

# 2020 ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

AM  
GROUP  
HOLDINGS  
LIMITED

秀商時代控股有限公司

(INCORPORATED IN THE CAYMAN ISLANDS WITH LIMITED LIABILITY)

STOCK CODE: 1849



# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## INTRODUCTION, ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES

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

This environmental, social and governance report (the “ESG Report”) summarises the environmental, social and governance (“ESG”) initiatives, plans, and performances of the Group and demonstrates its on-going commitment towards sustainable development.

### The ESG Governance Structure

To develop systematic management of the ESG issues, the Group has established an ESG working taskforce (the “Taskforce”). The Taskforce is composed of staff from relevant departments, in which, full-time staff are assigned to collect relevant information on the ESG aspects and compile the ESG Report. The Taskforce would periodically report to the board (the “Board”) of directors (the “Directors”), assist in assessing and identifying the Group’s ESG risks, and evaluate the implementation and the effectiveness of the internal control mechanism. The Taskforce also examines and reviews the Group’s performances in different aspects, such as environmental, labour practices, and other ESG aspects. The Board sets the general direction for its ESG strategy and is responsible for ensuring the effectiveness of ESG risk management and internal control mechanism.

## SCOPE OF REPORTING

The ESG Report generally covers the Group’s business activities in Singapore and Malaysia offices, which represent the Group’s major sources of revenue. The Group will continue to assess the major ESG aspects of different businesses and extend the scope of disclosures when and where applicable.

## REPORTING FRAMEWORK

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “ESG Reporting Guide”) as set out in Appendix 27 of the Rules Governing the Listing of Securities (“Listing Rules”) on The Stock Exchange of Hong Kong Limited (“Stock Exchange”).

Information relating to the corporate governance practices of the Group has been set out in the Corporate Governance Report on pages 18 to 30 of the Company’s annual report 2020.

## REPORTING PERIOD

The ESG Report describes the ESG activities, challenges, and measures taken by the Group from 1 July 2019 to 30 June 2020 (“FY2020”).

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### STAKEHOLDER ENGAGEMENT

We value our stakeholders and their feedback regarding our businesses and ESG aspects. To understand and address their key concerns, we have been maintaining close communication with our key stakeholders through different channels. We will continue to increase the involvement of stakeholders via constructive conversation to chart a course for long term prosperity. The Group's communication channels with the key stakeholders and their respective expectations are summarised as follows:

Stakeholders	Expectations and Concerns	Communication Channels
Shareholders and investors	<ul style="list-style-type: none"> <li>• Corporate governance system</li> <li>• Business strategies and performance</li> <li>• Financial results</li> <li>• Investment returns</li> </ul>	<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 and email</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Career development</li> <li>• Health and safety</li> <li>• Remuneration and benefits</li> <li>• Equal opportunities</li> </ul>	<ul style="list-style-type: none"> <li>• Training, seminars, and briefing sessions</li> <li>• Team bonding activities</li> <li>• Regular performance reviews</li> </ul>
Customers and business partners	<ul style="list-style-type: none"> <li>• Privacy protection</li> <li>• Business integrity and ethics</li> </ul>	<ul style="list-style-type: none"> <li>• Sales team</li> <li>• Online platforms and email</li> <li>• Events</li> </ul>
Suppliers and vendors	<ul style="list-style-type: none"> <li>• Fair tendering</li> <li>• Business ethics and reputation</li> </ul>	<ul style="list-style-type: none"> <li>• Supplier management meetings and events</li> </ul>
Government and regulatory bodies	<ul style="list-style-type: none"> <li>• Compliance with rules and laws</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance officer</li> </ul>
Media, non-governmental organisations, and the public	<ul style="list-style-type: none"> <li>• Giving back to society</li> <li>• Environmental protection</li> <li>• Social welfare</li> <li>• Health and safety</li> </ul>	<ul style="list-style-type: none"> <li>• ESG reports</li> <li>• Media</li> <li>• External marketing company</li> <li>• Charity</li> </ul>

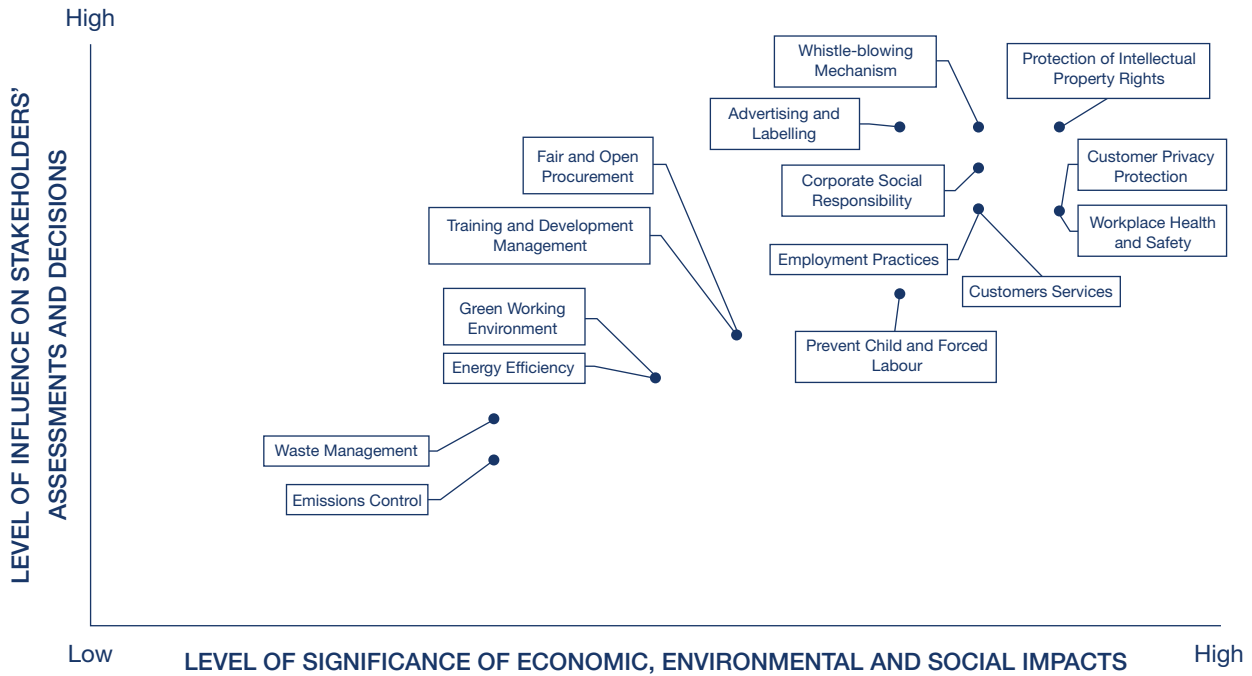
We aim to collaborate with our stakeholders to improve our ESG performance and create greater value for the wider community continuously.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## MATERIALITY ASSESSMENT

The Group’s management and staff from respective major operations have participated in the preparation of the ESG Report to assist the Group in reviewing its operations, identifying relevant ESG issues, and assessing the importance of related matters to our businesses and stakeholders. We have compiled a survey based on the assessed ESG issues to collect the information from relevant departments, business units, and stakeholders of the Group. The following matrix is a summary of the Group’s material ESG issues:

AM Group’s Materiality Matrix for 2020



During FY2020, 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 comply with the requirements of the ESG Reporting Guide.

## CONTACT US

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

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

## A. ENVIRONMENTAL

### A1. Emissions

The Group is committed to the long-term sustainability of the environment and community where it operates. As a corporation principally engaged in online marketing services, the Group's daily operations have minimal impacts on the environment. Nevertheless, we recognise our responsibilities towards the potential indirect negative environmental impacts associated with our business operations, and we focus on nurturing and strengthening our employees' awareness of environmental protection in their daily work processes.

The Group has integrated environmental consideration into our decision-making process and embraced the responsibilities to create an environmentally sustainable business. Considering the Group's business nature, we have taken measures to facilitate the environmental-friendliness of our workplace by encouraging a recycling culture within the Group. To enhance our environmental governance practice and mitigate the environmental impacts produced by our operations, we have implemented relevant environmental protection policies, such as the inclusion of the ESG section in the Employee Handbook, and communicated such policies to our employees. In the long run, we will continue to enhance our environmental management strategies in monitoring and minimising the environmental impacts brought by our businesses regularly.

During FY2020, the Group was not aware of any material non-compliance with environmental-related laws and regulations in Singapore and Malaysia that would have a significant impact on the Group, including but not limited to the Environmental Protection and Management Act of Singapore and Environmental Quality Act of Malaysia.

#### *Emissions Control*

##### Exhaust Gas Emissions

Since the Group's major businesses are providing online marketing services, the Group has no vehicles, industrial production, or any factory facilities. Therefore, the Group does not generate any direct exhaust gas emissions during its operation and regards it as immaterial to the operation.

##### Greenhouse Gas ("GHG") Emissions

The Group has no direct GHG emissions (Scope 1) as it does not have any direct consumption of fuels for vehicles or production facilities due to its business nature. The major sources of the Group's GHG emissions were generated from purchased electricity (Scope 2) and employees' business air travels (Scope 3). To reduce GHG emissions, we embrace driving green practices in our day-to-day operations and have adopted the following measures:

- Require employees to turn off their computers' power after work;
- Switch off lights during lunch hour;
- Utilise teleconference or video meetings to prevent non-essential business travel; and

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

- Actively adopt energy conservation measures which are described in the section headed “Energy Efficiency” under aspect A2.

Besides, the Group also propagates environmental protection messages to employees by posting notices and posters of green information in office areas to raise their awareness and promote best practices of environmental management. During FY2020, the total GHG emissions intensity has decreased by about 26%. The Group will make a continuous effort in reducing GHG emissions in the forthcoming year.

Summary of the Group’s GHG emissions performance:

Indicator <sup>1</sup>	Unit	FY2020	FY2019
Direct GHG emissions (Scope 1)			
• Fuel consumed by vehicles and machinery	tCO <sub>2</sub> e	—	—
Energy indirect GHG emissions (Scope 2)			
• Purchased Electricity	tCO <sub>2</sub> e	23.54	29.71
Indirect GHG emissions (Scope 3)			
• Business aircraft navigation	tCO <sub>2</sub> e	5.01	0.75
<b>Total GHG emissions</b>	tCO <sub>2</sub> e	28.55	30.46
<b>GHG emissions intensity</b>	tCO <sub>2</sub> e/employee <sup>2</sup>	0.39	0.53

Notes:

- GHG emission data is presented in terms of carbon dioxide equivalent and are based on, but not limited to, “The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards” issued by the World Resources Institute and the World Business Council for Sustainable Development, the latest released emission factors of Singapore’s power grid basis, the latest released emission factors of Malaysia’s regional power grid basis, “How to prepare an ESG Report — Appendix II: Reporting Guidance on Environmental KPIs” issued by the Stock Exchange, and “Global Warming Potential Values” from the IPCC Fifth Assessment Report, 2014 (AR5).
- As at 30 June 2020, the Group had 73 employees in total (FY2019: 58). Unless specified otherwise, the data is also used for calculating other intensity data.

### *Sewage Discharge*

We do not consume a significant volume of water through our business activities, therefore our business activities did not generate a material portion of discharge into water. As the sewage discharged by the Group is discharged into the municipal sewage pipe network, the amount of sewage discharge is considered as the water consumed. The amount of water consumed and corresponding water-saving initiatives will be described in the section headed “Water Consumption” of aspect A2.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### *Waste Management*

#### Hazardous waste

Due to the Group's business nature, it did not generate a significant amount of hazardous waste during its daily operation. Despite the Group did not generate hazardous waste during FY2020, it has established guidelines to govern 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 and comply with the relevant environmental rules and regulations.

#### Non-hazardous waste

The non-hazardous waste generated by the Group is mainly paper. To minimise the environmental impacts from non-hazardous waste generated from our business operations, the Group has adopted various waste reduction measures and initiatives to manage waste effectively and encourage recycling in our operations. With such waste management approaches, we hope to embed an environmental-friendly mindset among our employees. Employees are required to adopt the following initiatives and assume the responsibility for the overall waste management in our office.

- Use double-sided printing or photocopying wherever possible;
- Utilise electronic media for communication;
- Recycle one-sided printed paper;
- Avoid single-use disposable items; and
- Place "Green Message" reminders on office equipment.

In addition to the above measures, the Group also promotes waste reduction knowledge to employees through bulletin boards and office memos to raise employees' waste reduction awareness. During FY2020, the Group's non-hazardous waste disposal intensity has remained steady at about 0.01 tonnes per employee as compared with FY2019.

Summary of the Group's non-hazardous waste disposal performance:

<b>Types of non-hazardous waste</b>	<b>Unit</b>	<b>FY2020</b>	<b>FY2019</b>
Paper	tonnes	0.74	0.85
Non-hazardous waste disposal Intensity	tonnes/employee	0.01	0.01

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### A2. Use of Resources

The Group upholds and promotes the principle of effective use of resources and is committed to optimising the use of resources across business operations. We promote a green office and operation environment and continue with initiatives to introduce resource efficiency and eco-friendly measures to the Group's operations. We have paid attention to the potential environmental impacts brought by the consumption of resources and established related policies and initiatives, including but not limited to those mentioned in the Employee Handbook, covering topics on better utilisation of resources like energy, water, and other natural resources.

#### *Energy Efficiency*

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

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

- Switch off unnecessary lightings and electrical appliances when not in use;
- Post reminders and posters next to power switches to encourage our staff to take initiatives in energy saving; and
- Set all printers, photocopiers, and computers to energy-saving mode.

Through the implementation of the above measures, the Group's total energy consumption intensity has decreased by about 38%.

Summary of the Group's energy consumption performance:

<b>Types of energy</b>	<b>Unit</b>	<b>FY2020</b>	<b>FY2019</b>
Direct energy consumption	kWh	—	—
Indirect energy consumption — purchased electricity	kWh	48,854.00	62,924.00
<b>Total energy consumption</b>	kWh	48,854.00	62,924.00
<b>Energy consumption intensity</b>	kWh/employee	669.23	1,084.90



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### *Water Consumption*

As the Group's principal business is providing online marketing services, it does not consume a significant amount of water during operation. The Group's water consumption was mainly domestic water consumed in the office for basic business operation, cleaning, and sanitation. The Group is dedicated to promoting behavioural changes in water consumption at the office and encourage water conservation. We have been strengthening our water-saving promotion, posting water-saving reminders in prominent places, and guiding employees to use water reasonably. Through the implementation of the above measures, the Group's total water consumption intensity has decreased by about 60%.

Summary of the Group's water consumption performance:

<b>Water consumption</b>	<b>Unit</b>	<b>FY2020</b>	<b>FY2019</b>
Freshwater	m <sup>3</sup>	513.21	1,030.62
Water consumption intensity	m <sup>3</sup> /employee	7.03	17.77

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

### *Use of Packaging Material*

Due to the Group's business nature, the use of packaging material is considered as immaterial to the Group.

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

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

### *Green Working Environment*

#### Paperless Office

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

#### Indoor Air Quality

We regularly monitor and measure the indoor air quality in our workplace. Air-purifying equipment is installed at the workplace to filter air pollutants, contaminants, and dust particles. We also clean the air conditioning system regularly to ensure the office's indoor air quality.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

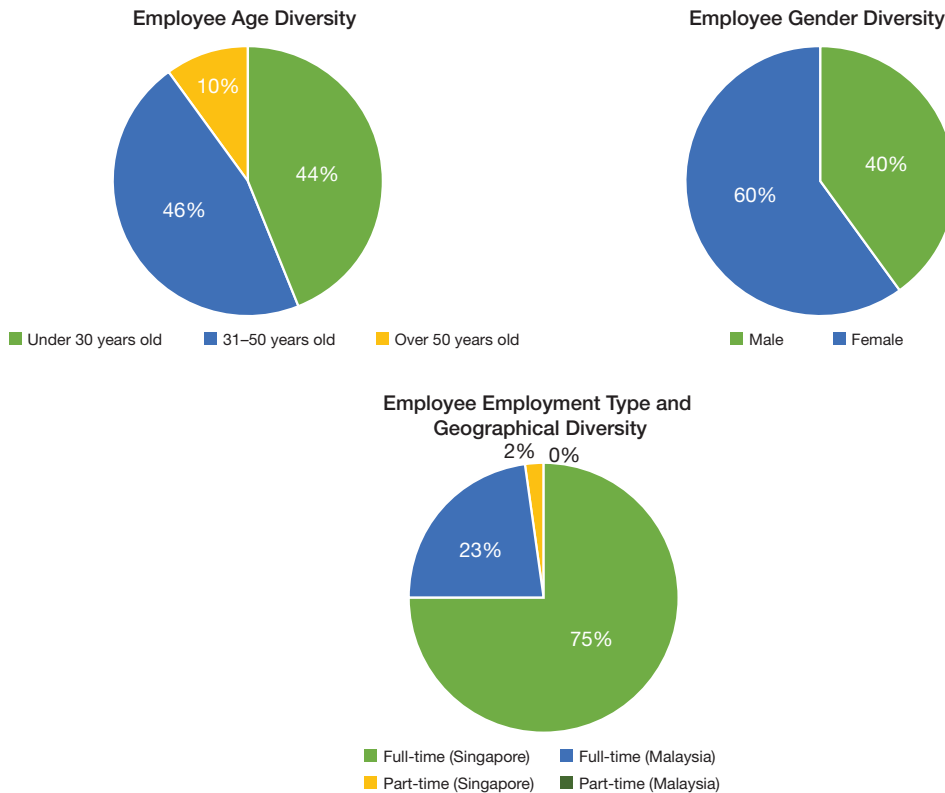
## B. SOCIAL

### B1. Employment

Human resources are the foundation for supporting the development of the Group, therefore we have adopted a people-oriented management approach through implementing relevant employment policies with a view to realising the full potential of employees. These employment policies are formally documented, incorporating recruitment, compensation, promotion, working hours and rest periods, diversity and equal opportunities, etc. These employment policies and practices are reviewed regularly to ensure continuous improvements in our employment standards.

During FY2020, the Group was not aware of any material non-compliance with employment-related laws and regulations in Singapore and Malaysia that would have a significant impact on the Group, including but not limited to the Employment Act of Singapore and Employment Act 1955 of Malaysia.

As at 30 June 2020, the Group had 73 employees in total. The following graphs show the age, gender, employment type and geographical diversity of employees of the Group.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

During FY2020, the Group's overall employee turnover rate was approximately 34%. The following table shows the employee turnover rate by gender and age group.

	<b>Turnover Rate</b> (%)
<b>By Gender</b>	
Male	42.31
Female	27.85
<b>By Age Group</b>	
Under 30 years old	3.45
31–50 years old	67.74
Over 50 years old	0.00

### *Employment Practices*

#### Recruitment, Remuneration, Promotion and Dismissal

The Group abides by an open, fair, and just principle and considers candidates based on their merits instead of age, gender, and ethnic backgrounds in the recruitment of employees. Remuneration, termination, and payroll management, etc. are specified in the Employee Handbook. We strictly comply with several relevant national laws and regulations and strive to provide all employees with benefits they should be entitled to.

The Group has developed a series of sound employment rules and regulations and made clear provisions of the rights and obligations imposed on the employees as specified in the Employee Handbook which also states the daily working hours of employees in offices in Singapore and Malaysia. Employees are entitled to statutory holidays and annual leave benefits in accordance with respective national laws.

Moreover, the Group has provided a comprehensive remuneration package for employees, which is stated in the Employee Handbook. The package includes company bonuses, gifts and wreaths for occasions, outpatient treatment, and dental benefits, extended childcare leave, long service awards, to name but a few.

Employees are also subjected to quarterly as well as annual performance appraisals. Various factors are evaluated, including but not limited to job performance, communication and interpersonal skills, teamwork, attendance, knowledge and skills, and attitude. Along with the appraisal process, performance goals and expectations are set for continuous evaluation in the next review period.

In case of dismissal for misconduct or contravention of the express or implied terms and conditions of employment, a first warning will be issued by the Human Resources Department, followed by a final warning issued by the management for consistently committing the offense, and dismissal will be notified to the employee in writing if the situation has not improved.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### Communication Channels

The Group recognises the importance of maintaining close and open communication with its employees. Therefore, employees are encouraged to exchange information, ideas, and views about matters of mutual interest and concern through both formal and informal channels. Results of the surveys and corresponding improvement measures are analysed and carried out by the management.

### Diversity, Equal Opportunities and Anti-discrimination

The Group is committed to fostering a cooperative and collaborative workplace culture since a diversified workforce is critical for its business. We are dedicated to providing equal opportunities in all aspects of employment and maintaining a workplace that is free from discrimination, physical or verbal harassment against any individual on the basis of race, religion, colour, gender, physical or mental disability, age, place of origin, marital status and sexual orientation. Employees are strongly encouraged to report any suspected cases to protect the rights and interests of each employee. Any forms of sexual harassment or abuse in the workplace are in no way tolerated.

## **B2. Health and Safety**

Being a corporation principally engaged in online marketing services, the Group's businesses do not pose a significant threat to the health and safety of employees. Yet, we endeavour to safeguard the health and safety of our employees and expect all employees to strictly observe our health and safety policies. Resources and efforts will be continuously devoted to reducing the risks concerning health and safety.

During FY2020, the Group was not aware of any material non-compliance with health and safety-related laws and regulations in Singapore and Malaysia that would have a significant impact on the Group, including but not limited to the Workplace Safety and Health Act of Singapore and Occupational Safety and Health Act of Malaysia. Besides, there were neither work-related fatalities nor lost days due to work injury during FY2020.

### *Workplace Health and Safety*

A Health and Safety Policy is drafted and approved by the Board. A manager will be nominated as the Safety Officer who has overall responsibility for the implementation of the said policy and ensures that the policy is well understood by the employees. The Group takes the general welfare of its employees seriously, and a range of safety methods and rules have been incorporated into the said policy to avoid office accidents. Employees who suffer from injury arising out of and in the course of employment are entitled to compensation according to relevant laws. The actions to be taken in case of fire emergency occurring in certain buildings or installations are also regulated in the Health and Safety Policy to assist employees in taking sensible immediate actions should fire accidents occur.

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

In response to the outbreak of the Coronavirus Disease 2019 (“COVID-19”) pandemic, the Group has implemented a series of precautionary measures in accordance with guidelines from the Ministry of Health and Ministry of Manpower to ensure the health and safety of our employees. In addition to requiring employees to check and record their temperatures twice a day and visit a doctor immediately whenever feeling unwell, the Group also reminded the employees of the importance of maintaining good personal hygiene through washing hands frequently with soap. Surgical masks were provided to employees whenever necessary, and employees were advised to defer work-related travel plans; for them being not avoidable, the 14-day quarantine upon return would be considered as paid-leaves.

### B3. Development and Training

#### *Training and Development Management*

The valuable contribution of our talents is key to the continuous success of the Group. Therefore, nurturing talents and polishing the skills of our human capital is important for striving for excellence. This is achieved through the development of training strategies that focus on creating values and serving the needs of our customers, talents, and society. As such, employees are encouraged to attend internal and external training sessions and obtain professional qualifications.

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

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

We also organise annual offsite team-building events and weekly social gatherings for our employees to cultivate a sense of belonging with the Group and to foster a stronger relationship among different team members.

### B4. Labour Standards

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

Child and forced labour are strictly prohibited during recruitment according to local laws and regulations. The Group strictly complies with local laws and prohibits any child and forced labour employment. The Human Resources Department of the Group is responsible for monitoring and ensuring compliance with the latest and relevant laws and regulations that prohibit child and forced labour.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

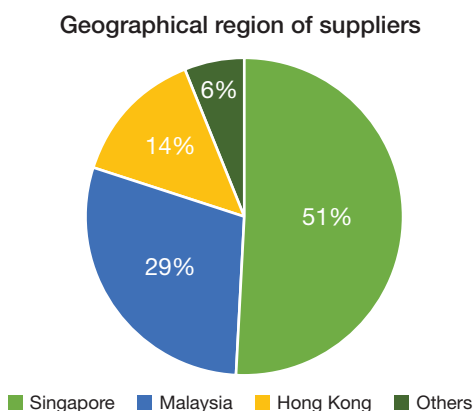
To avoid illegal employment of child labour and underage workers, personal data are collected during the recruitment process to assist the selection of suitable candidates and to verify candidates' identities. The Human Resources Department also ensures identity documents are carefully verified. To prevent forced labour, working hours are specified in the Employee Handbook. If violations are involved, they will be dealt with in the light of circumstances.

During FY2020, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations in Singapore and Malaysia that would have a significant impact on the Group, including but not limited to the Employment Act of Singapore and Employment Act 1955 of Malaysia.

### B5. Supply Chain Management

The Group highly values our relationship with suppliers as they are the key to sustainable development of the Group. To ensure suppliers have met our standards and requirements regarding quality, environment, and safety, all suppliers are evaluated carefully and subjected to regular monitoring and assessment. The Group has established a stringent and standardised procurement system that all suppliers are evaluated carefully and subject to regular monitoring and assessments. The Group has also formulated the Procurement and Payment Policy to regulate and ensure completeness, accuracy, and timeliness of all purchases or expenses and payments. All policies are subject to review annually.

During FY2020, the Group had a total of 99 suppliers, and the geographical distribution of the Group's suppliers is as follows:



#### *Fair and Open Procurement*

The Group has also formulated rules to ensure suppliers can participate in competitions in an open and fair mechanism. We do not differentiate or discriminate against any suppliers, and we do not allow any forms of corruption or bribery. Employees or other individuals should declare any actual or potential conflict of interest arising out of the business transactions of the Group, and they will not be allowed to participate in the relevant procurement activity.

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

Besides, the Group has developed the Approved Vendor List (“AVL”), for which recurring or preferred vendors, as well as suppliers for routine replenishment of office and pantry supplies are added to the list. The list of vendors in the AVL is subject to review annually. All re-evaluated justifications and results are documented, and vendors that do not meet the minimum evaluation criteria will be promptly removed from the AVL.

### B6. Product Responsibility

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

During FY2020, the Group was not aware of any incidents of non-compliance with laws and regulations in Singapore and Malaysia that would have a significant impact on the Group, including but not limited to the Personal Data Protection Act, the Spam Control Act, and the Copyright Act of Singapore, as well as the Personal Data Protection Act 2010, the Trade Description Act 2011, Communications and Multimedia Act 1998 and the Copyright Act 1987 of Malaysia.

#### *Customer Privacy Protection*

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

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

#### *Customer Services*

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

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### *Protection of Intellectual Property Rights*

As at 30 June 2020, the Group had registered a total of 7 trademarks, of which 5 are the Company logo in Singapore, Malaysia, the Philippines, Hong Kong and Indonesia. The remaining 2 are trademarks of AM Track and AM+. The Group had also registered 3 domain names. For any infringement of our intellectual properties, we will urge infringers to cease such action. The Human Resources Department of the Group will take further action if the infringement continues.

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

### *Advertising and Labelling*

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

## **B7. Anti-corruption**

We value and uphold integrity, honesty, and fairness in the way we conduct businesses, and we strive to achieve high standards of ethics in our business operations. The Group has zero toleration for any corruption, fraud, and all other behaviours violating work ethics. To maintain a fair, ethical, and efficient business and working environment, the Group strictly adheres to the laws and regulations relating to anti-corruption and bribery.

During FY2020, the Group was not aware of any material non-compliance with the relevant laws and regulations of bribery, extortion, fraud, and money laundering in Singapore and Malaysia that would have a significant impact on the Group, including but not limited to the Prevention of Corruption Act of Singapore and the Anti-Corruption Commission Act 2009 of Malaysia. The Group also did not have any concluded legal cases regarding corrupt practices brought against the Group or our employees.



## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### *Whistle-blowing Mechanism*

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

### **B8. Community Investment**

#### *Corporate Social Responsibility*

The Group is committed to emboldening and supporting the public by various means of social participation and contribution as part of our strategic development. We strive to nurture corporate culture and practice corporate citizenship in daily work life. To fulfill our corporate social responsibility, the Group has adopted relevant policy on community engagement which states its directions in engaging its employees in community participation and the selection criteria of the suitable donation partners.

Besides, the Group focuses on inspiring our employees' sense of social responsibility by encouraging them to participate in charitable activities during their work and spare time. The Group also believes participating in activities that repay society can increase our employees' civic awareness while establishing correct values. The Group embraces the human capital into social management strategies to sustain our corporate social responsibility as a part of the strategic development of the Group.

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

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

### Subject Areas, Aspects,

General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect A1: Emissions</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to Exhaust Gas and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions
KPI A1.1 (“comply or explain”)	The types of emissions and respective emissions data.	Emissions – Emissions Control; Waste Management
KPI A1.2 (“comply or explain”)	GHG emissions in total (in tonnes) and intensity.	Emissions – Emissions Control
KPI A1.3 (“comply or explain”)	Total hazardous waste produced (in tonnes) and intensity.	Emissions – Waste Management (Not applicable – Explained)
KPI A1.4 (“comply or explain”)	Total non-hazardous waste produced (in tonnes) and intensity.	Emissions – Waste Management
KPI A1.5 (“comply or explain”)	Description of reduction initiatives and results achieved.	Emissions – Emissions Control
KPI A1.6 (“comply or explain”)	Description of how hazardous and non-hazardous wastes are handled, reduction initiatives and results achieved.	Emissions – Waste Management
<b>Aspect A2: Use of Resources</b>		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources
KPI A2.1 (“comply or explain”)	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources – Energy Efficiency
KPI A2.2 (“comply or explain”)	Water consumption in total and intensity.	Use of Resources – Water Consumption
KPI A2.3 (“comply or explain”)	Description of energy use efficiency initiatives and results achieved.	Use of Resources – Energy Efficiency
KPI A2.4 (“comply or explain”)	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency initiatives and results achieved.	Use of Resources – Water Consumption
KPI A2.5 (“comply or explain”)	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Use of Resources – Use of Packaging Material (Not applicable – Explained)

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### Subject Areas, Aspects,

General Disclosures and KPIs	Description	Section/Declaration
<b>Aspect A3: The Environment and Natural Resources</b>		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources
KPI A3.1 ("comply or explain")	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources — Green Working Environment
<b>Aspect B1: Employment</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region	Employment
<b>Aspect B2: Health and Safety</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

### Subject Areas, Aspects,

General Disclosures and KPIs	Description	Section/Declaration
<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
<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	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	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	Number of suppliers by geographical region.	Supply Chain Management
<b>Aspect B6: Product Responsibility</b>		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Product Responsibility

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT (CONTINUED)

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