

STAYING AHEAD OF THE CURVE

SUSTAINABILITY REPORT 2017



SunningdaleTech

Contents

2	BOARD STATEMENT
4	ABOUT THE REPORT
5	ABOUT SUNNINGDALE
8	OUR COMMITMENT TO SUSTAINABILITY
9	STAKEHOLDER ENGAGEMENT
11	MATERIALITY ASSESSMENT PROCEDURE
13	GOVERNANCE
13	Ethics, Bribery and Corruption
14	SOCIAL
14	Profile of Our Workforce
15	Occupational Health and Safety
21	Health and Safety of our Customers
23	ENVIRONMENT
23	Waste Management
25	Material Usage
26	GRI CONTENT INDEX



Board Statement

DEAR STAKEHOLDERS,

On behalf of the Board of Directors (“the Board”) of Sunningdale Tech Ltd (“Sunningdale” or “the Group”), I am pleased to present our inaugural Sustainability Report.

As a leading one-stop precision plastic engineering company that supplies to the global market, our emphasis has always been on the long-term sustainability of our operations. Our global presence spans across nine countries with 20 manufacturing locations serving a diverse customer base and wide product offering. At present, the Group employs approximately 9,000 staff around the world.

As an integral player across worldwide supply chains, we strive to instil core values and a culture that reflects our commitment to social and environmental responsibility. While we have always placed sustainability at the core of our business, we undertook our first formal materiality assessment under the guidance of independent consultants in July 2017. Stemming from this initiative, we set up a Sustainability Steering Committee as our official management body responsible for overseeing our sustainability efforts.

Led by the Group’s Chief Executive Officer, these efforts have translated to the identification of five key Environmental, Social and Governance (“ESG”) matters. Our list of ESG matters for reporting include Occupational Health & Safety, Ethics, Bribery & Corruption, Waste Management, Customer Health and Safety, and Material Use in our processes. Within each of these sections, we have outlined our policies, case studies and success rates over the period at our Singapore manufacturing site. Gradually, we aim to expand the scope of reporting to include our overseas operations in future sustainability reports.

SAFEGUARDING THE ENVIRONMENT

At Sunningdale, we adopt best practices in ensuring our supply chain processes are environmentally friendly while continuously seeking and investing into new technologies geared towards energy conservation, minimising resource consumption and reducing waste. During the financial year, our perpetual goal of zero chemical spill and cases of improper disposal of waste was achieved. Additionally, our proactive approach to reducing and reusing raw materials has translated to lower operating costs while allowing us to partake in conserving the earth’s finite resources. Our four-pronged strategy which includes the monitoring and review of processes, control measures, generating awareness amongst staff and process optimisation continues to yield positive results in safeguarding the environment.

OUR MOST VALUABLE ASSET

Over the course of our thirty-year history, it has been our belief that human capital is an essential component to our continued growth. We take pride in our people, who remain our most valuable asset. Creating a healthy and safe workplace for our employees is thus at the top of our agenda. Our Quality, Environmental, Occupational Health & Safety (“QEHS”) policy continues to set the standards required to ensure our staff work in optimal conditions.

Accordingly, our employees attend regular training sessions on Environmental, Health and Safety (“EHS”) issues as well as training on the appropriate use of machinery used in our operations. In accordance with the International Society of Automation (“ISA”), we also ensure that our employees are equipped with the relevant protective equipment such as safety shoes, goggles and gloves along with the periodic maintenance of equipment to ensure safety.

While there have been cases of injury and occupational disease reported over the period, we remain relentless in our pursuit of preventing a reoccurrence of these incidents. Following thorough investigations into each incident, the root causes are analysed and corrective actions are systematically implemented across the organisation. Looking ahead, we will continue to remain vigilant as we work towards our goal of zero accidents in subsequent financial years.

ADHERING TO THE HIGHEST STANDARDS OF CORPORATE GOVERNANCE

Strong business ethics underpin our organisation. Our adherence to the highest standards of corporate governance continues to translate to productive collaborations and has set us apart from our peers in terms of improving our competitiveness in the global market.

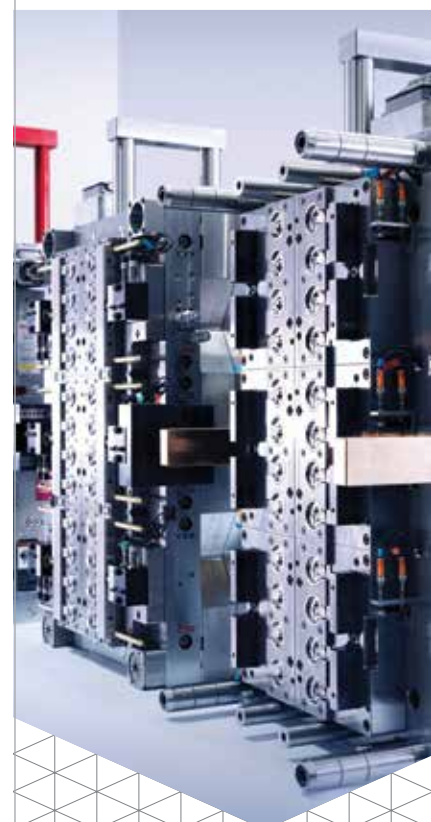
We maintain a Code of Business Ethics and Conduct which outlines clear expectations for every employee, guiding our decision making in all aspects of the business. We have also officially instituted a whistle-blowing policy, a formalised channel for all stakeholders to report wrongdoing within the organisation. All matters raised through this channel are looked into and addressed by an official Whistle-blowing Committee. Furthermore, the internal controls we have in place are reviewed regularly, despite the fact that zero cases of corruption or whistle-blowing incidents were reported over the period under review.

Sustainability will continue to be central to who we are and how we operate. We strive to put safety first in all we do. As a worldwide leader in precision plastic engineering, Sunningdale is committed to protecting our customers who we remain fortunate to serve. We will look to build upon our success in 2017, while investing in doing what is right for our employees, customers, shareholders and the environment.

Koh Boon Hwee

Chairman

August 2018



About The Report

Sunningdale Tech Ltd (“Sunningdale”) is pleased to present its inaugural sustainability report which has been prepared in accordance to Singapore Exchange Securities Trading Limited’s (“SGX-ST”) Mainboard listing Rule 711(B) and the Global Reporting Initiative (“GRI”) Standards – ‘Core’ reporting requirements.

The reporting scope covers only Sunningdale’s Singapore operations for the financial year 2017 (“FY2017”) from 1st January 2017 to 31st December 2017, with the financial year 2016 (“FY2016”) from 1st January 2016 to 31st December 2016 being the year of comparison.

In line with the phased approach encouraged by SGX, Sunningdale aims to take gradual steps to expand the reporting scope from Singapore to include the other significant overseas operations in future reports.

Sunningdale has not sought external assurance for this report but will consider doing so as reporting matures over time.

For any queries in relation to this report or other feedback on our sustainability practices, please feel free to write in to csrs@sdaletech.com.



About Sunningdale

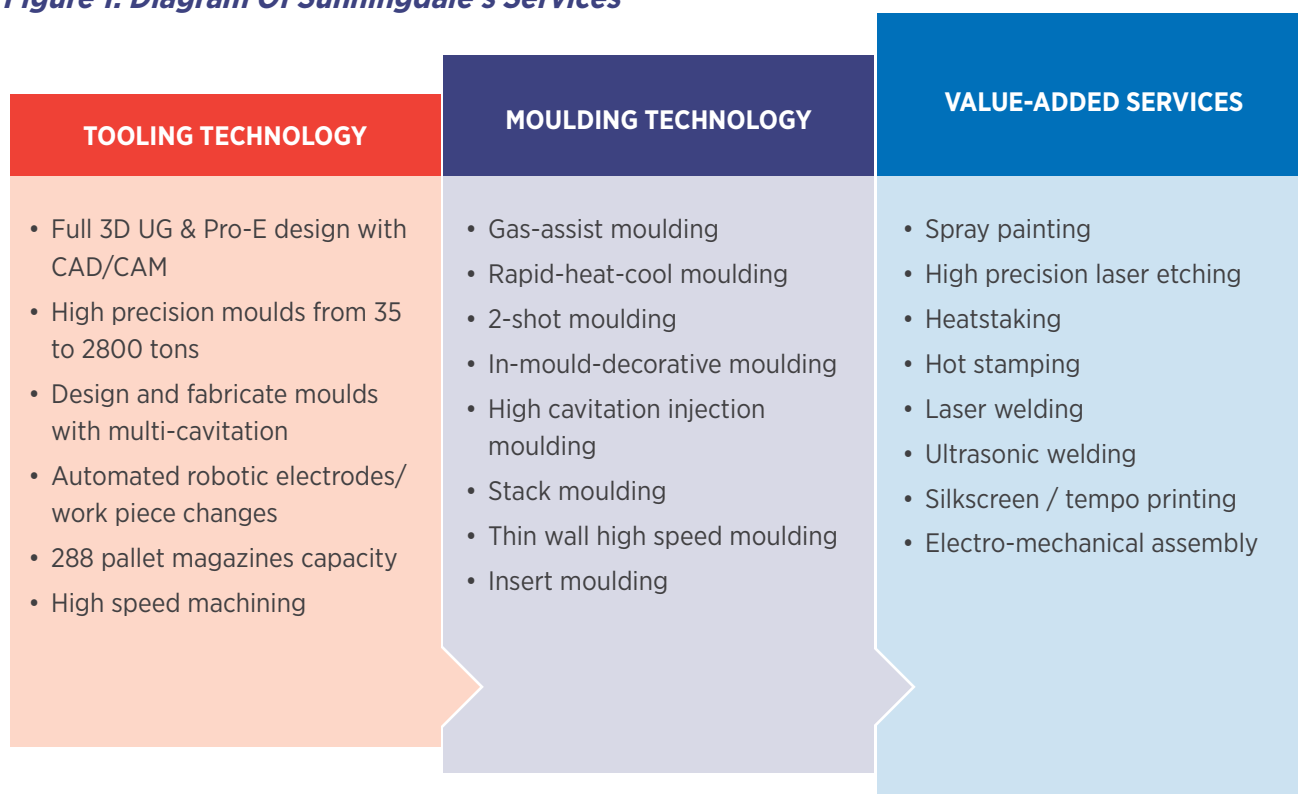
Our Vision

World leading precision plastic solution-provider recognised for our extensive engineering expertise and experience

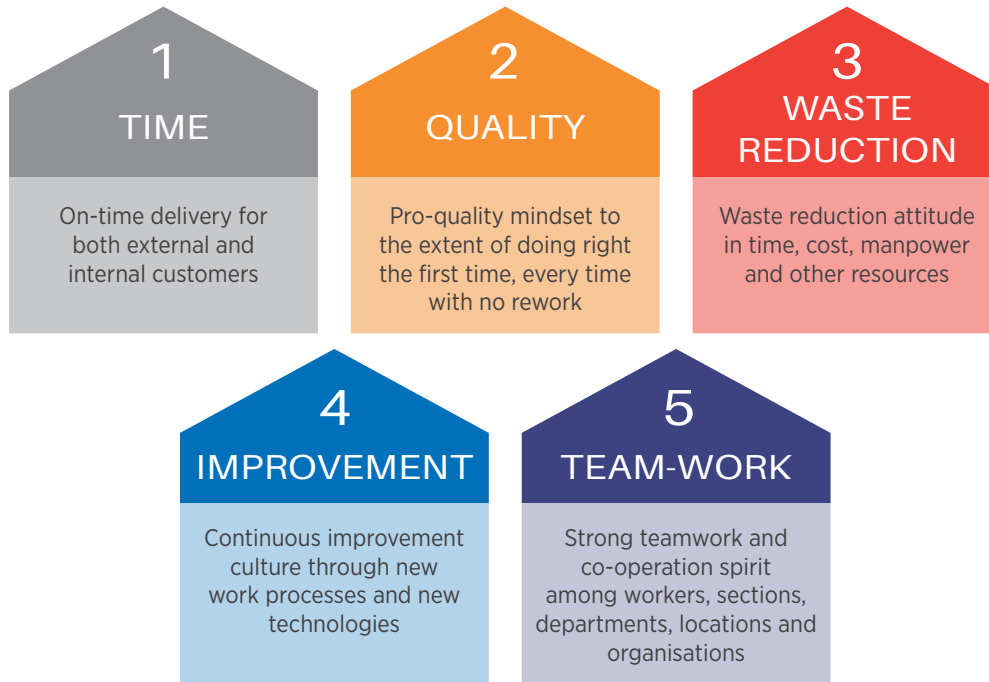
Services We Offer

Apart from the manufacturing of moulds and plastic components, Sunningdale also provides a wide range of fabrication services to help every customer fulfil their needs. Figure 1 details the capabilities of Sunningdale.

Figure 1: Diagram Of Sunningdale's Services



Our 5 Pillars of Excellence



Global Presence

We are a global manufacturer of precision plastic components headquartered in the Republic of Singapore and listed on the Singapore Exchange Securities Trading Limited (SGX-ST). Over the years, we have grown in size and currently operate 20 manufacturing facilities located in nine different countries and all our operations strictly follow our five pillars of excellence for continued success. To date, we have served various customers all across the globe. A breakdown of our key operations and market presence are summarised in the figures 2 and 3 below.

Figure 2: Sunningdale's operations

Our global addresses are as follows:

**Figure 3: Key manufacturing locations**

Operation	Country
Parts Productions and Tools Fabrication	Singapore
	Malaysia
	China
	India
	Latvia
Parts Productions	Thailand
	Indonesia
	Mexico
	Brazil
Support Office	USA
Sales Office	Hong Kong

Our Commitment to Sustainability

The top management has outlined its strategic direction and shared Sunningdale's Sustainability Policy with all its stakeholders.

SUSTAINABILITY POLICY

Sunningdale Tech Ltd. is committed to corporate social responsibility and sustainable long-term growth through the following:

- Environmentally friendly manufacturing and supply chain processes. We continuously seek new technologies & methods to conserve energy, minimise resource consumption and reduce waste generation.
- An integrated human capital strategy which promotes fair employment practices and a safe working environment while fostering strong teamwork and employee development.
- Upholding the highest standards of corporate governance and transparency with an effective risk management system to safeguard our stakeholders' interests.
- Supporting local communities by making meaningful contributions through either active participation or sponsorship.

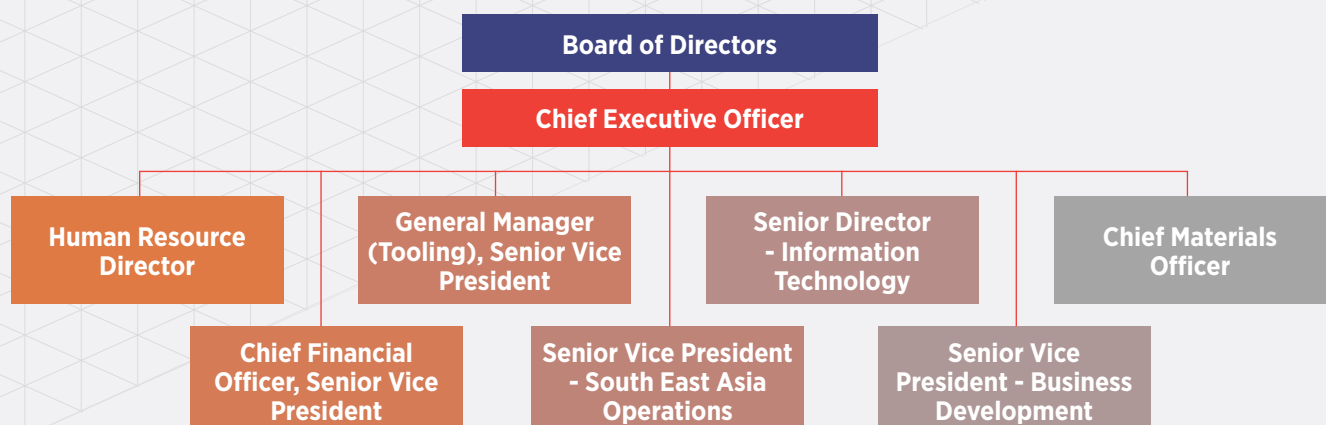
Our financial and operational objectives are aligned towards constantly improving our sustainability performance through regular monitoring and effective reporting channels.

This policy will be communicated to our stakeholders, i.e. shareholders, business partners, suppliers, customers and our employees. It will also be made available to the public.

SUSTAINABILITY GOVERNANCE

With regards to the management of sustainability, we have set up a Sustainability Steering Committee in 2017 to form the core management body responsible for our sustainability practices. The Committee is made up of key management personnel at Sunningdale and headed by the Chief Executive Officer, who reports directly to the Board (refer to Figure 4). The Committee has to oversee the implementation of and optimise the policies and initiatives relating to sustainability. The Committee is also supported by the CSR⁽¹⁾ working committee, which comprises of representatives from various departments such as Human Resource, Tooling, Information Technology and Business Development. The Committee provides updates on sustainability performances and developments, including the progress of the Sustainability Report, to the Board on an annual basis.

Figure 4: Sustainability Steering Committee



(1) CSR - Corporate Social Responsibility

Stakeholder Engagement

Sunningdale recognises that active stakeholder engagement is crucial for Sunningdale's success as an organisation. To foster strong and lasting relationships with its stakeholders, Sunningdale continuously engages with its various stakeholder

groups to understand their key concerns and take appropriate measures to address the identified concerns. Our engagement approach with our various stakeholder groups have been summarised in Table 1 below.

TABLE 1: STAKEHOLDER ENGAGEMENT TABLE


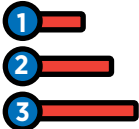


Stakeholder Group	Objective / expectations of the stakeholder group	Modes of engagement	Frequency of engagement	Key interests by stakeholder group	Sunningdale's response
Shareholders	• Maximise profits and obtain information needed to make sound investment decisions	• SGX announcements	• Quarterly	• Profitability and financial sustainability of Sunningdale	• Maintain sustained growth with increased sales and cost-effective processes
		• Annual report	• Annually		
		• Annual General Meeting (AGM)	• Annually	• Timely and transparent disclosure of information and announcements	• Periodic and transparent communication of financial and non-financial information
		• Meeting analysts and investors	• As required	• Accessibility to management / Investor Relations team	• Maintain prompt response to feedback and queries
Employees	• Fair remunerations and career development and progression	• Orientation for new employees	• As appropriate	• Employee engagement	• To assimilate new hires into the company's culture
		• Dinner and dance	• Biennial		
		• Corporate Social Responsibility (CSR) activities	• Annually	• Increase team productivity through volunteerism	• To create corporate conscience, corporate citizenship or responsible business
		• Training	• As appropriate	• Work opportunities and career advancements • Employee engagement	• Yearly review of training needs analysis and competency framework across all job levels/ category
		• Ad hoc events	• As appropriate	• Employee welfare and benefits	• To foster teamwork and social interaction among employees

Stakeholder Group	Objective / expectations of the stakeholder group	Modes of engagement	Frequency of engagement	Key interests by stakeholder group	Sunningdale's response
Customers	<ul style="list-style-type: none"> Receive products that meet their specifications at a competitive price 	<ul style="list-style-type: none"> Customer satisfaction survey 	<ul style="list-style-type: none"> Annually 	<ul style="list-style-type: none"> Quality of products 	<ul style="list-style-type: none"> Maintain robust quality management system in line with international standards such as ISO14001, ISO9001, IATF16949, ISO13485, AS9100 certifications Yearly assessment by the third-party certification body to achieve certification for the aforementioned quality standards Conduct quality audits on all its products
		<ul style="list-style-type: none"> Regular meetings and discussions with respective Project Managers 	<ul style="list-style-type: none"> As required 	<ul style="list-style-type: none"> Responsiveness to requests 	<ul style="list-style-type: none"> Ensure that the Project Managers respond to their customers promptly and meet their needs
Suppliers	<ul style="list-style-type: none"> Maintain a good relationship with its customers 	<ul style="list-style-type: none"> Regular meetings and discussions with respective Procurement Managers 	<ul style="list-style-type: none"> As required 	<ul style="list-style-type: none"> Receipt of prompt payments for goods and services rendered 	<ul style="list-style-type: none"> Ensure that Sunningdale complies with contract terms for timely payment
Local communities	<ul style="list-style-type: none"> Ensure that organisations contribute positively to the community 	<ul style="list-style-type: none"> Cash donations to charitable organisations 	<ul style="list-style-type: none"> As appropriate 	<ul style="list-style-type: none"> Sustained support for CSR projects 	<ul style="list-style-type: none"> Maintain good relationships with charitable organisations
		<ul style="list-style-type: none"> CSR events in collaboration with charitable organisations 	<ul style="list-style-type: none"> As appropriate 		
Government institutions and regulators (such as SGX, CPF, IRAS, and NEA)	<ul style="list-style-type: none"> Implement and enforce standards and regulatory requirements 	<ul style="list-style-type: none"> Participate in meetings with government institutions and regulators 	<ul style="list-style-type: none"> As appropriate 	<ul style="list-style-type: none"> To ensure that organisations are in compliance with laws and regulations 	<ul style="list-style-type: none"> Keep all relevant employees abreast with changes to statutory requirements To ensure compliance with all applicable laws and regulations

Materiality Assessment Procedure

In July 2017, Sunningdale conducted its first formal materiality assessment under the guidance of independent sustainability consultants. Key personnel from various departments were involved in the process. While external stakeholders were not involved in this round of assessment, representatives from Sunningdale took into consideration both internal and external stakeholders' perspectives during the prioritisation step. The materiality assessment process adopted a four-step approach as outlined in Figure 5 below. The results of the materiality assessment are presented in Figure 6.

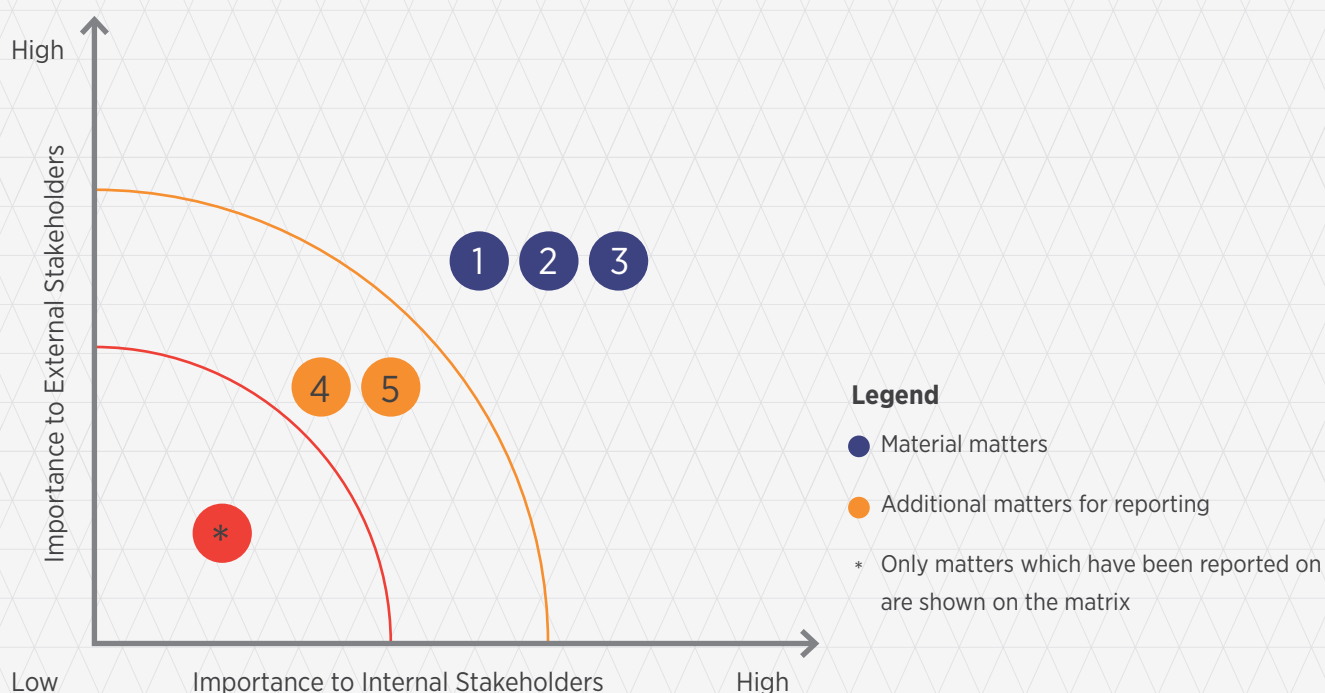
Figure 5: Materiality assessment process

Stakeholder Group	Activities
 1. Identification	An exhaustive list of potential Environmental, Social, and Governance ("ESG") matters was identified by independent sustainability consultants through desktop research, benchmarking reviews and discussions with Sunningdale's management.
 2. Prioritisation	The matters identified in Step 1 were rated and prioritised in terms of importance by representatives from the various departments, taking into consideration both an internal and external stakeholders' perspective.
 3. Validation	Material matters that were identified from Step 2 were presented to the Board for their validation and approval.
 4. Review	In the subsequent financial years, these identified material matters will be reviewed and reassessed for their continued relevance and importance to Sunningdale.



Materiality Assessment Procedure

Figure 6: Sunningdale's materiality matrix



List of ESG matters for reporting			
Material matters		Additional matters for reporting	
1	Occupational Health & Safety	4	Customer Health and Safety
2	Ethics, Bribery & Corruption		
3	Waste Management	5	Material Use

Governance

ETHICS, BRIBERY AND CORRUPTION

Strong business ethics are vital to the success of Sunningdale as an organisation. Upholding ethical conduct in the course of business and ensuring high standards of corporate governance increases our stakeholders' confidence in us. This translates to productive collaborations, improving our competitiveness in the global market and amongst our peers.

Sunningdale maintains a Code of Business Ethics and Conduct that outlines clear expectations of all employees and guides them in decision-making, such as evaluation of conflict of interests. Sunningdale has also instituted a whistle-blowing policy, a formalised channel for both internal and external parties to express their concerns about suspected wrongful activities within the organisation. The Whistle-blowing committee of Sunningdale comprises of the Chief Executive Officer ("CEO"), the Chief Financial Officer ("CFO"), the Human Resource ("HR") Director, and the Internal Audit ("IA") manager; this committee is tasked to look into all matters raised from the whistle-blowing channel pertaining to Sunningdale Group.

Non-compliance to any laws and regulations, be it financial or non-financial, is treated very seriously at

Sunningdale as it may bring about severe repercussions to the organisation, such as impairing our stakeholders' confidence in our organisation, monetary penalties and affecting our brand as an organisation. To avoid any non-compliance, Sunningdale's IA team conducts regular compliance audit internally and ensures respective processes are maintained to upkeep the compliance.

All new employees are required to undergo an orientation programme. During this session, they are briefed and trained on the policies and practices of the organisation, including the organisation's anti-corruption policies and practices, and informed about the channels of communications they have access to such as the whistle-blowing channel.

All vendors must acknowledge and sign our standard Code of Business Ethics and Conduct form as part of our Vendor Survey form, which is uploaded to our online data vault. The form includes our anti-corruption policies and practices. We seek to ensure that all our suppliers comply with laws and regulations and adhere to Sunningdale's Code of Business Ethics and Conduct.

While our Board of Directors do not receive training on anti-corruption as they are experienced on the subject, Sunningdale's anti-corruption policies and practices are communicated to and approved by the Board.

Focus area	Perpetual target	FY2016 performance	FY2017 performance
Anti-corruption	Zero cases of corruption	● Achieved	● Achieved

There were no cases of corruption in both 2016 and 2017. The whistle-blowing committee also did not receive any cases in both financial years.

An Enterprise Risk Management ("ERM") Policy is in place to formalise the reporting, assessment, treating and monitoring of each significant risk that the Group faces in achieving its business objectives. Such risks, including mitigating actions, are reported to the Board through the Audit and Risk Committee on an annual basis and are followed-up by the in-house internal audit

team as part of its annual audit plan. Further, in support of the ERM Policy, a Control Self-Assessment ("CSA") framework is also in place to self-assess internal controls (covering compliance among others) in accordance with the Group's requirements and specifically address any significant weaknesses and/or risks identified.

Sunningdale will continue to review and improve internal controls to maintain such track record in future, an objective indicator of robust governance processes in Sunningdale.

Social

PROFILE OF OUR WORKFORCE

Sunningdale takes pride in its people and believes that human capital is key to the growth of the organisation. At the end of FY2017, we have 618 full-time employees, an increase from 591 full-time employees recorded at the end of FY2016. During FY2016, we had a total of

14 interns and 36 contract workers. During FY2017, we had a total of 21 interns and 9 contract workers. Refer to Figure 7 for more information on the employee demographics of Sunningdale.

Figure 7: Percentage composition of employees by gender and age group

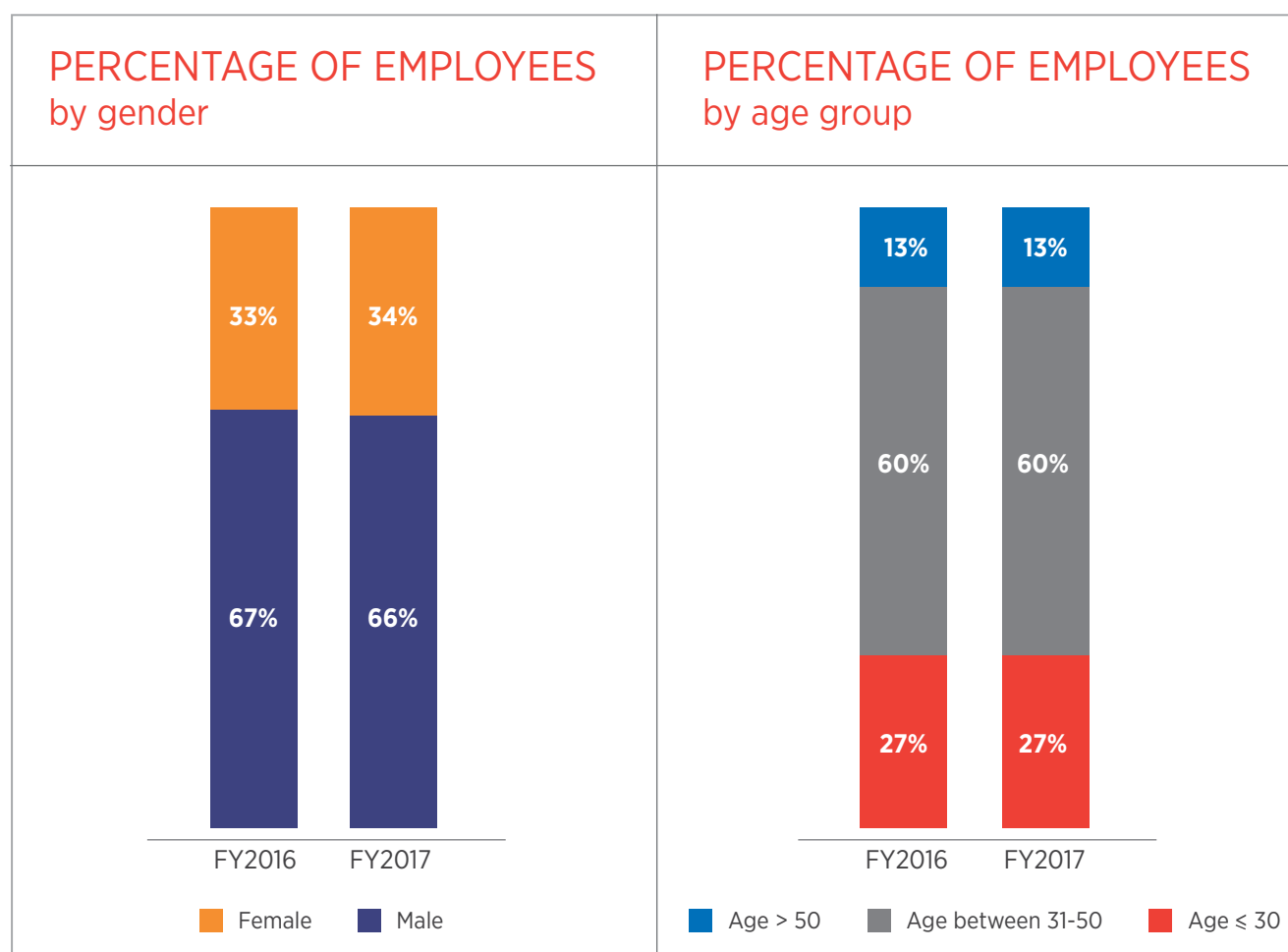


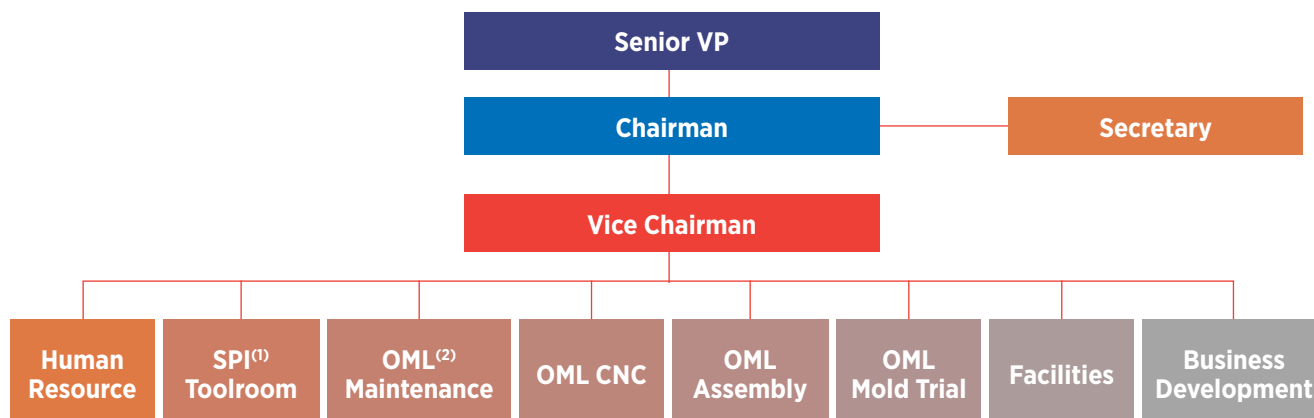
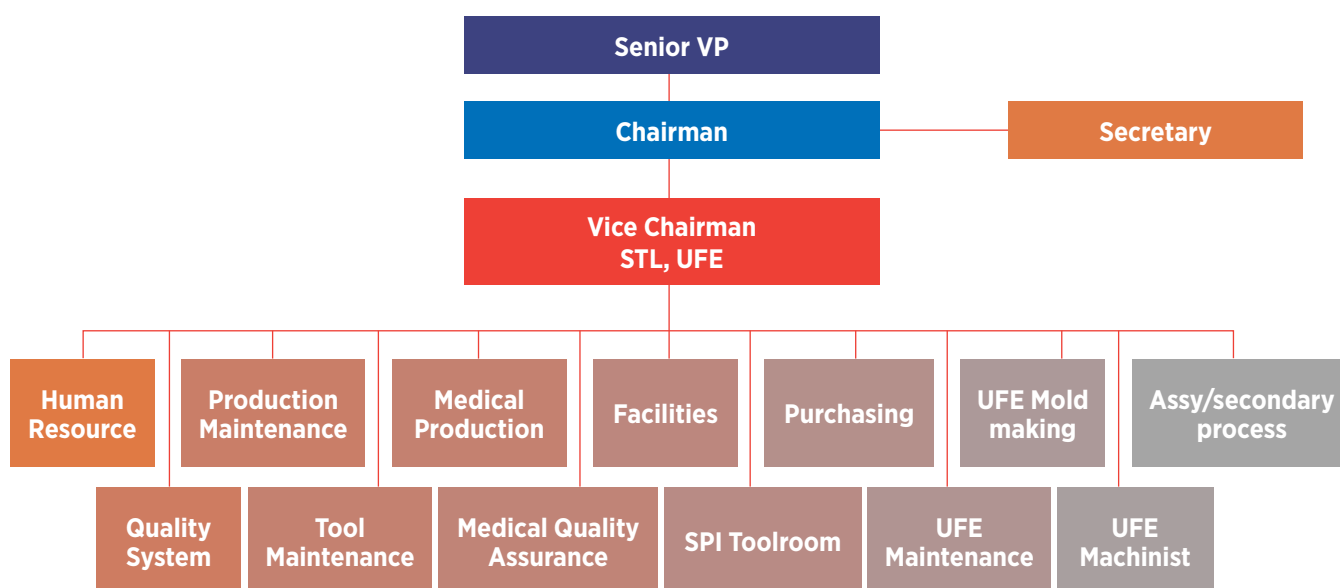
TABLE 2: DEMOGRAPHICS OF EMPLOYEES

	Singapore			
	FY2016		FY2017	
DEMOGRAPHICS OF EMPLOYEES				
Total employees (permanent, full time), as at financial year end	591		618	
Total employees, by Gender				
Female	197	33%	212	34%
Male	394	67%	406	66%
Total employees, by Age Group				
< 30 years old	158	27%	167	27%
31-50 years old	356	60%	373	60%
> 50 years old	77	13%	78	13%
Total employees, by Employment Contract	Male	Female	Male	Female
Permanent	394	197	406	212
Temporary	1	2	0	3
Total employees, by Employment Type	Male	Female	Male	Female
Full Time	394	197	406	212
Part Time	1	2	0	3

OCCUPATIONAL HEALTH AND SAFETY

At Sunningdale, we believe that our employees are our most valuable assets, thus creating a healthy and safe workplace for employees is of utmost importance to us. We ensure that health and safety of our employees are not compromised on. Though Sunningdale takes proactive efforts to reduce any risk of occupational health and safety, we have also established various channels of feedback for employees and stakeholders. Should employees or any stakeholders have any feedback or concerns with regards to our occupational health and safety practices, they can write in to csrs@sdaletch.com

, raise a case through the whistle-blowing mechanism, or approach the Environment, Health and Safety (“EHS”) Committee directly. Cases raised through the sustainability email address and whistle-blowing mechanism that pertain to occupational health and safety are directed to the EHS Committee. Please refer to Figure 8 and 9 for the EHS Committees at 51 Joo Koon Circle (“51JKC”) and 18 Joo Koon Crescent (“18JKC”) respectively. 100% of our employees are represented in either EHS Committees. In 2016 and 2017, zero cases were raised through both feedback mechanisms.

Figure 8: EHS Committee at 51JKC**Figure 9: EHS Committee at 18JKC**

To provide and maintain a healthy and safe environment, Sunningdale has established a Quality, Environmental, Occupational Health & Safety (“QEHS”) policy that is supported by various initiatives to ensure that employees work in optimum conditions. The QEHS aims to help Sunningdale surpass customer expectations in terms of quality, environment, and health and safety by:

- Maintaining healthy working condition across the operation of Sunningdale
- Providing safe, effective and quality products that have a minimum negative impact on the environment

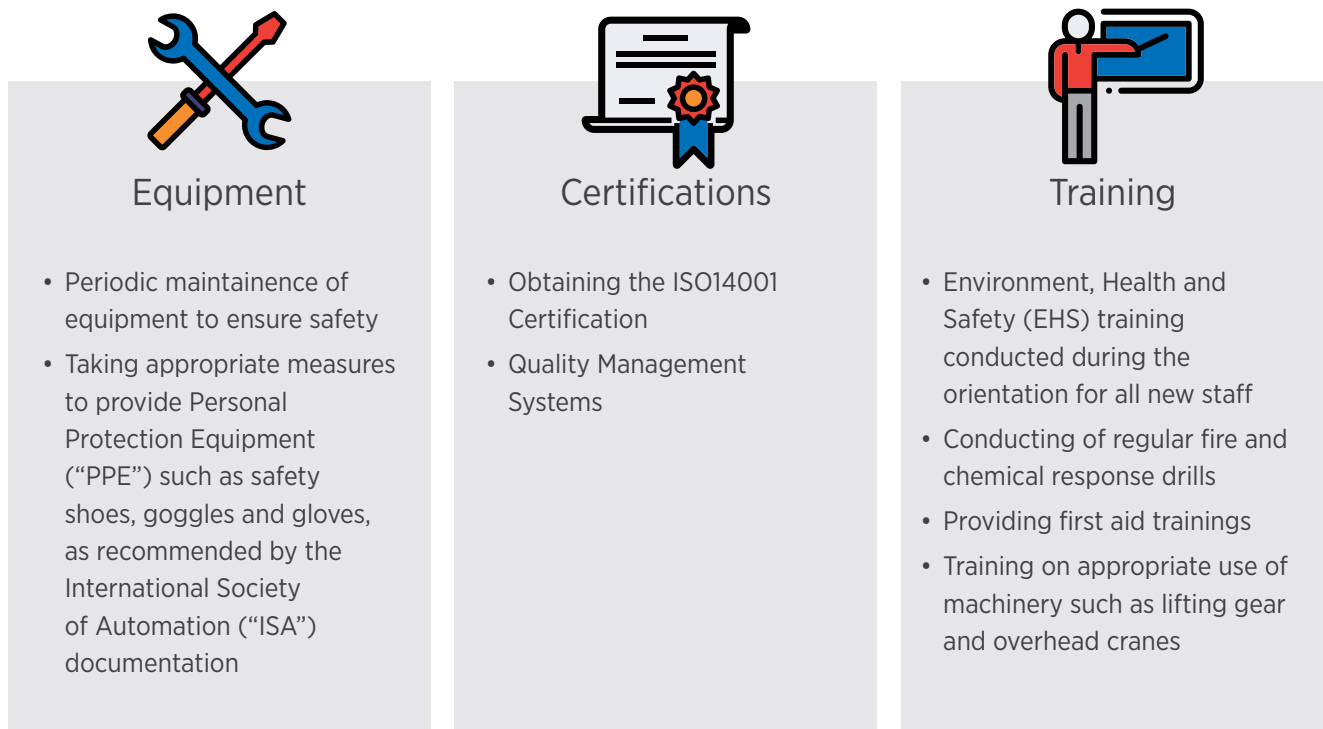
- Improving social, environment, and health and safety responsibility among all involved parties through communication, and promoting education and training
- Fulfilling compliance obligations and other needs and expectations of relevant interested parties

Some of the QEHS initiatives adopted by Sunningdale are detailed below in Figure 10.

(1) SPI - Sunningdale Precision Industries Ltd

(2) OML - Omni Mold Ltd

Figure 10: QEHS initiatives at Sunningdale



CASE STUDY #1 – EHS TRAINING

All machinists were gathered to attend a grinding operations and EHS training at 51 JKC.

EHS Committee Chairman demonstrated the full process of operating the grinding machine from set-up of the job, maneuvering and adjustment of the bed, grinding operation, adjustment or dismantling of the job to completion of the grinding process.

Workplace Safety and Health Officer, also briefed all machinists on the safe operating procedures to be adopted for daily operations of the grinding machine which includes the proper adjustment of the bed to a safety distance away from the grinding wheel in motion for adjustment or dismantling of the job.

EHS Committee Chairman & WSHO also briefed all machinists on the activities, safety hazards and control measures of the grinding operation works.

Two machinists were invited to demonstrate the full grinding operation procedure to ensure their understanding of the training session.



Grinding
Wheel

Movable
Magnetic
table

Diamond Dresser /
Work piece

TABLE 3: OCCUPATIONAL HEALTH AND SAFETY PERFORMANCE FOR FY2016 AND FY2017

		FY2016			FY2017		
Singapore		Male	Female	Total	Male	Female	Total
Injuries	Employees	3	-	3	9	1	10
	Workers	-	-	-	-	-	-
Fatalities	Employees	-	-	-	-	-	-
	Workers	-	-	-	-	-	-
Absenteeism Rate ¹		0.33%	0.33%	0.33%	0.33%	0.35%	0.34%
Workplace Injury Rate ²		761	0	507	2,217	472	1,618
Accident Severity Rate ³		103.5	0.0	69.0	121.0	6.2	81.6
Occupational Disease Incidence Rate ⁴		6,091	1,523	4,569	5,172	1,415	3,883

TABLE 4: SUMMARY OF INJURY CASES FOR FY2016 AND FY2017

FY2016			
Total injury cases		Description of injuries	Corrective measures
Male	Female		
3	0	1. One person experienced a loss of four fingers on the right hand 2. One person experienced contusion of the middle finger 3. One person experienced laceration of the right thumb	<ul style="list-style-type: none"> To ensure that equipment is handled by a trained technician who is closely supervised. The work area is also cordoned off and a safe distance is maintained at all times To ensure compliance with the lockout/tagout standard Additional toolbox briefings are conducted Briefings are acknowledged by employees and signed off by relevant supervisors

1. Absentee Rate is the total absentee days lost, relative to the total days scheduled to be worked by the employees in the reporting period, expressed as a percentage, as defined by the GRI Standards.

2. Workplace Injury Rate is calculated as the total number of fatal and non-fatal workplace injuries per 100,000 employees, as defined by the Ministry of Manpower ("MOM") in Singapore

3. Accident Severity Rate is calculated as the number of man days lost to workplace accidents per 1,000,000 man-hours worked, as defined by MOM in Singapore

4. Occupational Disease Incidence Rate is calculated as the total number of occupational disease cases per 100,000 employees, as defined by MOM in Singapore

FY2017			
Total injury cases		Description of injuries	Corrective measures
Male	Female		
9	1	<ol style="list-style-type: none"> Two people sprained their backs due to lifting Seven people experienced laceration on hand, head, and lips One person experienced contusion on hands 	<ul style="list-style-type: none"> To ensure that equipment is handled by a trained operator with reinforced machine guards and safety devices The machine table has also been modified to ensure more space for manoeuvrability Conducted briefing to the related work team

TABLE 5: SUMMARY OF OCCUPATIONAL DISEASE CASES FOR FY2016

FY2016			
Total occupational disease cases		Description of the occupational disease	Corrective measures
Male	Female		
24	3	27 cases of Noise-induced Deafness	Employees with noise-induced deafness have to attend the Hearing Conservation Programme briefing conducted by our Safety Officer which covers noise control measures, as well as usage and maintenance of hearing protectors.

TABLE 6: SUMMARY OF OCCUPATIONAL DISEASE CASES FOR FY2017

FY2017			
Total occupational disease cases		Description of the occupational disease	Corrective measures
Male	Female		
21	3	24 cases of Noise-induced Deafness	Employees with noise-induced deafness have to attend the Hearing Conservation Programme briefing conducted by our Safety Officer which covers noise control measures, as well as usage and maintenance of hearing protectors.

Details of the injury and occupational disease cases have been presented in Tables 3, 4, 5 and 6 above.

To prevent recurrence of the incidents and ensure control of the occupational disease cases, follow-up investigations and root cause analysis have been conducted for each case and corrective actions have been systematically implemented.

Job safety analysis

At Sunningdale, EHS issues will be regularly discussed among the safety officer and workers at workshop level through Toolbox meeting. The EHS topics covered

in Toolbox meeting include EHS Legal register, EHS management programs, EHS Committee meeting minutes, EHS inspection report findings, Job safety and aspect analysis, Monitoring and measurement, Accident reporting, Emergency preparedness and Complaints from interested parties.

Noise-induced Deafness (“NID”) prevention measures

To proactively control the workers’ exposure risk to NID, workplace noise monitoring and employee audiometric test are periodically conducted by the 3rd party at Sunningdale.

TABLE 7: ACTIVITIES TO CONTROL WORKERS’ EXPOSURE TO NID

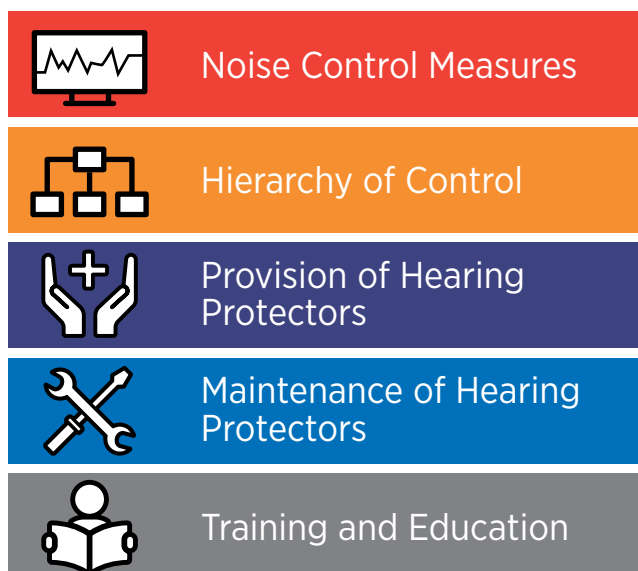
Activities	Criteria	Frequency	Area / Workers affected	Test / Check by	Latest test / check
Workplace Noise Monitoring	Area \leq 85 dBA	At least once per three years	<ul style="list-style-type: none"> • Tool room; • Lab; • Medical room; • Grinding area; • Milling room 	Astar Lab	3 Aug 2016
Employee Audiometric Test	<ul style="list-style-type: none"> • Normal • Provision NID • Abnormal NID 	At least once per year	Workers in the noise-prone area	EH&S	22 Sep 2017

Hearing Conservation Program

Employees who are exposed to the risk of NID have to attend the Hearing Conservation Programme – a

briefing conducted by our Safety Officer which covers subject matters related to noise control and hearing protection techniques.

Figure 11: Topics covered in the hearing conservation programme



Owing to the accidents that have occurred, Sunningdale has not managed to meet its perpetual target of zero accident rate. With our regular internal audits conducted by the EHS department and annual external audits conducted by independent organisations, areas of improvement to our safety practices are identified, helping Sunningdale to continually improve our processes and implement best practices.

In addition to these measures, Sunningdale also intends to revise our control measures and create greater awareness during our annual EHS promotion event. We will continue to make consistent improvements to work towards having zero cases of accident rates in the subsequent financial years.

Focus area	Perpetual target	FY2016 performance	FY2017 performance
Occupational health and safety	Zero accident rate	● Not achieved	● Not achieved

HEALTH AND SAFETY OF OUR CUSTOMERS

Sunningdale seeks to build fulfilling and long-lasting partnerships with all customers. The key aspect of achieving this goal is to satisfy them by providing products of the finest quality. To deliver this, Sunningdale has in place a value chain that begins from its supply chain to its operations and finally through communications and awareness with customers and suppliers, such as through our standard Code of Business Ethics and Conduct form. More details on our supply chain can be found in the write-up below. For our operations, Sunningdale maintains a robust quality management system that is in line with international standards such as ISO14001, ISO9001, IATF16949, ISO13485, AS9100 certifications.

As Sunningdale manufactures products based on our customers' specification, we are restricted in our ability to modify the product designs. However, Sunningdale takes necessary precautions to ensure that our operations are in compliance with requirements from the relevant authorities and takes steps to safeguard the quality of our products whenever possible.

SUPPLY CHAIN

Sunningdale understands that the quality of our suppliers' products and services provided is vital to our ability to deliver to its customers. Hence, Sunningdale follows a four-step supplier management process, which is detailed in Figure 12.

Figure 12: Sunningdale's supplier management process

SUPPLIER QUALIFICATION	SUPPLIER SELECTION	SUPPLIER PERFORMANCE MONITORING & RISK MANAGEMENT	SUPPLIER CONTINUOUS IMPROVEMENT
<ul style="list-style-type: none"> All key vendors have to: <ul style="list-style-type: none"> Complete a vendor form survey, which includes a questionnaire on environmental and social impacts of its products/services Submit a Suppliers Social Responsibility declaration Submit a Business Ethics declaration 	<ul style="list-style-type: none"> Based on customer's product raw material specifications / requirements, Sunningdale will evaluate vendors taking following into consideration: <ul style="list-style-type: none"> Declaration on use of restricted substance Declarations on REACH, ROHC, Philates and Conflict Minerals 	<ul style="list-style-type: none"> Vendors are regularly assessed based on a set of criteria 	<ul style="list-style-type: none"> Suppliers are encouraged to practice good governance throughout the lifecycles of the goods and services supplied

CASE STUDY #2

One of the products manufactured by Sunningdale are scoops for infant milk powder. One key problem that was identified during an assessment of the production process was the presence of pests in the manufacturing area. A lizard was found inside a carton box, although it was not in direct contact with the scoops. The presence of the pests poses a potential threat to the health of the infants who are consuming the milk powder. To prevent such incidents, Sunningdale has a well-defined program in place since 2006 and was further enhanced in 2015 to ensure that the manufacturing process is operating in a pest-free environment.

The pest control programme that Sunningdale implemented includes:

- Zonal strategy to ensure pests have multiple layers to penetrate before reaching the product.
- Elimination of pest harbourage through inspections, packaging material, and process selection
- Traps to allow close monitoring of infestations trends

which will trigger extra actions before such pests become a problem

- Chemical control in selected areas deemed necessary
- Source elimination
- Preventive treatment to ensure no re-infestation occurs

Subsequently, the manufacturing area is subject to weekly employee checks and monthly checks by pest control service provider.

The effectiveness of these pest controls measures was evaluated by pest trending analysis. The effectiveness of these measures can be verified as there was no recorded rodent activity throughout the entire financial year in 2016.

The swift rectification of the pest issue is a testament to Sunningdale's commitment towards the health and safety of its customers.

Environment

WASTE MANAGEMENT

Waste is an area of concern for Singapore due to its increasing waste output coupled with its limited space available as a nation. At Sunningdale, we believe that effective waste management is essential not only for the benefit of the environment but also to protect the health of the community at large. Sunningdale's sustainability policy states that we will continuously

seek new technologies and methods to minimise resource consumption and reduce waste generation. To achieve this, we have adopted a four-pronged strategy: periodic review including monitoring and audits, control measures, employee awareness programme and process optimisation. We have indicated our key initiatives in Figure 13.

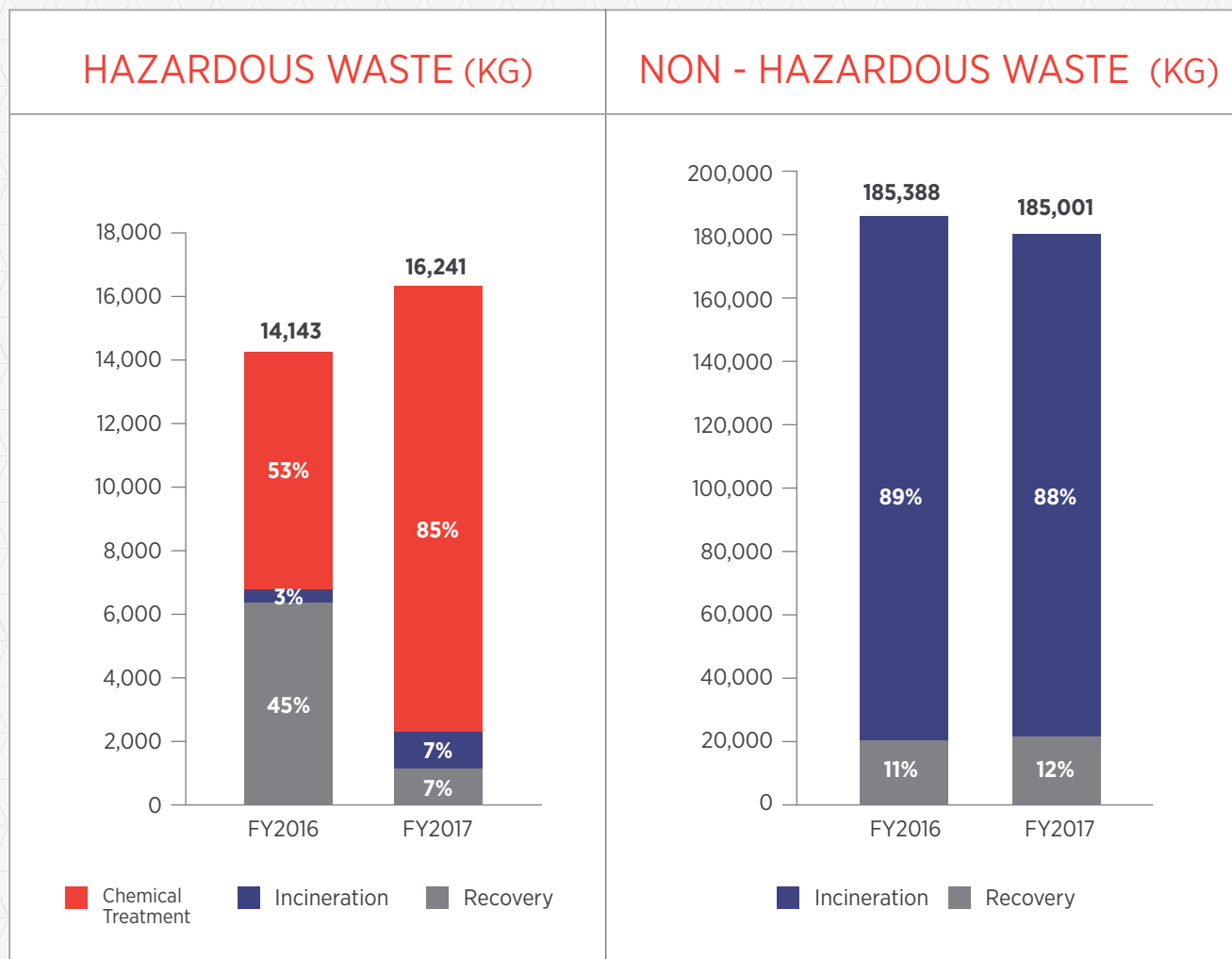
Figure 13: Four-pronged strategy and initiatives at Sunningdale for waste management⁵

PERIODIC REVIEW	CONTROL MEASURES	EMPLOYEE AWARENESS	PROCESS OPTIMISATION
<ul style="list-style-type: none"> Monitoring of production scrap with the usage of the SAP system Conducting of regular EHS internal and external audit 	<ul style="list-style-type: none"> Secondary containment of chemical wastes to prevent contamination to soil 	<ul style="list-style-type: none"> Session on waste management during the employee orientation programme highlighting the types of waste and their disposal method Yearly EHS campaign 	<ul style="list-style-type: none"> Optimisation of production process to minimise resource wastage such as opting for the hot runner system over the cold runner system

All of our waste is collected and disposed of by licensed third-party waste contractors who are approved by NEA. Figure 14 shows the waste produced by Sunningdale in 2016 and 2017. Considering the nature of our business, we do not have full control over the process and raw

materials to be used, limiting our ability to directly influence the amount of waste produced from the production process; however, the four-pronged waste management approach ensures control and identifies opportunities to reduce Sunningdale's waste generation.

5. More details on the hot runner system and cold runner system can be found in the case study below.

Figure 14 : Waste data for FY2016 and FY2017⁶

We have continued to achieve our perpetual goal of zero chemical spill and zero cases of improper disposal of waste. With our internal waste scorecard monitoring

scheme and regular EHS internal and external audit, we hope to maintain our record of zero cases of chemical spills and zero cases of improper disposal of waste.

Focus area	Perpetual target	FY2016 performance	FY2017 performance
Waste Management	Zero chemical spill	● Achieved	● Achieved
Waste Management	Zero cases of improper disposal of waste	● Achieved	● Achieved

6. The increase of hazardous waste and variation in the ratios among different disposal methods between 2016 and 2017 are mainly due to adding in new machines and change of coolant grade to reduce odour and cutter wear rate.

MATERIAL USAGE

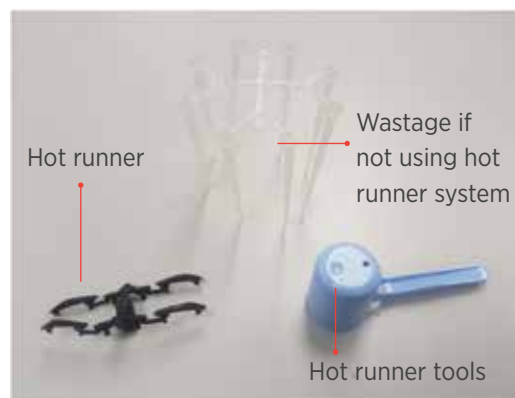
Sunningdale recognises the importance of using raw materials in a responsible manner, which translates to lower operating costs for us and allows us to play a role in conserving the Earth's finite resources. Though Sunningdale does not have full autonomy on our material consumption as our customers determine the type and amount of materials to be used, we always take a proactive approach in reducing and reusing our raw materials. One of the ways Sunningdale does so is to reuse plastic pallets and totes (Shown in Image 1) to transport products.



Image 1: Reusing of plastic totes to transport products

CASE STUDY #3

During the production of plastic parts, either a hot runner system or cold runner system has to be used to mould the parts to a specified shape. Using the hot runner system is more costly than the cold runner system; however, the hot runner system produces less wastage and results in significant material cost savings if production quantities are significant. Though we offer both options to our clients, we would recommend our clients to opt for the hot runner system when cost savings outweigh the premium paid for the adoption of this system, reducing the amount of waste generated from the moulding process.



GRI CONTENT INDEX

GRI Standard Disclosure	Description	Section of Report	Page Reference
GRI 102: General Disclosures 2016			
Organisational profile			
102-1	Name of the organisation	About the Report	4
102-2	Activities, brands, products, and services	About Sunningdale	5
102-3	Location of headquarters	About Sunningdale	6
102-4	Location of operations	About Sunningdale	7
102-5	Ownership and legal form	About the Report	4
102-6	Markets served	About Sunningdale	7
102-7	Scale of the organisation	About Sunningdale Social: Profile of Our Workforce	5 – 7 14 – 15
102-8	Information on employees and other workers	Social: Profile of Our Workforce	14 – 15
102-9	Supply chain	Social: Health and Safety of Our Customers	21 – 22
102-10	Significant changes to the organisation and its supply chain	Board Statement	2 – 3
102-11	Precautionary Principle or approach	Please refer to the Corporate Governance section of our 2017 Annual Report	18 – 44 2017 Annual Report
102-12	External initiatives	External initiatives that Sunningdale subscribes to include: • Blood Donation by the Singapore Red Cross Society • Share-A-Textbook by Fairprice • Walk for Our Children by Singapore Children's Society	
102-13	Membership of associations	Sunningdale is a member of the following associations: • Singapore Precision Engineering & Tooling Association (SPETA) • Singapore Manufacturing Federation (SMF) • Singapore National Employers Federation (SNEF)	
Strategy			
102-14	Statement from senior decision-maker	Board Statement	2 – 3
Ethics and Integrity			
102-16	Values, principles, standards, and norms of behaviour	About Sunningdale	5 - 6
102-17	Mechanisms for advice and concerns about ethics	Governance: Ethics, Bribery and Corruption	13

GRI Standard Disclosure	Description	Section of Report	Page Reference
Governance			
102-18	Governance structure	Please refer to the Corporate Governance section of our 2017 Annual Report Our Commitment to Sustainability	26 – 31 2017 Annual Report 8
Stakeholder engagement			
102-40	List of stakeholder groups	Stakeholder Engagement	9 – 10
102-41	Collective bargaining agreements	53.2% of our employees are covered by collective bargaining agreements.	
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	9 – 10
102-43	Approach to stakeholder engagement	Stakeholder Engagement	9 – 10
102-44	Key topics and concerns raised	Stakeholder Engagement	9 – 10
Reporting practice			
102-45	Entities included in the consolidated financial statements	Please refer to the Financial Statements in our 2017 Annual Report	94 – 99 2017 Annual Report
102-46	Defining report content and topic Boundaries	About the Report	4
102-47	List of material topics	Materiality Assessment Procedure	11 – 12
102-48	Restatements of information	No changes as it is the first year of reporting	
102-49	Changes in reporting	No changes as it is the first year of reporting	
102-50	Reporting period	About the Report	4
102-51	Date of most recent report	This is Sunningdale's inaugural sustainability report.	
102-52	Reporting cycle	About the Report	4
102-53	Contact point for questions regarding the report	About the Report	4
102-54	Claims of reporting in accordance with the GRI Standards	About the Report	4

GRI Standard Disclosure	Description	Section of Report	Page Reference
102-55	GRI content index	GRI Content Index	26 – 28
102-56	External assurance	About the Report	4
Topic-specific GRI Standard Disclosures			
Category: Economic			
GRI 205: Anti-Corruption 2016			
103-1	Explanation of the material topic and its Boundary	Materiality Assessment Procedure	11 – 12
103-2	The management approach and its components	Governance: Ethics, Bribery and Corruption	13
103-3	Evaluation of the management approach	Governance: Ethics, Bribery and Corruption	13
205-2	Communication and training about anti-corruption policies and procedures	Governance: Ethics, Bribery and Corruption	13
205-3	Confirmed incidents of corruption and actions taken	Governance: Ethics, Bribery and Corruption	13
Category: Environmental			
GRI 306: Effluents and Waste 2016			
103-1	Explanation of the material topic and its Boundary	Materiality Assessment Procedure	11 – 12
103-2	The management approach and its components	Environment: Waste Management	23 – 25
103-3	Evaluation of the management approach	Environment: Waste Management	23 – 25
306-2	Waste by type and disposal method	Environment: Waste Management	24
Category: Social			
GRI 403: Occupational Health and Safety 2016			
103-1	Explanation of the material topic and its Boundary	Materiality Assessment Procedure	11 – 12
103-2	The management approach and its components	Social: Occupational Health and Safety	15 – 21
103-3	Evaluation of the management approach	Social: Occupational Health and Safety	15 – 21
403-1	Workers Representation in formal joint management-worker health and safety committees	Social: Occupational Health and Safety	15 – 16
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Social: Occupational Health and Safety	18 – 19



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