

# Cool Link (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8491

## 2018

### **ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT**

## **INTRODUCTION, ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES**

Cool Link (Holdings) Limited (the “Company”), together with its subsidiaries (“the Group” or “we”) is a Singapore-based importer of food products with over 17 years of experience in the ship supply industry in Singapore, we believe sustainability is the key to achieve continuous success and we have integrated it into our business strategies.

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

### **ESG GOVERNANCE STRUCTURE**

The Group has assigned staff from relevant departments assisting in data collection and compilation of the ESG Report. The assigned management would periodically report to the Board of Directors, assist in assessing, identifying and managing risks of the Group on ESG aspects, and whether its internal control system is appropriate and effective. The assigned management reviews the ESG performance of the Group, including environmental, labour practices, and other ESG aspects. The Board of Directors sets the tone at the top for our ESG strategies, and is responsible for ensuring effective risk management and internal controls.

### **SCOPE OF REPORTING**

Unless specified otherwise, the ESG Report covers the Group’s business activities in Singapore office and warehouses, which represent the Group’s major sources of revenue. The ESG Report covers the Group’s policies, compliance issues as well as key performance indicators (“KPI”) in Environmental and Social areas. The ESG 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 compliance with all applicable provisions set out in the “Environmental, Social and Governance Reporting Guide” (the “ESG Reporting Guide”) contained in Appendix 20 of the GEM Listing Rules of the Stock Exchange of Hong Kong Limited.

For the Group’s corporate governance practices, please refer to P.20 to P.29 for the section “Corporate Governance Report” contained in the Group’s 2018 Annual Report.

### **REPORTING PERIOD**

The ESG Report describes the ESG activities, challenges and measures taken by the Group during the year ended 31 December 2018 (the “Reporting Period”).

## 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 shareholders and investors, customers and business partners, employees, suppliers and subcontractors, as well as media, non-governmental organizations (“NGOs”) and the public. We consider stakeholders’ expectations in formulating our businesses and ESG strategies by utilising diversified engagement methods and communication channels, shown as below.

Stakeholders	Communication channels
Shareholders and investors	<ul style="list-style-type: none"><li>• Annual general meeting (“AGM”) and other shareholder meetings</li><li>• Annual reports, interim reports and quarterly reports</li><li>• Announcements and circulars</li><li>• Company website</li></ul>
Customers and business partners	<ul style="list-style-type: none"><li>• Customer satisfaction survey</li><li>• Progress meetings</li><li>• Customer service team</li><li>• Customer support hotline and email</li></ul>
Employees	<ul style="list-style-type: none"><li>• Trainings, seminars, and briefing sessions</li><li>• Regular performance reviews</li><li>• Intranet</li></ul>
Suppliers and subcontractors	<ul style="list-style-type: none"><li>• Supplier management meetings and events</li><li>• Supplier audit</li><li>• Procurement manager</li></ul>
Media, NGOs, and the public	<ul style="list-style-type: none"><li>• Community activities and partner programs</li><li>• ESG report</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 our 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.

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

The ESG Reporting Guide	Material ESG aspects of the Group	
<b>A. Environmental</b>		
A1. Emissions	Exhaust Gas and Greenhouse Gas ("GHG") Emissions	P. 4
	Waste Management	P. 6
A2. Use of Resources	Energy Consumption	P. 7
	Water Consumption	P. 9
A3. The Environment and Natural Resources	Environmental Education	P. 10
<b>B. Social</b>		
B1. Employment	Recruitment, Remuneration, Promotion and Dismissal	P. 11
	Working Hours and Rest Periods	P. 12
	Communication Channels	P. 12
	Diversity, Equal Opportunities and Anti-discrimination	P. 12
B2. Health and Safety	Safety Plans and Trainings	P. 13
B3. Development and Training	Training and Development Management	P. 13
B4. Labour Standards	Prevention of Child and Forced Labour	P. 14
B5. Supply Chain Management	Supply Chain Management Structure	P. 15
	Environmental and Social Responsibilities of Suppliers	P. 15
	Fair and Open Procurement	P. 15
B6. Product Responsibility	Quality Assurance	P. 16
	Data Privacy	P. 16
	Customer Services	P. 17
B7. Anti-corruption	Anti-corruption	P. 17
B8. Community Investment	Community Participation	P. 18

As at the year ended 31 December 2018, 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 email at [enquiry@coolink.com.sg](mailto:enquiry@coolink.com.sg).

## A. ENVIRONMENTAL

### A1. Emissions

#### *General Disclosure and KPIs*

The Group primarily acts as a Singapore-based importer of food products. Business operations include but not limited to the supply of various types of food products, including canned food and packaged beverages in the dry category, various dairy products in the chilled category and ice cream and frozen cakes and pies in the frozen category to our ship supply customers in Singapore. We integrate environmental concerns into our decision-making processes and consider potential positive and negative environmental impacts of our businesses.

Given the business nature of the Group, we believe that there are only minimal direct environmental impacts in our operations. Nevertheless, we continue to stay alert to the potential environmental impacts. We have established related environmental policies and green measures to enhance our environmental governance practices and mitigate potential environmental impacts caused by our operations.

On the other hand, we are committed to raising our employees' environmental awareness and complying with relevant environmental laws and regulations.

In the long run, we will continue to regularly enhance our environmental management strategies in monitoring and minimizing the environmental impacts brought by our businesses.

During the Reporting Period, the Group did not have any violation of relevant local environmental laws and regulations in relation to exhaust gas and GHG emissions, water and land discharge, and the generation of hazardous and non-hazardous wastes, including but not limited to "Environmental Protection and Management Act", "Environmental Public Health (General Waste Collection) Regulations" and "Control of Vector and Pesticides Act", that have a significant impact on the Group.

#### *Exhaust Gas and GHG Emissions*

##### Exhaust Gas Emissions

Due to our business nature, the Group pays attention to the relevant air emissions generated at our operations. We strive to mitigate the exhaust gas and GHG generated from our operation process as much as possible. Our major sources of exhaust gas emissions are combustion of diesel and petrol from vehicles. During the Reporting Period, the amount of sulphur oxides ("SOx") generated from vehicles exhaust was about 0.85 kg. We have set up a monitoring system for petrol and diesel consumption on site to track the amount of petrol and diesel consumed, and the causes of unexpected high amount of petrol and diesel consumption will be examined. Other measures to mitigate exhaust gas emission for vehicles are mentioned in the following section on "GHG Emissions".

## GHG Emissions

The principal GHG emissions of the Group are generated from the petrol and diesel consumption of vehicles (Scope 1) and purchased electricity (Scope 2). We have adopted the following measures to mitigate the direct GHG emissions from petrol and diesel consumption in our operations:

- Examined and obtained certification for the vehicles under Section 90 of the “Road Traffic Act” on the prescribed statutory requirements;
- Switched off engine whenever the vehicle is idled; and
- Provided maintenance service to the vehicles on a regular basis to ensure the engine performance and its efficient use of fuel.

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

Through these GHG emissions mitigating measures, the employees’ awareness on GHG emissions mitigation has been enhanced. Total GHG emissions has decreased by about 20%, from approximately 417.96 tCO<sub>2</sub>e in 2017 to approximately 335.13 tCO<sub>2</sub>e in the Reporting Period.

The summary of GHG emissions performances:

Indicator <sup>1</sup>	Total emissions (tCO <sub>2</sub> e)	Intensity <sup>2</sup> (tCO <sub>2</sub> e/m <sup>2</sup> )
Direct GHG emissions (Scope 1) – Petrol and diesel consumption	162.06	0.054
Indirect GHG emissions (Scope 2) – Purchased electricity	168.71	0.056
Indirect GHG emissions (Scope 3) – Business air travel	4.36	0.001
Total GHG emissions (Scope 1, 2 and 3)	335.13	0.111

Note:

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, “How to prepare an ESG Report? – Appendix II: Reporting Guidance on Environmental KPIs” issued by the HKEX, “Global Warming Potential Values” from the IPCC Fifth Assessment Report, 2014 (AR5).
2. As at 31 December 2018, the Group’s total floor area was approximately 3,002.6 m<sup>2</sup>. The data is also used for calculating other intensity data.

## Sewage Discharge

We do not consume significant volume of water throughout our business activities, and therefore our business activities did not generate material portion of discharge into water. The amount of sewage discharged during the Reporting Period was about 2,497.90 m<sup>3</sup>, which is approximately 0.83 m<sup>3</sup>/m<sup>2</sup>. We have related procedures for water discharge at our operations to prevent water pollution.

## *Waste Management*

### Hazardous waste handling method

Despite the Group did not generate hazardous wastes during the Reporting Period due to its business nature, it has established guidelines in governing the management and disposal of hazardous wastes. In case there is any hazardous waste produced, the Group must engage a qualified chemical waste collector to handle such waste, which is complied 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 minimizing the environmental impacts from non-hazardous wastes generated from our business operations, the Group has implemented measures to handle such wastes and launched different reduction initiatives.

We have implemented the following procedures to encourage employees to share responsibilities in waste management and minimize waste generations:

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

The summary of major non-hazardous wastes discharge performance:

Category of waste	Total discharge (tonnes)	Intensity (tonnes/m <sup>2</sup> )
Paper <sup>3</sup>	0.42	0.0001
General waste	166.92	0.06

Note:

3. Amount of paper consumed during the Reporting Period was approximately 85,000 sheets.

## A2. Use of Resources

### ***General Disclosure and KPIs***

Responsible use of resources is one of our missions in achieving sustainability. During our operations, fuels and electricity are frequently consumed. In order to optimize our resource usage, we have established relevant policies and procedures in governing the efficient use of resources, implemented initiatives to reduce unnecessary use of materials and increase energy efficiency, and adopted eco-friendly approaches in our operations. We will also learn from the best practices in our industry in order to improve our environmental performance for use of resources.

### *Energy Consumption*

The major energy consumption of the Group in daily operation is electricity consumption in the operation, petrol and diesel consumption via transportation.

Since energy consumption accounts for the major resource consumption in the Group, we aim to identify and adopt appropriate measures to minimize our potential environmental impacts. We have developed related policies and initiatives on energy conservation to show our concern on energy efficiency. Regular review is conducted on our energy objectives and targets to seek continuous improvement in the Group's energy performance. Unexpected high electricity consumption will be investigated to find out the root cause and preventive measures will be taken.



During the Reporting Period, the Group has performed the following measures relating to promote energy efficiency:

- Selected energy-efficient equipment and electrical appliances for production, office and domestic electricity use;
- Encouraged employees to turn off all electrical appliances that come with them when they leave office;
- Turned off all unnecessary lights, air conditioners, computers and other office equipment in office areas, conference rooms and corridors when they are not in use to avoid waste of electricity;
- Regulated the use of air conditioners strictly to prevent waste of electricity;
- Turned off computers (host and monitor) when employees they go out for a long time, and switched computers to standby or sleep mode when employees go out for lunch; and
- Enhanced the maintenance and overhaul of equipment, maintain the best condition of all electronic equipment for efficient use of electricity.

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

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

Type of energy	Energy consumption (kWh)	Intensity (kWh/m <sup>2</sup> )
Petrol <sup>4</sup>	425,349.45	141.66
Diesel <sup>5</sup>	159,963.68	53.28
Electricity	402,445.32	134.03

Note:

4. Conversion is in reference to the conversion provided on U.S. Energy Information Administration Energy Conversion Calculators; actual petrol consumption was approximately 45,609.70 litres.
5. Conversion is in reference to the conversion provided on U.S. Energy Information Administration Energy Conversion Calculators; actual diesel consumption was approximately 15,039.09 litres.

### *Water Consumption*

Water consumption of the Group is mainly for cleaning and sanitation in office and warehouses. We have set up procedures for water conservation measures, and encouraged all employees to develop the habit of water conservation. We have been strengthening our promotion on water-saving, posting water saving reminders, and guiding employees to use water reasonably.

The summary of water consumption during the Reporting Period:

Water consumed	Total consumption (m <sup>3</sup> )	Intensity (m <sup>3</sup> /m <sup>2</sup> )
Freshwater	2,497.90	0.83

We have implemented the following procedures to improve our water efficiency:

- Carried out regular leakage tests on concealed piping and checked for overflowing tanks, blockage, worn tap washers and other defects in the water supply system;
- Fixed dripping taps immediately; and
- Reduced water pressure to the lowest practical level.

With the above measures, we are able to raise employees' awareness on water conservation.

Since the Group's operation mainly involved administrative office environment and warehouses for storing and packaging shipment goods, there was no significant issue regarding sourcing water that is fit for purpose.

### Use of Packaging Materials

As an importer of food products in the ship supply industry, the Group's major packaging materials are pallets, pallet stretch film and foam box.

The following is a summary of major packaging material consumed during the Reporting Period:

Type of packaging material	Total amount consumed (unit)	Intensity (unit/m <sup>2</sup> )
Pallets	1,440.00 pieces	0.48 pieces/m <sup>2</sup>
Pallet stretch film	3,649.75 kg	1.22 kg/m <sup>2</sup>
Foam box	7,655.00 pieces	2.55 pieces/m <sup>2</sup>

### **A3. The Environment and Natural Resources**

#### ***General Disclosure and KPIs***

Although the core businesses of the Group have limited impact on the environment and natural resources, as an ongoing commitment to corporate social responsibility, we recognize the importance in minimizing the negative environmental impacts of our business operations. 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 Education*

Other than the measures mentioned in the previous sections, we also focus on raising employees' awareness on the environment and natural resources through various environmental education means. We encourage our staff to participate in campaign or activities relating to the promotion of green environment. Green messages are also posted on the message board to remind colleagues of supporting environmental conservation.

#### Indoor Air Quality

We strive to maintain a good air quality at our workplace, for both office and warehouses. Indoor air quality at our workplace is regularly monitored and measured. By adopting air-purifying equipment in the workplace as well as conducting regular cleaning of air conditioning system, these measures resulted in maintaining indoor air quality and filtering out pollutants, contaminants and dust particles.

## **B. SOCIAL**

### **B1. Employment**

#### ***General Disclosure***

Human resources are the foundation for the Group's continuous development. Hence, we established relevant employment policies, adopting people-oriented management and realising the full potential of employees. Relevant 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 of our employment standards.

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

As at the year ended 31 December 2018, there was a total of 74 employees, which included 42 male and 32 female employees respectively. The following shows a summary of the Group’s employee as at the year ended 31 December 2018:

<b>Workforce by employment type</b>	<b>Number of employees</b>
Senior Management	3
Middle Management	8
Frontline Staff & Other Employees	63

<b>Workforce by age group</b>	<b>Number of employees</b>
18-25 years old	8
26-35 years old	23
36-45 years old	15
46-55 years old	14
56 years old or above	14

*Recruitment, Remuneration, Promotion and Dismissal*

We adopt robust and transparent recruitment processes based on merit selection against the job criteria applied. Recruitment of individuals is based on their suitability for the position and potential to fulfil the Group’s current and future needs. We ensure our employees and applicants are treated and evaluated in a fair way.

Employees are entitled to remuneration package, which includes medical insurance, dental allowance, different types of leaves, company activities and service awards. Bonus and variable bonus will be distributed to staff based on the Group’s yearly sales performance and achievement, as well as their performance appraisal that is also reviewed regularly by heads of department for potential promotion opportunities for employees.

It is the Group’s policy, through its Performance Management Process, to review all employees’ performance and effectiveness on an ongoing basis. The process is designed to meet the needs and align expectations of both managers and employees, and to ensure that all employees have the opportunity to develop and succeed in his or her new job. A new employee will be subject to a probation period as stipulated in his or her employment contract. This can ensure that our new employees are satisfied with their employment, and having the capability of meeting or exceed the requirements of the position at hand. During this period, their performance and suitability for continued employment will be assessed at regular intervals. At the end of the probation period, a performance review will be conducted to ensure that they are capable of achieving the work performance expectations, KPIs set and productivity standards of the Group.

Both the Group and employees have the right to terminate employment contract. We have stated the conditions of termination of employment clearly in the “Letter of Appointment”. Upon the termination of the employee’s employment, the employee shall return to the Company all documents, records, items and materials in the employee’s possession or custody belonging to the Company.

#### *Working Hours and Rest Periods*

The Group has formulated policies in determining the working hours and rest periods for employees in accordance with the Singapore’s Ministry of Manpower (“MOM”) regulation. Timecards are used to record the attendance and working time of employees to ensure appropriate reimbursement is provided for overtime working. Our employees enjoy sufficient benefits including annual leave, public holiday, medical leave, maternity leave, paternity leave, child care leave, extended child care leave, compassionate leave, as well as celebration on their birthday, Chinese New Year, Labour Day, Hari Raya Puasa, Deepavali and Christmas in a form of company trip or Chinese New Year dinner, in which the employees’ immediate family member are also invited. Additionally, the Group has set up Long Service Award and Superstar Award to commend employees’ contribution and hard work.

#### *Communication Channels*

We recognize 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. We have established various communication channels with our employees. Management reviews the result of the survey and implement corresponding improvement actions.

The Group recognizes the accumulation of unspoken, unanswered complaints, questions and suggestions will result in employee dissatisfaction and threaten what otherwise can be a satisfactory working environment. To foster good relations among employees and between employees and management, the Group has established related grievance policy, and provided procedures and options to employees on how to handle the issues concerned.

#### *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 workplace that are free from discrimination, physical or verbal harassment against any individual because of race, religion, colour, gender, physical or mental disability, age, place of origin, marital status, and sexual orientation. We also strive to ensure that complaints, grievances and concerns, including whistle-blowing, are dealt with promptly and confidentially. We have zero tolerance on sexual harassment or abuse in the workplace in any form. Regular meetings among management are held semi-annually, and among the heads of department are held weekly. The Group commits to organize five events yearly to bond and better communicate with employees across the operations.

## **B2. Health and Safety**

### ***General Disclosure***

For the benefit of our employees and suppliers, the Group is committed to providing and maintaining a safe and healthy working environment. A section on occupational, health and safety policy statement has been incorporated in the Employee Handbook, in which the Group is committed to provide, with the assistance of employees, a working environment that protects the health and safety of each team member, customer and visitor. Meanwhile, related internal policies are also established to ensure each department are responsible for maintaining safe working environment. We will continue to invest sufficient resources and devote efforts to maintain and enhance safety management to reduce the risks involved in health and safety.

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

### *Safety Plans and Trainings*

We have incorporated various steps for different levels of management to ensure safety standards are met in our operations. Supervisors are required to check all warehouse facilities at the beginning and end of the day to inspect for any inconsistencies or safety issues. Assistant inspectors are required to perform daily clearance check on worker housekeeping to ensure personal safety.

We emphasise to our employees that strict compliance with safety requirements is vital to ensure that there are no accidents to themselves or others that work on our projects. We also require our suppliers to abide by all applicable laws, regulations and safety requirements imposed by the relevant government authorities.

## **B3. Development and Training**

### ***General Disclosure***

### *Training and Development Management*

The Group regards our staff as the most important asset and resource. We recognise the valuable contribution our talents make to the continued success of the Group. We are committed to unleashing our employee potentials towards the delivery of excellence. This is achieved through development of training strategy that focuses on creating values and serving the needs of our customers, talents and society.

The Group understands that training and development is indispensable for our staff to keep abreast with the latest trend in the industry. Nurturing talents and polishing the skills of our human capital is critical in leading us to excellence. During the Reporting Period, the total training hours of our employees were approximately 900 hours.

Each department in the Group is responsible to review and plan on-the-job training schedule, in which trainings usually include product knowledge and provide better understanding on standard operating procedures. As indicate in the Employee Handbook, employees shall also attend safety courses related to forklift handling and operating, PSA safety regulation and any other in-house or external workshops, which may relate to work safety requirements and within their scope of work.

The Group is committed to providing, with the assistance of our people, a work environment that protects the safety and health of our team members, customers and visitors. This will be done through the identification and control of hazard, and the necessary procedures, practices, guidance and information will be implemented to assist managers and team members in providing and maintaining this working environment as mentioned in our Occupational, Health and Safety Policy Statement.

#### **B4. Labour Standards**

##### ***General Disclosure***

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

Child and forced labour are strictly prohibited during the recruitment process as defined by laws and regulations. The Group strictly complies with MOM regulation in Singapore, and no child or forced labour is allowed. No employee will be compelled to work against his or her will through force or intimidation of any form or subjected to corporal punishment or coercion of any type related to work. The Human Resource Department has the right to immediately terminate employment contract with employee who violates the laws and regulations.

Personal data are collected during the recruitment process to assist in the selection of suitable candidates and to verify candidates' personal data. The Human Resources Department also ensures identity documents are carefully checked. If violation is involved, it will be dealt with in the light of the circumstances.

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

## **B5. Supply Chain Management**

### ***General Disclosure***

#### *Supply Chain Management Structure*

The Group highly values our relationship with suppliers and regards them as important business partners. All suppliers are evaluated carefully and subjected to regular monitoring and assessment. The Group has formulated related policies and procedures to manage its suppliers and the policies and procedures are reviewed regularly.

The Group has standard procedures in engaging any new suppliers and on evaluating and follow-up with existing ones regarding their performance on meeting the product or service specifications, pricing, meeting delivery lead-time and schedule, as well as responsiveness.

In view of the increasing environmental concerns in society, the Group is aware of the importance in managing environmental and social risks of its supply chain. The Group has embedded environmental and social consideration in the procurement process and supplier communication by including sustainability as a criterion of supplier and subcontractor selection. The Group will continue to monitor its supply chain regarding the environmental and social standards.

#### *Environmental and Social Responsibilities of Suppliers*

Apart from managing quality and progress of work, we also take suppliers' environmental and social responsibilities into considerations during our procurement processes. The Group will continue to monitor its supply chain regarding the environmental and social standards. Looking forward, the Group will continue to require business partners to attach more importance to the sustainable development performances, to promote the sustainable development of the industry as a whole.

#### *Fair and Open Procurement*

Rules are formulated to ensure that the suppliers could participate in competitions in an open and fair way. The Group should not have differentiated or discriminated treatment on certain suppliers; it would strictly monitor and prevent all kinds of business bribery; and employees or personnel having any interest relationship with the supplier should not be involved in the related business activity.



## **B6. Product Responsibility**

### ***General Disclosure***

The Group highly values customers' satisfaction and end-users' requirements in our services and products provided. In pursuit of quality excellence, we are committed to producing the highest quality food products in a safe and clean environment, adhering to strictly to industry hygiene, safety and quality standards.

During the Reporting Period, we were not aware of any incidents of material non-compliance with laws and regulations, including but not limited to the "Personal Data Protection Act", "Sale of Food Act", "Wholesome Meat and Fish Act" and "Regulation of Imports and Exports Act", that have a significant impact on the Group, concerning advertising, labelling and privacy matters relating to products and services provided and methods of redress.

### *Quality Assurance*

The Group highly emphasizes on its product quality, especially focusing on food safety and quality management. In order to ensure food safety, the Group has formulated different guidelines and practices, for instance Food Storage and Food Safety Guide and Refrigerated Storage Practices. These guidelines and practices are carried out by different levels of management parties so to ensure food products are in good conditions. All elements of the food safety programme will be carried out by the ISO 22000 Food Safety Team and the Team will review the ISO 22000 Food Safety Programme annually and following significant changes to the process.

The Group has standard recall procedures, ensuring the quality of imported food products including meat, seafood, fresh fruits and vegetables, as well as processed food. All requests for returns or refund will be reviewed on case-by-case basis and subjected to the Group's approval.

To achieve higher standard of excellence, the Group's business operation provides value-added service such as round-the-clock delivery service. The delivery team provides 24-hour delivery services to the customers, and is committed to deliver products within 3-hour of notice. The business operations are ongoing 365 days a year, even throughout the festive periods.

### *Data Privacy*

The Group respects the values and rights of customers' information assets, and strictly complies with the customers' information security management systems and standards. As stated in the Employee Handbook, employee shall not at any time during or after resignation or termination with the Company, reveal or cause to be revealed to any person or company, any of the trade secrets, confidential operations, processes, dealings or any information concerning the organization, business, finances, transactions or any of its related. In addition, employees shall not download any software to any computer workstation without prior consent of the Group.

### *Customer Services*

To provide a pleasant user experience for our customers, the Group has long established a set of procedures to handle customers' feedback or complaints in a professional manner. Customers' information will be recorded and enquiries or complaints cases received will be transferred to the Business Development Department for further handling. Reviews on feedback or complaints is conducted, and action plans are 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

The Group has indicated clearly in the employment contract regarding intellectual property ownership. The management has been continuously looking out for potential patent infringements of the Group's products.

### Advertising and Labelling

As the Group's operational process does not involve advertising and labelling practices, the information relating to advertising and labelling is considered as non-material to the Group.

## **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. The Group's major operations formulated such policies on the control and prevention of bribery, extortion, fraud and money laundering between shareholders and related parties in each business operation and trade activity.

During the Reporting Period, the Group did not notify any non-compliance with the relevant laws and regulations of bribery, extortion, fraud and money laundering, including but not limited to the "Prevention of Corruption Act".

### *Anti-corruption*

The Group has established a Code of Conduct which details misconduct such as bribery, extortion, fraud and money laundering shall be treated as misconduct for which the employee shall be liable to dismissal. The management shall continue monitoring the implementation and effectiveness of the established whistle-blowing policy to provide a reporting channel for all employees on any potential unethical acts and malpractices.

## **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 in nurturing 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.

### ***Community Participation***

We participate in various community activities to help the needy in society. To have a better understanding of the needs in society and strengthen the connection with local communities, we regularly communicate with local charities. We also encourage our employees to participate in community activities, suggest areas of contribution based on their personal experiences in the community, and actively participate in social voluntary work.

During the Reporting Period, the Group has donated approximately S\$12,000 to Yong-En Care Centre in order to support the organization's value-added community based services and support for the needy individuals and families.

## 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 – Exhaust Gas and GHG Emissions; Sewage Discharge; Waste Management
KPI A1.1 (“comply or explain”)	The types of emissions and respective emissions data.	Emissions – Exhaust Gas and GHG Emissions; Sewage Discharge; Waste Management
KPI A1.2 (“comply or explain”)	GHG emissions in total (in tonnes) and intensity.	Emissions – Exhaust Gas and GHG Emissions
KPI A1.3 (“comply or explain”)	Total hazardous waste produced (in tonnes) and intensity.	Emission – 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 and 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>Subject Areas, Aspects, General Disclosures and KPIs</b>	<b>Description</b>	<b>Section/Declaration</b>
<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 – Energy Consumption; Water Consumption; Use of Packaging Materials
KPI A2.1 (“comply or explain”)	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources – Energy Consumption
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 Consumption
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
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 Materials
<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 – Environmental Education; Indoor Air Quality
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 – Environmental Education; Indoor Air Quality

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect B1: Employment</b>		
General Disclosure	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(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.</li> </ul>	Employment – Recruitment, Remuneration, Promotion and Dismissal; Working Hours and Rest Periods; Communication Channels; Diversity, Equal Opportunities and Anti-discrimination
<b>Aspect B2: Health and Safety</b>		
General Disclosure	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(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.</li> </ul>	Health and Safety – Safety Plans and Trainings
<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 – Training and Development Management
<b>Aspect B4: Labour Standards</b>		
General Disclosure	Information on: <ul style="list-style-type: none"> <li>(a) the policies; and</li> <li>(b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.</li> </ul>	Labour Standards – Prevention of Child and Forced Labour

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect B5: Supply Chain Management</b>		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management – Supply Chain Management Structure; Environmental and Social Responsibilities of Suppliers; Fair and Open Procurement
<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 – Quality Assurance; Data Privacy; Customer Services; Protection of Intellectual Property Rights; Advertising and Labelling
<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 – 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 – Community Participation

