

KTL GLOBAL LIMITED

**SUSTAINABILITY
REPORT**

1 JANUARY 2019 TO
31 DECEMBER 2019

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1 MESSAGE FROM THE CHIEF EXECUTIVE OFFICER

It gives me great pleasure to present our Sustainability Report for the financial year ended 31 December 2019 (FY2019). In our Sustainability Report, we highlight the progress and achievements of our organisation over the previous 12 months, with particular focus on our commitment to working alongside our valued stakeholders to build a sustainable business based on our resilience, adaptability and innovation.

In FY2019, KTL Global Limited and its subsidiaries (the “**Group**”) had transited from trading of rigging equipment and other related businesses into the business of providing branding, operation and procurement (“**BOP**”) services. The disposal of the trading of rigging equipment and other related businesses was approved and completed on 21 January 2020. The trading of rigging equipment and other related business were classified as discontinued operations in FY2019.

In its new business, the Group generates revenue from the provision of BOP services to the operators, who are also the Group’s customers. BOP services provided by the Group include

- (i) branding management;
- (ii) Operational support;
- (iii) Central procurement;
- (iv) Recruitment, customised training and development of human resource to the downstream operators that supply to hospitals, clinics, pharmacies in different provinces of the People’s Republic of China (“**PRC**”) with smart automatic vending kiosks dispensing medical consumables and supplements.

In PRC secured and assigned by the cooperation partner Shenzhen Green Leopard Medical Technology Co., Ltd. Our cooperation partner manufactures smart automatic vending kiosks for sales and dispensation of medical consumables and supplements.

Numerous changes to the Board took place in FY2019. I would like to thank my former colleagues on the Board who resigned or retired as Directors of the Company during FY2019, in particular Mr Wong Fook Choy Sunny, for their past contributions to the Board. During FY2019, I also welcomed Mr Chong Eng Wee to the Board. In June 2020, I also welcomed Mr Tso Sze Wai to the Board.

The Group strives to position ourselves as a leading service provider of BOP business and is committed to work with our suppliers and customers to build a sustainable business.

This report provides information on how we have met our responsibilities with our key stakeholders.

Mr Victor Liu
Chief Executive Officer & Executive Director

30 June 2020

2 ABOUT THE REPORT

This is our sustainability report. The report is designed to provide a transparent and balanced view of KTL Global Limited (the “**Company**”) and its subsidiaries (the “**Group**”), to reflect the interests of our key stakeholders, and to address those interests pragmatically. This report aims to include comprehensive and accessible information on the company’s strategy towards sustainability, key issues as well as data according to recognised standards.

2.1 Report Scope

The report covers the performance of our consolidated entities in financial year 2019 (FY2019) from 1 January 2019 to 31 December 2019. The content of this report will focus on the sustainability performance, activities and initiatives that are under our direct control, including our Singapore offices and operations, our local supply chain as well as any overseas activities directly associated with us. This report excludes joint ventures which are not directly under our control. Material issues and topics described in this report have been selected according to their level of significance within the company boundaries, the sustainability context and the expectations of stakeholders which are reflective of our core business in a consistent manner for comparability of our performance indicators across time.

In FY2019, the Group has undergone significant change in its businesses. In FY2018, this report covers the businesses in trading of rigging equipment and other related businesses in the material operational boundaries in Singapore and Middle East namely KTL Offshore Pte. Ltd. and KTL Offshore Middle East FZC. The disposal of the trading rigging equipment and other related businesses were completed on 21 January 2020. In FY2019, the report covers the business in BOP services in PRC namely by Bluegas Private Limited (formerly known as Yingjie Holdings Private Limited).

This sustainability report focuses on the Group’s sustainability strategies and practices whilst highlighting the economic, environmental, and social and governance aspects of our activities and developments. The report aims to provide an overview of our approach, priorities and targets, as well as a performance review for our key sustainability areas.

2.2 Report Methodology

We have prepared our report based on the requirements of the ‘In Accordance’ - Core level of the Global Reporting Initiative’s (GRI) Standards Sustainability Reporting Guidelines. We have chosen the GRI Standards reporting guidelines for its robust guidance which offers an international reference for the disclosure of governance approach and of the environmental, social and economic performance and impacts of organisations. This report also takes into consideration the primary components of the report content as set out by the Singapore Exchange’s (SGX’s) “Comply or Explain” requirements for sustainability reporting. Our data are reported in good faith and to the best of our knowledge. We will continue to improve our data collection processes.

We did not seek external assurance for this report.

2.3 Report Structure

This Sustainability Report is structured to reflect the interests of our key stakeholders. We have identified five key stakeholder groups, namely, the environment and future generations, employees, customers, suppliers and communities. For each stakeholder group, we lay out our management approaches that govern how our material issues are identified as well as how the issues are prioritized and managed. Further, we will present our initiatives relating to sustainability in the areas of environmental, social and economic issues relevant to our aspects and boundaries. Finally, we will provide the information of our key performance indicators, performance targets and outcomes.

The information regarding the basis for report boundaries and our materiality assessment is provided in section 4.

In totality, this report provides the basis for our responses and disclosures to the GRI-Standards 'In-Accordance' - Core requirements. Relevant sections in the report are referenced in the GRI Content Index provided in section 7.

2.4 Report Contact and Feedback

We welcome and value your feedback on the content of this report and encourage you to contact us through the following channels:

- ❖ In writing to:
KTL Global Limited
3 Church Street,
Samsung Hub, Level 8,
Singapore 049483

Via our contact page at <https://www.ktl.group/contacts/>

- ❖ This report is provided in PDF format only and is available for download on the following page of our website: <https://www.ktl.group/docs/KTL-annual-report-2019.pdf>

3 CORPORATE PROFILE

3.1 Vision and Mission

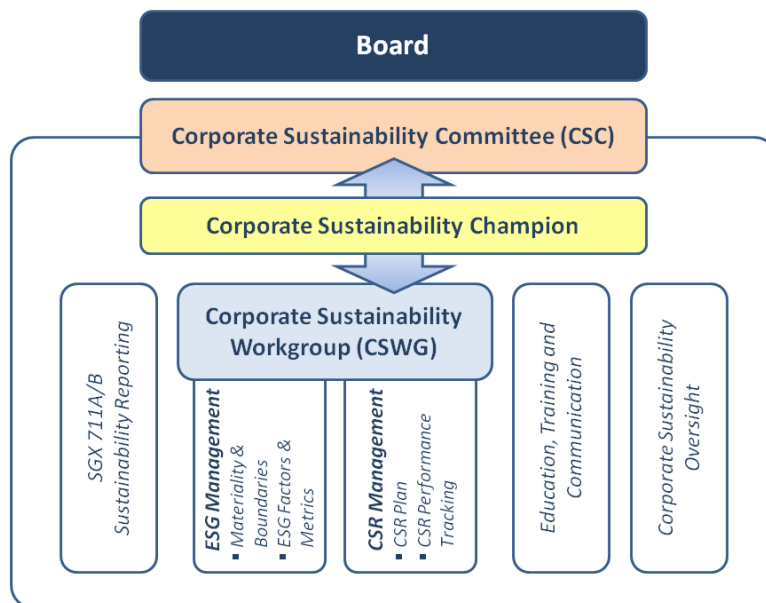
We strive to position ourselves as a leading services provider of BOP business.

We intend to enhance this position by delivering upon the following core principles of our business philosophy:

- ❖ Implementation of “win-win” strategies with our cooperative partners
- ❖ Delivery of BOP services in specialised and innovative industries
- ❖ Providing high quality services to our customers with excellent execution, commitment and professionalism
- ❖ Providing a total solutions concept for demanding problems faced by the market through innovation, commitment and professionalism

3.2 Governance

Our Board of Directors (the Board) oversees and reviews the management of the Group’s corporate governance matters. Our Executive Director and management oversees and reviews all operational matters relating to our business. For corporate sustainability, the Board is supported by the Corporate Sustainability Committee (CSC) which is chaired by our Chief Executive Officer (CEO) and includes designated senior executives. CSC provides leadership and approval over corporate sustainability matters such as Corporate Social Responsibility (CSR) plan, community investment and environmental initiatives. Supported by CSC, our Corporate Sustainability Champion (the Champion) is our Subject Matter Expert (SME) in the area of corporate sustainability, and pro-actively raises awareness through education and training across the organisation. Through the Corporate Sustainability Work Group (CSWG), our Champion engages businesses and functions in collectively executing the CSR plan, identifying and managing the Environment, Social and Governance (ESG) Factors as well as engaging sustainability stakeholders. Businesses and functions provide back-to-back assurance over the quality of information for sustainability reporting.



3.3 Ethics and Compliance

Being a listed company in the Singapore Exchange (SGX), we are expected to observe the highest standards of corporate governance as required in the listing rules. We strictly conform to local and international best practices. Our corporate governance framework covers ethics and compliance through a Code of Conduct as well as action guidelines which are to be adhered by the officers and employees across the organisation. Every new employee is introduced to our Code of Conduct in the Employee Handbook and our policies on ethics and compliances which includes areas such as anti-corruption. Communication channels, such as Whistle-Blower and Board escalation process, are in place to enable all employees and individuals engaged in business activities to report complaints of unethical behaviour. We have a dedicated officer who maintains a register of incidences regarding ethics and compliance issues and escalates to the management where appropriate.

4 INTEGRATING SUSTAINABILITY INTO OUR BUSINESS

We believe corporate social responsibility is a key driver towards long-term sustainability. Such responsibility is pragmatically integrated into our business practices as one of the core values in our corporate culture. Embedding such responsibility into our management processes across the value chain allows us to establish credibility among our stakeholders. Through our action today, we play a part in influencing the environment for our future generations. Through integrating the notion of sustainability in our business, we ensure that our business strategy and operations are in line with a long-term vision towards a conducive and sustainability future.

KTL Global Limited is listed on the Singapore Stock Exchange and is committed to servicing our customers in PRC by establishing offices at key locations around in Asia Pacific.

Our Singapore office is located at 3 Church Street, Samsung Hub, Level 8, Singapore 049483 and is the head office and administration centre for the group companies.

In FY2019, the Group has transited from trading of rigging equipment and other related businesses into the business of providing BOP services.

4.1 Sustainability Management Framework

We took the initiative to establish our sustainability reporting framework. We performed an analysis on our business and operation models as the basis for our stakeholder mapping and materiality assessment. Through our analysis, we identified five key stakeholder groups within our sustainability context and their respective material issues are to be shown in this report.

4.2 Key Stakeholders and Material Issues

We have a regular review, assessment and feedback process in relation to Environmental, Social and Governance (ESG) topics. Key to this is our regular Risk Assessment and Control Self-Assessment exercise which entails the identification, assessment and documentation of material risks and corresponding internal controls. Such material risks include fraud and corruption, environmental, health and safety, and human capital risks which are ESG-relevant. We are continuously improving the adequacy and effectiveness of our Risk Assessment and Control Self-Assessment processes in response to changing business and operation environment.

Through regular stakeholder engagement, we identify and review material issues that are most relevant and significant to us and our stakeholders. For external stakeholders, priority is given to issues important to society and applicable to us. Then, we prioritise our sustainability efforts and report issues that are most material to its business and stakeholders. Considering that specific stakeholders and material issues are specific in countries and locations, we are reporting the stakeholder engagement and material issues for our Singapore operations in this report.

Stakeholders	Material Issues	Significance
Future Generation	<ul style="list-style-type: none"> ❖ materials, recycling of product material and packaging ❖ Environmental education of our employees and customers ❖ Reduction of carbon emissions ❖ Energy consumption 	Our sustainability agenda for the environment and future generation is embedded into the day-to-day business activities among our staff. We continue to strive to improve from a holistic perspective through the company culture and practices. Within the big picture of sustainability, we take steps to focus on key goals such as curbing global warming, conserving and recycling resources. Such

		areas are crucial to a sustainability economic ecosystem for our customers which is key to our business sustainability.
Employee	<ul style="list-style-type: none"> ❖ Employee well-being through workplace health & safety and work life balance ❖ Regular training of employees on critical skillsets to sustain competitiveness ❖ Competitive compensation scheme to retain talents ❖ Non-discrimination, diversity and equality ❖ Senior management engagement with employees 	An ethical and professional working environment is crucial in cultivating a corporate culture which motivates and empowers our employees to meet their full potential both professionally and personally.
Customer	<ul style="list-style-type: none"> ❖ Safety of our customers in our services delivery ❖ Customer data privacy ❖ Customer satisfaction and customer-centric approach ❖ Compliance with industry standards and practices 	The quality and safety of our services and products to our customers are the core focus of our commitment. Through our quality and safety commitments to our customer, we will, in turn, be contributing to their own successful sustainable development.
Supplier	<ul style="list-style-type: none"> ❖ Environmental, labour and human rights impact in the supply chain 	To effectively and meaningfully implement our sustainability agenda, it is important that our suppliers and partners share our values in their business practices in the areas such as the environment, human rights, labour practices and corporate ethics. Such alignment of values is a crucial part of building mutually beneficial relations with supplier and channel partners to enhance both their own competitiveness and that of ours.
Community	<ul style="list-style-type: none"> ❖ Impact on communities and local economies, and future generation education ❖ Economic value generated and distributed to local community 	In our vision in moving our business to high-value-added business areas, abilities to identify and attract people with knowledge and talent are crucial to sustainability of our businesses. Within a broad range of our community engagements, we focus on the education of today's youth and providing financial and practical support to targeted local and communities, through donation, sponsorship, fundraising and voluntary activities.
Common to All Stakeholder Groups	<ul style="list-style-type: none"> ❖ Compliance with prevailing laws and regulations ❖ Good corporate governance & ethics, transparency and non-financial reporting ❖ Ethical business practices such as anti-corruption ❖ Grievance mechanisms 	Legal compliance and ethical practices are the core foundation of our business. Our culture is established and sustained through strong corporate governance, transparent reporting and open communications with all our stakeholder groups.

4.3 Alignment with International Initiatives



4.3.1 Sustainable Development Goals (SDGs)

Established in 1945 under the Charter of the United Nations (UN), the General Assembly occupies a central position as the chief deliberative, policymaking and representative organ of the United Nations. Comprising all 193 Members of the United Nations, it provides a unique forum for multilateral discussion of the full spectrum of international issues covered by the Charter. It also plays a significant role in the process of standard-setting and the codification of international law.

On 25 September 2015, the UN General Assembly adopted the 17 Sustainable Development Goals (SDGs) to end poverty, protect the planet, and ensure prosperity for all as part of a new sustainable development agenda. Each goal has specific targets to be achieved over the next 15 years. Although the SDGs are primarily aimed at governments, they represent an important opportunity for businesses to also act for a more sustainable world. We will use SDGs as one of the guiding principles for our sustainability initiatives.









We acknowledge that our participation in reaching the SDGs has room for improvement. As we advance on our sustainability journey, we will continue to assess our alignment with the SDGs and, whenever possible, redirect our internal priorities and sustainability strategy to more effectively and comprehensively address the goals.






SDGs Logo Source: <http://www.un.org/sustainabledevelopment/news/communications-material>

SDG Goal	Relevant Targets to Our Businesses <i>(Source: http://sustainabledevelopment.un.org)</i>	Our Participation
	13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	We have our own internal processes and environmental policies to reduce electricity and fuel consumption. Our approach to mitigating climate change includes staff training and implementing energy-efficient measures. As we are mainly in the provision of BOP services, we consider the energy use at our offices to be the primary source of GHG emissions for the Group.
	15.1: By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.	All the paper used in our offices are either Forest Stewardship Council (FSC) certified or made from KHAN-NA. We actively promote the use of such papers across our organisation. Through that, the Company supports efforts in mitigating global warming and the creation of positive rural community engagement, job opportunity, and better livelihood for the farmers and members of the community.



The following SDG goals are relevant to our business, operations and value chain. They are addressed in our various policies at group level.

				Such goals are also embedded in various initiatives carried out across the organisation.
				

				We do not believe these goals are relevant to our business or industry. They are not within our boundaries and scope of influence; therefore, we are currently unable to make noticeable contributions to such goals.
				

4.3.2 United Nations Global Compact (UNGC)

The United Nations (UN) Global Compact is a United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The UN Global Compact is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and anti-corruption.

Below are the references of our report to the 10 principles of the UN Global Compact.

Principle		Report Section
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	5.2.2.1, 5.2.6
Principle 2	Make sure that they are not complicit in human rights abuses.	5.2.2.1, 5.2.6
Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	5.2.2.1, 5.2.6
Principle 4	Elimination of all forms of forced and compulsory labour.	5.2.2.1, 5.2.4.1
Principle 5	Effective abolition of child labour.	5.2.1, 5.2.2.1
Principle 6	Elimination of discrimination in respect of employment and occupation.	5.2.2.1, 5.2.6
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges.	5.1.1
Principle 8	Undertake initiatives to promote greater environmental responsibility.	5.1.2, 5.1.3, 5.1.4
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.	5.1.2, 5.1.3, 5.1.4
Anti-Corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	3.3

4.4 Awards and Achievements

Year	Description
2019	Success transition of trading of rigging equipment and other related businesses into the business of providing BOP services, turning the Group profitable in FY2019.

5 STAKEHOLDER ENGAGEMENT

We believe that good Corporation Social Responsibility (CSR) practice goes hand-in-hand with good corporate management practice. We also recognise that it is vital that our management approaches are adaptable to the dynamics of business and operation environment in such a way that we can continuously assess our impact, develop sustainability objectives and respond in a proper manner to meet our stakeholders' expectations. Our CSR framework is based on our approach to sustainability and includes policies and measurement mechanisms to monitor the impact made by our businesses and operations.

Key to the success of our sustainability programme is regular and up-to-date communication about our CSR policies and activities to all our stakeholders, and the provision of appropriate feedback mechanisms so that we can monitor and evaluate how we are doing and explore new possibilities stimulated by stakeholder responses. We see our sustainability reports as being a critical component of this continuous cycle of communication and evaluation. The overall sustainability context of the stakeholder engagements is managed through our CSR plan for our sustainability governance oversight.

Stakeholder	Management Approach	Initiatives	Outcome and Responses	Boundaries
Future Generation	Environmental Management System (EMS), Environmental policy, EMS guidelines, Waste Recycling/Management, Green Campaigns	Internal Awareness and Education	Energy Efficient Lighting (e.g. LED), Digital Filing and Document to Reduce Paper Consumption.	Singapore, Hong Kong & PRC Operations
Employee	Code of Conduct, Fair Employment Practices, Training and Career Development, Flexible Work Policy, Pension Scheme, WHS Framework	Staff Communication Sessions, Staff Feedback Process, Staff Exit Interviews	Work Life Balance Programmes, Training Programmes, Employee Benefits, Re-engagement	Singapore, Hong Kong & PRC Operations
Customer	Customer Relationship Management System, Policies on Quality Assurance, Data Security for Customer Information, Privacy policy	Customer Feedback Process, Competitive Benchmarking survey, Customer Data Protection Awareness and Education Program	Customer Complaints and Compliments Statistics / Trending, Create and Engage Brand Ambassadors	Singapore, Hong Kong & PRC Operations
Supplier	Supplier Selection and Regular Review Process	Feedback and Communication with Suppliers through Supplier Performance Review	Incident Register, Supplier Engagement	Singapore, Hong Kong & PRC Operations
Community	Selection of Community Initiatives in Alignment with Organisation Goals	CSR Programme, Awards and Accolades, Corporate Rebranding	Employ Merit System and Accolades Programmes	Singapore, Hong Kong & PRC Operations

5.1 Protecting Our Environment for the Future Generations

5.1.1 Our Approach

We are committed to maintaining and building on the same stringent environmental policies and standards throughout our parent company and key regional affiliates. We continually seek new and innovative ways to reduce the environmental impact of our services while maintaining the highest levels of quality. We recognise our responsibility to protect the environment for the health and wellbeing of future generations.

5.1.2 Reduction of Carbon Footprint

We recognise that the effective management and monitoring of its carbon footprint can reduce operating costs, raise brand profile, create a competitive edge and increase stakeholder value. Our carbon footprint is measured in terms of Greenhouse Gas (GHG) emission. The Group endeavours to enhance energy efficiency to reduce its operating costs and GHG emissions.

GHG emission is an absolute measure of how much carbon dioxide equivalent (CO₂e) is emitted. We have insignificant direct (Scope 1) emission, and we do not include the GHG emissions generated by our suppliers (Scope 3). In FY2019, the Group has transited from the business in the trading of rigging equipment and other related business to the provision of BOP services.

Previously, our GHG emission was predominantly indirect (Scope 2) emission. With the changes in the business and operations in FY2019, management consider that indirect (Scope 2) emission generated is insignificant. Going forward, we seek to work closely with our suppliers and partners to align ourselves with international standards and best practices to reduce the negative environment impact of our services and to protect the environment.

5.1.3 Reduction of Paper Consumption

All our employees are urged to minimise paper wastage at work by adhering to our Internal Paper Usage Reduction Guidelines. For example, double-sided printing is set as a default, lower grammage paper is used for daily printing, and blank sides of unneeded single-sided copies are used for printing drafts. Paper re-use and recycling habits are also cultivated through initiatives such as our in-house reminders posted near the copy machines.

All waste paper from our own offices is collected for recycling. Further, we encourage all employees to adopt digital documents instead of paper documents with an aim to further reduce paper consumption. With the changes in the business and operations in FY2019, management consider the Group's paper consumption to be immaterial.

5.1.4 Promoting Green Practices

The Group is committed to protect the environment and ensure that its operations are conducted responsibly. In order to achieve this, the Group adhere strictly to national laws and international standards, such as the Environmental Public Health (Toxic Industrial Waste) Regulations 1988 in Singapore. The Group strives to make a positive contribution to the local environments in which we operate and seek to reduce any potential negative impacts.

5.2 Caring for Our Employees

5.2.1 Our Approach

Our people are our most valuable resource and investing in their professional and personal well-being is vital to our business sustainability. Our goal is to establish work ethics among our employees, which are in line with our core values and code of conduct. They are the foundation upon which we build all our business initiatives and conduct our day-to-day activities.

We recognise that a motivated workforce will convey a positive and powerful message to all our key stakeholders, such as our customers, suppliers and the members of the community. By attracting, nurturing, empowering and rewarding our employees, we create an environment conducive for innovation and inspiration flourish to further boost our competitiveness. Such commitment to our employees promotes a corporate culture of passion, quality, excellence and trust within the organisation which is reflected in our ability to create values for our stakeholders.

Our Human Resource (HR) management principles and policies have been developed and established based on fair employment practices with the goal of attracting, supporting and maintaining a motivated workforce. Our HR policies cover key areas such as remuneration, benefits, health and safety, career development and training. Such policies are communicated to all employees through our comprehensive Employee Handbook which is regularly reviewed by our management and we constantly seek feedback from our staff to ensure that our decisions are aligned as much as possible with their needs.

Our business operates in an environment which comprises diverse races, cultures and geographic locations. With this in mind, our HR policies are implemented across the organisation within the principles with pragmatism, taking into consideration of the prevailing laws and regulations as well as local culture, norms and racial sensitivity.

5.2.2 Employment Practices

Our employment practices focus on maximising the strength of our employees by providing equal opportunities based on merits, and help our employees to develop strength through our comprehensive training and development programme. We regularly review the performance and development of our employees to effectively match their strengths to their job specifications. Our performance-based reward scheme provides guidance and motivation to our employees to perform to their potential in alignment with the objectives of the company.

5.2.2.1 *The Tripartite Guidelines on Fair Employment Practices*

We proactively pursue and adopt best practices in HR management. Our HR practices are guided by the Singapore Tripartite Alliance for Fair and Progressive Employment Practices. The Singapore Tripartite Alliance comprises the Ministry of Manpower, Singapore National Employers Federation and National Trades Union Congress. The Tripartite Alliance has formulated guidelines on fair employment practice for adoption by Singapore employers, embracing the recruitment, training, treatment and reward of employees.

5.2.2.2 *Communications*

As our Company grows, effective communication across the organisation are crucial to ensure continuous alignment of objectives of the employees and the organisational objectives. We achieve this through our various communication sessions customised based on target employees. Communication sessions for our managers are held on a regular basis. Agendas covered at these sessions are customised in appropriate to the target functional scope of the managers. For example,

in managers' meeting, operational agendas such as leadership and operation issues may be discussed while at the quarterly sessions high level topics include strategic business directions, new service launches, ongoing developments and key project reviews.

5.2.2.3 Employee Feedback

We value our employee's expertise in their areas of responsibilities. Therefore, their feedback is important in the improvement of overall management and operation of the organisation. Through various established processes of employee engagement, such as employee objective setting, performance review as well as exit interview in the case of resignations, we gather such valuable feedbacks for the continuous improvement of our organisation.

In addition, there are other feedback channels for areas specific to business and function, such as health and safety issues and compliance issues. Such feedbacks are managed by the leaders and managers of their specific business and function domain. We have also established reporting and escalation channel should the feedback requires the attention of senior management.

5.2.2.4 Career Development and Training

We recognise that consistent and ongoing education is critical to maintaining a competitive, skilled, productive and motivated workforce. Employee career development and performance management established based on merits and contributing skill sets towards the organisation objectives through objective settings and regular performance reviews. We continue to review and improve our career development and performance review processes in light of the changing business and operation environment.

Our training programme covers a variety of areas catering for employees with difference job scope and skills set requirements. In addition, specific training curriculums are developed based on the specific requirements of the specific businesses and functions. Training topics range from soft skills development in areas such as communications and leadership, to technical programmes covering project management and office productivity tools.

In conjunction with the Group's policies and plans on employee training and development, the management identifies training needs, formulates training plans and evaluates training effectiveness on an annual basis. Employees are encouraged to participate in external training courses for career development.

5.2.3 Workforce Diversity

Our business thrives on diversity. As such, we leverage on a host of strengths and skills that can only come from a diverse workforce embracing employees from various ethnic groups, religion, age and gender.

In FY2019, 37.5% of our employees were female, comprising of our workforce, while 62.5% employees were male. In terms of management function, 17% females held managerial positions compared to 83% males. There are 100% females held non-managerial positions while nil males held non-managerial positions. The male to female ratio managerial and non-managerial positions were 5:1 and nil respectively. From age profile perspective, there were 25% of the employees below 30 years old. The percentage of employees between 30 and 50 years old was 75% as compared nil employees above 50 years old.

In FY2019, there is no new hire and resignee.

In addition to the human resources we managed under our payroll internally, we also engage external contracted companies as our outsourced vendors which provide outsourced personnel, such as cleaners and security guards who might work within our premises. Although we supervise these people, they are employed by contracted companies and are not included in our head count. We do not employ other types of un-contracted workers.

We expect that all the contracted companies we work with will share our core principles of HR management practices. In our vendor selection process, we take into consideration their HR management practices as one of the key selection and performance criteria. We regularly review the performance of our vendors based on these criteria as a key basis to determine whether to continue to engage the vendors with their services.

5.2.4 Employee Benefits

All non-managerial employees in Singapore are covered by the Employment Act, which provides basic employment terms and working conditions including contract requirements, remuneration, hours of work, overtime, rest days and annual leave entitlement.

In addition to the statutory benefits outlined in the Employment Act, we provide beyond-compliance-level benefits to our fulltime employees. Examples of these benefits include paternity leave and compassionate leave.

5.2.4.1 Work-Life Balance

While developing the talents of our employees and providing equal opportunities for them to excel are the key drivers for our company, we also recognise that well-being and contentment of our employees are pivotal to the success and sustainability of our business and performance. Our employees are our most valuable asset, and we appreciate that their overall well-being need to be well looked after in order for them to sustain their performance and realise their full potential.

To support our employees to strike a work-life balance, we aim to create an environment that allows our employees to achieve harmony in their personal and professional life. We achieve this through the adoption of a flexible approach to work arrangements and offering programmes to support health and wellness.

We understand that workplace could be at times stressful due to the competitiveness of our workforce and our business. To support our employees in their effort of pursuing excellence, we have various programmes and initiatives to balance their work with fun, and to develop an environment and culture of mutual support.

5.2.4.2 Retirement and Healthcare

Our company has presence in various geographic locations where there are various local laws and regulations on pension and healthcare for employees. Our HR management practices comply with such laws and regulations. In Singapore, we participate in the Central Provident Fund (CPF) personal savings scheme, which helps employees fund their retirement, home ownership, healthcare and education. Under this scheme, monthly deductions from employees' gross salaries are paid into their CPF savings accounts. We, the company, make employer contributions to these accounts, according to rates stipulated in the CPF Act. In addition to CPF contributions, we provide comprehensive medical coverage for all employees. For more information on the CPF scheme and contribution rates, please go to www.cpf.gov.sg.

5.2.5 Safety and Health in the Workplace

We are committed to Workplace Safety and Health (WSH) and take every precaution to prevent occupational injuries among employees. We believe that optimum work conditions not only make our employees safer, but also boost morale. As an essential requirement we are in compliance with the Ministry of Manpower's Workplace Safety & Health Act.. These well recognised standards provide us with the frameworks to manage risks associated with safety and health in our workplace.

5.2.6 Individual Rights

Respecting and protecting basic human rights is fundamental to all our operations and deeply ingrained in our Code of Conduct, which applies to all employees. Labour rights, the prohibition of discrimination and harassment, protection of privacy, prohibition of forced and child labour, and workplace health and safety are all strictly observed within the work environment and discrimination and harassment of any kind is not tolerated at our company.

We also respect our employees' rights to freedom of association as well as their membership of trade unions and other professional bodies.

5.3 Focusing on Our Customers' Needs

5.3.1 Our Approach

Customer service, quality services and the highest level of safety have always been our priorities, with customer satisfaction being the goal of all our corporate activities. Customer retention begins with trust, and we place the utmost importance on training our employees in customer service excellence as well as in continuously striving to improve the quality and safety of our products and services.

Open and frequent communication and responsive feedback are ingrained into our daily activities with customer interaction. In addition to striving for excellence in service and support, we attach enormous importance to data privacy. We have process and controls in place over confidential and sensitive data related to our customers such as contracts.

5.3.2 Customer Feedback and Satisfaction

We listen to our customers and take their opinions very seriously. We consolidate customer feedback through a range of communication channels including our website, regular customer survey, and our customer service personnel. Through our customer feedback system, we capture our customers' comments for analysis and action.

We take customer feedback seriously and in the case of non-conformance, our sales department will report the complaint from customer to a coordinator whom will issue a non-conformance report (NCR). The NCR will be submitted to the Quality Management System controller who will follow up with an investigation. Depending on the findings, the QMS will follow up with the respective departments to take corrective actions. For FY2019, we had a customer satisfaction rating of 100% and all customers' complaints had been duly resolved.

5.3.3 Service Quality and Safety

Reliability and quality of our services are of paramount importance to us. Health and safety of our customers is always our priority. To ensure product safety to our customers, we have in place a set of key quality assurance processes and standards, to ensure compliance with regulations and international standards. Ultimately, we aim to totally eliminate product safety incidents so as to foster a 'Safety First' culture through employee training and quality control.

We have established a comprehensive Quality Policy with specific Quality Objectives. Such Quality Policy and Objectives underpin our service quality management approach and processes.

Our quality management approach identifies our stakeholders, key aspects of the service quality and the impact on our stakeholders. Our quality management processes take an end-to-end quality view from the areas of planning, support down to operation, performance evaluation and improvement. At each key aspect of the end-to-end quality management processes, we have leadership in place to spear head the quality improvement processes. We have mapped out the sequence and interaction of business processes to ensure seamless collectively management of inter-dependencies of the quality management processes among the leaderships.

5.3.4 Data Safety and Privacy

Ensuring safety and privacy of our customers' data is of great priority to us. We have processes and controls in place for handling and communicating sensitive and confidential information of our customers such as contracts, customer orders and service delivery orders. Our information security

policies ensure our customers' data are managed in accordance to the level of confidentiality. We strictly observe all local laws and internal regulations applicable to personal information protection.

5.4 Partnering Our Suppliers

5.4.1 Our Approach

As a part of our ambition to realize sustainability throughout our value chain, we extend the application of responsible business practices to our local partners and suppliers. We recognise that we are only at the beginning of our journey to integrate sustainable business practice throughout our supply chain, and we commit in our pragmatic approach to continuous improvement. We aim to identify new opportunities for collaboration with our suppliers, gradually increase transparency and continue to build shared capacity to minimise our indirect environmental and social impacts.

5.4.2 Supplier Selection

Our key suppliers are carefully selected through our supplier selection process. When selecting our key suppliers, we examine criteria such as financial health, quality of services, as well as competitiveness of pricing. In addition, we also take into consideration the overall sustainability policies adopted by our suppliers. Our final decision on supplier selection is based on the overall assessment which takes a balanced view across all selection criteria.

5.4.3 Supplier Review

We regularly review the performance of our key suppliers to determine whether to extend our partnership with them. During the key supplier review process, we engage with our key suppliers to communicate our expectations and mutual feedback. Such review process ensures alignment of our key suppliers' services and products to our business requirements and sustainability objectives through pragmatic and continuous improvement in our partnership with our key suppliers.

5.5 Supporting Our Community

5.5.1 Our Approach

We want to support the local communities in which we operate and to give back to the local communities. Over the next few years, the Group aims to promote and sponsor initiatives in support of local communities and charitable organisations, such as through cash contributions, the donation of goods (food or garments) and organisational support to national and international projects.

6 PERFORMANCE TABLE

6.1 Employment Profile

	Performance		Target	
	FY2018	FY2019	FY2019	FY2020
Male : Female ratio in non-managerial positions	57 : 30	0 : 2	--	--
Male : Female ratio in managerial positions	9 : 6	5 : 1	--	--

FY2019 Performance

We have not set a target for this ratio as the ratio achieved for FY2019 and FY2020. All our staffs are evaluated based on the basis of their skills and merit and we seek to increase the current diversity of male and female ratio within our Group.

6.2 Employees Engagement and Training

	Performance		Target	
	FY2018	FY2019	FY2019	FY2020
Average Training Hours per Employee	2	3	-	-

FY2019 Performance

We have not set a target for this ratio as the ratio we achieved in FY2018 and FY2019 had enabled the Group to deliver services with quality on a timely, as well as meeting international safety standards.

We will monitor our employees' engagement and training profile every year.

6.3 Customer Feedback

		Performance		Target	
		FY2018	FY2019	FY2019	FY2020
Customer Index	Satisfaction	89%	100%	90%	90%

FY2019 Performance

We have used FY2017 data as the base year for our performance tracking towards our 2030 goals of 90%. This year 2019 stands at 100%.

We will continue to thrive for further improvements towards our 2030 goal of 90%.

6.4 Supplier Screening for Sustainability Criteria

	Performance		Target	
	FY2018	FY2019	FY2019	FY2020
Key Suppliers Screened for Sustainability Criteria (%)	100%	100%	82%	84%

FY2019 Performance

As of FY2018, the Key Suppliers Screened for Sustainability Criteria stands at 100%. In FY2019, the Key Suppliers Screened for Sustainability Criteria stands at 100%.

6.5 Community Contribution

	Performance		Target	
	FY2018	FY2019	FY2019	FY2020
Number of Beneficiaries	2	2	--	--

FY2019 Performance

We want to support the local communities in which we operate and to give back to the local communities.

In FY2019, the Group has made contributions to 2 beneficiaries in Singapore.

We will thrive for further improvements in our contribution to the community.

7 GRI CONTENT INDEX

This report is prepared in accordance with the Global Reporting Initiative (GRI) Standards Core option. We did not seek external assurance for this report.

N.B.: AR = Latest Annual Report December 2019 available, SR = Sustainability Report (i.e. this report)

GRI Reference	Disclosure	Response	
General Standard Disclosure			
Organisation Profile	102-1	Name of the organisation	SR Section 2
	102-2	Activities, brands, products, and services	Refer to https://www.ktl.group/
	102-3	Location of headquarters	Refer to https://www.ktl.group/
	102-4	Location of operations	Refer to https://www.ktl.group/
	102-5	Ownership and legal form	Refer to https://www.ktl.group/corporate-profile/
	102-6	Markets served	Refer to https://www.ktl.group/corporate-profile/
	102-7	Scale of the organisation	Refer to https://www.ktl.group/corporate-profile/
	102-8	Information on employees and other workers	SR Section 5.2.3
	102-9	Supply chain	SR Section 5.4, 5.4.1, 5.4.2, 5.4.3
	102-10	Significant changes to the organisation and its supply chain	Refer to https://www.ktl.group/corporate-profile/
	102-11	Precautionary Principle or approach	SR Section 3.2, 3.3, 4, 4.1, 5, 5.1.1, 5.2.1, 5.3.1, 5.4.1, 5.5.1
	102-12	External initiatives	SR Section 4.4
	102-13	Membership of associations	None
Strategy	102-14	Statement from senior decision-maker	SR Section 1
Ethics and Integrity	102-16	Values, principles, standards, and norms of behaviour	AR Page 11 (Code of Governance), SR Section 3.1, 3.3
Governance	102-18	Governance structure	AR Page 11 (Code of Governance), SR Section 3.2, 5.4, 5.4.1, 5.4.2, 5.4.3
Stakeholder Engagement	102-40	List of stakeholder groups	SR Section 5, 5.1, 5.2, 5.3, 5.4, 5.5
	102-42	Identifying and selecting stakeholders	SR Section 5
	102-43	Approach to stakeholder engagement	SR Section 5
	102-44	Key topics and concerns raised	SR Section 4.2, 5
Reporting Practice	102-45	Entities included in the consolidated financial statements	AR Page 87 & 91
	102-46	Defining report content and topic boundaries	SR Section 2.1, 2.2, 2.3
	102-47	List of material topics	SR Section 4.2
	102-48	Restatements of information	No Significant Changes
	102-49	Changes in reporting	No Significant Changes

GRI Reference		Disclosure	Response
	102-50	Reporting period	<i>SR Section 2.1</i>
	102-51	Date of most recent report	<i>SR Section 2.1</i>
	102-52	Reporting cycle	<i>SR Section 2.1</i>
	102-53	Contact point for questions regarding the report	<i>SR Section 2.4</i>
	102-54	Claims of reporting in accordance with the GRI Standards	<i>SR Section 2.2</i>
	102-55	GRI content index	<i>SR Section 7</i>
	102-56	External assurance	<i>SR Section 2.2</i>
Economic			
Economic Performance	201-1	Direct economic value generated and distributed	<i>AR Page 39 to 134</i>
	201-2	Financial implications and other risks and opportunities due to climate change	<i>SR Section 5.1.4</i>
	201-3	Defined benefit plan obligations and other retirement plans	<i>SR Section 5.2.4.2</i>
	201-4	Financial assistance received from government	<i>None</i>
Market Presence	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	<i>Not disclosed</i>
	202-2	Proportion of senior management hired from the local community	<i>Not disclosed</i>
Indirect Economic Impacts	203-1	Infrastructure investments and services supported	<i>Not measured</i>
	203-2	Significant indirect economic impacts	<i>Not measured</i>
Procurement Practices	204-1	Proportion of spending on local suppliers	<i>Not disclosed</i>
Anti-corruption	205-1	Operations assessed for risks related to corruption	<i>SR Section 4.2</i>
	205-2	Communication and training about anti-corruption policies and procedures	<i>SR Section 3.3</i>
	205-3	Confirmed incidents of corruption and actions taken	<i>Management has confirmed no such incidents.</i>
Anti-competitive Behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	<i>Management is not aware of any cases that is significant to the Group.</i>
Environment			
Materials	301-1	Materials used by weight or volume	<i>Not measured</i>
	301-2	Recycled input materials used	<i>Not measured</i>
	301-3	Reclaimed products and their packaging materials	<i>Not measured</i>
Energy	302-1	Energy consumption within the organisation	<i>Not measured</i>
	302-2	Energy consumption outside of the organisation	<i>Not measured</i>
	302-3	Energy intensity	<i>Not measured</i>
	302-4	Reduction of energy consumption	<i>Not measured</i>
	302-5	Reductions in energy requirements of products and services	<i>Not measured</i>

GRI Reference		Disclosure	Response
Water	303-1	Water withdrawal by source	<i>Not measured</i>
	303-2	Water sources significantly affected by withdrawal of water	<i>Not measured</i>
	303-3	Water recycled and reused	<i>Not measured</i>
Biodiversity	304-2	Significant impacts of activities, products, and services on biodiversity	<i>Not measured</i>
Emissions	305-1	Direct (Scope 1) GHG emissions	<i>Not measured</i>
	305-2	Energy indirect (Scope 2) GHG emissions	<i>Not measured</i>
	305-3	Other indirect (Scope 3) GHG emissions	<i>Not measured</i>
	305-4	GHG emissions intensity	<i>Not measured</i>
	305-5	Reduction of GHG emissions	<i>Not measured</i>
Effluents and Waste	306-2	Waste by type and disposal method	<i>Not measured</i>
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	<i>Management is not aware of any cases that is significant to the Group.</i>
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	<i>SR Section 5.4.3, 6.4</i>
Social			
Employment	401-1	New employee hires and employee turnover	<i>No new hire or resignee</i>
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	<i>SR Section 5.2.4</i>
	401-3	Parental leave	<i>SR Section 5.2.1, 5.2.2.1, 5.2.4</i>
Labour/Management Relations	402-1	Minimum notice periods regarding operational changes	<i>SR Section 5.2.1, 5.2.2</i>
Occupational Health and Safety	403-1	Workers representation in formal joint management–worker health and safety committees	<i>SR Section 5.2.5</i>
	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	<i>Not disclosed</i>
Training and Education	404-1	Average hours of training per year per employee	<i>6.2</i>
	404-2	Programs for upgrading employee skills and transition assistance programs	<i>SR Section 5.2.2.4</i>
	404-3	Percentage of employees receiving regular performance and career development reviews	<i>SR Section 5.2.2.1, 5.2.2.4</i>
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	<i>SR Section 5.2.3</i>
	405-2	Ratio of basic salary and remuneration of women to men	<i>Not disclosed</i>
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	<i>None noted</i>
Child Labour	408-1	Operations and suppliers at significant risk for incidents of child labour	<i>None noted</i>

GRI Reference		Disclosure	Response
Forced or Compulsory Labour	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labour	<i>None noted</i>
Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	<i>None noted</i>
Human Rights Assessment	412-2	Employee training on human rights policies or procedures	<i>SR Section 5.2.2.1, 5.2.6</i>
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	<i>SR Section 5.4.1, 5.4.2, 5.4.3, 6.4</i>
Public Policy	415-1	Political contributions	<i>No political contributions were made in the period covered</i>
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	<i>SR Section 5.3.1, 5.3.3</i>
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	<i>None noted</i>
Marketing and Labelling	417-1	Requirements for product and service information and labelling	<i>Our product information and labelling are based on prevailing laws and industry practices. Information on service, refer to https://www.ktl.group/</i>
	417-2	Incidents of non-compliance concerning product and service information and labelling	<i>None noted</i>
	417-3	Incidents of non-compliance concerning marketing communications	<i>None noted</i>
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	<i>None noted</i>
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	<i>None noted</i>