



# Environmental, Social and Governance Report 2019

**AM  
GROUP  
HOLDINGS  
LIMITED**

創世紀集團控股有限公司

Stock Code: 1849

# Environmental, Social and Governance Report

## INTRODUCTION, ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES

AM Group Holdings Limited (the “Company”), together with its subsidiaries, (the “Group” or “we”) as one of the earliest participants in the provision of online marketing services in Singapore, have been helping businesses build web presence and reach out to potential customers via online platforms since June 2005. The Group provides search engine marketing services, creative and technology services and social media marketing services to customers from various business sectors, including professional services, general services as well as automotive and industrial, to name but a few.

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 Group has set up an ESG working taskforce (the “Taskforce”), composed of staff from relevant departments, in which, full-time staff have been assigned to collect the data relevant to ESG and compile the ESG Report. The Taskforce would periodically report to the board (the “Board”) of directors (the “Directors”), assisting in the assessment and identification the risk management of the Group on ESG aspects and whether its internal control system is appropriate and effective. The Taskforce reviews the ESG performance of the Group, including environmental, labour practices, and other ESG aspects. The Board sets the tone at the top for its ESG strategies, and is responsible for ensuring effective risk management and internal controls.

## SCOPE OF REPORTING

Unless specify otherwise, this ESG Report covers the Group’s business activities in Singapore and Malaysia offices, which represent the Group’s major sources of revenue. The ESG key performance indicator (“KPI”) data is gathered and included subsidiaries under the Group’s direct control. The Group will extend the scope of disclosures when and where applicable.

## 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 the Appendix 27 of the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

Information relating to the corporate governance practices of the Group has been set out in the Corporate Governance Report on pages 15 to 26 of Annual Report 2019.

## REPORTING PERIOD

The ESG Report describes the ESG activities, challenges and measures taken by the Group from 1 July 2018 to 30 June 2019 (“FY2019”).

## STAKEHOLDER ENGAGEMENT

We value our stakeholders and their feedback regarding our businesses and ESG aspects. In order to understand and address their key concerns, we have maintained close communication with our key stakeholders, including but not limited to employees, shareholders and investors, customers, suppliers and vendors, government and regulatory bodies, media, non-governmental organizations (“NGO”) and the public.

# Environmental, Social and Governance Report (CONTINUED)

We take stakeholders' expectations into consideration in formulating our businesses and ESG strategies by utilising diversified engagement methods and communication channels, shown as below.

Stakeholders	Communication Channels
Employees	<ul style="list-style-type: none"><li>• Team bonding, seminars and briefing sessions</li><li>• Regular performance reviews</li></ul>
Shareholders and investors	<ul style="list-style-type: none"><li>• General meetings and other shareholder meetings</li><li>• Financial reports</li><li>• Announcements and circulars</li><li>• Website</li></ul>
Customers	<ul style="list-style-type: none"><li>• Sales team</li><li>• Online platforms and email</li><li>• Events</li></ul>
Suppliers and vendors	<ul style="list-style-type: none"><li>• Supplier management meetings and events</li></ul>
Government and regulatory bodies	<ul style="list-style-type: none"><li>• Compliance officer</li></ul>
Media, NGO and the public	<ul style="list-style-type: none"><li>• ESG report</li><li>• Media</li><li>• External marketing company</li></ul>

We aim to collaborate with our stakeholders to improve our ESG performance and create greater value for the wider community on a continuous basis.

## MATERIALITY ASSESSMENT

The management and staff of the Group's respective major operations have participated in the preparation of the ESG Report to assist the Group in reviewing its operations and identifying relevant ESG issues and assess the importance of related matters to our businesses and stakeholders. Based on the assessed significant ESG issues, a data collection questionnaire was prepared to collect information from relevant departments and business units of the Group.

# Environmental, Social and Governance Report (CONTINUED)

The following table is a summary of the Group's material ESG issues included in this ESG Report:

The ESG Reporting Guide	Material ESG aspects of the Group	
<b>A. Environmental</b>		
A1. Emissions	Greenhouse Gas ("GHG") Emissions	P. 4
	Waste Management	P. 5
A2. Use of Resources	Energy Efficiency	P. 6
A3. The Environment and Natural Resources	Paperless Office	P. 8
<b>B. Social</b>		
B1. Employment	Recruitment, Remuneration, Promotion and Dismissal	P. 9
B2. Health and Safety	Workplace Health and Safety	P. 11
B3. Development and Training	Training and Development Management	P. 11
B4. Labour Standards	Prevention of Child and Forced Labour	P. 12
B5. Supply Chain Management	Fair and Open Procurement	P. 13
B6. Product Responsibility	Customer Privacy Protection	P. 13
	Customer Services	P. 14
	Protection of Intellectual Property Rights	P. 14
	Advertising and Labelling	P. 14
B7. Anti-corruption	Whistle-blowing Mechanism	P. 15
B8. Community Investment	Community Participation	P. 15

During 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.

## CONTACT US

We welcome stakeholders to provide their opinions and suggestions. You can provide valuable advices in respect of the ESG Report or our performances in sustainable development by mailing to 60 Paya Lebar Road, #12-51/52, Paya Lebar Square, Singapore 409051.

## A. ENVIRONMENTAL

### A1. Emissions

#### *General Disclosure and KPIs*

As a corporation principally engaged in online marketing services, the Group's business operation does not directly generate any GHG emissions, exhaust gases emissions, hazardous waste, and only generated an insignificant amount of non-hazardous waste. Nonetheless, we recognise our responsibilities towards the potential indirect negative environmental impacts associated with our business operations.

The Group has integrated environmental consideration into our decision making process and embraced the responsibilities to create an environmentally sustainable business. Considering the Group's business nature, we have taken measures to facilitate the environmental-friendliness of our workplace by encouraging a recycling culture within the Group. To enhance our environmental governance

# Environmental, Social and Governance Report (CONTINUED)

practice and mitigate the environmental impacts produced by our operations, we have implemented relevant environmental protection policies, such as the inclusion of “ESG” section in the Employee Handbook, and communicated such policies to our employees. In the long run, we will continue to enhance our environmental management strategies in monitoring and minimising the environmental impacts brought by our businesses regularly.

During FY2019, the Group was not aware of any material non-compliance with the relevant environmental laws and regulations in Singapore and Malaysia, including but not limited to the “Environmental Protection and Management Act” of Singapore and “Environmental Quality Act” of Malaysia, that have a significant influence on the Group’s operations.

## Exhaust Gas Emissions

Since the Group’s major businesses are providing online marketing services, the Group has no vehicles, industrial production or any factory facilities. Therefore, the Group does not generate any direct exhaust gas emissions during its operation and regard it as immaterial to the operation. The major types of emissions produced by the Group’s operation are indirect GHG emissions (Scope 2 and 3), details will be disclosed in the following section.

## *GHG Emissions*

Due to the Group’s business nature, its daily operations have minimal impacts on the environment. Nevertheless, we still focus on nurturing and strengthening our employees’ awareness of environmental protection in their daily work processes, and actively implement the Group’s environmental protection measures, with the aim to lower the GHG emissions and reduce non-hazardous wastes generation.

The Group has no direct GHG emissions (Scope 1) as it does not have any direct consumption of fuels for vehicles or production facilities due to its business nature. The principal indirect GHG emissions of the Group are generated from purchased electricity (Scope 2) and aircraft navigation during employees’ business trip (Scope 3). During FY2019, the summary of GHG emissions and its intensity were as follows:

<b>Indicator<sup>1</sup></b>	<b>Unit</b>	<b>FY2019</b>
Indirect GHG emissions (Scope 2) — Purchased electricity	tCO <sub>2</sub> e	29.71
Indirect GHG emissions (Scope 3) — Business aircraft navigation	tCO <sub>2</sub> e	0.75
<b>Total GHG emissions (Scope 2 and 3)</b>	tCO <sub>2</sub> e	30.46
<b>Intensity of GHG emissions<sup>2</sup></b>	tCO <sub>2</sub> e/employee	0.53

Notes:

1. GHG emission data is presented in terms of carbon dioxide equivalent and are 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, the latest released emission factors of Singapore’s power grid basis, the latest released emission factors of Malaysia’s regional power grid basis, “How to prepare an ESG Report? — Appendix II: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange, and “Global Warming Potential Values” from the IPCC Fifth Assessment Report, 2014 (AR5).
2. As at 30 June 2019, the Group had 58 employees in total. Unless specified otherwise, the data is also used for calculating other intensity data.

## Environmental, Social and Governance Report (CONTINUED)

We have adopted the following measures to mitigate the indirect GHG emissions from purchased electricity and business air travel:

- Required employees to turn off their computers' power after work;
- Switched off lights during lunch hour; and
- Made use of teleconference or video meetings to prevent non-essential business travel.

Purchased electricity is accounted as the most significant source of indirect GHG emissions. The Group has implemented measures as stated in "Energy Efficiency" of Aspect A2 below in order to reduce energy consumption, and thereby minimising carbon footprint.

Through these GHG emissions mitigating measures, the employees' awareness on GHG emissions mitigation has been enhanced.

### Sewage Discharge

The Group is principally engaged in the provision of online marketing services. We do not consume significant volume of water through our business activities, and therefore our business activities did not generate material portion of discharge into water during FY2019. The amount of sewage discharge is equal to that of the water consumption amount disclosed in "Water Consumption" of Aspect A2.

### *Waste Management*

#### Hazardous waste handling method

Despite the Group did not generate hazardous wastes during FY2019, we have established guidelines in governing the management and disposal of hazardous wastes. In case there is any hazardous waste produced, we must engage a qualified chemical waste collector to handle such waste, which complies with the relevant environmental regulations and rules.

#### Non-hazardous waste handling method

The Group's wastes mainly come from office operation, including non-hazardous wastes such as paper. With the aim of minimising the environmental impacts from non-hazardous wastes generated from our business operations, the Group has implemented measures for effective waste management and encouraged recycling in our operations.

# Environmental, Social and Governance Report (CONTINUED)

During FY2019, the waste disposal amount and its intensity were as follows:

Type of non-hazardous waste	Unit	FY2019
Paper <sup>3</sup>	tonnes	0.85
Intensity	tonnes/employee	0.01

Note:

3. Actual paper consumption amount was approximately 193,607 sheets.

We have implemented the following procedures to encourage employees to share responsibilities in waste management, minimise waste generations and promote recycling:

- Used double-sided printing or photocopying wherever possible;
- Utilised electronic media for communication;
- Recycled one-sided printed paper;
- Avoided single-use disposable items; and
- Placed “Green Message” reminders on office equipment.

Through these waste reduction measures, the employees’ awareness on waste management has been enhanced.

## A2. Use of Resources

### *General Disclosure and KPIs*

As an office-based company, the Group’s major resource consumption contributes to energy consumption and office paper consumption. The Group strives to optimise resource consumption and takes initiatives to introduce measures on promoting resource efficiency and adopting eco-friendly approaches in our operations. We have paid attention to the potential environmental impacts brought by the consumption of resources and established related policies and initiatives, including but not limited to those mentioned in the Employee Handbook, covering topics on better utilisation of resources like energy, water and other natural resources.

### *Energy Efficiency*

Electricity consumption for daily operation is the Group’s major energy consumption. The Group aims to minimise environmental impacts in our operations by identifying and adopting appropriate measures in our operations. Related policies and initiatives on energy conservation have been developed to show our concern on energy efficiency. All employees must implement the adopted policies and measures in resource utilisation. Regular review is conducted on our energy objectives and targets to seek continuous improvement in the Group’s energy performance.

## Environmental, Social and Governance Report (CONTINUED)

Monthly monitoring on the usage of electricity, water and other materials is implemented. Unexpected high electricity consumption will be investigated to find out the root cause and preventive measures will be adopted. The Group has implemented the following measures relating to promoting energy conservation:

- Switched off unnecessary lightings and electrical appliances when not in use; and
- Set all printers, photocopiers and computers to energy saving mode.

As a result, the employees' awareness of energy conservation has been increased through these energy-saving measures.

During FY2019, the energy consumption of the Group and its intensity were as follows:

Type of energy	Unit	FY2019
Electricity	kWh	62,924.00
Intensity	kWh/employee	1,084.90

### Water Consumption

Water consumption of the Group is mainly for basic business operation, cleaning and sanitation. To encourage the habit of water conservation among employees, we have been strengthening our water-saving promotion, posting water saving reminders, and guiding employees to use water reasonably.

As our principal business is providing online marketing services, we do not consume significant amounts of water through our business activities. During FY2019, the water consumption of the Group and its intensity were as follows:

Water consumption	Unit	FY2019
Freshwater	m <sup>3</sup>	1,030.62
Intensity	m <sup>3</sup> /employee	17.77

Since the water supply facilities are provided and managed by property management company, the Group has not identified any issues in sourcing water that is fit for purpose.

### Use of Packaging Material

As the Group's operations do not involve in any product packaging processes, the use of packaging materials is considered as immaterial.

## A3. The Environment and Natural Resources

### *General Disclosure and KPIs*

Although the core business of the Group has limited impact on the environment and natural resources, as an on-going commitment to corporate sustainability, we recognise the importance in minimising the potential negative environmental impacts of our business operations. We spend efforts in mitigating our potential environmental impacts through adopting industrial best practices targeted at reducing natural resources consumption and developing effective environmental management. We regularly assess the environmental risks of our businesses, adopt preventive measures to reduce potential risks and ensure compliance with relevant laws and regulations. We are also devoted to achieving sustainable development for generating long-term values to the community and our stakeholders.



# Environmental, Social and Governance Report (CONTINUED)

## *Paperless Office*

In order to reduce paper usage, the Group strongly advocates paperless office operations. All offices are operated in the electronic system as far as possible to reduce the use and consumption of office paper in order to save forest resources. We also encourage electronic medium for communications within the office and with suppliers.

## Indoor Air Quality

Indoor air quality in our workplace is regularly monitored and measured. Air pollutants, contaminants and dust particles are filtered out by air purifying equipment in the workplace, and regular cleaning of air conditioning system is conducted to ensure office's indoor air quality.

## B. SOCIAL

### B1. Employment

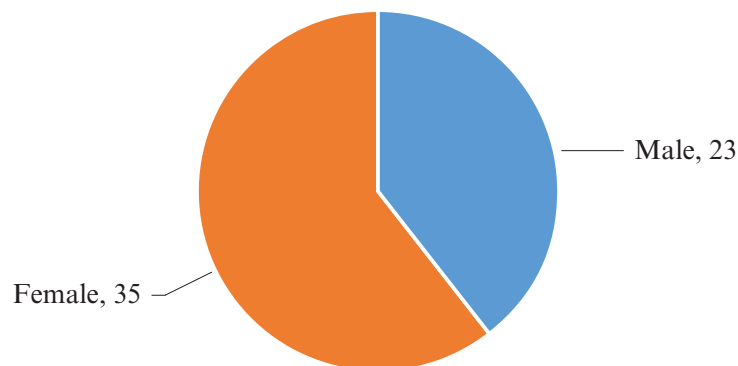
#### *General Disclosure*

Human resources are the foundation for the Group's continuous development. Therefore, relevant employment policies were established to adopt people-oriented management and realise the full potential of employees. These employment policies are formally documented, covering recruitment, compensation, promotion, working hours and rest periods, diversity and equal opportunities, etc. We review these policies and our employment practices periodically to ensure continuous improvements in our employment standards.

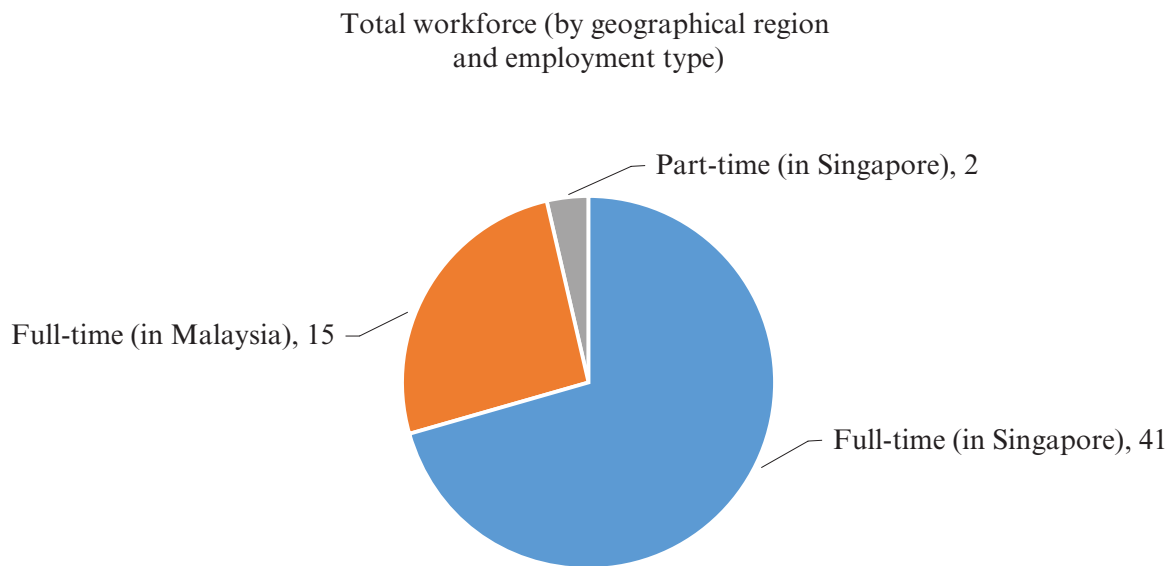
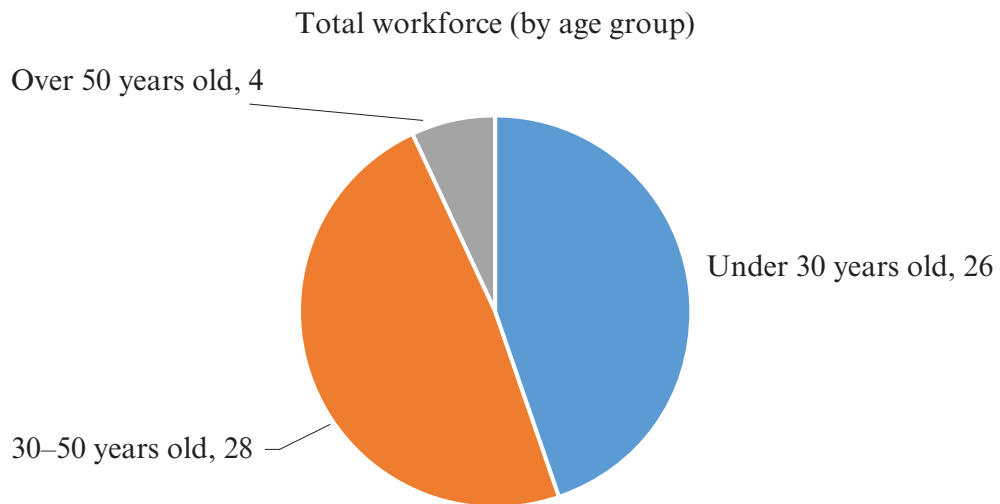
During FY2019, the Group was not aware of any material non-compliance with employment-related laws and regulations in Singapore and Malaysia, including but not limited to the "Employment Act" of Singapore and "Employment Act 1955" of Malaysia that would have a significant impact on the Group.

As at 30 June 2019, the Group had 58 employees in total. In terms of gender, there were 35 females and 23 males in the Group. There were 41 full-time and 2 part-time employees in Singapore and 15 full-time employees in Malaysia. The Group's turnover rate for FY2019 was approximately 36%. The followings show details of employees as at 30 June 2019 by major indicators:

Total workforce (by gender)



## Environmental, Social and Governance Report (CONTINUED)



### *Recruitment, Remuneration, Promotion and Dismissal*

The Group adheres to an open, fair and just principle when recruiting and considers candidates based on their merits instead of age, gender and ethnic backgrounds. The Employee Handbook stipulates remuneration, termination and payroll management, etc. We are strictly in compliance with various relevant national laws and regulations and endeavour to provide all employees with benefits they should enjoy.

The Group has developed a set of sound employment rules and regulations and made clear provisions of the rights and obligations imposed on the employees in the Employee Handbook. The Employee Handbook states the daily working hour of employees in offices in Singapore and Malaysia. Employees are entitled to statutory holidays and annual leave benefits according to respective national laws.

# Environmental, Social and Governance Report (CONTINUED)

In addition, the Group has also provided a comprehensive remuneration package for employees that are stated in the Employee Handbook. The remuneration package includes but not limited to company bonus, gifts and wreaths for occasions, outpatient treatment and dental benefits, extended childcare leave, and long service awards.

Employees are subjected to annual and quarterly performance appraisal. Various performance factors are evaluated, including but not limited to job performance, communication and interpersonal skills, team work, attendance, knowledge and skills, and attitude. Among the appraisal process, performance goals and expectations are set for continuous evaluation for next review period.

In the case of dismissal for misconduct or contravention of the express or implied terms and conditions of employment, first warning will be given by the Human Resources Department, final warning will be given by the management for persistently committed the offence, and dismissal will be notified to the employee in writing if the situation has not improved.

## Communication Channels

We recognise the importance to maintain close and open communication with our employees. Employees are encouraged to exchange information, ideas and views about matters of mutual interest and concern through both formal and informal channels. The management reviews the result of the survey and implements corresponding improvement actions.

## Diversity, Equal Opportunities and Anti-discrimination

A diverse and skilled workforce is crucial for our business. The Group is committed to creating and maintaining an inclusive and collaborative workplace culture. We are dedicated to providing equal opportunities in all aspects of employment and maintaining a workplace that is free from discrimination, physical or verbal harassment against any individual on the basis of race, religion, colour, gender, physical or mental disability, age, place of origin, marital status and sexual orientation. Employees are encouraged to report any suspected cases to protect the rights and interests of each employee. We do not tolerate sexual harassment or abuse in the workplace in any form.

## **B2. Health and Safety**

### ***General Disclosure***

As the Group specialises in the provision of online marketing services, the businesses undertaken by the Group do not pose a significant threat to the health and safety of employees. Yet, the Group undertakes to safeguard the health and safety of its employees and expects all employees to strictly observe our health and safety policies. We will continue to invest in resources and devote efforts to reduce the risks involved in health and safety.

During FY2019, the Group was not aware of any material non-compliance with health and safety-related laws and regulations in Singapore and Malaysia, including but not limited to “Workplace Safety and Health Act” of Singapore and “Occupational Safety and Health Act” of Malaysia, that would have a significant impact on the Group.

# Environmental, Social and Governance Report (CONTINUED)

## *Workplace Health and Safety*

A Health and Safety Policy is drafted and approved by the Board. A manager will be nominated as the Safety Officer who has overall responsibility for the implementation of the said policy and ensures that the policy is well understood by the employees. The Group takes the general welfare of our employees seriously, a number of safe methods and rules have been incorporated into the said policy to minimise prevent office accidents. Employees who suffer from injury arising out of and in the course of employment are entitled to compensation in accordance with the related laws.

The measures for fire emergency occurring in certain buildings or installations are also regulated in the Health and Safety Policy to assist employees in taking sensible immediate action should fire accidents occur.

Employees are free to provide feedbacks on improving workplace safety and report any potential hazards that may lead to injury or danger. We emphasise the importance of strict compliance with safety requirements to our employees.

## **B3. Development and Training**

### *General Disclosure*

#### *Training and Development Management*

The Group recognises the valuable contribution of our talents for the continuous success of the Group. Nurturing talents and polishing the skills of our human capital is crucial in striving for excellence. This is achieved through the development of training strategies that focuses on creating values and serving the needs of our customers, talents and society. Therefore, we encourage our employees to attend internal and external training and obtain professional qualifications.

We note the importance of keeping our employees abreast of the latest trend in the industry, product information and the dynamic pace in the current market. The Group will provide suitable training and development opportunities to assist employees in meeting their training objectives in order to maintain excellent service for our members, specifically to our sales, customer relations, digital marketing and web teams. The provision of training ultimately led to an expansion of the Group's customer base locally and regionally.

New sales team employees are required to attend a two-week intensive orientation programme during their probation and their performance will be reviewed regularly to ensure they attain a reasonable level of expectation. All members of the sales, customer relations, digital marketing and web team are required by the Group to pass the annual certificate examinations of our largest supplier even though the contract explicitly states that only two accounts or product managers are required to obtain such qualifications.

We also organise annual offsite team-building events and weekly social gatherings for our staff to cultivate a sense of belonging and to foster a stronger relationship among various team members.

# Environmental, Social and Governance Report (CONTINUED)

## B4. Labour Standards

### *General Disclosure*

#### *Prevention of Child and Forced Labour*

Child and forced labour are strictly prohibited during recruitment according to local laws and regulations. The Human Resources Department of the Group verifies identity documents of the suitable candidate to prevent recruitment of child labour. To prevent forced labour, working hours are clearly specified in the Employee Handbook.

During FY2019, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations in Singapore and Malaysia, including but not limited to “Employment Act” of Singapore and “Employment Act 1955” of Malaysia, that would have a significant impact on the Group.

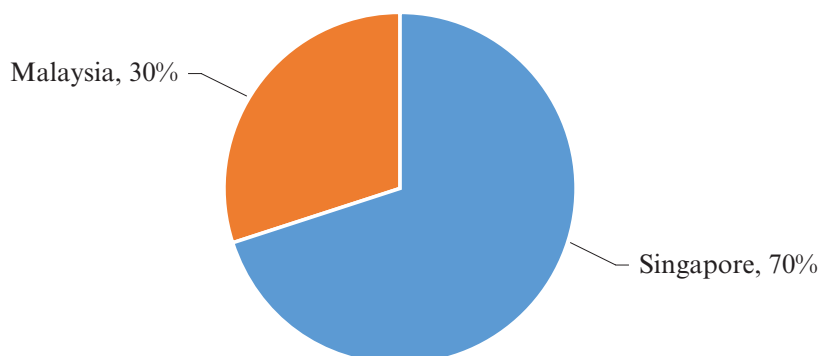
## B5. Supply Chain Management

### *General Disclosure*

The Group highly values our relationship with suppliers, because they are the key to sustainable development of the Group. We have been able to maintain sustainable business relationships with them. All suppliers are evaluated carefully and subjected to regular monitoring and assessment. The Group has formulated relevant procurement policies and selection criteria to manage its suppliers; the policies and procedures are reviewed annually. Procurement and Payments Policies have been set up to regulate and ensure completeness, accuracy and timeliness of all purchases or expenses and payments.

In FY2019, the Group had a total of 96 suppliers from Singapore and Malaysia.

Geographical region of suppliers



# Environmental, Social and Governance Report (CONTINUED)

## *Fair and Open Procurement*

Related policies are formulated to ensure that the suppliers can participate in competitions in an open and fair way. The Group should not give preferential treatment to certain suppliers, employee or personnel should declare any actual or potential conflict of interest arising out of the business transactions of the Group.

Recurring or preferred vendors, as well as suppliers for routine replenishment of office and pantry supplies, which the Group expects to engage on a regular basis, are added to the Approved Vendor List ("AVL"). The list of vendors in the AVL are subject to review annually. All re-evaluated results should be documented, and justifications should be documented for those that are expected from the re-evaluation. Vendors which do not meet the minimum evaluation criteria should be promptly removed from the AVL.

## **B6. Product Responsibility**

### *General Disclosure*

As an online marketing service provider, client satisfaction and day-to-day quality control which includes strategy review, text review, picture review, advertisement review, design review and strategy performance review are very important to the Group. We are committed to delivering excellent customer services and handling their concerns or queries in a timely manner. The Group takes a proactive approach in setting new policies and regularly updating existing policies to safeguard our customers' rights and provide maximum protection to the information we hold.

During FY2019, the Group was not aware of any incidents of non-compliance with laws and regulations in Singapore and Malaysia, including but not limited to the "Personal Data Protection Act", "Spam Control Act" and "Copyright Act" of Singapore and "Personal Data Protection Act 2010", "Trade Description Act 2011", "Communications and Multimedia Act 1998" and "Copyright Act 1987" of Malaysia, that have a significant impact on the Group, concerning advertising, labelling and privacy matters relating to products and services provided and methods of redress.

### *Customer Privacy Protection*

The Group takes serious protection of our clients' confidential information. The Personal Data Protection Policies and Procedures Manual have been implemented to establish the principles of data protection governing the collection, usage and disclosure of personal data given to the Group from individuals. A Data Protection Officer has also been elected to prepare employees with sufficient knowledge when dealing with sensitive information.

The Group seeks to protect our clients' information and accounts by employing data security measures such as firewalls and anti-virus software, encryption and passwords, etc. Access rights to computers and accounts are reviewed on an annual basis to limit access of information only to current employees, i.e. access right of information will be removed upon termination of employment or contract. Our employees are prohibited to use the personal information of our clients for purposes not related to the business context, unless their prior consent is obtained.

## Environmental, Social and Governance Report (CONTINUED)

### *Customer Services*

To provide a pleasant user experience for our customers, the Group has long established a set of procedures to handle customers' feedbacks or complaints in a professional manner. Customers' information will be recorded and enquiries or complaints cases received will be relayed to relevant department for further handling. Reviews on feedback or complaints will be conducted, and action plans will be in place promptly to address the identified issues. Customers' satisfaction is evaluated after the cases are settled, and feedback or complaints may be circulated to management if necessary.

### *Protection of Intellectual Property Rights*

As at 30 June 2019, the Group had registered 6 trademarks of the Company logo in Singapore, Malaysia, the Philippines and Hong Kong, 1 trademark had been applied in Indonesia. For any infringement of our intellectual properties, we will urge infringers to cease such action. The Human Resources Department of the Group will take further action if infringement continues. 3 domain names had also been registered by the Group.

In Singapore, an author automatically enjoys copyright protection as soon as he creates and expresses his original work in a tangible form, such as by recording or writing; while there is no requirement for registration in order to acquire copyright protection in Malaysia. The Group strictly abides by copyrights related laws and regulations and will not produce products without the consent or licence of the owner of the copyright.

### *Advertising and Labelling*

The Group abides by the Singapore Code of Advertising Practice ("SCAP") with regard to our advertising practices. Although it is only a code of practice with no force of law, any breach of the SCAP may lead to sanctions or withdrawal of trading privileges. In addition, the Group abides by the Malaysian Code of Advertising Practice ("MCAP") which is administered by the Advertising Standards Authority ("ASA") even though there are no comprehensive legislations which regulate the advertising practice in Malaysia. Any failure to observe the MCAP may cause sanctions by the ASA via negative publicity by publishing details of the outcome of investigations it has undertaken and withdrawal of trading privileges by the media. There are also restrictions in the advertising of certain products, services and industries, including but not limited to medicine, indecent advertisements and venereal diseases, obscene objects, food and drinks. Our employees have been familiarised with the relevant existing legislation and code of practice to avoid being in breach of any related advertising practices.

# Environmental, Social and Governance Report (CONTINUED)

## B7. Anti-corruption

### *General Disclosure*

The Group has zero toleration on any corruptions, frauds and all other behaviours violating work ethics. We value and uphold integrity, honesty and fairness in the way we conduct businesses.

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 in Singapore and Malaysia, including but not limited to the “Prevention of Corruption Act” of Singapore and the “Anti-Corruption Commission Act 2009” of Malaysia.

### *Whistle-blowing Mechanism*

Guidelines on whistle-blowing have been established to provide a well-defined and accessible channel for reporting fraud, corruption, dishonest practices or other similar matters and how an investigation would be initiated upon receiving a complaint. The guidelines offer protection to employees who report fraudulent activities in good faith and in reasonable belief. A Whistle-blowing Officer is elected to ensure that any report is dealt with in an expedited manner. On receiving the complaint, the Board decides the method of investigation, which may involve appointing an external consultant for assessment.

## B8. Community Investment

### *General Disclosure*

The Group believes that returning society through social participation and contribution is a form of showing corporate citizenship. We also see the potential to nurture corporate culture and inspire our employees towards social concerns in the daily work life. We would embrace the human capital into the social management strategies to sustain our corporate social responsibility as a part of the strategic development of the Group. To further encourage employees to participate in community activities and giving back to society, we have stated related policies in the Employee Handbook.

### *Community Participation*

We participate in various community activities to help the needy in society. For example, donations, volunteering services, sponsorships, etc. The Group has made a donation of S\$20,000 to “Halogen Yellow Diamond Gala — Platinum Table” during FY2019. We have also encouraged our employees to participate in community activities and suggest areas of contribution based on their personal experiences in the community.



# Environmental, Social and Governance Report (CONTINUED)

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

### Subject Areas, Aspects,

General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect A1: Emissions</b>		
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 Exhaust Gas and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1 (“comply or explain”)	The types of emissions and respective emissions data.	Emissions — Exhaust Gas Emissions; GHG Emissions; Sewage Discharge; Waste Management
KPI A1.2 (“comply or explain”)	GHG emissions in total (in tonnes) and intensity.	Emissions — GHG Emissions
KPI A1.3 (“comply or explain”)	Total hazardous waste produced (in tonnes) and intensity.	Emissions — Waste Management (Not applicable — Explained)
KPI A1.4 (“comply or explain”)	Total non-hazardous waste produced (in tonnes) and intensity.	Emissions — Waste Management
KPI A1.5 (“comply or explain”)	Description of reduction initiatives and results achieved.	Emissions — Exhaust Gas Emissions; GHG Emissions
KPI A1.6 (“comply or explain”)	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Emissions — Waste Management
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1 (“comply or explain”)	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources — Energy Efficiency
KPI A2.2 (“comply or explain”)	Water consumption in total and intensity.	Use of Resources — Water Consumption
KPI A2.3 (“comply or explain”)	Description of energy use efficiency initiatives and results achieved.	Use of Resources — Energy Efficiency
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

# Environmental, Social and Governance Report (CONTINUED)

## Subject Areas, Aspects,

General Disclosures and KPIs	Description	Section/Declaration
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)
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimizing the issuer’s significant impact on the environment and natural resources.	The Environment and Natural Resources
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 — Paperless Office, Indoor Air Quality
<b>Aspect B1: Employment</b>		
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, antidiscrimination, and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment
<b>Aspect B2: Health and Safety</b>		
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
<b>Aspect B3: Development and Training</b>		
General Disclosure	Policies on improving employees’ knowledge and skills for discharging duties at work. Description of training activities.	Development and Training

# Environmental, Social and Governance Report (CONTINUED)

## Subject Areas, Aspects,

General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect B4: Labour Standards</b>		
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
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
<b>Aspect B6: Product Responsibility</b>		
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 Responsibility
<b>Aspect B7: Anti-corruption</b>		
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
<b>Aspect B8: Community Investment</b>		
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