported by a robust corporate governance framework. Stakeholders can and are encouraged to raise concerns, in confidence, about possible improprieties in financial or other matters. Our



whistleblowing policy with illustrative scope and communication process is published in the corporate webpage for transparent communication to all stakeholders. We harnessed technology to increase efficiency and security of reporting. Any report sent to the designated whistleblowing email address published in the corporate webpage will be automatically fed to the emails of independent directors without any human intervention. Procedures have been established for the independent investigation of any such reports so that appropriate follow-up actions can be taken. For more information relating to our corporate governance structure and practices, please refer to the Corporate Governance Report section of our Annual Report 2021.

The independent directors have not received any complaint or report pertaining to financial or other substantive matters during FY2021.

#### *Socioeconomic Compliance (GRI 419-1)*

Compliance with regulatory requirements remains one of our top priorities. We ensure our business is conducted in accordance with applicable laws in all jurisdictions that we operate in. Nam Lee keeps abreast of changing regulatory standards and requirements and maintains vigilance in managing regulatory requirements associated with operating in different business environments. This is especially pertinent with the evolving nature of regulatory provisions for governmental efforts to contain the COVID 19 pandemic.

We have not received any significant fines or sanctions in FY2021 due to non-compliance with regulations or standards.

## Environmental Stewardship

Environmental and safety controls needed to protect personnel and the environment are identified and implemented. We recognise the impact our business activities may have on the environment and are committed to minimising this impact through reduction in energy consumption and carbon footprint as well as managing our waste responsibly. Our chemical management program ensures that all chemicals used on-site comply with applicable chemical regulations. We procure chemicals from suppliers who we believe share our views on using a range of ethical products, compliant with regulations. Within our offices, we have in place various initiatives to conserve resources such as energy and water, and we use FSC<sup>1</sup>-certified paper for our daily operations.

### *Environmental Compliance (GRI 307-1)*

Nam Lee regularly conducts environmental, health, and safety (EHS) program self-assessments and internal audits to validate our site-level EHS compliance. The audits include in-depth documentation of reviews, interviews with site management and physical inspections related to EHS compliance. Nam Lee's manufacturing sites in Malaysia are certified to ISO 14001:2015 Environmental Management System for fabrication and coating of metal products.

There have been no reports of environmental non-compliances in FY2021 and we are committed to maintaining high standards of environmental compliance.

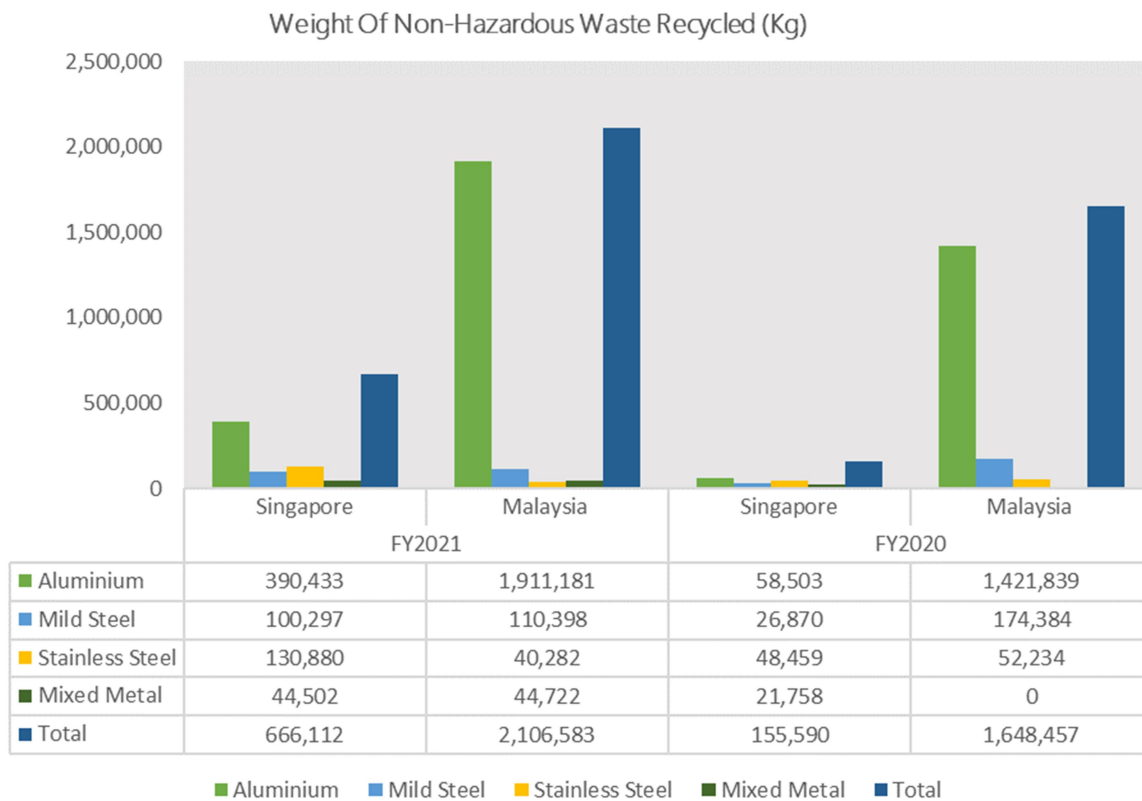
### *Waste Management (GRI 306-2)*

Waste management is an essential part of our day-to-day operations. We practice the waste hierarchy of 3R (reduce, re-use and recycle) to extract the maximum practical benefits from materials and to generate the minimum amount of waste. Nam Lee promotes processes that optimise resource usage and eventual move towards near zero waste processes. Our production facilities segregate the recyclable waste from general waste by placing clearly labelled recycling bins at designated areas to facilitate recycling efforts. Our waste water treatment equipment within the plants treat waste water generated from our production activities. Prior to discharge, the treated waste water is tested to ensure compliance with local discharge standards.

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<sup>1</sup>FSC® - A forest certification granted by FSC (the Forest Stewardship Council) for materials or products including paper and pulp, and corrugated cartons that use properly managed forest resources.

No hazardous waste was disposed of in FY2021. Examples of waste that we send for recycling are scrap metals from the production processes. The following table shows the quantities of non-hazardous waste which we recycled during FY2021. We recycled a total of 2.8 tonnes of non-hazardous waste in FY2021 compared to 1.8 tonnes in FY2020. This increase was due to an increase in customer orders and clearance of old stocks during the relocation of our office in Singapore

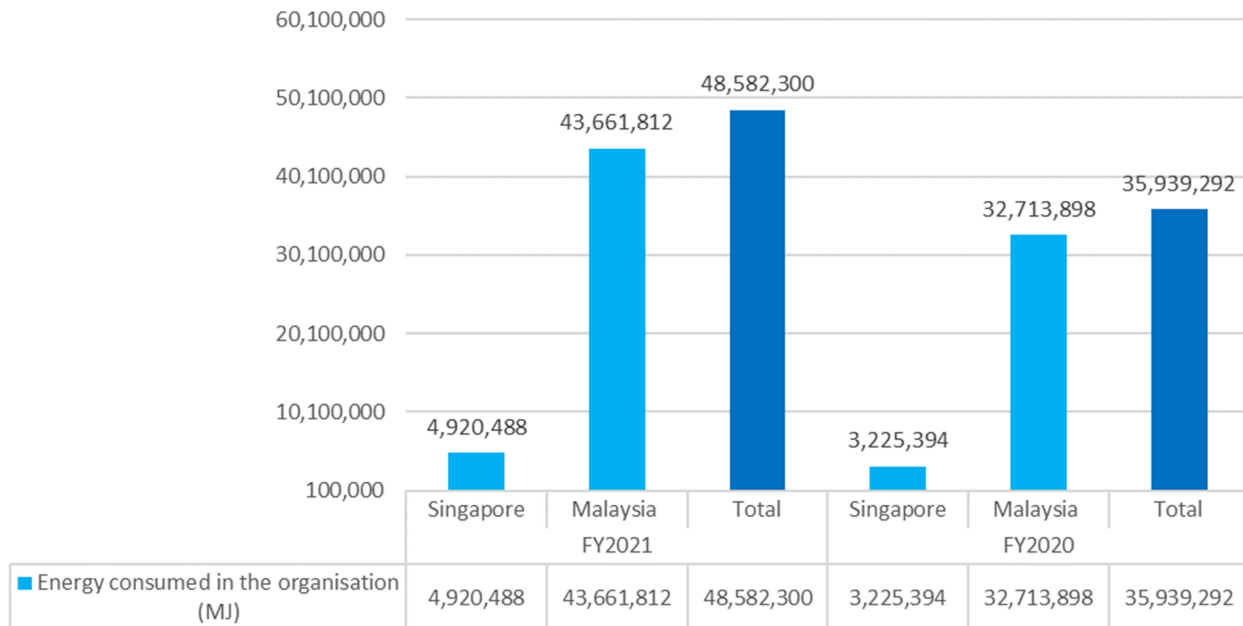


### Energy & Emissions Management (GRI 302-1, 305-1)

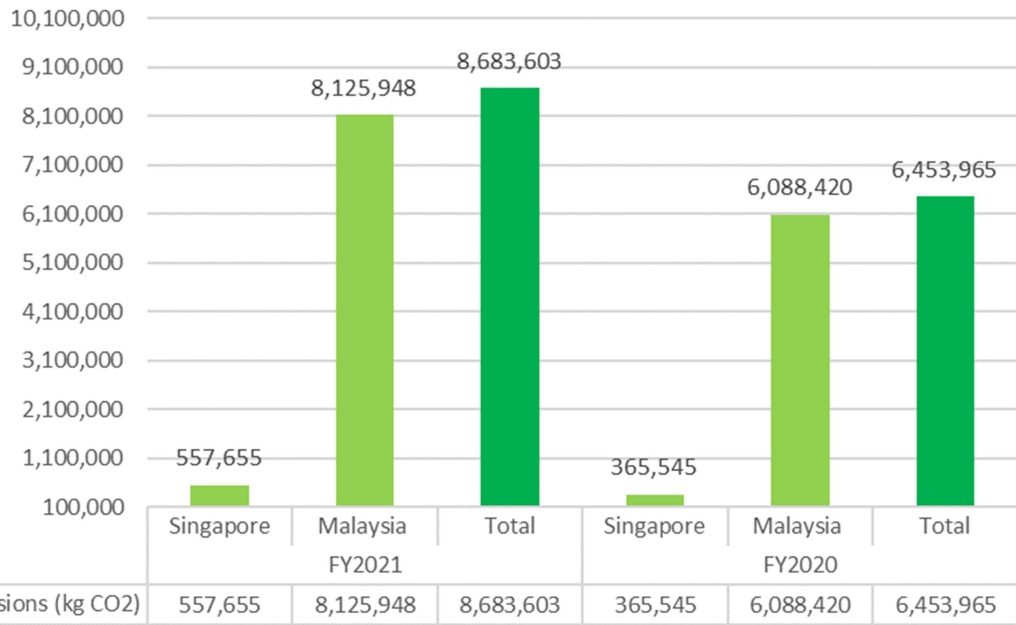
To reduce energy consumption, our offices are installed with electrical appliances which are rated as energy-efficient, such as LED light bulbs. The layouts of our production warehouses are structured to optimise lighting. All employees are reminded frequently to switch off machines and lighting when not in use.

In FY2021, total energy consumption by our Singapore and Malaysia operations was 48,582,300MJ and our overall emission was approximately 8,684 tCO<sub>2</sub>. The increase of approximately 35% in total energy consumption and 35% in GHG emissions compared to FY2020 was due to higher level of production to cater for increased customer orders. As a gauge of increased activities in FY2021, the Group's revenue increased by 68% over FY2020. We will continue to track and monitor consumption of energy in and emissions from our various sites so that we can identify areas for improvement, test, understand better and implement activities that result in greater efficiency.

Energy Consumed In The Organisation (MJ)



### Scope 2 GHG emissions (kgCO<sub>2</sub>)



Emission factors for energy consumption are based on IPCC 2006 Guidelines for National Greenhouse Gas Inventories Energy; grid emission factors for Singapore are sourced from Market Authority (EMA) Electricity Grid Emission Factor (2020) and grid emission factor for Malaysia is sourced from Institute for Global Environmental Strategies (2021). List of Grid Emission Factors, version 10.10.



## Our Employees and Partners

### *Employee Management*

Employees are our most valuable asset. As our business is labor-intensive, the health, safety and skills of our employees are of predominant importance to us. We aim to provide a comfortable and friendly working environment for all, enabling employees to approach challenges with a sense of purpose, innovativeness in approach, pride in work and achievement, and be appropriately evaluated for their performance.

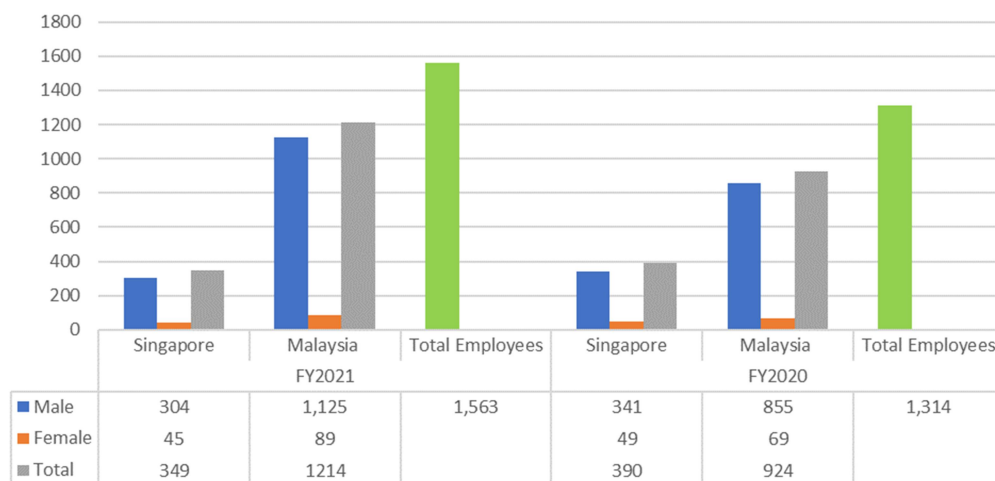
We are committed to providing an inclusive, safe working environment with equal opportunities for continual development. We embrace diversity in gender, age, race, nationality, values and background and focus on the skills, energy and creativity of a diverse group. Any form of discrimination based on distinguishing characteristics is not tolerated.

### *Employee Welfare (GRI 401-1, 401-2, 405-1)*

Our employees are entitled to health care benefits under the Group's hospitalization insurance plan, including medical care and dental care. Personal Accident Insurance Policy and Workmen Compensation Policies with disability coverage are also provided. Our employees are entitled to various paid leave such as annual, parental, compassionate, marriage and examination leave. Statutory contributions to employees' pension funds are made on a timely basis. In addition to regular reviews of our employment policies and remuneration practices to ensure compliance with updated employment laws, we also adopt industry best practices to provide optimal working conditions for our employees.

At the end of FY2021, Nam Lee employed a total of 1,563 employees in Singapore and Malaysia. Due to the nature of our work, about 91% of our employees are male. The percentage of employees hired (hiring rate) in FY2021 was approximately 28.3% while the percentage of workers who left (turnover rate) during the same period was 11.9%. Compared to FY2020, our hiring rate has increased by 4.8% while our turnover rate has decreased by approximately 7.1%.

Profile Of Employees In Singapore And Malaysia  
(By Gender)



Employee hiring and turnover rate in Singapore ("SG") & Malaysia ("MY")

FY2021

		No. of New Hires		Hiring Rate (%)		No. of Employee Turnover		Turnover Rate (%)	
		SG	MY	SG	MY	SG	MY	SG	MY
By Age Group	Under 30 years old	13	235	3.72%	19.36%	24	42	6.88%	3.46%
	30-50 years old	24	156	6.88%	12.85%	50	49	14.33%	4.04%
	Over 50 years old	13	1	3.72%	0.08%	17	4	4.87%	0.33%
By Gender	Male	38	38	10.89%	31.63%	76	90	21.78%	7.41%
	Female	12	8	3.44%	0.66%	15	5	4.30%	0.41%

FY2020

		No. of New Hires		Hiring Rate (%)		No. of Employee Turnover		Turnover Rate (%)	
		SG	MY	SG	MY	SG	MY	SG	MY
By Age Group	Under 30 years old	8	19	2.05%	20.78%	8	106	2.05%	11.47%
	30-50 years old	26	80	6.67%	8.66%	46	77	11.79%	8.33%
	Over 50 years old	2	1	0.51%	0.11%	8	4	2.05%	0.43%
By Gender	Male	29	235	7.44%	25.43%	56	95	14.36%	10.28%
	Female	7	38	1.79%	4.11%	6	92	1.54%	9.96%

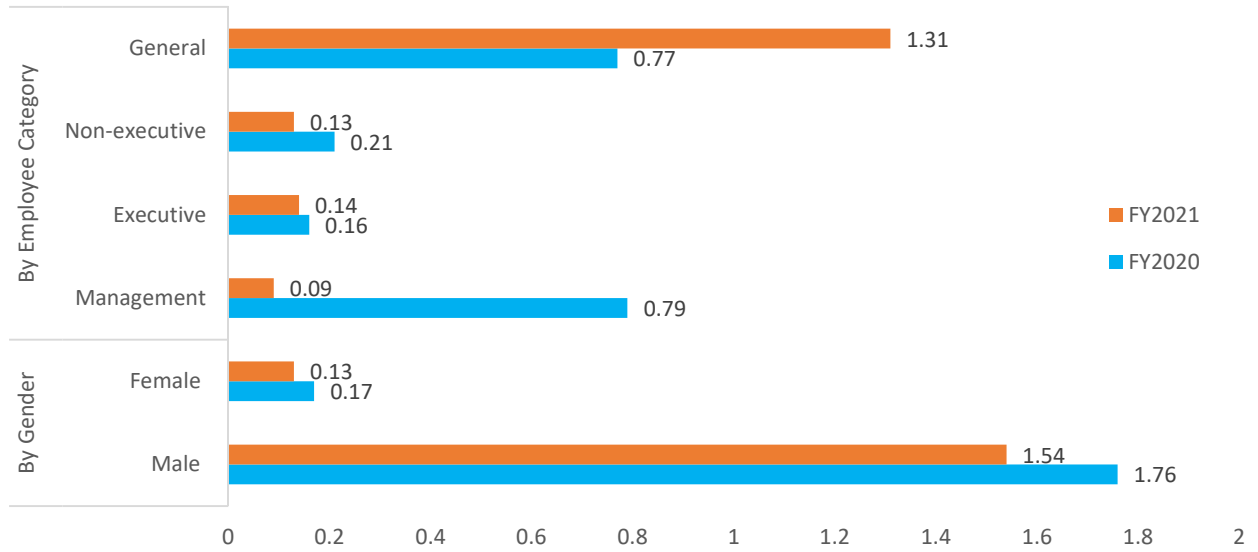
### *Employee Development (GRI 404-1)*

Nam Lee recognises that continual development of employee skills and knowledge is critical to maintaining a competitive, relevant and motivated workforce. Career development and performance management are established to align with corporate objectives. We continue to review and improve our career development and performance review process in a constantly evolving business environment. A variety of relevant training opportunities specific to job requirements is arranged for all employees. Our training programs cater for employees with different job scopes and skills-set requirements. Our core training curriculum and content are developed and guided by well-established industry and international standards.

In FY2021, in addition to on-the-job training by more experienced staff, employees received an average of about 1.67 hours of training. As part of the company's implementation of ISO 14001 and ISO 45001, our executives and other staff attended training related to these management systems standards. A focus on technical training was provided for our general employees, covering topics such as waterproofing techniques, as well as health and safety related training. Finance personnel are trained on budgeting and accounting updates. Executive directors attend courses on board and board committee functions and the related regulations.

In light of the changing working environment, we continue to revise our training curriculum and program to align them with our objectives and to strive for effectiveness and efficiency in our training approach. We aim to increase the training hours per employee in FY2022.

Average no. of training hours (excluding on-the-job training)



	By Gender		By Employee Category			
	Male	Female	Management	Executive	Non-executive	General
FY2021	1.54	0.13	0.09	0.14	0.13	1.31
FY2020	1.76	0.17	0.79	0.16	0.21	0.77

### *Workplace Health & Safety (GRI 403-1 to 403-7)*

The safety and well-being of our employees are of paramount importance at Nam Lee. As a result of commitment to workplace safety, Nam Lee successfully attained the bizSAFE Star award and ISO 45001 certification in Occupational Health and Safety Management in FY2021.

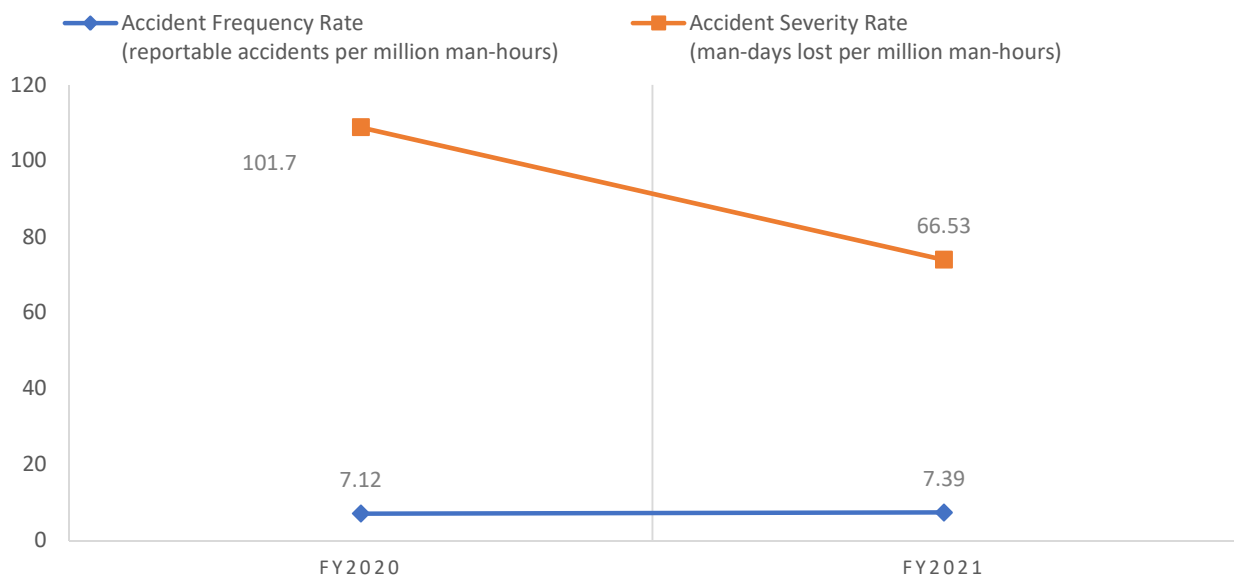
We instill stringent workplace safety measures and continuously monitor our performance to identify any gaps that need improvement. A strong culture of workplace safety and well-being promotes higher productivity in the daily work activities of employees. Workplace safety awareness and training are provided to all employees to ensure adherence to adequate safety practices. Employees who engage in higher risk work activities or who operate complex machineries are provided with additional training specific to their tasks. Daily meetings are conducted with employees and subcontractors to ensure everyone is aware of activities scheduled for that day and to highlight specific health and safety concerns. Workplace health and safety issues are highlighted in the monthly committee meetings with representation from the workers.

Every worker is expected to report incidents or hazardous situations (including near misses) to their immediate supervisors. Management is informed and the cases documented. All cases are thoroughly investigated and the findings are reviewed by management. Root cause analysis is done and corrective measures put in place to avoid future recurrence.

Nam Lee engages both external and in-house safety officers to ensure safety regulations are duly complied with. The external safety officer oversees compliance by Nam Lee with national regulations and safety rules by conducting spot checks within the premises and proposing improvements where necessary. The in-house safety officer, on the other hand, monitors the daily safety measures and continuously seeks ways to create a safer working environment. The in-house safety officer conducts safety orientation briefings to all new employees on topics such as housekeeping rules, proper usage of personal protective equipment, and safe operation of machinery as well as material handling procedures.

In FY2021, there has been no incidence of occupational disease or work-related fatality. Our safety performance data in FY2021 for our operations in Malaysia and Singapore showed an Accident Frequency Rate ("AFR<sup>2</sup>") of 7.39 and Accident Severity Rate ("ASR<sup>3</sup>") of 66.53 days. We are committed to continually improving our Workplace Health & Safety performance by proactive management of the program and promoting a positive safety culture across all our operations.

### Accident severity rate and accident frequency rate for our operations in Singapore and Malaysia



<sup>2</sup>AFR measures the frequency of workplace accidents reported per one million man-hours worked.

<sup>3</sup>ASR refers to the number of man-days lost to workplace accidents per one million man-hours worked.

## OUR RESPONSE DURING COVID-19

### *Our Employees*

Since FY2020, Nam Lee has complied with the safe distancing requirements and safe management measures for workplaces in Singapore and Malaysia. Flexible working hours have been implemented, including allowing employees to leave the work premises at 4pm and to commute during off-peak hours. Heads of Department (HOD) are involved in the assessment and review of work arrangements for their departments' employees so as to establish suitable schedules such as alternate week buddy working system, or work from home for those who need to look after their family. The Company gave free face masks, Antigen Rapid Test (ART) kits and hand-sanitizers to all employees. Those who require additional supplies can request for more from the HR department. Employees who report to work onsite are encouraged to self-test twice a week via an ART.

To ensure the health and safety of our employees we had virtual meetings in place of physical meetings with our suppliers and customers, whenever possible. We minimised social gatherings within the workplaces, increased the frequency of cleaning of common spaces in our offices and implemented daily checks for temperature and respiratory symptoms. Use of TraceTogether and SafeEntry to record the entry of all personnel (including employees and visitors) entering the workplace has been implemented to enable the national effort of tracing potential transmission chains.

No employees were retrenched during FY2021 and our hiring rate in FY2021 has increased compared to FY2020.

During FY2021, employees were encouraged to attend online courses which were relevant to their work. The objective was to equip employees at all levels with the knowledge and skills required for their roles as well as to keep up to date with new platforms or software that would now be more important for them as they continue to work remotely.



### *Our Customers and Suppliers*

During certain phases of the pandemic, several Movement Control Orders were imposed in Malaysia and elsewhere. Some of our suppliers from China and Malaysia were impacted by the lockdowns implemented within their countries which in turn affected our supply chain. To ensure that there was sufficient supply of materials available to meet customer demand, we placed advance order purchases with our suppliers to reduce the risk of material shortage. This allowed us to run our operations with minimal interruptions and to fulfil orders or projects for our customers.





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