



RIVERSTONE HOLDINGS LIMITED

Leader in the Manufacturing
of Cleanroom and Healthcare Gloves

SUSTAINABILITY REPORT

2019



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Board Statement

The Board of Directors of Riverstone Holdings Limited (“The Group”) is pleased to publish The Group’s Sustainability Report (“SR”) for the financial year ended 31 December 2019 (“FY2019”).

We consider sustainability issues as an integral part of The Group’s strategic business formulation and the Board remains committed to building a sustainable business by way of addressing the material Environmental, Social and Governance (“ESG”) factors while ensuring that our sustainability efforts would attain our financial performance targets despite the current challenging business conditions.

Our senior management who leads the sustainability team reports to The Group CEO and Board of Directors on the material ESG factors will continue to monitor and integrate the established ESG initiatives into our business operations.

We reaffirm our commitment to sustainability with the publication of this report guided by the Global Reporting Initiative (“GRI”) Standards: Core option.

About This Report

This report contains information regarding The Group’s Environmental, Social and Governance (“ESG”) topics from 1 January to 31 December 2019. Information regarding The Group’s financial performance is obtainable from the Annual Report (“AR”) of Riverstone Holdings Limited for the financial year ended 31 December 2019.

As it is widely accepted globally, this report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards: Core option, the latest set of standards issued by the GRI Global Sustainability Standards Board as the framework for disclosure inclusion.

The scope of the report includes the significant operating business segment of The Group and there were no changes to our operations during the period under review.

We have not sought external assurance for this report and will consult stakeholders on an ongoing basis as to the form of assurance they would seek from us.

In the spirit of improving sustainability practices, we welcome our stakeholders’ suggestions and comments. Please reach out to us at bizsupport@riverstone.com.my should you have any feedback or questions concerning this SR.

About Riverstone Holdings Limited

Riverstone Holdings Private Limited was incorporated in the Republic of Singapore on 3 August 2005 under the Act as a private company limited by shares. Our Company was converted into a public company and the name of our Company changed to Riverstone Holdings Limited in connection therewith on 27 October 2006. The company was subsequently listed on the Main Board of Singapore Exchange Securities Trading Limited (the "SGX-ST") on 20 November 2006.

Headquartered in Bukit Beruntung, Malaysia, the company and its subsidiaries ("The Group") are specialised in the production of Cleanroom, Healthcare gloves and non-glove consumable items namely finger cots, cleanroom packaging bags and face masks. Our products are qualified and widely used by major global players in the electronic and healthcare industries. On top of the achievements, The Group exports more than 80% of our products to key developed countries in Asia, the Americas and Europe.

As a global supplier of Cleanroom Consumables and Healthcare gloves we have five manufacturing facilities located in Malaysia, Thailand and China and have established network of sales offices and strategic partners in Asia, the Americas and Europe. In Malaysia, we are also an ordinary member of the Malaysian Rubber Glove Manufacturers Association ("MARGMA") which provides a common platform for discussion and exchange of views aimed at furthering the commercial objectives of its members and promoting a solid trade fraternity amongst them.

Vision

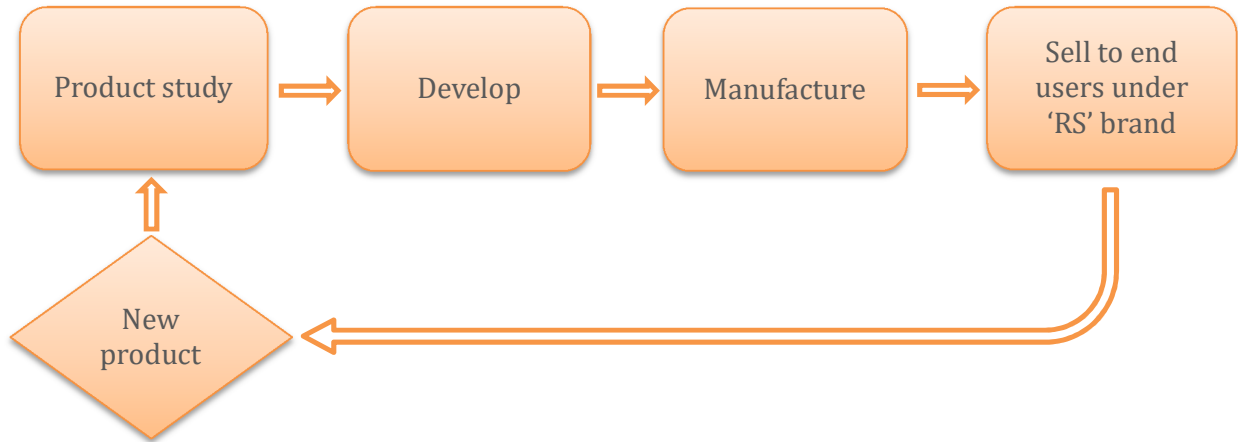
To be a global leader in the manufacture of cleanroom and healthcare gloves.

Mission

Never compromise quality for short-term gain, strive to exceed customers' satisfaction through superior product quality, on-time delivery and fair pricing, develop innovative new product and high degree of flexibility and adaptability in glove production, forge strong business partnership to reduce cost of doing business and provide a conducive working environment for its employees.

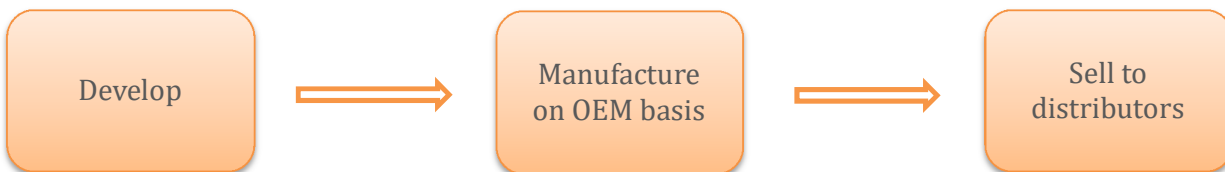
Cleanroom Division

Our cleanroom manufacturing facilities are National Environmental Balancing Bureau (“NEBB”) certified Class 10 and Class 100 Cleanrooms built with unique features to produce gloves that meet our customers’ stringent requirement:



Healthcare Division

We produce mainly premium nitrile gloves for the healthcare industry. These gloves are MNC qualified and are manufactured in a Good Manufacturing Practice (“GMP”) controlled environment on an OEM basis:



Our products are nitrile examination gloves and hand-specific, high risk examination gloves, accelerator-free nitrile and halogen free nitrile gloves.

Non-Glove Consumables

Our consumables plant produces finger cots, packaging bags and face masks. These products are developed, manufactured and sold to our end users.

The packaging bags we manufacture are for cleanroom use whereas the face masks are made either from breathable fabric with efficient filtration and minimum particles generation or high bonded white nonwoven fabric that is hypoallergenic, odourless with efficient filtration.

The production processes of these non-glove consumable items are performed in NEBB certified cleanroom to meet stringent customer requirements and are made free of Silicone Oil, Amide and Dioctyl Phthalate (“DOP”). In-house testing is conducted prior to each shipment.

Quality Assurance

Quality Assurance (“QA”) is crucial in our business by ensuring the products meet certain threshold of acceptability, which we believe will ultimately improve The Group’s efficiency and profitability by reducing wastage. We apply Quality Management System (“QMS”) to our manufacturing processes and our Quality Assurance (“QA”) laboratory is equipped with a complete range of state-of-the-art testing facilities. Our products are ISO certified, i.e. ISO 9001: 2015, ISO 13485: 2016 and ISO 14001: 2015.

Human Capital information

The Group is supported by over 3,900 employees and we have structured our remuneration system fairly and transparently to retain and motivate employees through monetary benefits, ongoing job training and career advancement opportunities. Performance reviews are conducted annually to appraise staff and to reward them accordingly.

We maintain a diverse workforce to promote acceptance, teamwork and respect despite cultural differences.

As at 31 December 2019, The Group’s workforce comprised 57% of local employees and 43% of employees of foreign nationality.

Sustainability Statement

Sustainability Governance and Commitment

The Board of Directors recognises that sound corporate governance practices are important to the proper functioning of The Group and is committed to enhancing shareholder value by maintaining high standards of integrity and complying with all applicable laws and regulations.

The Board comprises five directors of which more than half of the Board members are independent directors with strong financial and business background, providing the necessary experience and expertise to direct and lead The Group in relation to overall business management. Our senior management team that leads The Group's Sustainability Committee, is assigned the responsibility for overseeing sustainability and reports to The Group CEO and Board of Directors. Refer to our FY2019 Annual Report from page 16 to 31 for more information on Corporate Governance.

The Group adopts environmentally friendly, resource-efficient and responsible practices as part of the core sustainability values. Sustainability forms an integral part of its corporate strategy and decision-making process in achieving its vision of becoming a global leader in the manufacture of cleanroom and healthcare gloves. The Group ensures that the concerns and opinion of the key stakeholders are taken into consideration in the course of achieving its vision.

Value Chain Sustainability and Management

A sustainable supply chain is important in ensuring continuing success for business and as such, The Group endorses the following sustainable practices across its entire supply chain.

>> Group Procurement Policy

The procurement activities are guided by our Group Procurement Policy to ensure the goal of cost-effective, efficient and sustainable deliverability procurement is attained. The Group Procurement Policy guidelines entail the supplier selection and evaluation criteria like good quality products, competitive pricing and service and support reliability are required to minimise supply chain risk and other negative business impact.

>> Supplier Base Management

The Group seeks to diversify the supplier base as we understand supplier diversity not only drives competition on price, quality and service level between The Group's existing and potential suppliers, it would also encourage the growth of diverse business and economic growth of all communities.

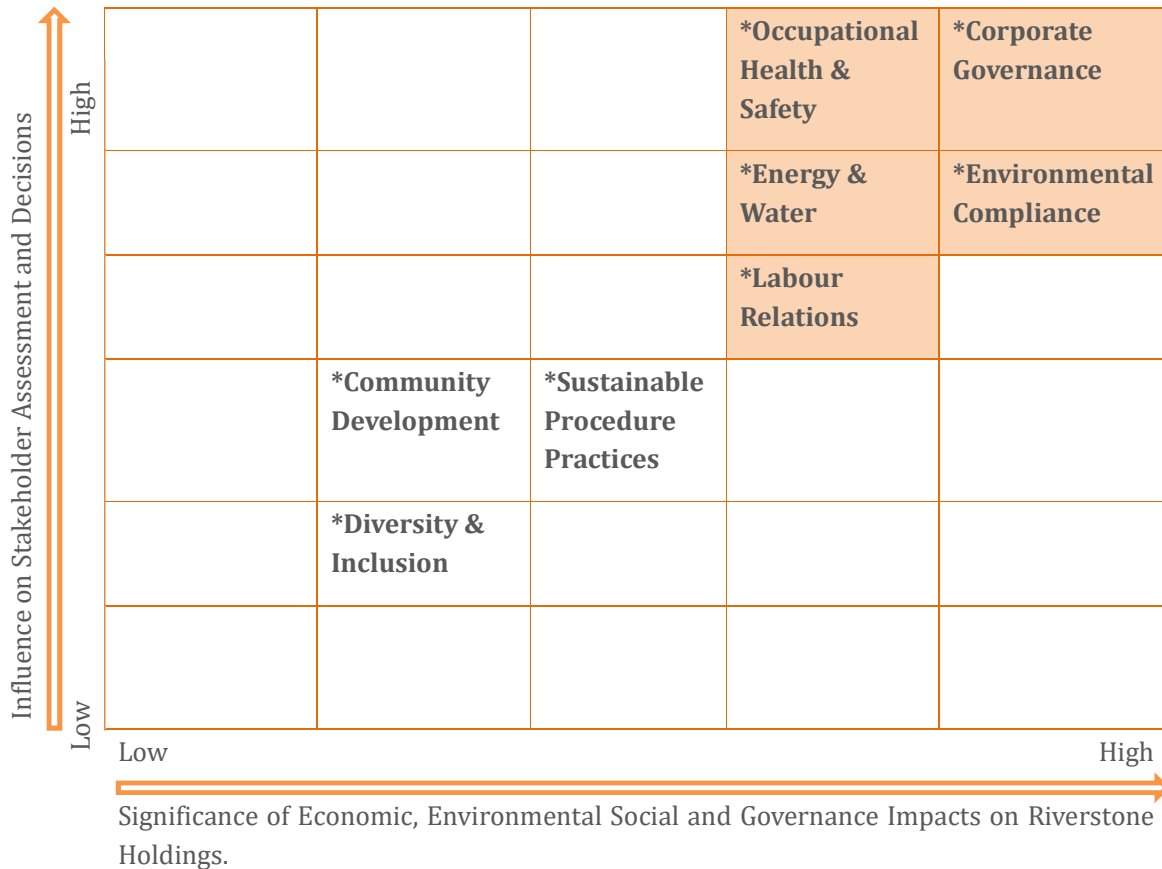
Materiality Assessment

We have reassessed material ESG factors identified in our first SR by reviewing the significance of economic, environmental and social impacts, interests and expectations of stakeholders through their feedback and on-going internal discussions.

Having considered the expectations of identified stakeholders and concerns pertaining to ESG, the Board and Management have concluded that the 5 sustainability issues determined previously remain the most relevant and material to our stakeholders and business for FY2019, namely:

- Energy and Water (Environmental)
- Effluents and Scheduled Waste (Environmental)
- Occupational Health and Safety (Social)
- Labour Relations (Social)
- Anti-Bribery and Anti-Corruption (Governance)

Materiality Matrix



Key Stakeholders' Engagement

It is important to frequently engage with our key stakeholders for us to better understand their expectations and concerns and to incorporate their applicable and relevant feedback into our long-term sustainability planning, which will help The Group to better overcome the arising ESG challenges, if any.

In accordance with GRI 102-42, we have reassessed our key stakeholders identified previously and would conclude that they exert significant level of influence and interests in our business operations and ESG factors which are material to The Group and its key stakeholders.

Key Stakeholder	Key Topic	Mode of Engagement
Customers	<ul style="list-style-type: none"> - Product quality and safety - Customer satisfaction 	<ul style="list-style-type: none"> - Feedback from customers - Site visit conducted by them at our factory plant - Trade fair
Employees	<ul style="list-style-type: none"> - Labour relations - Skills and performance 	<ul style="list-style-type: none"> - Orientation programme - Periodic meetings - Annual performance appraisals - Team building oriented events
Government	<ul style="list-style-type: none"> - Regulatory and industry standards compliance 	<ul style="list-style-type: none"> - Consultations and discussions
Shareholders	<ul style="list-style-type: none"> - Economic performance 	<ul style="list-style-type: none"> - Annual General Meeting - Corporate website - Queries to the Investor Relations
Suppliers	<ul style="list-style-type: none"> - Products and services quality - Sustainable deliverability 	<ul style="list-style-type: none"> - Site visit conducted by us at their premises - Regular meetings

Environmental Material Factors

The Group continues to carry out environmentally friendly practices to protect the environment for the well-being of future generations. The principal operating plant of The Group is in compliance with ISO 14001:2015 Environmental Management and we constantly engage our ISO auditors and in-house engineering team to conduct on-going examination and discussion to independently verify that the applicable environmental laws and regulations are complied with. The Group is committed to taking continuous effort to minimise the possible adverse impact on the environment.

Water Conservation

Water is a limited resource and The Group continues to work on water saving initiatives. The Group strives to reuse and recycle water where applicable through innovation and water saving features as follows:

- 1) To reduce the water consumption by developing new formulation which requires lesser leaching.
- 2) To reuse the water from leaching to former cleaning.



Effluent Treatment Plant is in place to purify our industrial waste water for its reuse and its aim is to release safe water to the environment. In addition, The Group built a rain collection system in FY2018 that runs the collected water through filtration at raw water treatment plant before releases to the production plant for manufacturing use.

As reported previously, The Group aims to recycle up to 30% of water gradually year by year and ultimately to reduce excessive withdrawal from water system by 5%.

With reference to the main plant of The Group, total water consumption amounted to 1,775,000m³ or 0.33m³ per 1000 units of output (FY2018: 1,623,000m³ or 0.37m³ per 1000 units of output).

Recycled water from the leaching process totaled to 132,000m³ during FY2019 (FY2018: 120,000m³).

Energy Usage

The Group continues to make conscious efforts in conserving energy by using energy efficiently and opting for renewable energy in an attempt to tackle the rapid global climate change by reducing our overall carbon footprint. We are constantly on the lookout for energy efficiency improving means. We began installing one unit of high-efficient industrial burner for glove curing at a production line in FY2018 which could typically reduce the natural gas consumption by 10% compared to the regular packaged burner and would continue with the installation progressively upon successful commissioning of new production lines in stages.

Natural gas usage in FY2019 amounted to 2,084,000MMBtu or 0.39MMBtu per 1000 units of output (FY2018: 1,742,000MMBtu or 0.40MMBtu per 1000 units of output), reflecting a slight improvement in efficiency despite that our production consistently requires higher-than-usual heat temperature generated for glove curing in the oven system to better meet the glove quality demand.

With respect to electricity saving, The Group regularly reminds employees of the basic electricity saving practices through internal memo and daily briefing. We have been using the high efficiency motor or IE2 (with reference to Standard IEC/EN 60034-30-1 on efficiency classes of line operated AC motors published by the International Electrotechnical Commission (IEC) on March 6, 2014) to operate the dipping machine ovens aiming to reduce the electricity consumption. Electricity usage in FY2019 amounted to 56,177,000kWh or 10.5kWh per 1000 units of output (FY2018: 45,842,000kWh or 10.5 kWh per 1000 units of output).

Effluents and Scheduled Waste

Hazardous waste generated by The Group is handled in accordance with the applicable environmental laws and regulations. Policies and work instructions are reviewed from time to time by the management to ensure compliance with Departmental of Environment (“DOE”) requirements pertaining to the management of storage, treatment and disposal of hazardous waste generated from our manufacturing activities. Amongst others, scheduled waste is stored with its movement being monitored by certified Competent Person. We will only engage licensed and qualified contractors to collect our scheduled waste that is sent to facilities approved by DOE for chemical or recovery treatment. Effluents are discharged strictly according to DOE requirements.

The waste intensity in FY2019 improved to 0.24kg per 1000 units of output (FY2018: 0.27kg per 1000 units).

The Group engaged an in-house Competent Person with respect to management of effluents and scheduled waste.

Social Material Factors

Occupational Health and Safety

Workplace safety is always The Group’s main priority. A safe workplace reflects a more productive and injury free workforce thereby reducing the healthcare costs. The Group obtained Occupational Safety and Health Management System (“OHSAS”) accreditation ISO18001: 2007 which is subject to annual audit by professional independent consulting firm.

Compliance with safety rules and procedures is overseen by a registered Competent Safety and Health officer who leads the Safety Committee consisting of executive staff. Regular safety talks and trainings are provided to workers from time to time to ensure best safety practices are communicated across the entire workplace. Safety signs and messages are put in the right work places.

As manufacturing plants are exposed to industrial fire risk, The Group regularly conducts fire drills involving our effective Emergency Response Team (ERT) to ensure all workers know how to exit safely as quickly as possible. We have the right type and quantity of firefighting equipment, fire hose and extinguishers are in place complying with Malaysian Fire and Rescue Department. Factory firefighting system is also installed by the government approved contractor, who is also engaged to service the firefighting equipment on a monthly basis.

The Group aims to work towards zero accidents and loss time injuries and the following are the health and safety highlights of FY2019 and FY2018:

Indicator	Performance	Target
Number of fatalities	FY2019 & FY 2018: None recorded	Maintain zero incidents resulting in fatality and permanent disability; achieved
Accident Frequency Rate (AFR) per every one million working hours	FY2019: 0.2 FY2018: 1.5	
Number of incidents resulting in permanent disability (PD)	FY2019: 0 FY2018: 2	



Fire drill Training

Labour Relations – Respect Human & Labour Rights and Fair Remuneration

Globally, The Group employed over 3,900 workers and we are committed to ensuring that the rights of all workers are respected according to national and international laws and our commitment is evident by the award of Business Social Compliance Initiative (“BSCI”) for being compliant with BSCI Code of Conduct.

The Group adopts code of conduct that spells out our core values in relation to employment, that we are committed to providing equal employment opportunity for all with a working environment that is free of discrimination and harassment and we do not discriminate on the basis of creed and colour, religion, gender, origin, age, disability, gender identity, marital status, ancestry or sexual orientation. Child labour is not to be used in any stage of manufacturing and no workers under the age of 16 shall be employed. Workers under the age of 18 shall not perform hazardous work. Employees’ privacy is protected and there will be no unauthorised access to employee records.

We have a good and attractive remuneration system in place to reward and retain our employees. Wages are paid at the competitive rates and compliant with the Malaysia minimum wage law. Salary increment and bonus are granted annually in line with The Group’s financial performance and monetary incentives are given periodically to encourage productivity increase.

The Group is well equipped with facilities for employees’ convenience such as an in-house clinic with full time paramedics, 24-hour canteens, hostel accommodation, gymnasium, first aid room, laundry, grocery shop and indoor sports arena.



Gymnasium and in-house clinic



Grocery Shop and Indoor Sports Arena

Hostel management service is outsourced to a facilities management specialist to ensure the hostel facilities are well maintained at all times so that good living conditions and well-being of the workers are taken care of.

Our labour policy, which is published on The Group's website is in place reflecting The Group's pledge to uphold the human rights of workers.

Labour Relations – Training & Education

We ensure that our employees have the skills they need to do their jobs and as they build their career with us. We value our employees as the human capital asset and as the backbone of our operations and hence, we continue to develop our human capital by having them sent for professional training to equip them with skills relevant to their job requirement. Our training policy requires that all heads of department review and prepare Training Needs Identification (TNI) for their staff at the start of each year.

Orientation briefings for new joiners and other in-house trainings are conducted on a need basis by our senior executives. On average, employees of The Group requiring external training received 13 hours of training in FY2019 (FY2018: 35), lower by 63% due mainly to a lengthy Fire Safety course conducted in FY2018 involving plant wide departmental Safety personnel, who would then provide on-site training to new staff from time to time.

Governance Material Factors

Anti-Bribery & Anti-Corruption

The Group seeks to foster an environment where honesty, integrity and ethical practices are maintained. We do not authorise and condone, directly or indirectly through others any unlawful or unethical behaviour, which serves the interests of all stakeholders.

We have zero tolerance for any form of financial misconduct including bribery and corruption and we have put in place a Code of Conduct including anti-corruption policy which entails the prohibition of accepting and offering of bribes, kickbacks, customary facilitation payments and gifts. Employees must also avoid situations giving rise to personal interests that are in conflict with The Group's interests. Declaration forms to pledge for anti-bribery and anti-corruption practices are signed by all employees and vendors aiming to assure all dealings are conducted in an even-handed manner.

There were no incidents of bribery and corruption reported during the sustainability reporting period of FY2018 and FY2019.

Whistle Blowing Policy

Whistle blowing policy and arrangement is also implemented requiring stakeholders to raise legitimate concern in relation to criminal activities, breach of legal obligation, miscarriage of justice, activities posing risk of danger to health and safety. The communication channel guide is included in the policy for whistle blowers whose identity will be protected if they elect to remain anonymous. Genuine and legitimate complaint will be investigated, progress updates and outcome of the investigation will be made known to the complainant. Both Code of Conduct and whistle blowing policies are available for download on The Group's website.

GLOBAL REPORTING INITIATIVE (“GRI”) CONTENT INDEX

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102-4	Location of operations	About Riverstone Holdings Limited	3
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102-9	Supply chain	Sustainability Statement	6
102-10	Significant changes to the organization and its supply chain	No significant changes in FY 2019	-
102-11	Precautionary Principle or approach	Corporate Governance Statement of Annual Report FY2019	AR Page 16

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GRI 102: GENERAL DISCLOSURES		Report header /sub-header/reference	Page reference
102-12	External Initiatives	Riverstone Holdings Limited subscribed to the following external initiatives: <ul style="list-style-type: none"> - ISO 14001:2015 Environmental Management - Financial assistance rendered to schools, underprivileged families and local community management entity 	-
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102-41	Collective bargaining agreements	Not applicable as The Group's workforce is not unionised	-
102-42	Identifying and selecting stakeholders	Key Stakeholders' Engagement	8
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GRI 205: Anti-Corruption	205-1 Operations assessed for risks related to corruption	Anti-Bribery & Anti-Corruption	14
	205-2 Communication and training about anti-corruption policies and procedures		
	205-3 Confirmed incidents of corruption and actions taken	Not applicable as no incidents of corruption reported in FY 2019	-
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GRI 103: Management Approach	103-1 Explanation of the material topic and its boundaries	Environmental Material Factors	9-10
	103-2 The management approach and its components		
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	303-2 Water sources significantly affected by withdrawal of water		
	303-3 Water recycled and reused		

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GRI 103: Management Approach	103-1 Explanation of the material topic and its boundaries	Environmental Material Factors	10
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	103-3 Evaluation of the management approach		
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	403-3 Workers with high incidence or high risk of diseases related to their occupation		
	403-4 Health and safety topics		