

The background of the slide features a warm, natural aesthetic. It shows several notebooks with textured covers in shades of brown, tan, and pink, stacked or placed on a light-colored wooden surface. To the left, there are some small, light-colored wooden blocks or spacers. The overall lighting is soft and even, highlighting the textures of the paper and wood.

Sustainability Report



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1.0 Introduction

1.1 About Us

Listed on the Catalist of the SGX-ST, Nippecraft Limited, is headquartered in Singapore and was founded in 1977.

Today, Nippecraft has grown from a stationery manufacturer to becoming a leading provider of innovative lifestyle stationery solutions and pulp trader. The key markets of the stationery business include the United Kingdom, Australia and Singapore while the key markets of the pulp trading business include Indonesia, Europe, Singapore, Hong Kong and Malaysia.

The Group has two main consumer stationery brands: Collins and Debden. Collins and Debden are both global brands, with Collins having more than 200 years of British heritage, while Debden has about 40 years of history in Australia and New Zealand. We are proud of our heritage and always embrace sustainability as one of the priorities in our decision-making process for our business.

Collins and Debden are names that are synonymous with high-quality stationery products across the world. We are passionate about everything we do and strive to make the Collins and Debden brands the best that they can be based on our key principles:

- Quality;
- Creativity;
- Environmentally responsible;
- Innovation; and
- Investment in people.

For more information on Nippecraft, please visit our website at the following URL: <https://www.nippecraft.com.sg>.

1.2 Our Presence

Nippecraft Limited and its Subsidiaries

- Nippecraft Limited (HQ in Singapore)
- Collins Debden Pty Limited (Australia, Sydney)
- Collins Debden Limited (United Kingdom, Glasgow)
- Collins Debden USA, Inc. (USA, San Francisco)
- Collins Office Products International Ltd (Mauritius, Port Louis) (in liquidation)
- Paperich Pte Ltd (Singapore)



1.3 About this Report

We are pleased to present Nippecraft's Sustainability Report for FY2021. It has been prepared in accordance with Global Reporting Initiatives ("GRI") Standards 2016 – Core Option as well as Catalyst Rules 711A and 711B and Practice Note 7F of the Catalyst Rules. We have chosen the GRI Standards as it is an internationally recognised reporting framework and this allows for comparison with Nippecraft's peers.

We conducted a formal material assessment with internal stakeholders during FY2019, which led to the identification of sustainability matters most material to our business. These Economic, Environmental, Social and Government ("EESG") matters have been reviewed and validated by our Management in FY2021.

The reporting scope covers our corporate office and stationery operations for Singapore, Australia, United Kingdom and United States of America for FY2021. Where applicable, past financial year's data have been included for comparison purposes.

We have not sought external assurance on this report but will consider doing so as our reporting matures over time.

In our effort to meet the expectations of our stakeholders, we have taken steps to ensure the transparency and accountability of our global operations in accordance with the scope of our report.

Our stakeholders' feedback is the key to defining our sustainability approach. We look forward to your continuing support and welcome any feedback. Please contact us at sustainability@nippecraft.com.sg for any feedback.

1.4 Organisation Profile

Name of organisation	Nippecraft Limited
HQ location	9 Fan Yoong Road, Singapore 629787
Geography	Offices in Singapore, Australia, United Kingdom
Legal form	Publicly listed on the SGX-ST since 1994
Markets served	United Kingdom, Australia, Japan, Singapore, Malaysia, Indonesia, India, the United Arab Emirates, Hong Kong, Continental Europe and United States of America
Organisation scale	Number of employees : 60 Number of key business units : 4 Revenue : US\$ 140.1 million Cash and cash equivalents : US\$ 23.0 million Total debt : US\$ Nil Total equity : US\$ 31.0 million
Membership and Associations	Chamber of Commerce (United Kingdom) Forest Stewardship Council (“ FSC ”) Programme for the Endorsement of Forest Certification (“ PEFC ”) GS1 Singapore, United Kingdom and Australia Singapore National Employer Federation Singapore Business Federation Supplier Ethical Data Exchange (“ SEDEX ”) The BOSS Federation (United Kingdom)

2.0 Approach to Sustainability

2.1 Board's Statement

Please refer to the Independent Non-Executive Chairman's Statement on Page 12-13 of this Annual Report.

2.2 Stakeholders' Engagement

The success that we enjoyed is built upon effective stakeholder engagement. Feedback received from stakeholders may greatly influence business performance. From our corporate and overseas offices, our people engage with different stakeholder groups on a daily basis. We will strive to keep up with their evolving needs and this guides the type of responses required from us. Our approach to stakeholder engagement is detailed in Table 1 below:

Table 1: Material Stakeholders' Engagement

Stakeholders Groups	Frequency of Engagement	Method of Engagement	Key Interests of Stakeholder Group	Our response
Customers and consumers	Daily to weekly	<ul style="list-style-type: none"> Consumer enquiry channels Surveys, market research and focus groups Marketing and labeling of products Mass media and social media Point of sales Corporate website Whistle-Blowing Policy 	<ul style="list-style-type: none"> Stock availability Innovation Product quality Convenience and experience Product labeling Product safety 	<ul style="list-style-type: none"> To sustain brand trust and loyalty through a unique brand experience to meet their needs and enjoyment To develop innovation and strive for high-quality products at competitive pricing.
Local community	Ad hoc to annually	<ul style="list-style-type: none"> Annual reports Corporate social responsibility initiatives Participation in charitable activities Corporate website Whistle-Blowing Policy 	<ul style="list-style-type: none"> Support activities organised by local communities Local employment Environmental impact of operations 	<ul style="list-style-type: none"> To contribute to the development of the communities we operates in

Stakeholders Groups	Frequency of Engagement	Method of Engagement	Key Interests of Stakeholder Group	Our Response
Employees and trade unions	Daily	<ul style="list-style-type: none"> • Daily meeting • Staff feedback • Collective bargaining agreement • Company events and activities • Surveys and interviews • Staff appraisal • Training and development programmes • Corporate website • Whistle-Blowing Policy 	<ul style="list-style-type: none"> • Work environment • Pay and benefits • Equal opportunities and non discrimination • Health, safety and well-being • Job satisfaction • Training and development opportunities 	<ul style="list-style-type: none"> • To improve productivity • To reward performance with incentive • To strengthen the relationships with our staff through communication and participation in building our work environment
Shareholders	Half-yearly to annually and ad-hoc	<ul style="list-style-type: none"> • SGXNet announcements • Press releases • Half-yearly result announcements • Annual reports • Circulars • Shareholders' general meetings • Corporate website • Whistle-Blowing Policy 	<ul style="list-style-type: none"> • Business performance • Good corporate governance • Transparency 	<ul style="list-style-type: none"> • To improve profitability • To develop new strategies and initiatives • To create long-term sustainable value • To create an atmosphere of trust via timely communication and provide relevant and reliable information • To adhere to good corporate governance practices

Stakeholders Groups	Frequency of Engagement	Method of Engagement	Key Interests of Stakeholder Group	Our Response
Suppliers	Daily to weekly	<ul style="list-style-type: none"> • Annual reports • Electronic mails • Conference calls • Long-term business relationship • Service performance review • Site visits and audits • Corporate website • Whistle-Blowing Policy 	<ul style="list-style-type: none"> • Product and service quality • Cost of product and service • Business ethics 	<ul style="list-style-type: none"> • To collaborate, develop products and service quality • To achieve a sustainable business relationship with our suppliers
Government and regulators	Daily, monthly and annually	<ul style="list-style-type: none"> • Annual reports • Half-yearly result announcements • Participation in conferences, meetings and discussions • Press releases • Circulars • SGXNet announcements • Daily manpower log • Corporate website • Whistle-Blowing Policy 	<ul style="list-style-type: none"> • Business performance • Good corporate governance • Contribution to social and economic development • Environmental impact of operations 	<ul style="list-style-type: none"> • To comply with the relevant statutes and regulations • To support for relevant government and regulators' initiatives

2.3 Materiality Assessment

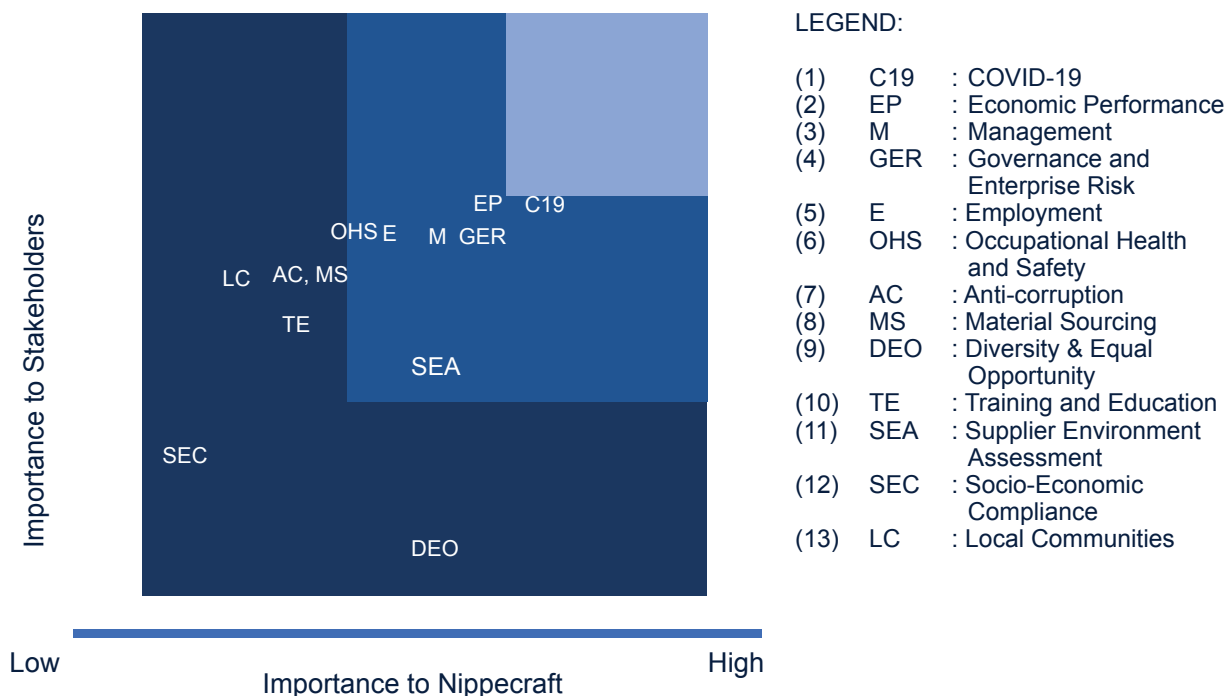
A formal materiality assessment was conducted in FY2020 to identify EESG matters which were most material to our businesses. In FY2021, our management team attended a workshop session and identified material factors that create a significant impact on our businesses. We will review our material matters annually to ensure that it continued to be relevant for our future reporting periods.

Table 2: Four Steps Materiality Assessment Process

1	Identification A list of EESG factors was consolidated through discussions with key management personnel across various stationery divisions.
2	Prioritisation The identified EESG matters were evaluated and prioritised by representatives from the various stationery divisions; taking into consideration both internal and external stakeholders' perspectives. These EESG matters were subsequently aligned at the Corporate level for consistency across the Group stationery divisions.
3	Validation The final list of material factors for FY2021 Sustainability Report was presented to the Board of Directors for their validation and approval.
4	Review Material matters selected for reporting in FY2020 were reassessed to ensure their continued relevance to our operations in FY2021. We will continue to review our material factors on an annual basis.

A materiality assessment exercise was conducted for FY2020 in accordance with the process described above. Incorporating inputs from our stakeholders, our material factors are ranked as follows:

Chart 1: Nippecraft's Materiality Matrix



3.0 Economic

3.1 Economic Performance

The scope of this report covers our stationery business operations in Singapore, the United Kingdom (“UK”) and Australia in which Nippecraft has an ownership interest of more than 50%.

Our Stationery business has ended FY2021 with a 9% increase in revenue to US\$16.0 million and an operating profit of US\$0.1 million (FY2020: operating loss of US\$1.4 million) due an increase in the stationery sales, improved margins and operational efficiency during the year in review. Through proactive supply chain management, the Group was able to avoid any material supply disruption during the year.

Nippecraft will continue to hold a holistic view in generating long-term profitability and shareholders’ returns with a consideration of the interest of various stakeholders identified under the stakeholders’ engagement. For example, our classic diaries and notebooks are evolving to portray the personality, lifestyle and fashion-sense of the consumers. We will continue looking into improving our consumers’ experience by engaging them to gather feedback on their experience in using our products and to comment on our work in progress to keep up with the ever-changing consumer trends.

For more information on our stationery financial performance in FY2021, please to the financial report section of this Annual Report.

4.0 Environment

In Nippecraft, we are conscious of our environmental footprint and have been working with our suppliers to reduce them. With the growing concern of climate change, it is imperative for us to focus on our effort in using sustainably sourced and recyclable materials in our products so that we can contribute to the global force to shift the tide of climate change. In year 2021, “Whatever we do, Nature will always win” remained as our guiding principle in conducting our businesses. To-date, we have not been identified by any authorities for non-compliance with environmental laws and/or regulations.

4.1 Materials Sourcing

We have suppliers located globally. These suppliers supplied the bulk of our finished goods. We often update them about our consumers and governmental requirements so that they are prepared for the changing needs. In year 2019, we explored with our suppliers to further reduce the use of plastics for packaging. Since then, plastic packaging is still the most suitable for our premium product ranges such as Cosmopolitan and Legacy ranges, as there is currently no alternative in the marketplace that performs as effectively. The plastic packaging for these 2 range of products doubles up as display material to protect the products whilst they are on display on shelf in stores. However, we will continue to use paper packaging whenever we can and have adopted this for a majority of our products, which include the Associate, Rural Management, Student, Elite and Classic ranges. Moving forward, we will consciously attempt to minimise the use of plastic on our new products.

Pulp and paper are the key raw materials in our finished products. As we continue to embrace sustainable sourcing, we are committed to responsible forestry management. As Nippecraft is both FSC and PEFC certified, we are committed to increasing the proportion of materials that are certified under the Chain-of-Custody programmes. In addition, most of our cover materials are either sourced from FSC or Registration, Evaluation, Authorisation and Restriction of Chemicals accredited suppliers.

In addition to sustainable sourcing, we also adhere to high social and ethical standards along with our supply chain. Our Company is a member of SEDEX, a global organisation that helps companies manage an ethical supply chain. The SEDEX Members Ethical Trade Audit is one of the most widely use audit procedures in the world. It provides a globally-recognised way to assess responsible supply chain activities, including labour rights, health and safety, the environment and business ethics. Furthermore, we have been instrumental in our key vendors adopting the SEDEX standards. Together with our key vendors, whom are also SEDEX members, we are continuously committed to ethical sourcing & management

Our materials have passed the stringent checks by the customs of the importing markets and we perform ongoing reviews to ensure that we comply with respective market customs regulations. We also review the commodity codes on an ongoing basis to ensure we are using the correct codes and therefore pay the correct level of duty. Commodity codes are used to classify goods for import and export within the European Union ("EU") or outside the EU. The classification aims to pay the right tax and duty and follow the respective regulations. We also continued to perform quality checks on our materials to ensure that there are no hazardous elements. For example, we ensure that our materials are non-hazardous through the use of materials which are REACH certified in particular, the materials used for our book covers. We practise ethical sourcing by using materials only from well-established suppliers who are compliant with environmental legislation and procedures.

Paper, which makes up approximately 90% of a book, can be recycled. Other elements, which cannot be recycled, include book cover materials, ribbon markers and head and tail bands. In the UK, these materials are disposed of through a third-party vendor via our distributor. In Australia, the unsold products are disposed of through a third-non-recoverable waste streams are shredded, baled then air-dried and exported to Asia to be used in energy production.

During the year, 1,500 (FY2020: 1,535) metric tonnes of materials were used to produce and pack our books sold.

Performance and Targets

Material Aspect	Target for FY2021	Performance for FY2021	Target FY2022
Material from sustainable sources	88%	88%	88%
	Tonnage	Tonnage	Tonnage*
Renewable material	1,351	1,320	1,360
Non-renewable material	184	180	185

**Note: The target total weight of the materials used will only be known after FY2021. As such we used FY2020 total weight of the materials used as an estimate for setting the target for FY2022.*

4.2 Supplier Environmental Assessment

Our Quality Control team performs regular site visits to our suppliers and check that they are indeed using sustainable materials. For all new suppliers, we perform rigorous due diligence checks before appointing them. The following reports will also be obtained from them:

- 4.2.1 ISO9001 Quality Management;
- 4.2.2 ISO14001 Environmental Management Certification;
- 4.2.3 FSC or PEFC;
- 4.2.4 SEDEX; and
- 4.2.5 Social Accountability (SA8000) or Occupational Health and Safety Assessment Series (OHSAS 18001).

Any potential vendors who are unwilling or unable to provide the abovementioned reports will not be appointed as our vendor. Due to the pandemic, travel ban was imposed by most countries across their national borders. As we were unable to conduct physical site visits, we have issued to our vendors a set of self-audit questionnaire for the purpose of conducting a review across quality, social and environmental aspects of the manufacturing process. This set of self-audit questionnaire aimed to give us assurance that all our downstream suppliers have put in the necessary efforts to support ethical sourcing and management.

In FY2020, we have appointed independent third-party inspection services provider to conduct on-site quality checks to ensure that there were no compromises on quality and delivery. However in FY2021, the factories refused access by our independent third-party inspection services provider to conduct on-site quality checks due to COVID-19 restrictions. Nevertheless, we have continued with our past practices of joint quality review and discussion with vendors through video conferencing and performed physical sample review. Customers may also request for the SEDEX audit reports which we will promptly provide to them for them to understand how our supply chains are performing.

5.0 Social

In FY2021, we saw 9% decrease in headcount to 60 employees. This was mainly due to the relocation of 1 employee from United Kingdom to Singapore, reduction of 4 full-time employees due to restructuring of our stationery business and 13 resignations offset by the employment of 8 full-time employees and 3 part-time employees. Employee turnover rate has also increased from 18% to 29% (refer to Table 5).

**Table 3: Total employed staff
As at 31 December**

	Male		Female		Total	
	2021	2020	2021	2020	2021	2020
Full-Time	23	28	32	36	55	64
Part-Time	1	–	4	2	5	2
Total	24	28	36	38	60	66

While our headcount decreased from 66 in FY2020 to 60 in FY2021, there were 12 new hires (included 1 relocated employee from United Kingdom to Singapore) in FY2021 replacing those whom have resigned within the Group, as illustrated below:

**Table 4: Newly employed staff by Countries
As at 31 December**

By Countries	By Gender		2021	2020
	Male	Female	Total	Total
Australia	2	2	4	3
Singapore	2*	2	4	3
United Kingdom	–	4	4	3
Total	4 (33%)	8 (67%)	12	9

Note: *Included 1 employee whom has relocated from United Kingdom.

Table 5: Employee Turnover
As at 31 December

By Countries	By Gender		2021	2020
	Male	Female	Total	Total
Australia	3	3	6	2
Singapore	2	4	6	4
Singapore (Restructuring)	2	2	4	–
United Kingdom	1**	1	2	6
Total	8 (44%)	10 (56%)	18	12
Employee Turnover rate			29%	18%
Employee Turnover rate (Excludes employee affected by Restructuring)			22%	18%

Note: *Included 1 employee whom has relocated to Singapore.

As we are operating within a fast-moving consumer goods industry, people are our greatest asset that serve as an important point of contact between our customers and Nippecraft. It is a priority for us to equip them with the required skill sets so that they can be at their best at all times. This includes functions like customer service, sales, procurement, warehousing, quality assurance, product development, human resources, administrative and finance. We hope to continue to improve their skills to meet the changing demands of the industry.

The severance package for employees in Singapore whom were affected by restructuring was drawn-up in consultation and consent from the union, Building Construction and Timber Industries Employees' Union (“**BATU**”) before the severance package was released to the affected employees.

Nippecraft continues to commit to fair employment, elimination of discrimination and encouraging diversity amongst our workforce.

Table 6: Age profiles of new hires

FY2021 Age Profile of new hires	<30	30 to 50	>50
Number	5	5	2
In percentage	42%	42%	16%
FY2020 Age Profile of new hires			
Number	2	3	6
In percentage	18%	27%	55%

We continue to believe that Group's operations required a strong talent pool to make a positive impact. In FY2021, we believed that we have recruited the right candidates in catering to the needs of the Company.

Performance and Targets

Material Aspect	Target FY2021	Performance for FY2021	Perpetual Target
Recruiting and matching the right candidates for the job	100%	100%	100%

5.1 Diversity and Equal Opportunity

We embrace diversity, and at the same time expect employees to be aligned with the Group's vision and strategic initiatives. The age of our staff ranges from the 20s to the 60s. Our staff consists of people coming from different nationalities and academic qualifications but we strive for fair treatment. We are committed to providing competitive remuneration and benefits to our employees.

The employees in our Group comprise of union and non-unionised members. In Singapore, a collective bargaining agreement between the Company and the BATU covers all our locally engaged employees other than staff holding managerial and confidential positions. Our employees in the UK and Australia are not unionised.

In FY2021, 29% of the senior management team comprised of females. The Board continues to believe that with existing gender equality in the senior management team, the Group can continue to expect diversity of ideas and innovative breakthroughs. Nippecraft will continue to ensure that gender equality is always our consideration on the boards of all our subsidiaries as well as the senior management team.

Employee Profile of the Group as at 31 December 2021 and 31 December 2020 are as follows:

Table 7: Age profile of all employees

FY2021 Age Profile of all employees	<30	30 to 50	>50
Number	8	34	18
In percentage	13%	57%	30%
FY2020 Age Profile of all employees			
Number	7	42	17
In percentage	11%	63%	26%

Table 8: Academic profile of all employees

FY2021 Academic Profile of all employees	Below diploma	Diploma	Degree and above
Number	12	17	31
In percentage	20%	28%	52%
FY2020 Academic Profile of all employees			
Number	15	17	34
In percentage	23%	26%	51%

Table 9: Nationality profile of all employees

FY2021 Nationality Profile	Australia	British	Chinese	Malaysian	Singaporean	Others
Number	11	20*	3	9	16	1
In percentage	18%	33%	5%	15%	27%	2%
FY2020 Nationality Profile						
Number	12	17**	3	10	22	2
In percentage	18%	26%	5%	15%	33%	3%

Note:

* Includes 5 part-time employees

** Includes 2 part-time employees

5.2 Code of Conduct

The Group sets out the expected code of conduct in its employee handbook. During the year, the Group has updated the business ethics guidelines that are required to be adhered to in dealings with both customers and vendors. Nippecraft ensures compliance with labour and employment laws, including working hours. The Group does not discriminate against anyone because of age, gender, national origin, disability, religion, sexual orientation, marital or maternity status, union membership or political opinion, among others. An Equality and Diversity Policy has been established within the Group to show our commitment towards promoting equality and diversity and to ensure that individuals are treated fairly and valued as a member of a team. The Company recognises that it has clear obligations towards all employees to ensure they are treated fairly. There are channels to report any non-compliance in relation to discrimination through our whistle-blowing system.

Nippecraft's Grievance Policy encourages employees to freely communicate with their immediate supervisor or human resource personnel. This is to ensure that problems are aired and resolved as quickly as possible. In the event that issue cannot be resolved at the operational level, it will be escalated to the next level of the organisational hierarchy.

In both years 2021 and 2020, there was no known instance of discrimination or reported discrimination received.

Performance and Targets

Material Aspect	Target for FY2021	Performance for FY2021	Target FY2022
Instance of discrimination	Zero tolerance of discrimination	No reported incident of discrimination	Zero tolerance of discrimination

5.3 Training and Education

Training in Nippecraft begins at the induction stage of our new hires. Our employees go through a host of internal coaching programmes including selling, customer service, procurement, inventory control, human resources and finance.

Nippecraft understands that staff training and development paves the way for the Group to progress into the future. One of our initiatives is to re-deploy our staff to assume new roles while leveraging on their expertise amidst the evolving business model that we operate in. Staff is encouraged to go for courses and seminars to upgrade themselves and improve their skills. We set-off into FY2021 with a training target of no less than 150 hours. At the end of FY2021, 243 (FY2020: 428 hours) training hours were provided to our employees across all functions.

Performance and Targets

Material Aspect	Target for FY2021	Performance for FY2021	Target FY2022
Training and Education	150 hours	243 hours	150 hours

5.4 Occupational Health and Safety

The well-being and safety of our employees are paramount to us. We are committed to safeguarding our employees' health and safety against any potential occupational hazards. Yellow tapes demarcate areas that may cause potential fall or injury. Similar to FY2020, there was no workplace incident in FY2021.

Performance and Targets

Material Aspect	Target for FY2021	Performance for FY2021	Target FY2022
Occupational Health and Safety	Zero incident of workplace accident	Zero incident of workplace accident	Zero incident of workplace accident

5.5 Local Communities

The UK office continued to make yearly donations to the British Heart Foundations and Glasgow City Missions to show their care for the homeless and sick people. In addition, our UK office had also donated to the local schools. Support is given to the Tasmanian Native Forest Protection Project with carbon offsets from the Kyoto range of diaries. In FY2021, the Group has achieved its target set-out in the Sustainability Report for FY2021.

Performance and Targets

Material Aspect	Target for FY2021	Performance for FY2021	Target FY2022
Supporting local community charity and not for profit activities	Supports at least two charity and/or not-for-profit events	Supported two charity events and one not-for-profit events	Supports at least two charity and/or not-for-profit events

5.6 Socio-Economic Compliance

We pride ourselves in having good corporate governance and observing compliance with applicable laws and regulations. The Group is committed to conduct the business with integrity and to safeguard the interest of all our stakeholders, both internal and external.

Similar to FY2020, we have achieved zero incident on non-compliance in FY2021.

Performance and Targets

Material Aspect	Target for FY2021	Performance for FY2021	Target FY2022
Socio-economic Compliance	Zero tolerance of non-compliance	Zero incident of non-compliance	Zero tolerance of non-compliance

5.7 COVID-19

While we continue to focus on sustaining our businesses during this challenging period, our employees' health and safety remain as our top priorities. Since April 2020, we had adopted the following measures in response to the COVID-19 for all our global operations:

- 5.7.1 work from home arrangement;
- 5.7.2 providing staff with the necessary equipment to work from home;
- 5.7.3 cleaning for warehouse facility that is still open;
- 5.7.4 maintaining social distancing for warehousing and office; and
- 5.7.5 applied and obtained "Safe Entry" QR code (for the purpose of contact tracing) for entry and exit from the warehouse premise in Singapore.

We will continue to play our part in preventing the spread of COVID-19 by adopting the above measures till the geographical regions that we operate in are declared COVID-19 safe.

6.0 Governance

Our ability to integrate sustainable initiatives and processes remained the critical factor for our business continuity. Our Board is overall responsible for sustainability and integration of EESG factors in the formulation of our business strategy. Management will then set the sustainability direction for our business operations. This includes the target setting and execution of initiatives. Management will report the sustainability performance to the Board on an annual basis.

6.1 Minority Representation

As at the date of this report, our Board consists of five members of which three are independent directors. This will ensure that the interests of the minority shareholders are protected and that their voices will be heard.

6.2 Policies and Practices

Strong corporate governance and good business ethics provide foundation support for many successful organisations in the world. Nippecraft aligns itself to the industry's best practices and strives to meet stakeholders' expectation. As part of our corporate governance framework, a set of policies, such as the Code of Conduct (refer to 5.2 Code of Conduct) and Whistle-blowing Policy, has been formulated to direct us on the right way to conduct business responsibly.

We strive to maintain the highest standard of accountability, fairness and integrity. Our employees are informed of their expected conduct during onboarding. We also encouraged them to raise any complaints or feedback regarding questionable accounting, audit matters, internal controls or any matter that breaches the Group policy, corruption and employee misconduct in accordance with our Whistle-Blowing Policy. Please refer to the Corporate Governance section for further information.

6.3 Enterprise Risk Management

Our Board recognised its responsibilities over the governance of risks and has set in place management procedures for ensuring a sound system of risk management and internal controls. These procedures include a structured Enterprise Risk Management (“**ERM**”) programme to Nippecraft and its subsidiaries, management reviews of key transactions, and the assistance of independent consultants such as external and internal auditors to review financial statements and internal controls covering key risk areas.

By identifying and managing risks through the ERM programme, we should be able to make more informed and collective decisions and to benefit from a better balance between risk and reward. As part of the programme, Management will also have more structured review processes as new risks emerge to be aware of the potential impact from such new risks and to undertake meaningful measures to address them.

More information on our Corporate Governance can be found in the Corporate Governance Statement section.

Performance and Targets

Material Aspect	Target for FY2021	Performance for FY2021	Target FY2022
Compliance with Catalist Rules, Code of Corporate Governance and the governing Statutes of the countries that we operated in.	Zero instance of non-compliance	Zero instance of non-compliance	Zero instance of non-compliance
Perform risk assessment annually and make relevant disclosures in accordance with the Catalist Rules and the Code of Corporate Governance.	Zero tolerance approach towards non-compliance	Zero instance of non-compliance	Zero cases of non-compliance
Compliance of Code of Conduct	Maintain a high standard of ethical conduct and adopts a zero-tolerance approach to fraud and zero incident of corruption or similar misconduct	No known ethical misconduct, fraud, or corruption or similar misconduct reported	Maintain a high standard of ethical conduct and adopts a zero-tolerance approach to fraud and zero incident of corruption or similar misconduct

GRI Standard Content Index

By Countries	Disclosure		Reference / Description
GRI 101: Foundation 2016			
GENERAL DISCLOSURE			
GRI 102: General Disclosures 2016	102-1	Name of organisation	Nippecraft Limited
	102-2	Activities, brands, products and services	Introduction, page 57
	102-3	Location of headquarters	Organisation Profile, page 59
	102-4	Location of operations	Organisation Profile, page 59
	102-5	Ownership and legal form	Organisation Profile, page 59
	102-6	Markets served	Organisation Profile, page 59
	102-7	Scale of the organisation	Organisation Profile, page 59
	102-8	Information on employees and other workers	Social, pages 66 to 71
	102-9	Supply chain	Environment, pages 64 to 65
	102-10	Significant changes to the organisation and its supply chain	There were no significant changes.
	102-11	Precautionary Principle or approach	Nippecraft supports the intent of the Precautionary Principle, but has not expressed a specific commitment.
	102-12	External initiatives	Nil
	102-13	Membership of associations	Organisation Profile, page 59
	102-14	Statement from senior decision-maker	Independent Non-Executive Chairman’s Statement, pages 12 to 13
	102-16	Values, principles, standards and norms of behaviour	Governance, pages 72 to 73; Corporate Governance Statement, pages 17 to 43
	102-18	Governance structure	Governance, pages 72 to 73; Corporate Governance Statement, pages 17 to 43
	102-40	List of stakeholder groups	Stakeholders’ Engagement, pages 60 to 62
	102-41	Collective bargaining agreements	Diversity and Equal Opportunities, pages 68 to 69
	102-42	Identifying and selecting stakeholders	Stakeholders’ Engagement, pages 60 to 62
	102-44	Key topics and concerns raised	Materiality Assessment, page 63
	102-45	Entities included in the consolidated financial statements	Financial Report, page 117

By Countries	Disclosure		Reference / Description
	102-46	Defining report content and topic boundaries	About this Report, page 58
	102-47	List of material topics	Materiality Assessment, page 63
	102-48	Restatement of information	None
	102-49	Changes in reporting	None
	102-50	Reporting period	1 January to 31 December 2021
	102-51	Date of most recent previous report	6 April 2021
	102-52	Reporting cycle	Annually
	102-53	Contact point for questions about the report	About this Report, page 58
	102-54	Claims of reporting in accordance with the GRI Standards	About this Report, page 58
	102-55	GRI content index	GRI Standard Content Index, pages 74 to 75
	102-56	External assurance	We may seek external assurance in the future.
MATERIAL TOPICS			
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Economic, page 64
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	Governance, pages 72 to 73
GRI 301: Materials 2016	301-1	Materials used by weight or volume	Environment, pages 64 to 65
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Environment, page 65
GRI 401: Employment 2016	401-1	New employees hire and employee turnover	Social, pages 66 to 68
GRI 403: Occupational Health and Safety 2018	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Social, pages 70 to 71
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Social, page 70
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Social, pages 68 to 69
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments and development programmes	Social, page 71
GRI 419: Socioeconomic Compliance 2016	419-1	Non-compliance with laws and regulations in the social and economic area	Social, page 71