

KPM HOLDING LIMITED

吉輝控股有限公司*

Incorporated in the Cayman Islands with limited liability

Stock Code: 8027

2024

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ABOUT THIS REPORT

The Group is pleased to present its Environmental, Social and Governance (“**ESG**”) Report (the “**Report**”) for the year ended 31 December 2024 (the “**Reporting Period**”). This Report provides an annual update of the Group’s sustainability performance, achievements and challenges over the year. Unless otherwise indicated, the Report covers KPM Holding Limited and its subsidiaries operating in Singapore and China. Apart from the signage business, the reporting scope of the Report also covers the fitting-out and renovation business.

Reporting Principles

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 C2 to the Rules (the “**GEM Listing Rules**”) Governing the Listing of Securities on GEM of The Stock Exchange of Hong Kong Limited. According to the guidelines, the following principles are underpinned:

1. **Materiality:** ESG issues that have major impacts on the business operation, investors and other stakeholders must be set out in this Report.
2. **Quantitative:** If the key performance indicators (“**KPIs**”) have been established, they must be measurable and applicable to valid comparisons under appropriate conditions. They must also be able to describe the purposes and impacts of quantitative information.
3. **Balance:** This Report must provide an unbiased picture of the ESG performance of the Group. It should avoid selecting, omitting or presenting formats that may inappropriately influence a decision or judgment by the reader.
4. **Consistency:** This Report should use consistent methodologies to allow meaningful comparisons of related data over time. Any changes to the methods used must be specified in the Report.

Confirmation

The information documented in this Report is sourced from official documents, statistical data, management and operation of information collected from the Group in accordance with relevant internal policies. The Group has established internal controls and a formal review process to ensure that any information presented in this Report is as accurate and reliable as possible.

Feedback

The Group discloses the latest business and ESG information regularly to investors and the public through our website: www.kpmholding.com. We also welcome investors and shareholders to write to the Group or send their enquiries through our website and share their views with the board (the “**Board**”) of directors (“**the Directors**”) of the Company.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ESG GOVERNANCE

The Group believes that good ESG governance strategies and practices are inseparable from corporate success. The Board assumes the ultimate responsibility for overseeing the ESG affairs of the Group and supervising the execution of the Group's policies in promoting sound ESG practices. The Board reviews the Group's ESG Report annually, where they discuss the key risks and make recommendations for the coming year. To maintain excellent ESG governance, the Board delegates authority to the ESG working group for the formulation and execution of ESG policies and measures.

The ESG working group comprises representatives from executive directors and senior management and has been established to plan and coordinate ESG initiatives within the Group. The ESG working group is responsible for assisting the Board in providing strategic directions to the Group, and overseeing the execution and monitoring of the Group's ESG strategies and resource consumption to ensure compliance with relevant legal and regulatory requirements. The ESG working group also responds to the latest ESG issues, reports to the Board on major issues and makes relevant recommendations to enhance the Group's ESG performance.

STAKEHOLDER ENGAGEMENT

As part of the business strategies, the Group communicates with its stakeholders in an open, honest and proactive way. Our major stakeholder groups include shareholders and investors, clients, suppliers, employees and government departments, such as the National Environment Agency (NEA) in Singapore. For instance, NEA will send their officers to have regular or surprise visits to our factory. In hopes of fulfilling the environmental compliance of the Group, a manager will be assigned to walk around the factory with the NEA officer and exchange feedback.

To improve transparency, we take measures to promote investor relations and communication. In addition, we have developed the investor relations policy to ensure that the investors have fair and timely access to the information of the Group. In order to further promote effective communication with investors, we arrange annual general meetings to provide opportunities for the shareholders to maintain communication with the Board, thereby allowing shareholders to clarify and deepen their understanding of the Group's performance and allowing the Group to communicate with shareholders and answer performance-related questions.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

MATERIALITY ASSESSMENT

Through conducting an internal materiality assessment, the Group has identified ESG issues which are sufficiently important to investors and other stakeholders by reviewing our business. In consideration of the “relevance” and “importance” of various ESG factors to our business, we have been able to prioritise the following aspects as the material focus of this report:

Aspects	Material ESG Issues
A. Environmental Aspect	
A2. Use of Resources	<ul style="list-style-type: none">• Energy consumption• Energy efficiency• Water consumption• Efficient use of raw materials• Use of packaging materials
B. Social Aspect	
B1. Employment	<ul style="list-style-type: none">• Employee welfare• Inclusion and equal opportunities• Talent attraction and retention
B2. Health and Safety	<ul style="list-style-type: none">• Occupational health and safety
B3. Development and Training	<ul style="list-style-type: none">• Development and training
B4. Labour Standards	<ul style="list-style-type: none">• Prevention of child and forced labour
B5. Supply Chain Management	<ul style="list-style-type: none">• Supply chain management
B6. Product Responsibility	<ul style="list-style-type: none">• Project quality control• Protection of intellectual property rights• Protection of customer privacy
B7. Anti-corruption	<ul style="list-style-type: none">• Corporate governance• Anti-corruption

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

ENVIRONMENTAL ASPECTS

Emissions

The Group is engaged in the signage business and fitting-out and renovation business, as such we do not have significant emission discharges into water, land and atmosphere, such as nitrogen oxides, sulphur oxides and respiratory suspended particles (“**RSP**”). In addition, we do not produce a significant volume of hazardous waste from our business process. The major emissions of the Group are the greenhouse gases emissions and solid non-hazardous wastes generated from our operations.

In addition, during the Reporting Period, the NEA regularly sent officers for uninformed inspection of our production activities in Singapore. Their comments illustrated that emissions generated from our production of signage and related products are immaterial. Therefore, emissions are immaterial regarding the Group’s operations. During the Reporting Period, the Group did not have material non-compliance with the environmental protection laws and regulations that had a significant impact on the Group relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous wastes, in both Singapore and China, such as including but not limited to Air Pollution Control Ordinance, Waste Disposal Ordinance, Water Pollution Control Ordinance, Noise Control Ordinance, Environmental Protection and Management Act.

The Group implemented a number of measures to reduce greenhouse gas emissions in order to alleviate the impacts on the environment. The Group also encourages employees to maximise the use of electronic communication equipment and carry out general discussions and communications through long-distance telephone calls, video conferencing or other online communication tools in order to reduce or replace non-essential business trips, therefore decreasing the pollutants emitted by the use of transportation.

Air and Greenhouse Gas Emissions

The major source of air and greenhouse gas emissions from our business originates from the fuel consumption of company-owned cars and vans directly (Scope 1 emissions). The energy consumption in regard to the purchased electricity used in offices and daily operations also contributed to the indirect emission of greenhouse gas (Scope 2 emissions). Scope 3 emissions refer to the other indirect emissions, including the emissions generated from the paper waste disposed at landfills.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The total amount of greenhouse gas generated by the Group during the Reporting Period was 276.37 tonnes of carbon dioxide-equivalent (“CO₂-e”), with an intensity of 17.39 tonnes CO₂-e per million revenue in Singapore dollars (“SGD”). The Group will continue to evaluate its performance in environmental protection and develop long-term reduction targets. In short term, the Group had targeted last year to reduce the greenhouse gas emissions level by 1% in 2024 compared to 2023. The target has been over-achieved and the group further plans to continue the target of 1% reduction for 2025.

Air Emissions	2024	2023	Unit
Nitrogen oxides (NO _x)	83.15	357.1	Kg
Sulphur oxides (SO _x)	1.32	0.0	Kg
Respirable suspended particles (RSP)	6.12	0.0	kg

Greenhouse gas emissions in total and intensity	2024	2023	Unit
Scope 1 emissions	227.35	197.88	Tonnes CO ₂ -e
Scope 2 emissions	48.68	45.02	Tonnes CO ₂ -e
Scope 3 emissions	0.34	0.49	Tonnes CO ₂ -e
Total greenhouse gas emissions	276.37	243.39	Tonnes CO ₂ -e
Intensity (by revenue)	17.39	20.91	Tonnes CO ₂ -e/Million SGD revenue

The Group upholds the principles of waste management and is committed to the proper handling and disposal of all wastes from our business activities. We maintain a strong focus on minimising the waste we produce from our operations. We adopt the use of environmental-friendly materials in our products. In addition, we recycle and reuse scrap metal, cardboard and plastic generated from the production and sale of signage and related products. On the other hand, those resources that cannot be directly reused are transferred to qualified recyclers for recycling in an effort to minimise the amount of solid waste disposal. Due to our business nature, the Group did not generate a significant amount of hazardous or non-hazardous waste. Therefore, no reduction targets have been set for hazardous and non-hazardous waste generation.

During the Reporting Period, the Group was not aware of any incidents of non-compliance with laws and regulations that have a significant impact on the generation of hazardous and non-hazardous waste.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Use of Resources

The Group is committed to conserving resources for environmental and operating efficiency. To accomplish our commitment, we have implemented multiple measures in enhancing energy efficiency, minimising the use of papers, reducing water and energy consumption and driving behavioural changes in our employees. Nevertheless, for other resources consumed from our business activities, the Group upholds the principles of effective resource management and is committed to the proper use of all materials.

Energy Consumption

The Group has adopted a series of energy efficiency initiatives to reduce our energy consumption. To ensure the efficient use of energy resources, we take the rating of energy labels as one of our key considerations when purchasing new electrical equipment. Switching to more energy-efficient appliance models and increasing the use of natural lighting are adopted. Energy-saving notices are also put on the wall and bulletin boards to remind our staff to switch off unused electrical devices and switch air-conditioning system to a more suitable temperature.

During the Reporting Period, the Group's total amount of energy consumption was 3,348.32 Gigajoule; and the energy consumption intensity was 210.73 Gigajoule per million revenue in Singapore dollars. The direct energy consumption includes the use of unleaded petrol and diesel by the company vehicles and the indirect energy consumption is the electricity consumption in offices. The Group is developing its long-term reduction targets. In short term, the Group had targeted to reduce the energy consumption level by 1% in 2024 compared to 2023. The target was overachieved with 8% reduction. The target of further reduction of 1% is set for 2025.

The details of energy consumption by type are shown in the table below.

Direct and/or indirect energy consumption by type	2024	2023	Unit
Fuel consumption	2,922.97	3,256.38	GJ
Indirect energy consumption-electricity	425.35	388.88	GJ
Total energy consumption	3,348.32	3,645.26	GJ
Intensity (by revenue)	210.73	313.18	GJ/million SGD revenue

Water Consumption

Sustainable and responsible use of water resources is a key issue globally. We are aware that water shortages, excessive demand and usage could pose a serious problem to the community and business operations. Due to our business nature, we do not use or discharge a significant amount of water. The Group does not have any water sourcing issues as the water is supplied by the municipal water network.

However, in order to raise awareness of water conservation, the Group promotes water-saving practices in the workplace. For instance, tips to conserve water are shared internally to raise awareness and encourage employees to reduce consumption. Water-saving reminders have been posted in the toilet and notice boards to remind employees to save and use water more efficiently.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

During the Reporting Period, the Group's total amount of water consumption was 2,320 cubic meters (m³) with an intensity of 146.01 cubic meters per million revenue in Singapore dollars. The Group will continue to promote water use initiatives and water-saving measures among its employees. The Group is developing its long-term reduction targets. In short term, the Group targets to reduce the water consumption level by 1% in 2025 compared to 2024.

Water consumption in total and intensity	2024	2023	Unit
Total water consumption	2,320	1,894.20	M ³
Intensity (by revenue)	146.01	162.74	M ³ /million SGD revenue

Packaging Materials

Given that the Group focuses on the design, fabrication, installation and maintenance of signage and related products, we do not use a significant amount of packaging materials for finished products.

THE ENVIRONMENT AND NATURAL RESOURCES

With respect to our business nature and activities, the impact of the Group on the environment and natural resources is insignificant. Consumption of energy mainly stems from the use of electricity, water and papers in office areas. During the Reporting Period, we have stipulated a number of measures to reduce the use of resources and disposal of waste. With regard to the raw materials used in our products, our product designers seek to use environmentally friendly materials to reduce pollution to the environment throughout the product lifecycle. Our selection criteria of suppliers and service providers also encourages various green initiatives, including the sense of responsibility for environmental protection, in addition to the delivery time and the quality of goods and services. To further reduce our paper consumption, where conditions are appropriate, the Group stores its documents, records and archives in electronic files instead of paper.

We promote our green policy on environmental protection through notices on the wall and bulletin boards. In addition, we remind our employees to minimise the generation of waste from work and actively raise environmental awareness among them. We also encourage our employees to make full use of electronic means to communicate with customers and suppliers in hopes of further reducing the paper consumption of the Group.

We will continue to mitigate the environmental risks of our business, review the environmental practices and adopt preventive measures as necessary to reduce the risks and ensure compliance with relevant laws and regulations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

CLIMATE CHANGE

The Group realizes that climate change has become a factor affecting the formulation of long-term planning. It brings about potential risks and disturbances to business operations. Align with our risk management policies, our senior management is delegated to identify, analyse, evaluate, respond, monitor and communicate risks related to climate change. After reviewing the current business, the Group identified its potential climate-related risks and opportunities as follows.

Climate-related Risks	Description
Acute Physical Risk – Extreme Weather	The acute physical risks, which refer to the extreme weather conditions, may bring negative impacts and financial risks to our operation during the installation and maintenance of signage. The increase in severity and frequency of extreme weather events caused by global climate change, such as thunderstorms, will affect the safety and stability of signage, thereby increasing maintenance costs.
Transition Risk – Market Risk	The growing environmental awareness of consumers is forcing a transition to a more sustainable and environmentally-friendly lifestyle around the world. This may cause a change in customer preferences in the market which may pose threats to the Group’s business.
Transition Risk – Policy and Legal Risk	As the government in Singapore and China may tighten the environmental regulation, the Group may face stricter regulatory requirements and harsher penalties for non-compliance in terms of energy consumption and emissions. Extra costs may be induced.

Although the climate-related risks above are insignificant, the Group is still committed to effectively managing physical and transition risks related to climate change and reducing its contribution to climate change.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

SOCIAL ASPECT

Employment and Labour Practices

Employment

Talent Attraction, Retention and Dismissal

Employees are important assets to our sustained development. The Group is constantly improving its employment mechanism. It adheres to the principle of fairness in providing promotion opportunities for outstanding employees. We review our employees' remuneration on an annual basis. We assess employees' performance and their contribution to the Group when reviewing their compensation and benefits, in order to reflect employees' contributions to the Group and enhance the employees' sense of belonging and sense of responsibility for the Group.

The Group establishes labour contracts in accordance with the law. We adopt a clear dismissal system, in which if either the employer or the employee terminates the contract during the period. Unless the contract is otherwise specified, appropriate compensation should be made to another party as stated in the contract. The amount of the compensation shall follow the terms and conditions of the contract.

Employee Welfare

Performance appraisal will be conducted with every employee by their immediate superior and/or management. The appraisal determines the employee's performance and suitability for promotion or increment. Salary increments and bonuses are based on employee's performance and the overall performance of the Group.

The Group as an employer contributes the portion for the Central Provident Fund (CPF) for eligible employees in Singapore and the Mandatory Provident Fund (MPF) for eligible employees in China according to the prevailing rates set.

The Group also organises recreational activities from time to time, such as festival lunches, anniversary dinners and raffles, so as to facilitate communication among employees and to help colleagues balance the intense pressures of work.

If an employee, unfortunately, suffers work-related injuries or accidental death, the Group will provide compensation to the employee in accordance with particular local laws and regulations.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Inclusion and Equal Opportunities

The Group adopts the practices and policies as governed by the Ministry of Manpower (Singapore) and Equal Opportunities Commission (Hong Kong) to ensure an equal and fair working environment. The Group provides equal opportunities for all regardless of their age, gender, race, sexual orientation, disability and marital status.

The Group upholds fairness in their recruitment process and our hiring criteria are built on the qualifications, abilities, experiences and technological skills of the applicants. Each applicant has equal rights to apply for a position and will not be affected by gender, pregnancy, family status, marital status, race, disability, etc. The Group's existing employees come from different countries, including Singapore and China.

As at the end of the Reporting Period, the Group had a total of 86 employees – all of them working full-time. In order to cooperate with the continuously growing business scale, together we acquire talents from different countries and backgrounds to join our globalised team. During the Reporting Period, the Group did not have any material non-compliance with relevant laws and regulations in our employment and labour process, such as recruitment, dismissal, promotion and remuneration of employees including but not limited to Employment Act, Employment Ordinance, Minimum Wage Ordinance, Disability Discrimination Ordinance, Sex Discrimination Ordinance and Family Status Discrimination Ordinance.

Total workforce		2024	2023	Unit
Total number of employees		86	88	Employee (%)
By Gender	Male	65 (76%)	66 (75%)	Employee (%)
	Female	21 (24%)	22 (25%)	Employee (%)
By employment type	Full-time	86 (100%)	78 (89%)	Employee (%)
	Part-time	0 (0%)	10 (11%)	Employee (%)
By age group	<=30	22 (26%)	16 (18%)	Employee (%)
	31-40	32 (37%)	32 (36%)	Employee (%)
	41-50	15 (17%)	23 (26%)	Employee (%)
	>50	17 (20%)	17 (19%)	Employee (%)
By employment category	Senior	9 (10%)	7 (8%)	Employee (%)
	Middle	5 (6%)	6 (7%)	Employee (%)
	Junior	72 (84%)	75 (85%)	Employee (%)
By function	Executive	9 (10%)	11 (13%)	Employee (%)
	Technical	18 (21%)	8 (9%)	Employee (%)
	Administrative	18 (21%)	26 (30%)	Employee (%)
	Production	41 (48%)	43 (49%)	Employee (%)
By geographical region	Singapore	81 (94%)	73 (83%)	Employee (%)
	China	5 (6%)	15 (17%)	Employee (%)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Employee turnover rate		2024	2023	Unit
Total employee turnover rate		2 (3%)	22 (24%)	Employee (%)
By Gender	Male	2 (3%)	13 (19%)	Employee (%)
	Female	0 (0%)	9 (37%)	Employee (%)
By employment type	Full-time	2 (2%)	16 (20.13%)	Employee (%)
	Part-time	0 (0%)	6 (46.15%)	Employee (%)
By age group	<=30	0 (0%)	7 (38%)	Employee (%)
	31-40	1 (2%)	9 (28%)	Employee (%)
	41-50	1 (3%)	5 (20%)	Employee (%)
	>50	0 (0%)	1 (6%)	Employee (%)
By employment category	Senior	0 (0%)	3 (40%)	Employee (%)
	Middle	0 (0%)	1 (15%)	Employee (%)
	Junior	2 (3%)	18 (23%)	Employee (%)
By geographical region	Singapore	2 (4%)	16 (21.48%)	Employee (%)
	China	0 (0%)	6 (33.33%)	Employee (%)

Occupational Health and Safety

In order to prevent the employees from work-related injuries, we stress particular attention to occupational health and safety in an effort to provide a safe and comfortable working environment for the employees.

We were awarded the certificate of compliance with ISO 45001:2018. Following the standard, the Group has developed comprehensive occupational health and safety policies, as well as a series of target indicators and procedural documents designed to continuously identify potential risks in the workplace. We follow a systematic approach to executing occupational health and safety, specifically being:

1. Identify the hazards
2. Evaluate the risks
3. Determine the risk levels
4. Prepare action plans to eliminate or control the risks

The extensive risk procedures enabled us to prevent work accidents, observe local occupational health and safety regulations, as well as ensure continuous improvement in our occupational health and safety performances. We have established contingency plans and organise drills regularly. This can strengthen the employees' response to emergencies when there is a fire or injury. Moreover, we regularly hire qualified consultants to conduct checks on fire equipment.

In order to promote occupational health and safety among employees, we provide employees with sufficient training which focuses on occupational health and safety policies, risk management and practical safety knowledge. The supervisor would conduct a morning briefing on safety, work progress and work deployment for the day. In addition, we have formulated and published a set of workplace safety procedures which allows employees to familiarise themselves with the topic.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

At the worksites, we prepare sufficient and suitable personal protective equipment, such as safety helmets, safety shoes, masks, earmuffs and gloves, etc, for employees. The Group also works closely with the contractors and suppliers to embrace the SG Secure movement. The Group arranges annual hearing tests and physical examinations for employees who are exposed to noisy working conditions to further protect their health.

In case of accidents, detailed records are kept and properly filed. Causes of any accidents are carefully analysed to find areas for improvement, which serve to avoid similar incidents from happening again in the future.

Health and Safety	2024	2023	Unit
Number (rate) of work-related fatalities	0	0	%
Lost days due to work injury	0	0	Days

In the past three years, including the Reporting Period, the Group did not identify any work-related fatalities. The Group has adopted a set of safe work procedures for storage and handling heavy objects in the workplace, including wearing proper personal protective equipment such as protective gloves and safety shoes, using mechanical lifting devices for the transportation of heavy objects and assigning more manpower when handling heavy objects. The Group will also place emphasis on the importance of safety equipment and measures during daily briefing sessions to avoid accidents in the future.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Development and Training

The Group acknowledges that training and development are essential for achieving a distinctive competitive edge for the Group and its employees. We spare no effort in providing resources and integrated support to improve talents and add value for our employees. A wide range of training starts from their first day of work, where employees are provided with orientation activities. These orientation activities equip them with necessary information about the Group's policies and culture. We believe the comprehensive orientation activities will facilitate the new employees to integrate into the Group and thereby nurture a sense of belonging.

Continuing education is also highly encouraged by the Group. In order to achieve operational excellence and equip employees with the necessary skills and competencies, department managers will identify training needs for their subordinates, as well as formulate training programs frequently.

During the Reporting Period, apart from on-the-job training, the Group sponsored a total of 1,572.8 hours training programs of training for 47 staff.

Percentage of trained employees		2024	2023	Unit
Total number (rate) of trained employees		47 (55%)	32 (36%)	Employee (%)
By Gender	Male	46 (71%)	32 (48%)	Employee (%)
	Female	1 (5%)	0 (0%)	Employee (%)
By employee category	Senior	2 (22%)	1 (14%)	Employee (%)
	Middle	1 (20%)	1 (17%)	Employee (%)
	Junior	35 (49%)	30 (40%)	Employee (%)
By Function	Executive	2 (22%)	2 (18%)	Employee (%)
	Technical	6 (33%)	0 (0%)	Employee (%)
	Administrative	1 (6%)	0 (0%)	Employee (%)
	Production	38 (93%)	30 (70%)	Employee (%)

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

Average training hours completed		2024	2023	Unit
Average training hours per employee		18.3	21.9	Hour/employee
By Gender	Male	24.1	21.9	Hour/employee
	Female	0.4	0	Hour/employee
By employee category	Senior	3.3	57.0	Hour/employee
	Middle	7.6	68.0	Hour/employee
	Junior	20.9	19.2	Hour/employee
By function	Executive	3.4	62.5	Hour/employee
	Technical	9.1	0.0	Hour/employee
	Administrative	0.5	0.0	Hour/employee
	Production	33.4	19.2	Hour/employee

Labour Standards

The Group's labour standards primarily focus on conformity with local labour laws and regulations according to the Ministry of Manpower (Singapore) and Labour Department (Hong Kong). We prohibit any form of child and forced labour in any of our operations and production process. We have established a strict protocol for hiring, of which we screen candidates in accordance with the minimum age of their respective work locations.

The Group strictly complies with the Labour Laws of Singapore and Employment Ordinance of Hong Kong and provides the required labour protection, safety and health conditions to ensure employees' safety during their services. The Group has paid wages and salaries, benefits and compensations on schedule.

We never force employees to work overtime and all overtime decisions are voluntary. In accordance with the guidelines of the Ministry of Manpower (Singapore) and Labour Department (Hong Kong) and the Group's compensation policy, we provide reasonable overtime pay to employees working overtime.

During the Reporting Period, there have been no cases of prosecution against the Group due to violation of any relevant labour laws and regulations including but not limited to the prevention of child and forced labour.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

OPERATING PRACTICES AND SOCIAL INVESTMENT

Supply Chain Management

The Group acknowledges the importance of selecting the best suppliers to safeguard its production process and therefore product quality. We have developed an evaluation and management program for the selection of suppliers and the management of the supply chain. The criteria are based on factors, such as price, delivery times and quality of goods. In addition, we rate our suppliers by using the supplier evaluation form for benchmarking. We consider those with an average rating of 3.0 or above (max: 5.0) as approved suppliers after review and approval from the management. Purchase orders to suppliers can only be approved by manager-level employees and reimbursement can only be approved at a managerial level unless it is under \$1,000, which is deemed immaterial.

The Group always views suppliers as important partners and persists in fair and open measures to cooperate with various suppliers. The Group gives priority to local suppliers in order to create employment opportunities for local communities and fulfil corporate social responsibility. Preference is also given to environmentally and socially responsible suppliers.

During the Reporting Period, the Group awarded contracts to 216 suppliers for production activities. 95% of the suppliers are local suppliers in Singapore. The purchasing department monitors and conducts an annual performance review of all suppliers through email and telephone. This ensures the performances of all qualified suppliers remain in line with the requirements of the Group.

Number of suppliers by geographical region		2024	2023	Unit
Total number of suppliers		216	160	Supplier
By geographical region	Singapore	207	150	Supplier
	China	5	6	Supplier
	Malaysia	3	2	Supplier

Product Responsibility

Quality Assurance

The Group is committed to product safety and adheres to the best practices around the world. In order to help drive the commitment throughout the organisation, all of the Group's products are inspected prior to the delivery, so as to ensure that they fully comply with the relevant product specifications and customer requirements.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

In relation to the quality control on raw materials, all materials used in our products are provided by qualified suppliers and the materials' specifications are re-inspected prior to formal use to ensure the effectiveness of the materials. The Group assigns dedicated employees to closely follow the progress of a project throughout the fabrication and construction process, to ensure that the raw materials and the construction process meet the requirements of the contracts and regulations. We monitor our subcontractors' level of technology and conduct quality testing according to stipulated plans to ensure that the products meet customer requirements. As for the public signage projects, we work closely with relevant government departments to go through joint inspections in accordance with strict government standards. The Group provides product warranties for up to 7 years based on different products' characteristics and the agreements we have with our customers, and we provide appropriate assistance to customers throughout the warranty period.

Advertising

The Group attaches great importance to the accuracy of the information in its product promotion strategies, to prevent customers from being misled before they make their purchase decisions. The Group arranges sufficient training for employees in sales and production departments. Hence, they are equipped with sufficient knowledge of the features and specifications of the Group's various products. We also urge our employees to convey accurate and fair product information to customers.

Protection of Customer Privacy

The project team takes the responsibility of reviewing requirements and regulations concerning the protection of personal privacy at our operating locations. Internal policies, such as the "Data Protection Agreement", "Internal Privacy Policy", "Code of Conduct for Handling and Processing of Third Party Personal Data" and "Disposal Policy for Personal Data", provide clear guidelines on handling the privacy data. Employees are required to preserve the confidentiality of information not available in the public domain as well as those obtained in the course of carrying out their duties. It is essential that employees should not make improper use of such information to the detriment of the Group's interest during and after the termination of the employment with the Group. In addition to strict compliance with relevant laws and regulations, we have established criteria for handling customer information and preserving customers' sensitive product design information to minimise the risk of customer information leakage.

Protection of Intellectual Property Rights

The Group is committed to compliance with relevant laws of intellectual property rights by valuing and protecting its intellectual properties through patent fees and periodic trademark renewals.

Product Responsibility	2024	2023	Unit
Percentage of total products sold or shipped subject to recalls	0	0	%
Number of products and service-related complaints received	0	0	No.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

The Group has strictly complied with the laws and regulations related to product responsibility. During the Reporting Period, there have been no cases of prosecution against the Group due to violation of any product responsibility or privacy laws. There were no incidents of non-compliance with laws and regulations concerning breaches of customer privacy, loss of data, as well as the provision of products/services, such as Personal Data Protection Act of Singapore, Personal Data (Privacy) Ordinance and Trade Marks Ordinance of Hong Kong.

Anti-corruption

The Group does not tolerate any form of corruption, fraud, money laundering, bribery and extortion in the course of its operations. All employees are required to strictly abide by the Prevention of Bribery Ordinance of Hong Kong and the Prevention Of Corruption Act of Singapore in their behaviour and are absolutely forbidden from committing any acts of bribery or accepting of bribes, such as gifts, entertainment and hospitality as subterfuge for bribery, etc. The Group also strictly complies with the Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act. In order to comply with and supplement the legal requirements, the Group organised anti-corruption training sessions for the Directors and employees with a total of 30 training hours regarding laws and regulations on corruption and money laundering.

As far as corporate governance is concerned, the Group's management regularly reviews regulations on the governance of publicly traded companies to ensure that all newly enacted requirements are implemented by the Group in a timely manner.

We have developed the whistle-blowing policy, which allows all staff and independent third parties, including customers, suppliers and contractors, to report any possible improprieties, misconducts, malpractices or irregularities in matters of financial reporting, internal control or other matters to the Board or the Audit Committee anonymously. The policy is implemented to promote responsible and secure whistle-blowing or complaint without fear of consequences.

The Group's service and purchasing agreements must, in principle, receive approval from the management before they are deemed valid. Any employee, material supplier, subcontractor, customer or other stakeholders who may have any concerns regarding the corporate governance of the Group or the ethics of the employees may file a complaint with the management. The management will then conduct a thorough investigation of all matters and take the necessary measures to plug loopholes in order to maintain the Group's integrity and reputation.

During the Reporting Period, no legal cases regarding corrupt practices were brought against the Group or its employees. The Group has provided training regarding anti-corruption to directors and staff during the Reporting Period.

Community Investment

The Group acknowledges a sustainable business is dependent on the stability and well-being of the community where it operates and regards improving the community's well-being as an important way to realise its value.

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

HKEX ESG REPORTING GUIDE CONTENT INDEX

KPIs	Disclosure Requirements	Sections
1	<p>Governance Structure</p> <p>Disclosure of the board's oversight of ESG issues; Board's ESG management approach and strategy, including the process used to evaluate, prioritise and manage material ESG-related issues)(including risks to the issuer's businesses;</p> <p>How the board reviews progress made against esg-related goals and targets with an explanation of how they relate to the issuer's businesses.</p> <p>Reporting Principles</p> <p>Description of, or an explanation on, the application of the following Reporting Principles (Materiality, Quantitative, Consistency) in the preparation of the ESG report.</p> <p>Reporting Boundary</p> <p>A narrative explaining the reporting boundaries of the ESG report and describing the process used to identify which entities or operations are included in the ESG report. If there is a change in the scope, the issuer should explain the difference and reason for the change.</p>	<p>ESG Governance</p> <p>ESG Governance</p> <p>ESG Governance</p> <p>About This Report</p> <p>About This Report</p>
	Environmental Aspect A1: Emissions	Emissions
A1	General Disclosure	
	Policies	
	Compliance with relevant laws and regulations that have a significant impact on the issuer; relating to air and greenhouse gas emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
A1.1	The types of emissions and respective emissions data.	Emissions
A1.2	Direct (Scope 1) and energy indirect (Scope 2) greenhouse gas emissions (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Emissions
A1.3	Total hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
A1.4	Total non-hazardous waste produced (in tonnes) and, where appropriate, intensity (e.g. per unit of production volume, per facility).	Waste Management
A1.5	Description of emission target(s) set and steps taken to achieve them.	Waste Management
A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

KPIs		Disclosure Requirements	Sections
A2	Use of Resource		
A2	General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Energy Consumption
A2.1		Direct and/or indirect energy consumption by type (e.g. electricity, gas or oil) in total (kWh in '000s) and intensity (e.g. per unit of production volume, per facility).	Energy Consumption
A2.2		Water consumption in total and intensity (e.g. per unit of production volume, per facility).	Water Consumption
A2.3		Description of energy use efficiency target(s) set and steps taken to achieve them.	Energy Consumption
A2.4		Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Water Consumption
A2.5		Total packaging material used for finished products (in tonnes) and, if applicable, with reference to per unit produced.	Packaging Materials
A3	The Environment and Natural Resources		
A3	General Disclosure	Policies on minimising the issuer's significant impacts on the environment and natural resources.	Environment and Natural Resources
A3.1		Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	Environment and Natural Resources
A4	Climate Change		
A4	General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
A4.1		Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

KPIs		Disclosure Requirements	Sections
	Social		
B1	Employment		
B1	General Disclosure	<p>Policies</p> <p>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, antidiscrimination, and other benefits and welfare.</p>	<p>Employment</p> <p>Employment</p>
B1.1		Total workforce by gender, employment type (for example, full-or part-time), age group and geographical region.	Employment
B1.2		Employee turnover rate by gender, age group and geographical region.	Employment
B2	Health and Safety		
B2	General Disclosure	<p>Policies</p> <p>Compliance with relevant laws and regulations that have a significant impact on the issuer.</p>	<p>Health and Safety</p> <p>Health and Safety</p>
B2.1		Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
B2.2		Lost days due to work injury.	Health and Safety
B2.3		Description of occupational health and safety measures adopted, and how they are implemented and monitored.	Health and Safety
B3	Development and Training		
B3	General Disclosure	<p>Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.</p>	<p>Development and Training</p>
B3.1		The percentage of employees trained by gender and employee category (e.G. Senior management, middle management).	Development and Training
B3.2		The average training hours completed per employee by gender and employee category.	Development and Training
B4	Labour standards		
B4	General Disclosure	<p>Policies</p> <p>Compliance with relevant laws and regulations that have a significant impact on the issuer.</p>	Labour standards
B4.1		Description of measures to review employment practices to avoid child and forced labour.	Labour standards
B4.2		Description of steps taken to eliminate such practices when discovered.	Labour standards

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

KPIs		Disclosure Requirements	Sections
B5	Supply chain management		
B5	General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply chain management
B5.1		Number of suppliers by geographical region.	Supply chain management
B5.2		Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, and how they are implemented and monitored.	Supply chain management
B5.3		Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply chain management
B5.4		Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply chain management
B6	Product Responsibility		
B6	General Disclosure	Policies	Product Responsibility
		Compliance with relevant laws and regulations that have a significant impact on the issuer.	Product Responsibility
B6.1		Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
B6.2		Number of products and service related complaints received and how they are dealt with.	Product Responsibility
B6.3		Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
B6.4		Description of quality assurance process and recall procedures.	Product Responsibility
B6.5		Description of consumer data protection and privacy policies, and how they are implemented and monitored.	Product Responsibility

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

KPIs		Disclosure Requirements	Sections
B7	Anti-corruption		
B7	General Disclosure	Policies	Anti-corruption
		Compliance with relevant laws and regulations that have a significant impact on the issuer.	Anti-corruption
B7.1		Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
B7.2		Description of preventive measures and whistle-blowing procedures, and how they are implemented and monitored.	Anti-corruption
B7.3		Description of anti-corruption training provided to directors and staff.	Anti-corruption
B8	Community investment		
B8	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
B8.1		Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community investment
B8.2		Resources contributed (e.g. money or time) to the focus area.	Community investment