

# Cool Link (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 8491

**2019**

**ENVIRONMENTAL,  
SOCIAL AND GOVERNANCE REPORT**

# Environmental, Social and Governance Report

## INTRODUCTION, ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES

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

### The 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 (the “Board”), assist in assessing, identifying and managing risks of the Group on ESG aspects, and reflect 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 sets the tone at the top for the Group’s 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 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 to the Rules Governing the Listing Securities on GEM of the Stock Exchange of Hong Kong Limited.

For the Group’s corporate governance practices, please refer to P.23 to P.32 for the section “Corporate Governance Report” contained in the Group’s Annual Report 2019.

## REPORTING PERIOD

The ESG Report describes the ESG activities, challenges and measures taken by the Group during the year ended 31 December 2019 (“2019”).

# Environmental, Social and Governance Report

## STAKEHOLDER ENGAGEMENT

The Group values its stakeholders and their feedback regarding the Group's businesses and ESG aspects. In order to understand and address their key concerns, the Group has maintained close communication with its key stakeholders, including but not limited to shareholders and investors, customers and business partners, employees, suppliers, media, non-governmental organizations ("NGOs") and the public, as well as government bodies and regulators. The Group considers stakeholders' expectations in formulating its businesses and ESG strategies by utilizing diversified engagement methods and communication channels, shown as below.

Stakeholders	Communication channels	Expectations
Shareholders and investors	<ul style="list-style-type: none"> <li>Annual general meeting and other shareholder meetings</li> <li>Financial reports</li> <li>Announcements and circulars</li> <li>Company website</li> </ul>	<ul style="list-style-type: none"> <li>Compliant operation</li> <li>Risk management</li> <li>Anti-corruption</li> <li>Economic performance</li> <li>Corporate sustainability</li> </ul>
Customers and business partners	<ul style="list-style-type: none"> <li>Customer satisfaction survey</li> <li>Customer service team</li> <li>Customer support hotline and email</li> </ul>	<ul style="list-style-type: none"> <li>Food safety and quality</li> <li>Protection of customers' interest</li> <li>Quality of products and services provided</li> <li>Product and service responsibility</li> <li>Customer information and privacy protection</li> <li>Compliant operation</li> </ul>
Employees	<ul style="list-style-type: none"> <li>Trainings, seminars, and briefing sessions</li> <li>Regular meetings</li> <li>Regular performance reviews</li> </ul>	<ul style="list-style-type: none"> <li>Employee health and safety</li> <li>Employee development and training</li> <li>Protection of employees' rights and interests</li> <li>Compliant operation</li> <li>Equal opportunities</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>Supplier management meetings and events</li> <li>Supplier audit</li> <li>Procurement manager</li> </ul>	<ul style="list-style-type: none"> <li>Fair and open procurement</li> <li>Sustainable development of supply chain</li> <li>Business ethics and reputation</li> </ul>
Media, NGOs, and the public	<ul style="list-style-type: none"> <li>Community activities</li> <li>ESG report</li> </ul>	<ul style="list-style-type: none"> <li>Transparent information disclosure</li> <li>Community service</li> <li>Environmental protection</li> </ul>
Government bodies and regulators	<ul style="list-style-type: none"> <li>Compliance advisor</li> </ul>	<ul style="list-style-type: none"> <li>Compliant operation</li> <li>Risk management</li> <li>Payment of tax</li> </ul>

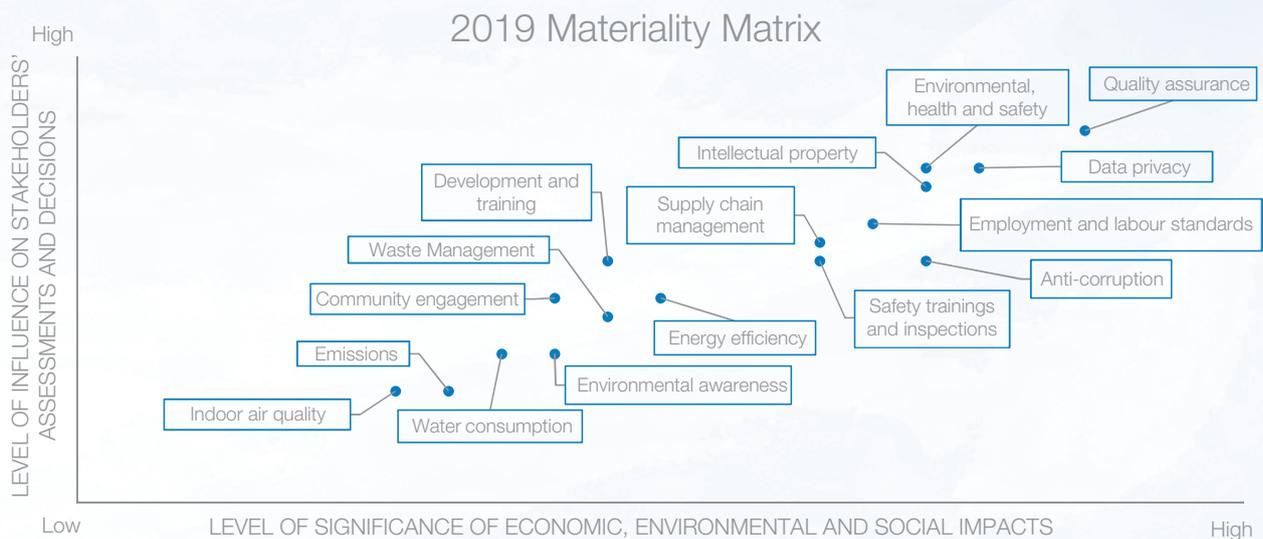
The Group aims to collaborate with its stakeholders to improve its ESG performance and create greater value for the wider community on a continuous basis.

# Environmental, Social and Governance Report

## 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 assessed the importance of related matters to its 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 is a matrix of the Group’s material ESG issues included in the ESG Report:



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

The Group welcomes stakeholders to provide their opinions and suggestions. You can provide valuable advices in respect of the ESG Report or its performances in sustainable development by email at [enquiry@coollink.com.sg](mailto:enquiry@coollink.com.sg).

# Environmental, Social and Governance Report

## A. ENVIRONMENTAL

### A1. Emissions

The Group primarily acts as a Singapore-based importer of food products. Business operations include but are 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 the Group's ship supply customers in Singapore. The Group integrates environmental concerns into its decision-making processes and consider potential positive and negative environmental impacts of its businesses.

Given the business nature of the Group, the Group believes that there are only minimal direct environmental impacts in its operations. Nevertheless, the Group continues to stay alert to the potential environmental impacts. The Group has established related environmental policies and green measures to enhance its environmental governance practices and mitigate potential environmental impacts caused by its operations.

On the other hand, the Group is committed to raising employees' environmental awareness and complying with relevant environmental laws and regulations.

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

During 2019, the Group did not have any violation of relevant local environmental laws and regulations in relation to exhaust gas and greenhouse gas ("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.

#### ***Emissions***

##### *Exhaust Gas Emissions*

Due to the Group's business nature, the Group pays attention to the relevant air emissions generated at its operations. It strives to mitigate the exhaust gas and GHG generated from its operation process as much as possible. The Group's major sources of exhaust gas emissions are combustion of diesel and petrol from vehicles. During 2019, the amount of exhaust gas generated from vehicles were approximately 0.88 kg (2018: approximately 0.85 kg) of sulphur oxides, approximately 249.54 kg (2018: N.A.) of nitrogen oxides and approximately 23.91 kg (2018: N.A.) of particulate matter.

The Group has 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 emissions for vehicles are mentioned in the following section on "GHG Emissions".

# Environmental, Social and Governance Report

## GHG Emissions

The principal GHG emissions of the Group are direct GHG emissions (Scope 1) generated from the petrol and diesel consumption of vehicles and energy indirect GHG emissions (Scope 2) from purchased electricity. The Group has adopted the following measures to mitigate the direct GHG emissions from petrol and diesel consumption in its 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 Efficiency” 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. During 2019, the total GHG emissions has increased by approximately 59% to approximately 533.24 tCO<sub>2</sub>e (2018: approximately 335.13 tCO<sub>2</sub>e). This is due to the relocation of warehouse during 2019 leading to more frequent transportation demand and the increase in electricity consumption for larger chiller and freezer in new warehouse.

The summary of GHG emissions performances:

Indicator <sup>1</sup>	Unit	2019	2018
Direct GHG emissions (Scope 1)	tCO <sub>2</sub> e	201.57	162.06
— Petrol and diesel consumption			
Energy indirect GHG emissions (Scope 2)	tCO <sub>2</sub> e	326.68	168.71
— Purchased electricity			
Other indirect GHG emissions (Scope 3)	tCO <sub>2</sub> e	4.99	4.36
— Business air travel			
Total GHG emissions (Scope 1, 2 and 3)	tCO <sub>2</sub> e	533.24	335.13
Intensity <sup>2</sup>	tCO <sub>2</sub> e/m <sup>2</sup>	0.06	0.11

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 2: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange of Hong Kong Limited, “Global Warming Potential Values” from the IPCC Fifth Assessment Report, 2014 (AR5).
2. As at 31 December 2019, the Group’s total floor area was approximately 9,316.20 m<sup>2</sup>. The data is also used for calculating other intensity data.

# Environmental, Social and Governance Report

## ***Sewage Discharge***

The Group does not consume significant volume of water throughout its business activities, and therefore its business activities did not generate material portion of discharge into water. During 2019, the amount of sewage discharged has decreased by approximately 25% to approximately 1,881.70 m<sup>3</sup> (2018: approximately 2,497.90 m<sup>3</sup>). Its intensity was approximately 0.20 m<sup>3</sup>/m<sup>2</sup> (2018: approximately 0.83 m<sup>3</sup>/m<sup>2</sup>). The Group has established related procedures for water discharge at its operations to prevent water pollution.

## ***Waste Management***

### *Hazardous waste handling method*

Despite the Group did not generate hazardous wastes during 2019 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 its business operations, the Group has implemented measures to handle such wastes and launched different reduction initiatives.

The Group has 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.

Employee's waste management awareness has been enhanced through the above measures. During 2019, the total non-hazardous waste generated has slightly decreased by approximately 10% to approximately 150.39 tonnes (2018: approximately 167.34 tonnes). This shows the Group's efforts in waste reduction during its operation.

# Environmental, Social and Governance Report

The summary of major non-hazardous wastes discharge performance:

Category of waste	Unit	2019	2018
Paper	tonnes	0.39 <sup>3</sup>	0.42
General waste	tonnes	150.00	166.92
Total non-hazardous waste	tonnes	150.39	167.34
Intensity	tonnes/m <sup>2</sup>	0.02	0.06

Note:

3. Amount of paper consumed during 2019 was approximately 76,000 sheets.

## A2. Use of Resources

Responsible use of resources is one of the Group's missions in achieving sustainability. During the Group's operations, fuels and electricity are frequently consumed. In order to optimize the Group's resource usage, it has 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 its operations. The Group will also learn from the best practices in the industry in order to improve its environmental performance for use of resources.

### ***Energy Efficiency***

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

Since energy consumption accounts for the major resource consumption in the Group, it aims to identify and adopt appropriate measures to minimize its potential environmental impacts. The Group has developed related policies and initiatives on energy conservation to show its concern on energy efficiency. Regular review is conducted on its 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.

# Environmental, Social and Governance Report

During 2019, 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 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 2019, the total energy consumption of the Group has increased by approximately 38% to 1,363,673.26 kWh (2018: approximately 987,758.45 kWh). This is due to the increase in the consumption of fossil fuels for vehicles and the increase in purchased electricity resulted from larger chiller and freezer in the new warehouse. The energy consumption of the Group and its intensity were as follows:

Type of energy	Unit	2019	2018
Petrol	kWh	29,401.06 <sup>4</sup>	425,349.45
Diesel	kWh	554,233.09 <sup>5</sup>	159,963.68
Electricity	kWh	780,039.11	402,445.32
Total energy consumption	kWh	1,363,673.26	987,758.45
Intensity	kWh/m <sup>2</sup>	146.38	328.97

Note:

4. Actual petrol consumption was approximately 3,033.74 litres.
5. Actual diesel consumption was approximately 51,781.83 litres.

# Environmental, Social and Governance Report

## ***Water Consumption***

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

The total water consumption of the Group decreased by approximately 25% to approximately 1,881.70 m<sup>3</sup> in 2019 (2018: approximately 2,497.90 m<sup>3</sup>). This is because there were fewer staff working in the premises during 2019. The summary of water consumption during 2019:

<b>Freshwater consumed</b>	<b>Unit</b>	<b>2019</b>	<b>2018</b>
Total consumption	m <sup>3</sup>	<b>1,881.70</b>	2,497.90
Intensity	m <sup>3</sup> /m <sup>2</sup>	<b>0.20</b>	0.83

The Group has implemented the following procedures to improve its 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, the Group is 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. During 2019, the Group has consumed approximately 0.5 tonnes of foam box, approximately 10.6 tonnes of pallet stretch film, and 29.5 tonnes of pallets.

# Environmental, Social and Governance Report

## A3. The Environment and Natural Resources

Although the core businesses of the Group have limited impact on the environment and natural resources, it recognizes the importance in minimizing the negative environmental impacts of its business operations as an ongoing commitment to corporate social responsibility. The Group regularly assesses the environmental risks of its businesses, adopts preventive measures to reduce potential risks and ensures compliance with relevant laws and regulations. The Group is also devoted to achieving sustainable development for generating long-term values to the community and its stakeholders.

### *Environmental Awareness*

Apart from the measures mentioned in the previous sections, the Group also focuses on raising employees' awareness on the environment and natural resources through various means of environmental education. The Group encourages its 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*

The Group strives to maintain a good air quality at the workplace, for both office and warehouse. Indoor air quality at the 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

Human resources are the foundation for the Group's continuous development. Hence, it has 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. The Group reviews these policies and its employment practices periodically to ensure continuous improvements of its employment standards.

During 2019, 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.

# Environmental, Social and Governance Report

As at the year ended 31 December 2019, there were 55 employees in total, which included 34 male and 21 female employees respectively. The following shows a summary of the Group's employment data:

<b>Employment data</b>	<b>Number of employees (as at 31 December 2019)</b>
<b>By employment type</b>	
Full time	54
Part time	1
<b>By gender</b>	
Male	34
Female	21
<b>By age group</b>	
18–25 years old	3
26–35 years old	23
36–45 years old	10
46–55 years old	10
56 years old or above	9
<b>By geographical region</b>	
Singapore	54
Hong Kong	1

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## ***Employment***

The Group adopts 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. The Group ensures its employees and applicants are treated and evaluated in a fair way.

Employees are entitled to remuneration package, which includes medical coverage, dental allowance, different types of leaves, company activities and service awards. Bonus and variable bonus will be distributed to staffs 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.

# Environmental, Social and Governance Report

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 the Group's raw recruits are satisfied with their employment and have 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.

## ***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. The Group's 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***

The Group recognizes the importance to maintain close and open communication with employees. Employees are encouraged to exchange information, ideas and views about matters of mutual interest and concern through both formal and informal channels. The Group has established various communication channels with employees. Management reviews the result of the survey and implement corresponding improvement actions.

To foster good relations among employees and between employees and management, 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. Thus, related grievance policy is established to provide procedures and options to employees on how to handle the issues concerned.

# Environmental, Social and Governance Report

## ***Diversity, Equal Opportunities and Anti-discrimination***

A diverse and skilled workforce is crucial for its business. The Group is committed to creating and maintaining an inclusive and collaborative workplace culture. The Group is 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. The Group also strives to ensure that complaints, grievances and concerns, including whistle blowing, are dealt with promptly and confidentially. The Group has 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 operation.

## **B2. Health and Safety**

### ***Environmental, Health and Safety***

The Group is committed to providing and maintaining a safe and healthy working environment for the benefit of employees and suppliers. 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. House rules are also established to ensure each department are responsible for maintaining safe working environment. The Group 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 2019, 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. During 2019, there were no work related fatalities nor lost days due to work injuries.

### ***Safety Trainings and Inspections***

The Group has incorporated various steps for different levels of management to ensure safety standards are met in its operation. Supervisors are required to check all warehouse facility at the beginning and end of the day to survey for any inconsistencies or safety issues. Assistant checkers are required to perform daily clearance check on worker housekeeping to ensure personal safety.

The Group emphasises to its employees that strict compliance with safety requirements is vital to avoid accidents to themselves or others at work. The Group also requires suppliers to abide by all applicable laws, regulations and safety requirements imposed by the relevant government authorities.

# Environmental, Social and Governance Report

## B3. Development and Training

### *Development and Training*

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

The Group understands that training and development is indispensable for its staff to keep abreast with the latest trend in the industry. Nurturing talents and polishing the skills of its human capital is critical in leading us to excellence. During 2019, the total training hours of employees were approximately 432 hours. The breakdown were as follows:

Category	Percentage of employees trained	Average training hours
<b>By gender</b>		
Male	97%	8
Female	100%	8
<b>By employee category</b>		
Senior management	75%	8
Middle management	100%	8
Frontline staff and other employees	100%	8

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 indicated 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 work scope.

The Group is committed to providing, with the assistance of its staff, a work environment that protects the safety and health of team members, customers and visitors through the identification and control of hazard. Necessary procedures, practices, guidance and information are implemented to assist managers, team members to provide and maintain this environment as mentioned in the Occupational, Health and Safety Policy Statement.

# Environmental, Social and Governance Report

## **B4. Labour Standards**

### ***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 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 2019, 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**

### ***Supply Chain Management***

The Group highly values its 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.

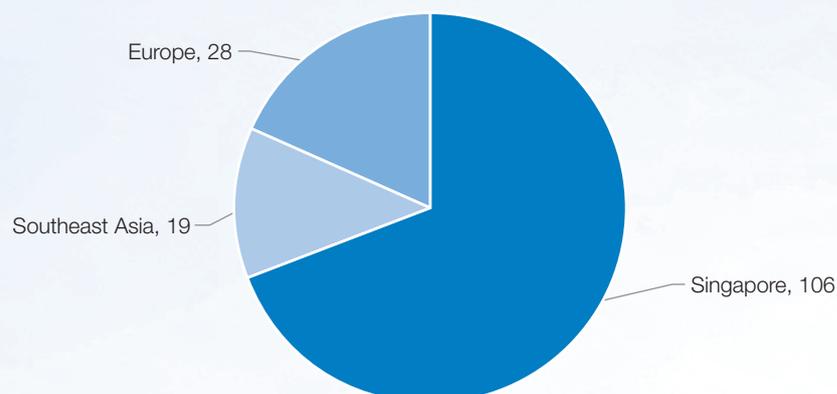
The Group has standard procedures in engaging any new suppliers and on evaluating and follow-up with existing ones regarding their performance on meeting the product or service specifications, pricing, meeting delivery lead-time and schedule, as well as responsiveness.

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, Social and Governance Report

During 2019, the Group had 153 suppliers in total, and the breakdown of the Group's suppliers were as follows:

## The Group's suppliers by geographical region



### *Environmental and Social Responsibilities of Suppliers*

Apart from managing quality and progress of work, the Group also considers suppliers' environmental and social responsibilities during its 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.

# Environmental, Social and Governance Report

## **B6. Product Responsibility**

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

During 2019, the Group was not aware of any incidents of non-compliance with laws and regulations concerning advertising, labelling and privacy matters relating to products and services provided that have a significant impact on the Group, 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".

### ***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. The ISO 22000 Food Safety Team will carry out all elements of the food safety programme, and review the ISO 22000 food safety programme annually and follow significant changes to the process.

The Group has standard recall procedures for 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.

During 2019, there were no products sold or shipped subject to recalls for safety and health reasons. Only two minor complaints were received regarding food quality in terms of the unpleasant odour of sardine and mouldy yoghurt, random checking are carried out more often to prevent the reoccurrence of similar incidents.

# Environmental, Social and Governance Report

## ***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 organization.

## ***Customer Services***

To provide a pleasant user experience for its 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 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 feedbacks or complaints may be circulated to management if necessary.

## ***Intellectual Property ("IP")***

The Group has indicated clearly in the employment contract regarding IP 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 immaterial to the Group.

# Environmental, Social and Governance Report

## **B7. Anti-corruption**

The Group has zero toleration on any corruptions, frauds and all other behaviours violating work ethics. The Group values and upholds integrity, honesty and fairness in the way it conducts 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 2019, the Group did not notify any material 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 defines misconduct such as bribery, extortion, fraud, and money laundering and the employee shall be liable to dismissal for their misconducts. 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**

The Group believes that returning society through social participation and contribution is a form of showing corporate citizenship. The Group also sees the potential in nurturing corporate culture and inspires its employees towards social concerns in the daily work life. The Group would embrace the human capital into the social management strategies to sustain its corporate social responsibility as a part of the strategic development of the Group.

### ***Community Engagement***

The Group participates 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, the Group regularly communicates with local charities. The Group also encourages its 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 2019, 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.

# Environmental, Social and Governance Report

## 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 – Emissions; Waste Management
KPI A1.1 (“comply or explain”)	The types of emissions and respective emissions data.	Emissions – Emissions; Waste Management
KPI A1.2 (“comply or explain”)	GHG emissions in total (in tonnes) and intensity.	Emissions – Emissions
KPI A1.3 (“comply or explain”)	Total hazardous waste produced (in tonnes) and intensity.	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 – 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 – Energy Efficiency; 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 Efficiency
KPI A2.2 (“comply or explain”)	Water consumption in total and intensity.	Use of Resources – Water Consumption

# Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
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
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 Awareness; 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 Awareness; Indoor Air Quality
<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, antidiscrimination, and other benefits and welfare.</li> </ul>	Employment
KPI B1.1 (“recommended disclosures”)	Total workforce by gender, employment type, age group and geographical region.	Employment
KPI B1.2 (“recommended disclosures”)	Employee turnover rate by gender, age group and geographical region.	Employment

# Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
<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
KPI B2.1 (“recommended disclosures”)	Number and rate of work-related fatalities.	Health and Safety
KPI B2.2 (“recommended disclosures”)	Lost days due to work injury.	Health and Safety
KPI B2.3 (“recommended disclosures”)	Description of occupational health and safety measures adopted, how they are implemented and monitored.	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
KPI B3.1 (“recommended disclosures”)	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2 (“recommended disclosures”)	The average training hours completed per employee by gender and employee category.	Development and Training

# Environmental, Social and Governance Report

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
KPI B4.1 (“recommended disclosures”)	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2 (“recommended disclosures”)	Description of steps taken to eliminate such practices when discovered.	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 (“recommended disclosures”)	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2 (“recommended disclosures”)	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	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
KPI B6.1 (“recommended disclosures”)	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility

# Environmental, Social and Governance Report

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
KPI B6.2 (“recommended disclosures”)	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
KPI B6.3 (“recommended disclosures”)	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
KPI B6.4 (“recommended disclosures”)	Description of quality assurance process and recall procedures.	Product Responsibility
KPI B6.5 (“recommended disclosures”)	Description of consumer data protection and privacy policies, how they are implemented and monitored.	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
KPI B7.1 (“recommended disclosures”)	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
KPI B7.2 (“recommended disclosures”)	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	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
KPI B8.1 (“recommended disclosures”)	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2 (“recommended disclosures”)	Resources contributed (e.g. money or time) to the focus area.	Community Investment