



Optima Automobile Group Holdings Limited
傲迪瑪汽車集團控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8418



**ENVIRONMENTAL,
SOCIAL AND
GOVERNANCE REPORT
2019**

Environmental, Social and Governance Report

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Environmental, Social and Governance Report

INTRODUCTION

Optima Automobile Group Holdings Limited (the “**Company**”, collectively, the “**Group**”) is a one-stop after-market automotive service provider in Singapore that offers comprehensive and integrated automotive related solutions to customers. The Group is principally engaged in the provision of a comprehensive range of after-market automotive services, focusing on inspection, maintenance and repair services and is also engaged in (i) offering short-term and long-term car rental services and (ii) supplying passenger car spare parts, accessories and automotive equipment.

This Environmental, Social and Governance Report (the “**ESG Report**”) summarises the environmental, social and governance (“**ESG**”) initiatives, plans and performances of the Group and demonstrates its commitment to sustainable development.

The ESG Governance Structure

The board of Directors (the “**Board**”) oversees and sets out ESG strategies for the Group. The Board is also responsible for ensuring the effectiveness of the Group’s risk management and internal controls through an annual assessment.

The Group has assigned personnel to systematically identify and cater to ESG issues. The said personnel are responsible for collecting and analysing relevant ESG data and identifying the Group’s ESG issues. In addition, the said personnel periodically report to the Board for the evaluation and subsequent implementation or revision of the Group’s ESG strategies.

REPORTING SCOPE

For Aspect A – Environmental, this ESG Report covers two of the Group’s reportable segments, namely, the provision of after-market automotive services and car rental services in Singapore. For Aspect B – Social, all business segments of the Group will be covered. The Group considers the present reporting scope to be adequate and will extend the scope of disclosure when and where possible. The key performance indicators (“**KPIs**”) gathered are shown in the ESG Report and are supplemented by explanatory notes to establish benchmarks.

REPORTING FRAMEWORK

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) as set out in Appendix 20 of the Rules Governing the Listing of Securities on GEM (the “**GEM Listing Rules**”) of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Information relating to the Group’s corporate governance practices can be found in the Corporate Governance Report on pages 23 to 40 of the annual report of the Company for the financial year ended 31 December 2019 (“**FY2019**”).

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REPORTING PERIOD

The ESG Report specifies the ESG activities, challenges and measures taken by the Group during FY2019.

STAKEHOLDER ENGAGEMENT

In order to further the Group's sustainable development efforts, the Group regularly engages its key stakeholders to identify sustainability issues and potential risks. Key stakeholders include but are not limited to, shareholders and investors, employees, customers, suppliers, media and the public, banks and other financial institutions, and government and other regulatory authorities.

Stakeholders' expectations have been taken into consideration by utilising diversified engagement methods and communication channels as shown below:

Stakeholders	Communication Channels	Expectations
Shareholders and investors	<ul style="list-style-type: none">• General meeting and other shareholder meetings• Financial reports• Announcements and circulars• Company website	<ul style="list-style-type: none">• Sustain profitability• Corporate governance• Business compliance• Maintain shareholder return
Employees	<ul style="list-style-type: none">• Training activities, seminars, and briefing• Email and suggestion boxes• Regular general meetings	<ul style="list-style-type: none">• Remuneration and benefits• Ensure safe working environment• Career development
Customers	<ul style="list-style-type: none">• Customer service hotline and email• Visits to service centres and paint workshop	<ul style="list-style-type: none">• Increase customer satisfaction• Fast turnaround time• High-quality services
Suppliers	<ul style="list-style-type: none">• Site visits• Business meetings and discussion	<ul style="list-style-type: none">• Fair and open procurement• Ensure on-time payment• Maintain sustainable relationship
Media and the public	<ul style="list-style-type: none">• ESG Report• News entries on company website• Reports and announcements	<ul style="list-style-type: none">• Increase transparency of ESG issues and financial disclosure• Legal compliance• Corporate governance

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Stakeholders	Communication Channels	Expectations
Banks and other financial institutions	<ul style="list-style-type: none"> • Post loan-tracking • Reports and announcements • On-site visits 	<ul style="list-style-type: none"> • Repay loans on time • Operate in an honest and credible manner • Legal Compliance
Government and other regulatory authorities	<ul style="list-style-type: none"> • Written or electronic correspondences • Visits and inspections 	<ul style="list-style-type: none"> • Compliance with local laws and regulations • Stability in business operations

The Group endeavours to actively listen to and collaborate with its stakeholders to ensure that their opinions can be voiced out through an effective communication channel. In the long run, the stakeholders' contribution will aid the Group in improving potentially overlooked ESG performances and maintaining the success of the Group's business in the challenging market.

MATERIALITY ASSESSMENT

The Board and management responsible for key functions of the Group have participated in the preparation of the ESG Report. They have assisted the Group in reviewing its operations, identified key ESG issues and assessed its importance to its businesses and stakeholders.

The Group's material ESG issues according to its relative importance as shown below:

Least material	Material	Most material
Water consumption	Non-hazardous Waste Management	Greenhouse Gas Emissions ("GHG")
Intellectual Property ("IP") Rights	Energy Consumption	Hazardous Waste Management
	Supply Chain Management	Recruitment, Diversity and Equal Opportunities
	Customer Satisfaction	Occupational Health and Safety Management
	Provision of Training Opportunities	Quality Control and Product Warranty
		Data Privacy Protection

For FY2019, the Group confirmed that it has established appropriate and effective management policies and internal control systems for ESG issues and confirmed that the disclosed contents are in compliance with the requirements of the ESG Reporting Guide.

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CONTACT US

The Group welcomes stakeholders to provide their opinions and suggestions. You can provide valuable advice in respect of the ESG Report or the Group's performances in sustainable development by emailing to: feedback@ow.sg.

A. ENVIRONMENTAL

A1. Emissions

General Disclosure and KPIs

Environmental protection and sustainable development rely on concerted and continuous efforts from all industries and society. In addition to complying with applicable laws and regulations of Singapore, the Group is committed to minimising any adverse impacts on the environment by incorporating environment-friendly practices in its daily operations. The Group endeavours to expand its business without exploiting the environment. Thus, the Group continuously improves existing policies and incorporates new policies to mitigate potential direct and indirect negative environmental impacts arising from its business operations.

During FY2019, the Group was not aware of any material non-compliance with laws and regulations relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that would have a significant impact on the Group including but not limited to, Environmental Public Health Act, Environmental Public Health (Toxic Industrial Waste) Regulations 1988, Sewerage and Drainage (Trade Effluent) Regulations and Environmental Protection and Management Act of Singapore.

Air Emissions

Due to the Group's business nature, an insignificant amount of air emissions was generated by the use of company vehicles. Fuel usage by the Group's customers under the provision of car rental services was not included as the Group did not have direct operational control of such usage; most of the fuel cost arising from such usage was also not borne by the Group. Measures on controlling air emissions will be provided in the following section – "GHG Emissions".

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GHG Emissions

The principal GHG emissions of the Group were generated from refrigerants, petrol and diesel consumption by vehicles and diesel consumption by the spray paint oven (Scope 1), purchased electricity (Scope 2) and paper waste disposal at landfills and business air travel (Scope 3).

Scope 1 – Direct GHG Emissions

The Group has adopted the following measures to mitigate direct GHG emissions from petrol and diesel consumption by company vehicles and diesel consumption by the spray paint oven in its operations:

- Plan routes ahead of time to avoid route repetition and optimise fuel consumption;
- Increase usage of hybrid vehicles, which account for approximately 75% of our rental fleet;
- Service company vehicle regularly to ensure optimal engine performance and fuel use; and
- Switch off the engine and the spray paint oven when not in use.

Scope 2 – Indirect GHG Emissions

Electricity consumption accounted for the largest percentage of GHG emissions within the Group. The Group has implemented measures to reduce energy consumption; said measures will be mentioned in “Aspect A2 – Use of Resources”.

Scope 3 – Other Indirect GHG Emissions

Office paper waste disposal and business air travel attributed to the category of other indirect GHG emissions. Noting that air travels generate a large amount of GHG emissions, the Group only utilises air travels when deemed necessary. Tele-conferences and web conferences are the Group’s preferred communication channel. Measures implemented to reduce paper waste disposal can be found in “Aspect A2 – Use of Resources”.

Through the implementation of such measures, the employees’ awareness of reducing GHG emissions has been noted to have increased.

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The total GHG generated by the Group during FY2019 are stated as below:

Indicators ¹	Unit	FY2019
Scope 1 – Direct GHG Emissions	tCO ₂ e ²	343.11
<ul style="list-style-type: none"> • Petrol and diesel consumption • Refrigerant 		
Scope 2 – Indirect GHG Emissions	tCO ₂ e	105.99
<ul style="list-style-type: none"> • Purchased electricity 		
Scope 3 – Other Indirect GHG Emissions	tCO ₂ e	28.49
<ul style="list-style-type: none"> • Paper waste disposal • Business air travel 		
Total GHG emissions	tCO₂e	477.59
Intensity³	tCO₂e/million revenue (SGD)	30.95

Note:

1. GHG emissions data is presented in terms of carbon dioxide equivalent and is based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG report – Appendix II: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, the "Global Warming Potential Values" from the IPCC Fifth Assessment Report, 2015 (AR5) and the Electricity Grid Emission Factors and Upstream Fugitive Methane Emission Factor issued by the Energy Market Authority of Singapore.
2. tCO₂e is defined as tonnes of carbon dioxide equivalent.
3. For FY2019, the Group recorded a revenue of approximately S\$15.43 million in the reported segments. This data is used for calculating other intensity data.

Sewage Discharges into Water and Land

The Group holds a valid Written Approval ("WA") to discharge trade effluent into the public sewer and ensures that the effluent complies with the requirements prescribed in the same WA. The Group did not consider the amount of sewage discharge into water to be disproportionate. Due to the Group's business nature, the sewage discharge into land is insignificant.

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Waste Management

Hazardous Waste Management

A material amount of hazardous wastes was generated by the Group. The major hazardous wastes produced in the Group's operations were spent motor oils and waste lead-acid batteries.

The Group remains vigilant to the management of proper hazardous wastes disposal and ensures that the disposal process complies with statutory requirements. Guidelines on the handling and storage of toxic industrial wastes disposal have also been formulated to illustrate the procedures of dealing with hazardous wastes to reduce the risk of exposure to harmful substances.

The Group has engaged a licenced toxic industrial waste collector to lawfully manage and dispose of the Group's spent motor oils. Spent motor oils are temporarily stored in oil drums or oil receptors until they are collected by the said licenced collector. As for waste lead-acid batteries, a vendor would arrive at the Group's premise to collect and lawfully dispose of the said used car batteries. In FY2019, approximately all of the hazardous wastes generated by the Group were lawfully disposed of by contracted third parties.

The total amount of major hazardous waste disposal generated by the Group during FY2019 are stated below:

Indicators	Unit	FY2019
Spent motor oil	Tonnes	67.30
Waste lead-acid batteries	Tonnes	16.98
Total hazardous waste generated	Tonnes	84.28
Total hazardous waste handled by waste collector	Tonnes	84.28
Intensity	Tonnes/million revenue (SGD)	5.46

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Non-hazardous Waste Management

Non-hazardous wastes generated were mainly scrap metal, scrap tyres and office paper. A total of 868 scrap tyres and 16.215 tonnes of scrap metal were generated, approximately all of such tyres and metal were collected and disposed of by contracted third parties. The Group did not note a disproportional amount of waste produced.

The Group places great effort in raising the awareness of its employees on the importance of reducing waste production and has adopted the following environmentally friendly initiatives to enhance its environmental performance. Environment-friendly measures include but not limited to the following:

- Repurpose and upcycle scrap tyres and metal where possible;
- Reduce the use of single-use disposable items;
- Recycle office and electronic equipment after their life cycle;
- Reuse single-sided waste paper where possible;
- Print electronic correspondences only when necessary; and
- Procure office paper with Forest Stewardship Council Recycled Label.

As a result, employees' awareness of waste management has been increased through these implementations.

The total amount of other non-hazardous waste disposal generated by the Group during FY2019 are stated below:

Category of waste	Unit	FY2019
Office paper ⁴	Tonnes	0.60
Total non-hazardous waste disposed	Tonnes	0.60
Intensity	Tonnes/million revenue (SGD)	0.04

Note:

4. Only 70gsm A4 paper was used, the consumption was approximately 162,500 sheets of which, approximately 15% was recycled.

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A2. Use of Resources

General Disclosure and KPIs

The Group takes the initiative to introduce environment-friendly measures to reduce the environmental impact arising from its business operations. Measures on reducing general waste and office paper waste production have been mentioned in the preceding “Waste Management” section.

Energy Consumption

The Group realises the scarcity of finite natural resources and has therefore implemented policies to better govern the use of resources. The Group strives to further reduce energy consumption by adopting the following energy-saving measures:

- Post eye-catching reminders near lights switches and electrical appliances as a reminder to employees;
- Switch off all idle appliances and unnecessary lightings upon leaving the service centres; and
- Purchase equipment with higher energy efficiency on the replacement of old equipment.

Anomaly in electricity consumption will be investigated and preventive measures will be taken. Through the implementation of the aforementioned energy-saving measures, employees’ awareness of energy conservation has increased.

The total amount of energy consumption of the Group during FY2019 are stated below:

Indicators	Unit	FY2019
Petrol ⁵	kWh	175,248.83
Diesel ⁶	kWh	46,901.58
Electricity	kWh	253,079.18
Total energy consumption	kWh	475,229.59
Intensity	kWh/million revenue (SGD)	30,799.07

Note:

5. Actual petrol consumption was approximately 18,083.00 litres.

6. Actual diesel consumption was approximately 4,382.00 litres.

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Water Consumption

Water was mainly consumed to clean vehicles that were brought in to be serviced at the Group's service centres. The Group actively promotes the importance of water conservation to its employees. Apart from posting eye-catching reminders around the washrooms, service centres and the paint workshop, the Group also regularly inspects water taps to prevent leakages. Through the implementation of the mentioned water-saving measures, employees' awareness of water conservation has increased.

Due to the Group's business nature, the Group did not encounter any problem in sourcing water that was fit for purpose.

The total amount of water consumption of the Group during FY2019 are stated below:

Indicator	Unit	FY2019
Total water consumption	m ³	3,166.90
Intensity	m ³ /million revenue (SGD)	205.24

Use of Packaging Material

Due to the Group's business nature, the use of packaging material was not considered to be a material ESG aspect to the Group.

A3. The Environment and Natural Resources

General Disclosure and KPIs

The Group realises its responsibility in minimising any negative environmental impacts in its business operations. The Group is aware of its existing and potential impacts and therefore regularly assesses the environmental risks in its business model. Where necessary, the Group implements preventive measures to ensure compliance with relevant laws and regulations.

Air Emissions in Spray Painting Activity

The Group understands that the spray painting activity might cause odour nuisance to the neighbourhood. The Group applied for and was granted the permission by both the Housing and Development Board and National Environment Agency of Singapore to operate the spray painting activity at the Group's designated spray painting workshop. The said workshop has a mechanical ventilation system that extracts spray paint fumes and ensures adequate ventilation in the spray paint oven. Filters are also used in the oven and are replaced at least once annually, depending on the actual usage. The Group is also keen on looking into the feasibility of transitioning to waterborne paint to further reduce the emission of volatile organic compounds.

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B. SOCIAL

B1. Employment

General Disclosure

Human resources are the cornerstone of the Group. The Group recognises that its continued success is dependent on employees' talents and their dedication. Employment policies are formally documented in the Group Employee Handbook, covering areas about recruitment, compensations, remuneration, diversity and equal opportunities, etc. The Group periodically reviews existing policies and employment practices to ensure continuous improvement of its employment standards and competitiveness against service providers within the same industry. As at 31 December 2019, the Group had a total of 108 employees.

During FY2019, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group, including but not limited to Employment Act and Employment of Foreign Manpower Act of Singapore.

Recruitment, Diversity and Equal Opportunities

Sustainable growth of the Group relies on the diversity of talents and non-discriminatory recruitment process. The Group's employees are recruited via a robust, transparent and fair recruitment process based solely on their experience and expertise and without regard to their age, ethnicity, origin, gender identity, marital status, sexual orientation and religion.

The Group believes that all employees should have the right to work in an environment free of discrimination, harassment and vilification. Therefore, the Group is committed to creating and maintaining an inclusive and harmonious workplace culture. In addition, the Group emphatically states its zero-tolerance stance on any aforementioned behaviours in the workplace of any form.

Benefits and Welfare

The Group understands that good benefits and welfare encourages retention and fosters a sense of belonging. The Group offers attractive remuneration packages, including discretionary bonuses and allowances. In addition to leave entitlement stipulated in the Employment Act of Singapore, the Group is flexible in granting leave to cater the needs of its employees, such as marriage leave, compassionate leave, etc. Save for the aforementioned arrangements, the employees are also entitled to benefits such as outpatient medical benefits.

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Promotion and Performance Appraisal

The Group assesses the performance of the employees on an annual basis, the results of which are used for their annual salary review and performance appraisal. The Group also gives preference to internal promotion in order to provide incentive to employees for their consistent and continuous effort.

Working Hours and Rest Periods

Official working hours and rest periods are clearly stated in the Group Employee Handbook and are in accordance with the local employment laws. Unless otherwise specified, employees are eligible for overtime payment.

Compensation and Dismissal

The Group compensates employees through the provision of Workmen's Injury Compensation Insurance Policy under the Workmen's Injury Compensation Act of Singapore, which covers employees who sustain personal injury by accident or disease arising out of the course of employment. Unreasonable dismissal under any circumstances is strictly prohibited, dismissal will be based on reasonable and lawful grounds supported by internal policies of the Group.

B2. Health and Safety

General Disclosure

Occupational Health and Safety Management

The Group places a high priority on providing employees with a safe and healthy working environment. The Occupational Health and Safety Policy was drafted and subsequently implemented in accordance with the Workplace Safety and Health (Risk Management) Regulations of Singapore. The said policy includes procedures and guidelines on fire drills and the provision and use of protective equipment. Furthermore, the Group received ISO 45001:2018 and BizSafe Level Star certification and the operations are subject to regulations and periodic examinations by local work safety and environmental authorities.

Moreover, the Group has formulated a comprehensive Occupational Health and Safety Manual that aims to safeguard the health and safety of its employees and mitigate potential hazards within the Group's premise. The objectives set in the said Manual are periodically reviewed to ensure the immediate goals are reached, and that the company works towards the continual improvement of the Occupational Health and Safety Management System.

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The Group places great importance on ensuring that its employees receive adequate and appropriate training to safeguard workplace safety procedures. Therefore, the Group holds induction safety training for its employees and encourages them to undergo continuous safety training. To further ensure that workplace accidents and common emergency situations can be tended to as soon as possible, the Group provided external first aid and automated external defibrillator (“AED”) training sessions to its employees. Some of the Group’s employees are valid Singapore Red Cross Society first aid and AED providers.

During FY2019, the Group was not aware of any material non-compliance with health and safety-related laws and regulations that would have a significant impact on the Group, including but not limited to Workplace Safety and Health Act, Workplace Safety and Health (General Provisions) Regulations and Work Injury Compensation Act of Singapore.

B3. Development and Training

General Disclosure

Training and Development

Training and continuous development are indispensable to the Group’s employees to keep abreast of the ever-changing trend of the industry and also to satisfy its customers’ evolving needs. The Group holds firm belief that the provision of training opportunities and continuous development to its employees provides the Group with a solid foundation for its continuing success.

Provision of Training Opportunities

The Group arranges its management, service advisors and technicians to attend courses and seminars to keep up with the latest developments of the industry. For the provision of after-market automotive service, new employees are assigned with a mentor to guide and monitor the quality of work of the new employees for at least three months starting from the commencement of employment. For the Group’s customer service advisors, the Group provides them with training on compliant management skills, communication skills and the compliant management procedures. The Group regularly conducts in-house training to allow sharing of technical knowledge and information amongst employees. Employees are also entitled to apply for paid examination leave.

During FY2019, the Group financed one of its employees to travel from Singapore to the United States of America to participate in the 10-day Automotive Electronics and Software Boot Camps, fully reflecting the Group’s dedication in ensuring its employees receive high-quality training.

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B4. Labour Standards

General Disclosure

Prevention of Child and Forced Labour

The Group guarantees that no employee will be forced to work against his/her will or be coerced to work. The recruitment of child labour is strictly prohibited. All employees recruited by the Group are above 18 years old. The human resources department ensures that their identity documents are carefully checked to verify the personal data submitted during the process.

During FY2019, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations that would have a significant impact on the Group, including but not limited to Employment Act of Singapore.

B5. Supply Chain Management

General Disclosure

The Group mainly procures spare parts, accessories and consumables which are required for rendering the Group's after-market automotive services. The Procurement and Payment Policy has been implemented to govern the procurement process. The Group takes into account suppliers' track record, prevailing market price and delivery time. At the same time, the purchase of supplies is determined and adjusted by the current inventories, expected customer demands and projected sales trends.

Where possible, the Group strives not to over-rely on a particular supplier by maintaining more than one supplier for each type of goods or services provided in order to ensure the stability of the supply chain. The Group is keen on supporting local economies; the list of approved suppliers of the Group is mainly located in Singapore.

The Group periodically evaluates and monitors the performance of its suppliers to ensure their compliance with quality and service standards. Should services provided by a supplier fall below the agreed standard, the cooperation may be terminated.

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B6. Product and Service Responsibility

General Disclosure

The Group has an extensive quality assurance process to ensure that the products and services provided are not only in compliance with relevant local laws and regulations but are also of high quality. The Group's management system has been certified to be in accordance with the standard required under ISO 9001:2015 (Quality management systems). The Group's directors believe that an effective quality management system would improve the overall service quality as well as increasing customer's satisfaction.

During FY2019, the Group was not aware of any non-compliance with laws and regulations concerning health and safety, advertising, labelling and privacy matters relating to products and services and methods of redress that would have a significant impact on the Group, including but not limited to Personal Data Protection Act 2012 of Singapore.

Quality Control and Product Warranty

Implementing an effective quality control is fundamental to ensure the quality of the goods and services provided to the customers. To maintain the quality of services provided, the Group's workshop supervisors conduct quality control inspections before the handover of the passenger cars to its customers for after-market automotive services rendered. For car rental services, the car rental executives will ensure that the rental passenger cars are in good condition before the handover of the passenger cars to the customers for car rental services rendered. The Group's assistant inventory manager is responsible for the overall control on quality of the supply of passenger car spare parts, accessories and consumables. Product warranty is also provided to customers whose vehicles have been serviced by the Group.

The Service Advisor Standard Operating Procedures ("**SOP**") is also in place to ensure standardisation and quality service of the Service Advisors across different premises of the Group. The comprehensive SOP not only details the duties and responsibilities of the Service Advisors, but also provides guidance on advising customers in the event of an accident.

Data Privacy Protection

The Group endeavours to safeguard all sensitive information pertaining to its customers. The Group has established the Data Protection Policy, which can be found on the Group's website. The said policy covers topics such as the handling and disclosure of confidential information. A Data Protection Officer is appointed to regularly review existing policies and ensure that the Group's employees have proper knowledge and support with regard to data privacy protection. In addition, the Data Protection Officer receives feedback from the customers; possible communication methods are stated in the Group's website. Moreover, to prevent unauthorised access to the Group's information system, apart from being password protected, different users are also assigned different levels of access rights. Lastly, to further safeguard the customers' personal data privacy and the Group's confidential information, employees of the Group are required to sign the Employee Non-disclosure Agreement to prevent unauthorised usage of customers' personal details.

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Customer Satisfaction

Feedbacks and complaints from the Group's customers are highly valued as it is of vital importance to the continuous development of the Group. The Group's Complaint and Feedback Management Policy states the internal procedures for handling complaints and feedbacks. The chief operating officer is responsible for overall complaint management. Should the Group receive any complaints, the Group will strive to act in a timely manner to resolve the issue with effective remedial actions. In addition, complaints received will be discussed and reviewed by the management during regular meetings to prevent re-occurrence.

IP Rights

The Group has obtained registration of the Group's trademarks in Singapore, Hong Kong, China, Indonesia and Myanmar; the domain name was also registered. The Group regularly monitors to ensure that IP rights are not being infringed upon.

Advertising and Labelling

Due to the Group's business nature, the Group considers that it has an insignificant amount of business dealing in relation to advertising and labelling matters.

B7. Anti-corruption

General Disclosure

Solid corporate governance is the bedrock of the Group's growth and development. The Group emphatically asserts its zero-tolerance stance regarding any behaviours that not only violate Singapore's laws and regulations but also severely damage the business integrity and reputation of the Group.

During FY2019, the Group was not aware of any material non-compliance with the relevant laws and regulations of bribery, extortion, fraud and money laundering that would have a significant impact on the Group, including but not limited to Prevention of Corruption Act of Singapore.

Anti-bribery Practices

The Group has included a section in the Group Employee Handbook in relation to accepting business courtesies and gratuities. The Group understands that it can be difficult to decline gifts under certain circumstances, the employee is allowed to accept the gift on behalf of the Group and is required to declare such courtesies and gratuities to the Administrative Director. Anti-bribery, fraud and corruption in any form or in relation to any parties are all strictly prohibited in the Group.

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Whistle-blowing Mechanism

The Group has incorporated a whistle-blowing policy within the Corporate Manual, which aims to provide employees with guidance and reporting procedures to encourage employees to report fraudulent activities. Whistle-blowers may report verbally or in writing to the chief executive officer (“CEO”) regarding the suspected misconduct with supporting evidence. Upon making a preliminary analysis, the CEO will appoint an employee with sufficient seniority and authority as the investigating officer to investigate the claim effectively and independently. The Group intends to protect the whistle-blower from common concerns such as confidentiality and potential retaliation or discrimination. Therefore, the employee reporting in good faith under the whistle-blowing mechanism can be assured of the protection against unfair dismissal or victimisation, even if the reports are subsequently proved to be unsubstantiated.

During FY2019, the Group did not identify any corruption incidents or any violation of relevant laws and regulations.

Anti-money Laundering and Combating Financing of Terrorism

The Group has an Anti-Money Laundering and Combating Financing of Terrorism Policy to raise awareness of the employees and provide suitable guidance on the reporting procedures should there be any suspected misconducts. The said Policy safeguards the interests of the Group against the risk of being used for money laundering and financing of terrorism.

B8. Community Investment

General Disclosure

The Group believes in giving back to the society where the Group operates through social participation and encourages its staff to participate in charitable activities and other volunteer services. The Group has donated HK\$600,000 to The Community Chest of Hong Kong through the Stock Exchange’s Stock Code Balloting for Charity Scheme. The donation goes directly to The Community Chest to help raise money for worthwhile causes and support the community. The Group has future plans to further give back to the society through a more active participation in community programmes, which not only benefits the society but also nurtures a good corporate culture.

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THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Subject Areas, Aspects, General Disclosures, and KPIs

	Description	Section/Declaration	Page
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Subject Areas, Aspects, General Disclosures, and KPIs

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KPI A2.3 ("comply or explain")	Description of energy use efficiency initiatives and results achieved.	Use of Resources – Energy Consumption	P.9
KPI A2.4 ("comply or explain")	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Use of Resources – Water Consumption	P.10
KPI A2.5 ("comply or explain")	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Use of Resources – Use of Packaging Material Not applicable – Explained	P.10
Aspect A3: The Environment and Natural Resources			
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources	P.10
KPI A3.1 ("comply or explain")	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources – Air Emissions in Spray Painting Activity	P.10

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	Description	Section/Declaration	Page
Aspect B1: Employment			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, anti-discrimination, and other benefits and welfare.	Employment	P.11-12
Aspect B2: Health and Safety			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety	P.12-13
Aspect B3: Development and Training			
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training	P.13
Aspect B4: Labour Standards			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards	P.14

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	Description	Section/Declaration	Page
Aspect B5: Supply Chain Management			
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management	P.14
Aspect B6: Product Responsibility			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product and Service Responsibility	P.15-16
Aspect B7: Anti-corruption			
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption	P.16-17
Aspect B8: Community Investment			
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment	P.17