



**SUSTAINABILITY REPORT**  
**For the Financial Year Ended**  
**2021**

# Table of Contents

	Page
About this Report	1
About New Silkroutes Group Limited	2
• Supply Chain	3
Sustainability at NSG	4
Our Approach to Sustainability	
• Sustainability Board Statement	5
• Stakeholders Engagement	6
• Materiality Assessment	8
Our Core Focus	
• Economic Performance	10
• Delivering Value to Customers	11
GRI Content Index	14

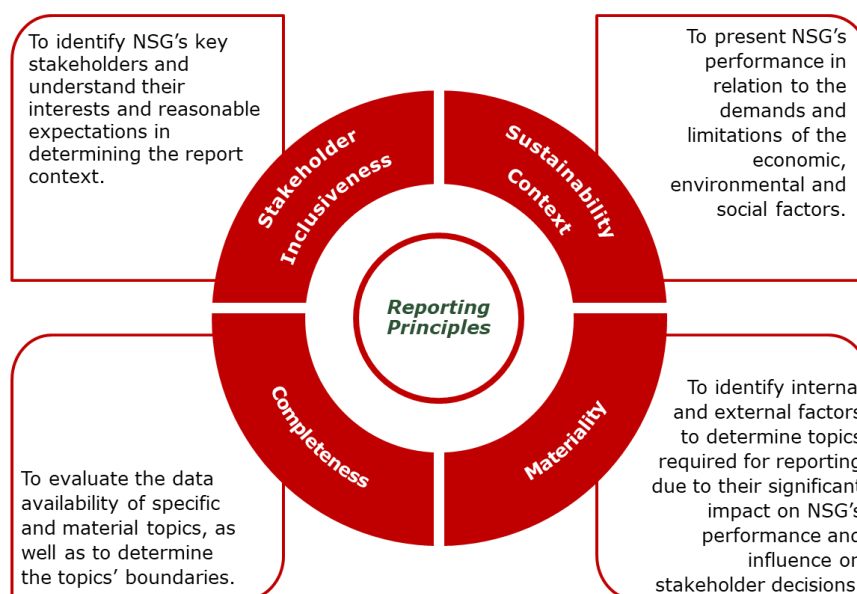
## About This Report

For the fourth consecutive year, the New Silkroutes Group Limited (“NSG” or the “Group”) presents our annual Sustainability Report for the financial year ended 30 June 2021 (“FY2021”). This report has been prepared in accordance with the Global Reporting Initiative Standards: Core Option (“GRI Standards”) and with reference to the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Rules 711A and 711B. For the full list of the references and disclosures used in this report, please refer to the GRI Content Index at the end of this report.

### Report content and topic boundaries

This report defines NSG’s Environmental, Social and Governance (“ESG”) management strategy and performance for FY2021 (1 July 2020 to 30 June 2021) and covers the operations of NSG’s healthcare division, which includes our clinics and a dental supply company in Singapore and production of non-woven biodegradable linen company in China.

With the addition of sustainability reporting requirements by the Singapore Exchange (“SGX”), we have created long-term value for our stakeholders through the incorporation of sustainable business practices, commitment to transparent reporting and disclosures on our approach to sustainability issues. This report thus documents our consideration and approach with regard to sustainability issues and demonstrates our commitment towards such issues. The content of this report adheres to the following reporting principles prescribed by the GRI Standards:



NSG has not sought external independent assurance for this sustainability report. However, succeeding reports will be taken into consideration as necessary.

### Contact

We are fully committed to listening to our stakeholders and welcome any feedback on our sustainability performance or any aspect of our report. Please write us at:

[ipr@newsilkroutes.org](mailto:ipr@newsilkroutes.org)

## About New Silkroutes Group Limited



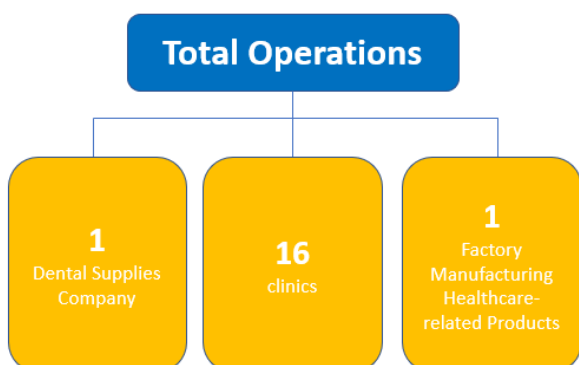
NSG is an investment holding company listed on the Mainboard of the Singapore Exchange Securities Trading Limited. Together with its subsidiaries, the Group operates in the healthcare sector and is headquartered in Singapore.

NSG’s healthcare division focus on the provision of healthcare and related services, and operates under its subsidiary, Healthsciences International Pte. Ltd. (“**HSI**”). HSI owns and operates primary care medical and dental clinics in Singapore.

The Group has also extended its healthcare portfolio into healthcare-related supplies through its subsidiary, Shanghai Fengwei Garment Accessory Co., Ltd. (“**Shanghai Fengwei**”) in China. Shanghai Fengwei produces the non-woven material which is used to manufacture disposable medical consumables such as hospital gowns and linens, personal protective equipment and masks.

HSI currently owns 16 clinics in Singapore, comprising one dental specialist clinic, eight dental clinics, five family medicine clinics, one aesthetic clinic and one traditional Chinese medicine (TCM) clinic as well as one dental supplies company.

In FY2021, NSG has commenced the winding up process of its wholly owned indirect subsidiary, International Energy Group Pte. Ltd. (“**IEG**”), by way of creditors’ voluntary liquidation, which was previously reported in the oil and gas segment.



### Our workforce for FY2021:

	Permanent	Temporary	Total
<b>Male</b>	164	7	171
<b>Female</b>	97	8	105
<b>Total</b>	<b>261</b>	<b>15</b>	<b>276</b>

### Employees by region:

	Total
<b>Singapore</b>	104
<b>China</b>	172
	<b>276</b>

## Supply Chain



HSI adopts a systematic approach in ensuring the rational use of medicines, including best dispensing practices, clinical protocol adherence to prescribed medications, and cost efficiency and effectiveness. We maintain seamless business operations by improving supply chain engagement, hence, securing adequate resources, such as medicine, dental or orthodontic appliances, and more.

At Shanghai Fengwei, the implementation of an effective production plan, operating nine production lines in six workshops, helps to achieve timely completion of production requirements.

Shanghai Fengwei's sales department is responsible for accepting sales inquiries and orders, providing samples, negotiating terms and conditions, and delivering production terms to the production department.

Shanghai Fengwei's production department comprises of the equipment, electrical, and technological components that ensure the machines and equipment are running effectively, management of the purchase of raw and auxiliary materials, and liaison with the sales department to fulfil the sales orders. The primary raw material is polypropylene pellets, which are then added with color additives to make them into cloth. The final product is packed in packaging films and delivered to customers via container trucks or stored in cool, dry, and well-ventilated warehouses.



## Sustainability at NSG



### Sustainability governance

NSG is committed to working collectively toward our sustainability goals wherever we operate globally, in Singapore and China. The Board, the governing body of NSG, is responsible for overseeing ESG issues and driving the global sustainability agenda forward.

The latest annual report FY2021, under the corporate governance section at pages 15-30, shows our governance framework structure. NSG's corporate governance framework is aligned with the underlying principles and guidelines of the Code of Corporate Governance 2018 (the "Code").

Since the Board approved the Enterprise Risk Management ("ERM") framework established in May 2019, we have implemented an effective process of identifying compliance issues, assessing, and potentially mitigating the threat of material risks. It applies to ESG-related risk as we recognize the extent of its impact, both positive and negative, and opportunities it may present across all business divisions.

### Vision and Mission

Our purpose is parallel with our healthcare division, HSI and Shanghai Fengwei practice in prioritising serving our patients or customers and the community's interest before self-interest.

Our mission to create a positive impact on the lives of others is accomplished through the provision of high-quality healthcare and fulfilling corporate social responsibility. We value and serve our patients, caregivers and customers with compassion, dignity, and respect. We will continue to strive for excellence in our service and practice with integrity.

### External Initiatives

On a group level, NSG is a member of the Singapore Business Federation. All professionals practising in our clinics under HSI are required to be registered and comply with the Codes and Conduct and guidelines of their respective professional bodies listed below:

- Singapore Medical Council
- Singapore Dental Council
- Traditional Chinese Medicine Practitioners Board

Shanghai Fengwei is a member of the following associations in China:

- China Nonwoven & Industrial Textiles Association
- Shanghai Federation of Industry and Commerce
- Shanghai Fire Protection Association
- Shanghai Yangtze River Delta Nonwovens Industry Association

# Our Approach to Sustainability

## Sustainability Board Statement

Dear Stakeholders,

The Board of Directors (the “**Board**”) is pleased to present its Sustainability Report for FY2021 in accordance with the GRI Standards: Core Option. This report highlights NSG’s commitment to implement sustainable business practices and define our purpose to create long-term value for our stakeholders that result in a positive impact on our environment.

The Board has considered sustainability issues, determined the material ESG factors and overseen the management and monitoring the material ESG factors. We have prioritised four main topics, namely, Economic Performance, Customer Health and Safety, Marketing and Labelling, and Customer Privacy. We have pledged to create and maintain a sustainability framework and fulfil it by building a culture of sustainability within the organisation that motivates corporate accountability, and at the same time achieving long-term economic value.

Following an internal strategic review, we have decided to wind down IEG business. We are confident that in due course, we will be able to successfully unwind all the liabilities associated with the IEG businesses and focus on transforming NSG into a tech-driven medical-focused group of companies delivering long-term and sustainable shareholder returns.

In FY2021, NSG directly generated a positive economic value of US\$42,039,000 from its continuing operations, of which US\$42,042,000 is distributed mainly as costs of goods sold under operating costs, as well as employee wages and benefits among other societal contributions, resulting in a negative economic retained of US\$3,000 for the Group’s continuing operations. The Board is aware of the importance of meeting the best interests of shareholders through economic growth while promoting environmental stewardship. We assure the utmost integrity, transparency, and accountability in our existing practices. Embedding sustainability into our business practices has made us conscious of the adverse impact on the environment, given the nature of the healthcare industry’s treatment of biohazards. NSG views environmental health as important as human health. With the declining condition of the environment exposing people to climate-related health risks, we take great responsibility for our contribution to the impacts of climate change by reducing the environmental footprint from healthcare waste generated.

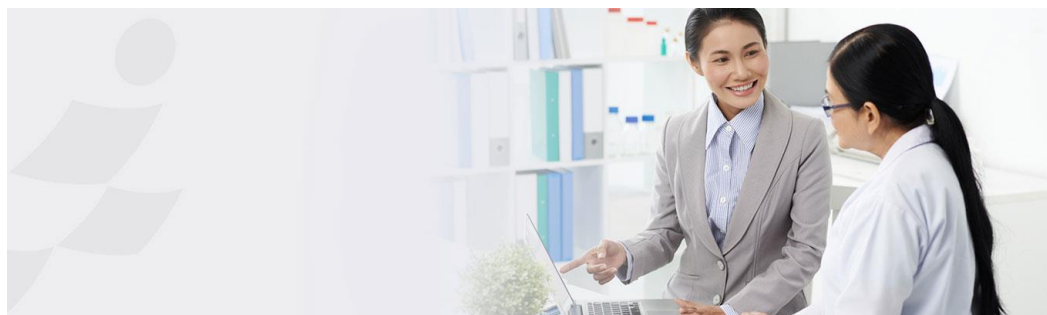
At NSG, the Group strongly believes that maintaining good relationship with stakeholders is crucial for its continuous success. Moving forward, we are committed to upholding the highest standards of ethical conduct and social responsibility. A no-blame culture is fostered in the organization to motivate and maximize employees’ accountability to report any incidents and create a habit of continuous learning.

The Group will continue our efforts to address ESG issues that not only improve the company’s financial performance but enhance corporate resilience and deliver sustainable growth.

**Mr Darrell Lim Chee Lek**

*Chairman of the Board of Directors*

## Stakeholders Engagement



NSG identifies its stakeholders as a group of people that have an influence on or are affected by the business’s operations, including external organizations possessing expertise on material topics. When engaging stakeholders, we utilised the two-way communications system to encourage feedback and integrate their interests, concerns, and suggestions for improvement towards our sustainability strategies and initiatives. It allowed us to leverage the feedback provided to highlight significant issues when formulating business strategies and policies to achieve long-term organizational success.

The table below lists the key stakeholders and the respective engagement channels and frequencies. We are continuously improving our communication channels to connect better with our stakeholders and accurately interpret stakeholder needs into corporate goals.

Stakeholders	Frequency of Engagement	Modes of Engagement
Shareholders	Annually/Quarterly/Ad hoc	<ul style="list-style-type: none"> <li>▪ Quarterly financial results</li> <li>▪ Annual and Extraordinary general meetings</li> <li>▪ Investor relations contact</li> <li>▪ Media release</li> </ul>
Top Management	Quarterly/Ad hoc	<ul style="list-style-type: none"> <li>▪ Board meetings</li> <li>▪ Management meetings</li> </ul>
Customers	Ad hoc	<ul style="list-style-type: none"> <li>▪ Front line team members</li> <li>▪ Electronic feedback channel via website</li> <li>▪ Emails</li> <li>▪ Phone calls</li> <li>▪ Face-to-face patient care</li> </ul>
Employees	Annually/Ad hoc	<ul style="list-style-type: none"> <li>▪ Emails</li> <li>▪ Annual appraisals</li> <li>▪ Regular dialogue sessions with senior management</li> </ul>
Suppliers	Ad hoc	<ul style="list-style-type: none"> <li>▪ Request for quotations</li> <li>▪ Request for proposals</li> <li>▪ Site visits</li> <li>▪ Meetings</li> <li>▪ Email correspondences</li> <li>▪ Phone calls</li> </ul>



## Stakeholders Engagement (cont'd)

Stakeholders	Frequency of Engagement	Modes of Engagement
Regulators	Annually/Ad hoc	<ul style="list-style-type: none"><li>▪ Annual inspection</li><li>▪ Regulatory guidelines</li><li>▪ Emails</li><li>▪ Phone calls</li></ul>

## Materiality Assessment

The report content and materiality assessment process conducted under the guidance of the GRI Principles for Defining Report Content identifies material topics relevant to our operation and stakeholders. A materiality refresh exercise, including benchmarking analysis against industry peers, is conducted every year to re-evaluate and update previous material ESG topics with the current operation. The process for the refreshment exercise is outlined as follows:

1. Current State Assessment	2. Materiality Assessment	3. Annual Review
Performed peer benchmarking to determine material topics that commonly reported across the industry and peers.	Conducted the materiality assessment discussion with the management team to prioritise the identified material topics.	Performed a review and assessed the relevancy of the existing material focus with the management team on an annual basis.

1	<b>Refresh Materiality Matrix</b>	Refreshment of materiality matrix was performed to evaluate the relevancy of the selected ESG factors against current business operations, including thorough the conduct of a peer benchmarking exercise.
2	<b>Conduct Internal Discussion</b>	Internal discussion sessions were conducted between management and employees that were proxy to various stakeholder groups.
3	<b>Conduct Management Review</b>	A management review was conducted to evaluate and prioritise the importance of the ESG factors raised by considering the company's significant economic, environmental, and/or social impact in our daily operations.

The following table summarises the GRI topics and the aspect boundaries identified as the most significant to NSG for FY2021:

Category	Topic	Sub-topic	Aspect Boundary <sup>1</sup>	Applicable Division - Healthcare
Economic	Economic Performance	201-1: Direct economic value generated and distributed	Within Organisation	√
Social	Customer Health and Safety	416-2: Incidents of non-compliance concerning the health and safety impacts of products and services	Within Organisation	√
	Marketing and Labelling	417-2: Incidents of non-compliance concerning product and service information and labelling	Within Organisation	√
		417-3: Incidents of non-compliance concerning marketing communications	Within Organisation	√
	Customer privacy	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	Within Organisation	√

<sup>1</sup> Aspect Boundary is a description of where the impacts occur for a material topic and the organisation's involvement with those impacts. Organisations might be involved with impacts either through their own activities or as a result of their business relationships with other entities.

# Our Core Focus

## Economic Performance

### Why is this a material issue?

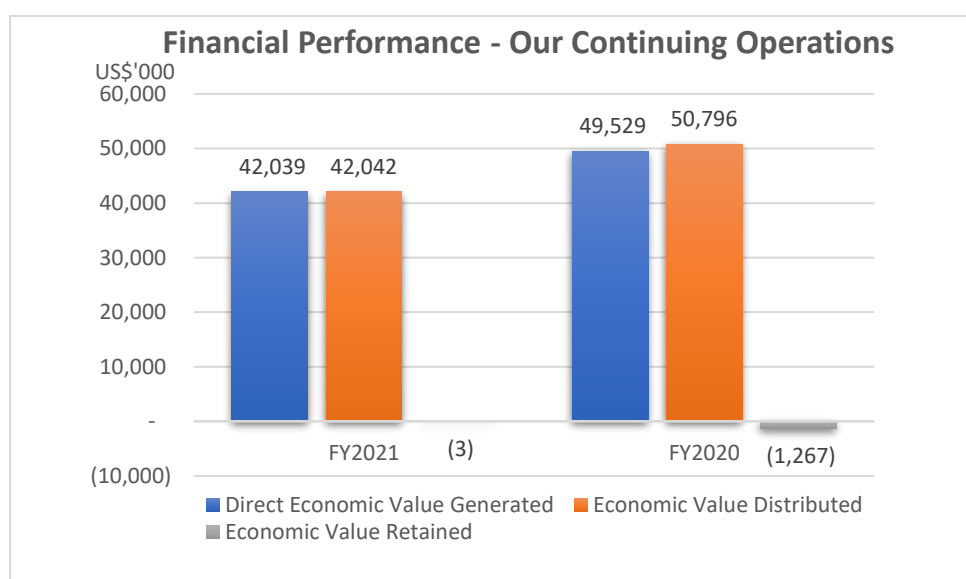
The measurement of our economic and financial performance is a basic and fundamental indication of how we as an organisation have created wealth for our stakeholders, especially our investors and shareholders. We strive to continuously enhance our financial performance and create long-term value for our investors and stakeholders.

### Management approach

NSG has commenced the winding up process of its wholly owned indirect subsidiary, IEG, by way of creditors' voluntary liquidation, which was previously reported in the oil and gas segment. As such, NSG has lost control of IEG. Accordingly, the IEG and its subsidiaries were classified as discontinued operation of the Group and its assets and liabilities deconsolidated from the Group.

### FY2021 Performance

The charts below highlight our economic performance (i.e. direct economic value generated<sup>2</sup>, economic value distributed<sup>3</sup> and economic value retained<sup>4</sup>) of our continuing operations for FY2021. More information on our financial performance as a Group is disclosed in our 2021 Annual Report.



<sup>2</sup> Direct economic value generated typically refers to the revenue generated by the organisation for the reporting period, which can be calculated as net sales, plus revenues from financial investments and sales of assets.

<sup>3</sup> Economic value distributed typically refers to the sum of operating costs, employee wages and benefits, payments to providers of capital, payments to government by country and community investments.

<sup>4</sup> Economic value retained refers to the value of direct economic value generated less economic value distributed.

## Delivering Value to Customers



### ***Customer Health and Safety***

#### **Why is this a material issue?**

As a health care provider, our fundamental practice has a direct influence on the health and safety conditions of our patients. It is in our discipline to prioritise the needs and well-being of HSI's patients, who had entrusted their health in the hands of our professionals. NSG goes the extra mile to value-add and delivers quality essential health services than settling on the expected purpose of our products and services.

#### **Management approach**

HSI is in complete regulatory compliance with the government's healthcare laws such as the Private Hospitals and Medical Clinics Act, Medicine Act, and the Health Products Act enacted by the Ministry of Health and Health Sciences Authority. To ensure consistent adherence across our clinics, we follow a comprehensive set of standard operating procedures ("**SOP**") for clinical practice, including clinic workflows and Code of Conduct for clinical assistants. SOP undergoes annual review by department leaders and updates or changes to receive approval from the Chief Executive Officer.

The safety of our patients is paramount. NSG takes measures to prevent and reduce risks, errors, and harm that occur to patients during the provision of health care by ensuring well-trained clinical employees through mandated orientations and on-the-job training for new employees supervised by the Clinic Heads. Additionally, compliance audits conducted reduces compliance risks. We are continuously educating and imparting knowledge on patient safety and best clinical practices to our clinicians and frontline employees through analysing case studies and industrial accidents.

#### **FY2021 performance and targets**

Shanghai Fengwei received 4 complaints from customers in relation to the quality of products in FY2021. The production department of Shanghai Fengwei will improve on the quality control of the products to ensure no such incidents occur moving forward.

The organisation has not identified any other non-compliance with regulations and/or voluntary codes concerning the health and safety impacts of its products and services. Going forward, we aim to have zero incidents for FY2022. We also aim to establish a baseline for FY2022 and derive indicators relating to safety in the workplace.

# Delivering Value to Customers

## *Marketing and Labelling*

### **Why is this a material issue?**

At NSG, we are committed to upholding ethical business practices and maintaining a strong reputation. We firmly believe in employing the ethical marketing of our products and services to our customers and stakeholders. We promote transparent communication of the economic, environmental, and social impact of our brands, products, and services. As any miscommunication may jeopardise our patient's health and violate marketing and labelling standards, we ensure business integrity is the single most important determinant of sales profitability.

### **Management approach**

All of HSI's registered healthcare professionals comply with the requirements and guiding principles in the Code of Conduct of their respective professional bodies, including those of the Singapore Medical Council, Singapore Dental Council, and Traditional Chinese Medicine Practitioners Board. The Code of Conduct includes standards for the ethical marketing of healthcare, pharmaceutical, and medical products.

### **FY2021 performance and targets**

In FY2021, the organisation has not identified any incidents of non-compliance with regulations resulting in a fine/penalty or a warning, or any incidents of non-compliance with voluntary codes related to product and service information and labelling, or any incidents of non-compliance with matters related to marketing communications, including advertising, promotion and sponsorship. Going forward, we aim to continue to comply with the rules within the PHMCA and Codes of Conduct and guidelines established by the professional bodies.

## Delivering Value to Customers



### ***Customer Privacy***

#### **Why is this a material issue?**

NSG respects and protects our customers' privacy as it is necessary to establish trust and loyalty, particularly that of HSI's patients. Patient's treatment and medical records are sensitive data, and a breach of patient confidentiality is a serious matter. To preserve the Group's success in upholding the highest standard of ethics, we ensure that customer's data are collected and safeguarded to prevent violating our customers' trust.

#### **Management approach**

NSG takes a proactive approach towards protecting our customers' privacy. Since 2018, a notice issued to all employees informed them of their protection obligation and duty under the Personal Data Protection Act 2012 ("PDPA"). It enumerates the Group's Privacy and Personal Data Protection Policies procedures on the collection, protection, and safe handling of personal data of our existing and prospective customers, business associates, and employees. Furthermore, we have established SOPs for our clinical practice to lead clinical assistants and assure the safeguarding of patient privacy and confidentiality.

We take serious responsibility in adhering to these implemented policies and have communicated to our employees the potential disciplinary actions upon the occurrence of a breach. A designated Data Protection Officer ("DPO") was appointed to oversee and enforce the responsibilities of the Group to ensure compliance with the PDPA. For any related matters, the DPO is contactable at [dpo@newsilkroutes.org](mailto:dpo@newsilkroutes.org).

#### **FY2021 performance and targets**

There were no reports of substantiated complaints received from outside parties, the Group, and regulatory bodies regarding customer data loss and privacy breach, nor identified leaks, thefts, or losses of customer data. To maintain our excellent standing in the year to come, the Human Resource department will administer training sessions for employees to keep abreast of developments in the PDPA and its obligations.

## GRI Content Index

GRI STANDARD	DISCLOSURE	PAGE NUMBER(S)	OMISSION	
<b>GENERAL DISCLOSURE</b>				
GRI 102: General Disclosures 2016	<b>Organisational Profile</b>			
	102-1	Name of the organisation	1	-
	102-2	Activities, brands, products, and services	2	-
	102-3	Location of headquarters	2	-
	102-4	Location of operations	2	-
	102-5	Ownership and legal form	Page 4 of NSG's Annual Report FY2021	-
	102-6	Markets served	2	-
	102-7	Scale of the organisation	2	-
	102-8	Information on employees and other workers	2	-
	102-9	Supply chain	3	-
	102-10	Significant changes to organisation and its supply chain	2	-
	102-11	Precautionary Principle or approach	4	-
	102-12	External initiatives	4	-
	102-13	Membership of associations	4	-
	<b>Strategy</b>			
	102-14	Statement from senior decision-maker	5	-
	<b>Ethics And Integrity</b>			
	102-16	Values, principles, standards, and norms of behaviour	4	-
	<b>Governance</b>			
	102-18	Governance structure	4	-
	<b>Stakeholder Engagement</b>			
	102-40	List of stakeholder groups	6 - 7	
	102-41	Collective bargaining agreements	Not applicable	We do not have employee unions in our business
	102-42	Identifying and selecting stakeholders	6 - 7	-
	102-43	Approach to stakeholder engagement	6 - 7	-
102-44	Key topics and concerns raised	6 - 7	-	
<b>Reporting Practice</b>				
102-45	Entities included in the consolidated financial statements	Page 4 and 94 – 97 of NSG's Annual Report FY2021	-	



GRI STANDARD	DISCLOSURE		PAGE NUMBER(S)	OMISSION
	102-46	Defining report content and topic Boundaries	1	-
	102-47	List all material topics	9	-
	102-48	Restatements of information	Not applicable	-
	102-49	Changes in reporting	Not applicable	-
	102-50	Reporting period	1	-
	102-51	Date of the most recent report	New Silkroutes Group Limited Sustainability Report 2020	-
	102-52	Reporting cycle	1	-
	102-53	Contact point for questions regarding this report	1	-
	102-54	Claims of reporting in accordance with the GRI Standards	1	-
	102-55	GRI content index	14 - 16	-
	102-56	External assurance	1	-
<b>MATERIAL TOPICS</b>				
<b>ECONOMIC</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	10	-
	103-2	The management approach and its components	10	-
	103-3	Evaluation of the management approach	10	-
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	10	-
<b>SOCIAL</b>				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	11	-
	103-2	The management approach and its components	11	-
	103-3	Evaluation of the management approach	11	-
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	11	-
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	12	-
	103-2	The management approach and its components	12	-
	103-3	Evaluation of the management approach	12	-

<b>GRI STANDARD</b>	<b>DISCLOSURE</b>		<b>PAGE NUMBER(S)</b>	<b>OMISSION</b>
GRI 417: Marketing and Labelling 2016	417-2	Incidents of non-compliance concerning product and service information and labelling	12	-
	417-3	Incidents of non-compliance concerning marketing communications	12	-
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	13	-
	103-2	The management approach and its components	13	-
	103-3	Evaluation of the management approach	13	-
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	13	-