

# C-LINK SQUARED LIMITED

(Incorporated in the Cayman Islands with limited liability)

(於開曼群島註冊成立的有限公司)

Stock code 股份代號 : 1463



## 2020

ENVIRONMENTAL, SOCIAL & GOVERNANCE REPORT

環境、社會及管治報告

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## INTRODUCTION

C-Link Squared Limited (the “**Company**”, together with its subsidiaries, the “**Group**”) is a Malaysian-based outsourced document management services provider and related software application and enterprise software solutions developer. The Group’s services include the provision of document management services and enterprise software solutions.

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

## The ESG Governance Structure

The board (the “**Board**”) of directors (the “**Directors**”) of the Company oversees and sets out the ESG strategies for the Group.

The Group has assigned personnel to systematically identify and cater to ESG issues. The said personnel are responsible for collecting and analysing the relevant ESG information, and identifying and assessing the Group’s ESG risks. In addition, the said personnel periodically report to the Board for the evaluation and subsequent implementation or revision of the Group’s ESG strategies.

## REPORTING SCOPE

The ESG Report covers the Group’s business activities in Malaysia where its principal business operations are located. The Group will continue to assess the major ESG key performance indicator (“**KPI**”) of different businesses and extend the scope of disclosures when and where applicable.

## REPORTING STANDARD

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 on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

Information relating to the Group’s corporate governance practices can be found in the Corporate Governance Report on pages 47 to 63 of the Company’s annual report for the year ended 31 December 2020.

## REPORTING PERIOD

Unless otherwise specified, this ESG Report covers the period from 1 January 2020 to 31 December 2020 (the “**FY2020**”), the reporting content in this ESG Report comprises the ESG activities, challenges and measures taken by the Group during the FY2020.

## STAKEHOLDER ENGAGEMENT

The Group regularly engages its stakeholders to identify sustainability topics and potential risks. In order to understand and address their key concerns, the Group has been maintaining close communication with its stakeholders. The Group will continue to increase the involvement of stakeholders via constructive conversation with a view to enjoying long term prosperity.

Stakeholders' expectations have been taken into consideration by utilising diversified engagement methods and communication channels as shown below:

Stakeholders	Communication Channels	Expectations
Shareholders and investors	<ul style="list-style-type: none"> <li>• General meetings</li> <li>• Financial reports</li> <li>• Announcements and circulars</li> <li>• Company website</li> </ul>	<ul style="list-style-type: none"> <li>• Sustainable profitability</li> <li>• Good corporate governance structure</li> <li>• Shareholder return</li> </ul>
Employees	<ul style="list-style-type: none"> <li>• Training activities, seminars and briefings</li> <li>• Internal emails and suggestion boxes</li> <li>• Regular meetings</li> <li>• Performance appraisal</li> </ul>	<ul style="list-style-type: none"> <li>• Remuneration and benefits</li> <li>• Safe working environment</li> <li>• Career development</li> </ul>
Suppliers	<ul style="list-style-type: none"> <li>• Site visits</li> <li>• Business meetings and discussions</li> </ul>	<ul style="list-style-type: none"> <li>• Fair and open procurement</li> <li>• On-time payment</li> <li>• Sustainable relationship</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Customer service hotline</li> <li>• Emails</li> <li>• Customer meetings</li> </ul>	<ul style="list-style-type: none"> <li>• Possession of technical capability</li> <li>• Ability to provide accurate and efficient processing</li> <li>• Flexibility of customising software to meet specific needs</li> </ul>
Government and other regulatory authorities	<ul style="list-style-type: none"> <li>• Written or electronic correspondence</li> <li>• Visits and inspections</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with relevant laws and regulations</li> <li>• Stability in business operations</li> </ul>
Media and the public	<ul style="list-style-type: none"> <li>• ESG reports</li> <li>• Company website</li> <li>• Reports and announcements</li> </ul>	<ul style="list-style-type: none"> <li>• Transparency of ESG issues and financial disclosure</li> <li>• Legal compliance</li> <li>• Corporate governance</li> </ul>

The Group understands the importance of maintaining good relationships with its stakeholders and actively collaborates with them to ensure that their opinions can be voiced out through effective communication channels. In the long run, stakeholders' contributions will aid the Group in improving potentially overlooked ESG performance and maintaining the success of the Group's business in the challenging market.

## MATERIALITY ASSESSMENT

The Board and the management responsible for the key functions of the Group have participated in the preparation of the ESG Report. They have assisted the Group in reviewing its operations, identifying relevant ESG issues and assessing their importance to the Group's businesses and stakeholders.

Summary of the Group's material ESG issues according to its relative importance are shown as follows:

Least material	Material	Most material
<ul style="list-style-type: none"> <li>• Air Emissions</li> <li>• Water Consumption</li> <li>• Community Investment</li> </ul>	<ul style="list-style-type: none"> <li>• Greenhouse Gas ("GHG") Emissions</li> <li>• Waste Management</li> <li>• Energy Consumption</li> <li>• Provision of Training Opportunities</li> <li>• Procurement Practices</li> <li>• Whistle-blowing Mechanism</li> </ul>	<ul style="list-style-type: none"> <li>• Paper Consumption</li> <li>• Recruitment, Diversity and Equal Opportunities</li> <li>• Occupational Health and Safety Management</li> <li>• Data Protection and Privacy</li> <li>• Intellectual Property ("IP") Rights</li> <li>• Customer Complaints Management</li> </ul>

For 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 are in compliance with the requirements of the ESG Reporting Guide.

## CONTACT US

The Group welcomes stakeholders to provide their opinions and suggestions. You can provide valuable advice in respect of the ESG Report and/or the Group's performance in sustainable development by visiting: <https://www.clinksquared.com> or contacting us via email at [investor\\_relations@cgroup.com.my](mailto:investor_relations@cgroup.com.my)

## A. ENVIRONMENTAL

### A1. Emissions

Environmental protection and sustainable development rely on concerted and continuous efforts from all industries and society. In addition to complying with applicable laws and regulations of Malaysia, the Group is committed to minimising any adverse impacts on the environment by incorporating green practices in its daily operations. The Group endeavours to expand its business without exploiting the environment. Therefore, the Group continuously revises existing policies and incorporates new policies to mitigate potential direct and indirect negative environmental impacts arising from its business operations.

During FY2020, the Group was not aware of any material non-compliance with laws and regulations relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that would have a significant impact on the Group, including but not limited to the Environmental Quality Act 1974 of Malaysia.

#### Exhaust Gas Emissions

The principal sources of exhaust gas emissions arising out of the Group's operation were petrol and diesel consumed by vehicles. In response to the abovementioned emissions, the Group has actively taken measures to control air emissions. Such measures will be described in the following section – "GHG Emissions".

Summary of exhaust gas emissions performance:

Types of exhaust gas	Unit	FY2020	FY2019
Nitrogen oxides ("NOx")	kg	97.04	245.15
Sulphur oxides ("SOx")	kg	0.25	0.32
Particulate matter ("PM")	kg	9.17	23.15

#### GHG Emissions

The principal GHG emissions of the Group were generated from petrol and diesel consumption by vehicles and forklifts (Scope 1), purchased electricity (Scope 2) and business air travel (Scope 3).

##### Scope 1 – Direct GHG Emissions

The Group has adopted the following measures to mitigate direct GHG emissions from petrol and diesel consumption by company vehicles and forklifts in its operations:

- Plan routes ahead of time to avoid route repetition and optimise fuel consumption;
- Regular maintenance vehicles to ensure optimal engine performance and fuel use; and
- Switch off the engine when the vehicle is idling.

##### Scope 2 – Indirect GHG Emissions

Electricity consumption accounted for a large percentage of GHG emissions of the Group. The Group has implemented measures to reduce energy consumption, said measures will be mentioned in "Aspect A2 – Use of Resources".

##### Scope 3 – Other Indirect GHG Emissions

Business air travel contributed to the category of other indirect GHG emissions. Noting that business air travel generates a large amount of GHG emissions, the Group only utilises business air travel when deemed necessary. Teleconferences and web conferences are the Group's preferred communication channels.

Through the implementation of such measures, the Group has increased its employees' awareness of reducing GHG emissions.

During the FY2020, after implementation of the GHG emissions measures, the Group's total GHG emissions decreased by about 1.85%, from approximately 622.38 tCO<sub>2</sub>e in FY2019 to 610.85 tCO<sub>2</sub>e in FY2020, which was mainly attributable to the decrease in Petrol and diesel consumption.

Summary of GHG emissions performances:

Indicators <sup>1</sup>	Unit <sup>2</sup>	FY2020	FY2019
Scope 1 — Direct GHG Emissions			
• Petrol and diesel consumption	tCO <sub>2</sub> e	46.04	54.74
Scope 2 — Indirect GHG Emissions			
• Purchased electricity	tCO <sub>2</sub> e	564.04	564.09
Scope 3 — Other Indirect GHG Emissions			
• Business air travel	tCO <sub>2</sub> e	0.77	3.55
<b>Total GHG emissions</b>	<b>tCO<sub>2</sub>e</b>	<b>610.85</b>	<b>622.38</b>
<b>Intensity<sup>3</sup></b>	<b>tCO<sub>2</sub>e/million revenue (RM)</b>	<b>7.96</b>	<b>8.70</b>

Notes:

1. GHG emissions data is presented in terms of carbon dioxide equivalent and is based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard" issued by the World Resources Institute and the World Business Council for Sustainable Development, "How to prepare an ESG report — Appendix II: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange, the "Global Warming Potential Values" from the IPCC Fifth Assessment Report, 2014 (AR5) and the 2019 TNB Sustainability Report issued by Tenaga Nasional Berhad.
2. tCO<sub>2</sub>e is defined as tonnes of carbon dioxide equivalent.
3. For FY2020, the Group recorded a revenue of approximately RM76,719,000 (2019: RM71,526,000). This data is used for calculating other intensity data.

### Sewage Discharge into Water and Land

Due to the Group's business nature, there was no significant or unreasonable amount of sewage discharged by the Group into either land or water.

### Waste Management

#### Hazardous Waste Management

Due to the Group's business, the use and the subsequent disposal of toner cartridges are inevitable. Therefore, the principal hazardous waste produced by the Group's operations was toner cartridges. The Group arranges collection of such toner cartridges with a waste collector for proper disposal. In FY2020, approximately all of the hazardous wastes generated by the Group were lawfully disposed of by contracted third parties.

The Group would also arrange collection with contracted third parties to lawfully dispose of computers and other waste electrical and electronic equipment, should they become obsolete.

The Group remains vigilant to the management of proper hazardous waste disposal and ensures that the disposal process complies with applicable statutory requirements.

Summary of major hazardous waste disposal performance:

Indicator	Unit	FY2020	FY2019 <sup>1</sup>
Toner cartridge	tonnes	5.66	5.34
<b>Total hazardous waste generated</b>	<b>tonnes</b>	<b>5.66</b>	<b>5.34</b>
<b>Total hazardous waste handled by waste collector</b>	<b>tonnes</b>	<b>5.66</b>	<b>5.34</b>
<b>Intensity</b>	<b>tonnes/million revenue (RM)</b>	<b>0.074</b>	<b>0.075</b>

#### Non-hazardous Waste Management

General waste was the principal non-hazardous waste generated. The Group did not note a disproportional amount of waste produced.

The Group places great effort in raising the awareness of its employees on the importance of reducing waste production. The Group maximises its efforts in reducing the amount of waste being disposed of at the landfills by establishing Standard Operating Procedures (“**SOP**”) on Secure Data Disposal. The said SOP ensures that recyclable paper products of a sensitive nature are recycled after shredding.

Furthermore, the Group has adopted the following environmentally friendly initiatives to enhance its environmental performance. Such green measures include but are not limited to:

- Reduce the use of single-use disposable items;
- Reuse and recycle paper products and boxes; and
- Recycle non-hazardous office and electronic equipment after their life cycle where possible.

The Group has increased its employees’ awareness of waste management through the implementation of these measures.

During the FY2020, the Group’s total non-hazardous waste disposed intensity decreased by about 8%, from 0.25 tonnes/million revenue (RM) in FY2019 to 0.23 tonnes/million revenue (RM) in FY2020.

Summary of non-hazardous waste disposal performance:

Indicator	Unit	FY2020	FY2019
General waste	tonnes	18.00	18.00
<b>Total non-hazardous waste disposed</b>	<b>tonnes</b>	<b>18.00</b>	<b>18.00</b>
<b>Intensity</b>	<b>tonnes/million revenue (RM)</b>	<b>0.23</b>	<b>0.25</b>

## A2. Use of Resources

The Group upholds and promotes the principle of effective use of resources, and is committed to optimising its use of resources in all of its business operations. The Group has established relevant policies and procedures governing the use of energy and water with the aim of achieving higher efficiency and reducing the unnecessary use of resources.

<sup>1</sup> As the calculation method has been adjusted to comply with “How to prepare an ESG Report – Appendix II: Reporting Guidance on Environmental KPIs” issued by the Hong Kong Exchanges and Clearing Limited (“**HKEX**”), the information disclosed in FY2019 has been revised.

### Energy Consumption

To better utilise finite natural resources, the Group has established an environmental policy to better govern the use of resources. The Group strives to further reduce energy consumption by adopting the following energy-saving measures:

- Install energy-efficient lighting;
- Ensure all idle appliances and unnecessary lightings are switched off either manually or through automatic sensors;
- Conduct regular maintenance on air-cooling technologies; and
- Procure energy-efficient equipment for the replacement of old equipment.

The consumption level of electricity is regularly monitored. Any unreasonable increase in electricity consumption will be investigated and preventive measures will be taken. Through the implementation of the aforementioned energy-saving measures, employee's awareness of energy conservation has increased.

During the FY2020, the total energy consumption of the Group slightly increased by about 0.89%, from approximately 1,173.59 MWh in FY2019 to approximately 1,184.06 MWh in FY2020, which was mainly attributable to the increase in the business activities of the Group.

Summary of energy consumption performances:

Indicators	Unit	FY2020	FY2019
Direct energy consumption	MWh	176.84	209.33
Petrol	MWh	40.99	52.89
Diesel	MWh	135.85	156.44
Indirect energy consumption	MWh	1,007.22	964.26
Purchased electricity	MWh	1,007.22	964.26
<b>Total energy consumption</b>	<b>MWh</b>	<b>1,184.06</b>	<b>1,173.59</b>
<b>Intensity</b>	<b>MWh/million revenue (RM)</b>	<b>15.43</b>	<b>16.41</b>

### Water Consumption

The Group actively promotes the importance of water conservation to its employees. Apart from posting eye-catching reminders around washrooms and offices, the Group also regularly inspects water taps to prevent leakage and installs dual flush water cisterns in toilets and water-saving thimbles in sinks where possible. During the FY2020, the Group's total water consumption increased by about 15.5%, from 5,505 m<sup>3</sup> in FY2019 to 6,359 m<sup>3</sup> in FY2020.

Through the implementation of the said water-saving measures, the Group has increased its employees' awareness of water conservation.

Due to the Group's business nature and its geographical location, the Group did not encounter any problem in sourcing water that was fit for purpose.

Summary of water consumption performance:

Indicator	Unit	FY2020	FY2019
<b>Total water consumption</b>	<b>m<sup>3</sup></b>	<b>6,359.00</b>	<b>5,505.00</b>
<b>Intensity</b>	<b>m<sup>3</sup>/million revenue (RM)</b>	<b>82.89</b>	<b>76.97</b>

### Paper Consumption

As an outsourced services provider, the Group inevitably uses a substantial amount of paper for the printing of documents such as leaflets, letters, envelopes and documentations for its customers.

The Group nevertheless upholds its commitment to environmental sustainability and adopts other sustainable printing options internally. Examples include the following:

- Use recycled paper instead of virgin paper;
- Reuse single-sided waste paper;
- Procure paper products with Forest Stewardship Council Recycled Label; and
- Adopt double-sided printing where possible.

The Group's provision of document management services aid enterprises in reducing paper consumption as documents are now stored online. This not only lowers the need for storage space but also reduces carbon emissions and the excessive use of paper products. The Group has also strengthened its marketing approach in promoting its digital solutions to its customers. The Group believes that its document management services will bring a positive impact to the environment and will reduce the reliance of enterprises on paper products in the long run.

Summary of paper consumption performances:

Indicators	Unit (in thousand)	FY2020	FY2019
A3 Paper	sheet	49.45	N.A
A4 Paper	sheet	70,158.75	76,373.81
A5 Paper	sheet	–	3,058.28
B5 Paper	sheet	18,144.00	15,096.00
Envelope	piece	46,665.41	37,595.76

### Use of Packaging Materials

Due to the Group's business nature, the use of packaging material was not considered to be a material ESG aspect to the Group.

## A3. The Environment and Natural Resources

The Group realises its responsibility in minimising any negative environmental impacts in its business operations despite the fact that the Group does not produce harmful pollutants that directly affect the environment, nor does its business operations have a significant impact on natural resources. The Group nevertheless remains conscious of its existing and potential impacts, and therefore regularly assesses the environmental risks of its business model, adopts preventive measures and ensures compliance with relevant laws and regulations.

### Indoor Air Quality

The Group considers that providing a pleasant and safe working environment to its employees is of paramount importance. Indoor air quality is therefore regularly monitored and measured. To maintain indoor air quality at a satisfactory level, air purifying equipment is placed in the Group's premises and the ventilation system is cleaned periodically. By adopting these measures, the indoor air quality of the Group's premises has been satisfactory.

## B. SOCIAL

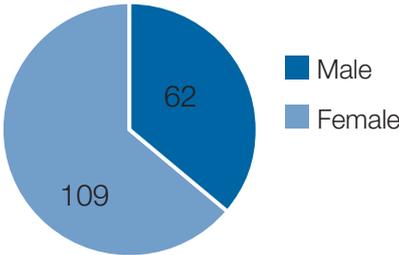
### B1. Employment

Employees are the most valuable asset of the Group. The Group recognises that its continued success relies heavily on its employees' talents and dedication. Therefore, the Group has adopted sound employment practices by establishing the comprehensive Human Resources ("HR") Policies and Procedures to cover every aspect of employment, including but not limited to the recruitment and management of staff, employee background checks, statutory obligations and compliance procedures and compliance with updated labour laws and regulations. The Group periodically reviews existing policies and employment practices to ensure the continuous improvement of its employment standards and competitiveness against service providers of the same industry. As at 31 December 2020, the Group had approximately 171 employees (2019: 181 employees); all of them were full-time employees. 168 employees fell under the reporting scope of the ESG Report, which describes the information and KPIs of the Group's principal business activities in Malaysia. Therefore, all of the 168 employees were located in Malaysia.

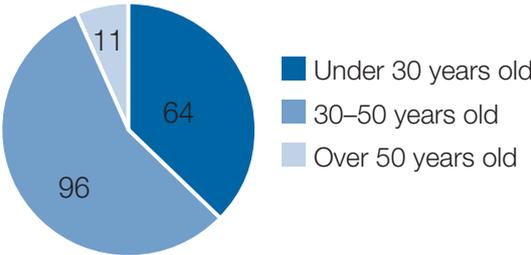
During FY2020, the Group was not aware of any material non-compliance with employment-related laws and regulations that would have a significant impact on the Group, including but not limited to the Employment Act 1955 of Malaysia.

The distribution of employees of the Group according to gender, age group and employee category are as follows:

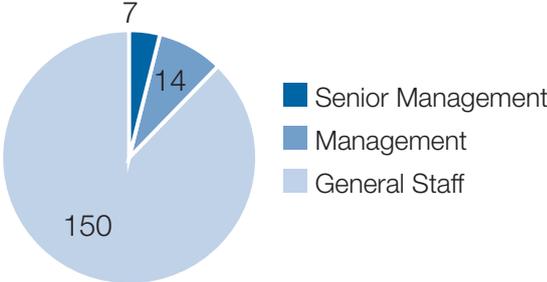
**Employees by Gender**



**Employees by Age Group**



**Employees by Employee Category**



The employee turnover rate of the Group according to gender, age group and geographical region are as follows:

Category	Unit	Turnover rate 2020	Turnover rate 2019
<b>By Gender</b>			
Male	percentage	7.4	11.0
Female	percentage	17.0	15.7
<b>By Age Group</b>			
Under 30 years old	percentage	14.2	16.8
30–50 years old	percentage	9.1	9.9
Over 50 years old	percentage	1.1	0.0
<b>By Geographical Region</b>			
Malaysia	percentage	24.4	26.7

#### Recruitment, Diversity and Equal Opportunities

Sustainable growth of the Group relies on the diversity of talents and non-discriminatory recruitment process. The Group’s employees are recruited from various sources which include the open market, online job postings, advertisements, company website, walk-ins, etc. via a robust, transparent and fair recruitment process based solely on their experience and expertise and without regard to their age, ethnicity, origin, gender identity, marital status, sexual orientation and religion.

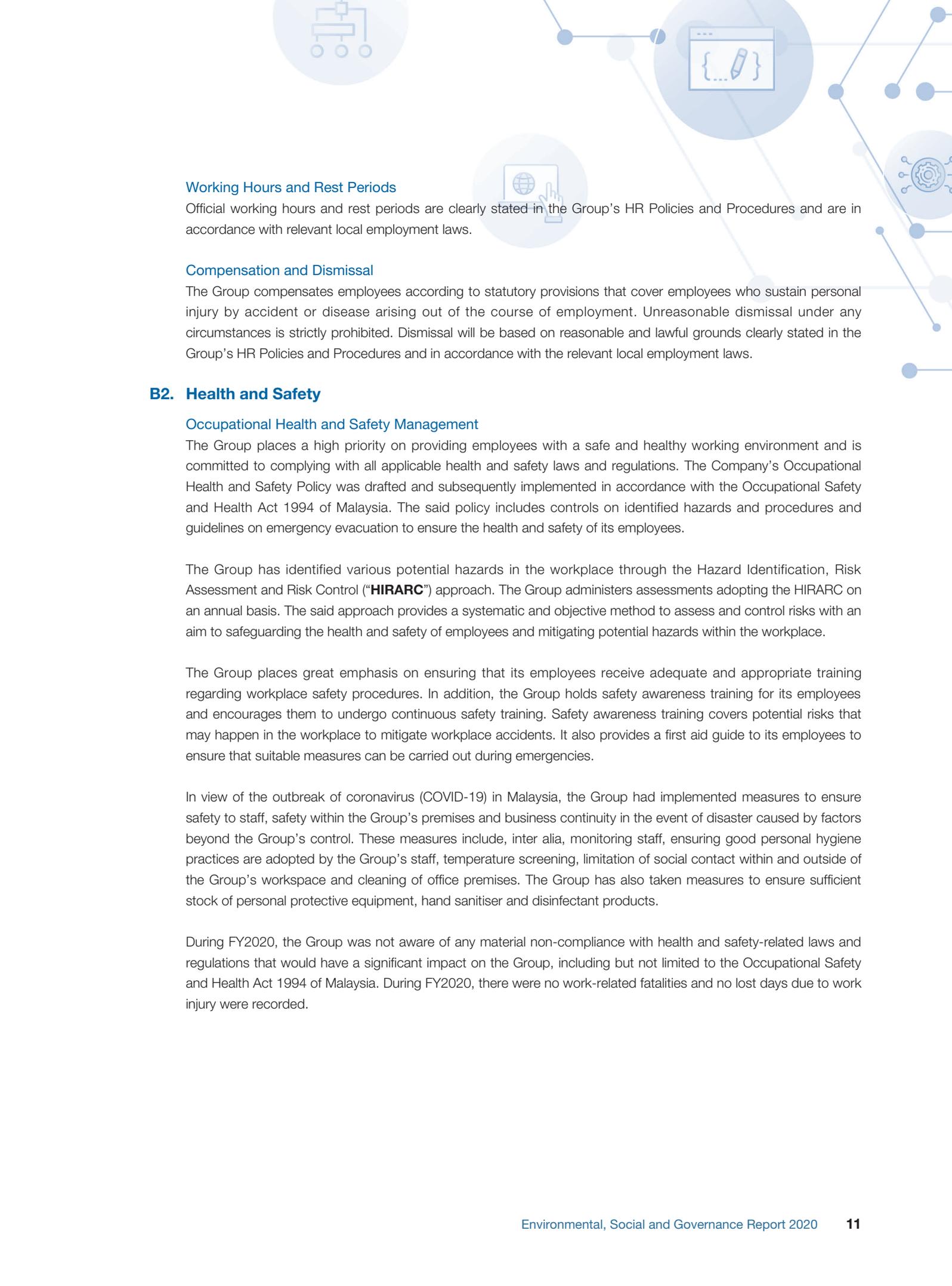
The Group is of firm belief that all employees should be provided with a working environment that enables them to be productive and work to the best of their abilities. Therefore, the Group is committed to creating and maintaining an inclusive and collaborative workplace culture. At the same time, the Group expects and asks for the cooperation of all employees in maintaining an environment free of discrimination and harassment. In addition, the Group emphatically states its zero-tolerance stance on any form of such behaviours in the workplace.

#### Benefits and Welfare

The Group understands that good benefits and welfare encourage retention and foster a sense of belonging. The Group offers attractive remuneration packages, including discretionary bonuses and allowances. In addition to the entitlement of leaves stipulated by relevant laws and regulations, the Group provides a variety of leaves to cater to the needs of its employees, such as emergency leave, marriage leave, compassionate leave, etc. Eligible employees are also eligible for overtime and medical claims.

#### Promotion and Performance Appraisal

Employees undergo a Performance Development Dialogue (“PDD”) set up by the Group. The PDD is a 3-phase process that consists of a goal setting exercise, mid-year and year-end reviews. It is an on-going, two-way dialogue between the employee and their immediate superior which focuses on the employee’s performance and development. Performance appraisals in the form of a written evaluation will also be performed on a regular basis. The results of such appraisals are used for employees’ salary review and promotion consideration.



### Working Hours and Rest Periods

Official working hours and rest periods are clearly stated in the Group's HR Policies and Procedures and are in accordance with relevant local employment laws.

### Compensation and Dismissal

The Group compensates employees according to statutory provisions that cover employees who sustain personal injury by accident or disease arising out of the course of employment. Unreasonable dismissal under any circumstances is strictly prohibited. Dismissal will be based on reasonable and lawful grounds clearly stated in the Group's HR Policies and Procedures and in accordance with the relevant local employment laws.

## B2. Health and Safety

### Occupational Health and Safety Management

The Group places a high priority on providing employees with a safe and healthy working environment and is committed to complying with all applicable health and safety laws and regulations. The Company's Occupational Health and Safety Policy was drafted and subsequently implemented in accordance with the Occupational Safety and Health Act 1994 of Malaysia. The said policy includes controls on identified hazards and procedures and guidelines on emergency evacuation to ensure the health and safety of its employees.

The Group has identified various potential hazards in the workplace through the Hazard Identification, Risk Assessment and Risk Control ("**HIRARC**") approach. The Group administers assessments adopting the HIRARC on an annual basis. The said approach provides a systematic and objective method to assess and control risks with an aim to safeguarding the health and safety of employees and mitigating potential hazards within the workplace.

The Group places great emphasis on ensuring that its employees receive adequate and appropriate training regarding workplace safety procedures. In addition, the Group holds safety awareness training for its employees and encourages them to undergo continuous safety training. Safety awareness training covers potential risks that may happen in the workplace to mitigate workplace accidents. It also provides a first aid guide to its employees to ensure that suitable measures can be carried out during emergencies.

In view of the outbreak of coronavirus (COVID-19) in Malaysia, the Group had implemented measures to ensure safety to staff, safety within the Group's premises and business continuity in the event of disaster caused by factors beyond the Group's control. These measures include, inter alia, monitoring staff, ensuring good personal hygiene practices are adopted by the Group's staff, temperature screening, limitation of social contact within and outside of the Group's workspace and cleaning of office premises. The Group has also taken measures to ensure sufficient stock of personal protective equipment, hand sanitiser and disinfectant products.

During FY2020, the Group was not aware of any material non-compliance with health and safety-related laws and regulations that would have a significant impact on the Group, including but not limited to the Occupational Safety and Health Act 1994 of Malaysia. During FY2020, there were no work-related fatalities and no lost days due to work injury were recorded.

### B3. Development and Training

#### Training and Development

Training and continuous development are indispensable to the Group's employees to keep abreast of the ever-changing trend of the industry and also to satisfy its customers' evolving needs. The Group holds firm belief that the provision of training opportunities and continuous career development to its employees, which strengthens the professional capabilities and growth of the employees and retains high-calibre talent, provides a solid foundation for the Group's continuing success. At the same time, it also supports the sustainable growth of business and maintenance of the Group's competitive edge in the industry.

#### Provision of Training Opportunities

New employees are required to undergo an orientation to ensure that they are familiar with the Company's background and rules. On-the-job training will also be provided when necessary to reinforce employees' skills and knowledge. All employees are required to participate in the training conducted by the Group on information security awareness and safety awareness annually to ensure that they are aware of information security threats and health and safety hazards within the workplace. Moreover, employees are also encouraged to attend additional training sessions that are relevant to their jobs.

The Group provides financial subsidies to selected employees for external training courses to strengthen their job-related knowledge.

During FY2020, the Group's employees received a total of 205 hours of training. The breakdown of percentage of employees trained and average training hours completed per employee are as follows:

Category	FY2020 Percentage of employees trained	FY2020 Average training hours completed per employee
<b>Gender</b>		
Male	100	1.26
Female	100	1.17
<b>Employee category</b>		
Senior Management	100	1.86
Management	100	3.00
General Staff	100	1.00

### B4. Labour Standards

#### Prevention of Child and Forced Labour

The Group guarantees that no employee will be made to work against his/her will or be coerced to work. The recruitment of child labour is strictly prohibited and all employees recruited by the Group are above 18 years old. Personal data is collected during the process to assist the selection of suitable candidates and to verify candidates' personal data. The HR department ensures that their identity documents are carefully checked. In circumstances where any individual below the legal working age or without any identification documents is hired, corrective actions will be taken immediately to rectify the situation, by terminating the employee and reporting to the relevant Governmental authorities.

During FY2020, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations that would have a significant impact on the Group, including but not limited to Children and Young Persons (Employment) Act 1966 of Malaysia.

## B5. Supply Chain Management

The Group recognises the importance of good supply chain management practices in mitigating environmental and social risks. In view of green supply chain management, the Group strives to engage suppliers who incorporate the consideration of environmental and social risks into their supply chain management.

### Procurement Practices

The Group's two major types of purchases are the purchase of paper and postage service. In addition to these two types of purchases, the Group will also procure other printing materials, including but not limited to letterhead portrait and continuous stationery. The Procurement Policy of the Group, which outlines the procedures of selecting, managing and assessing suppliers, was established to better govern the Group's procurement procedures.

During the supplier selection process, a number of factors, including but not limited to the supplier's ability to meet the Group's quality requirements, the supplier's reputation and the price of products or services, are considered.

To ensure that suppliers continue to meet the Group's requirements and expectations, the Group keeps and maintains a Qualified Suppliers List which is approved by the Directors. Assessments on suppliers are conducted regularly and approved by the Directors. Assessment criteria include the supplier's reputation, quality and price of products or services provided, response time to enquiries, delivery time and the credit period offered.

Where possible, the Group strives not to over-rely on a particular supplier by maintaining more than one suppliers for each type of products or services provided in order to ensure the stability of the supply chain. In any procurement process, quotation comparison should be performed, and a minimum of two quotations should be obtained from different suppliers. The Group will continue to regularly monitor and examine its supply chain in regards to their performances.

The number of supplier breakdown by geographic region are as follows:

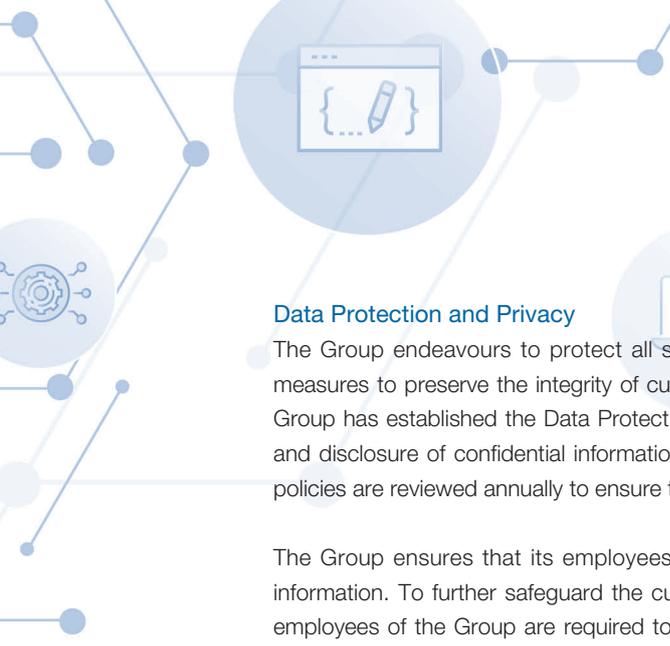
Total suppliers by region	Unit	FY2020	FY2019
Malaysia	Number	36	38
China	Number	2	0
<b>Total no. of suppliers</b>	<b>Number</b>	<b>38</b>	<b>38</b>

## B6. Product Responsibility

The Group has quality and assurance procedures in place to ensure that the products and services provided are not only in compliance with relevant local laws and regulations, but are also of satisfactory quality.

During FY2020, the Group was not aware of any non-compliance with laws and regulations concerning health and safety, advertising, labelling and privacy matters relating to products and services and methods of redress that would have a significant impact on the Group, including but not limited to the Personal Data Protection Act 2010 and the Copyright Act 1987 of Malaysia.

During FY2020, the Group did not receive any cases of product or service- related complaints, nor was it subjected to any product recalls.



### Data Protection and Privacy

The Group endeavours to protect all sensitive information pertaining to its customers and to take reasonable measures to preserve the integrity of customers' data and prevent any corruption or loss of customers' data. The Group has established the Data Protection and Privacy Policy. The said policy covers topics such as the handling and disclosure of confidential information, data breach and incident management, policy review process. Existing policies are reviewed annually to ensure that such policies continue to be compliant with local laws and regulations.

The Group ensures that its employees have proper knowledge and support with regard to handling sensitive information. To further safeguard the customers' personal data privacy and the Group's confidential information, employees of the Group are required to sign the Non-Disclosure Agreement, Employee's Service Agreement and Fidelity Guarantee Service Agreement.

### Intellectual Property Rights

The Group uses various Intellectual Property ("IP") rights, in particular, trademarks and software copyrights, in its daily business. The Group has established the Intellectual Property Rights Policy to diligently guard against any violation of its IP rights. The said policy states the identification, application and protection against infringement of IP rights. Any unauthorised use of the Group's domain names and/or other intellectual properties by the competitors in their corporate names or brands could harm the Group's image and erode its competitive advantage. The Group's IP rights are important corporate assets and the Group requires that they are used properly.

### Customer Complaints Management

The Revenue and Receipt Policy established by the Group states the roles and responsibilities of different employees with regard to managing customers' complaints and expectations. Feedbacks and complaints from the Group's customers are highly valued as it is critical to the continuous development of the Group. The client relationship managers will also schedule regular meetings with customers to ensure that their needs and expectations of the Group's products are met.

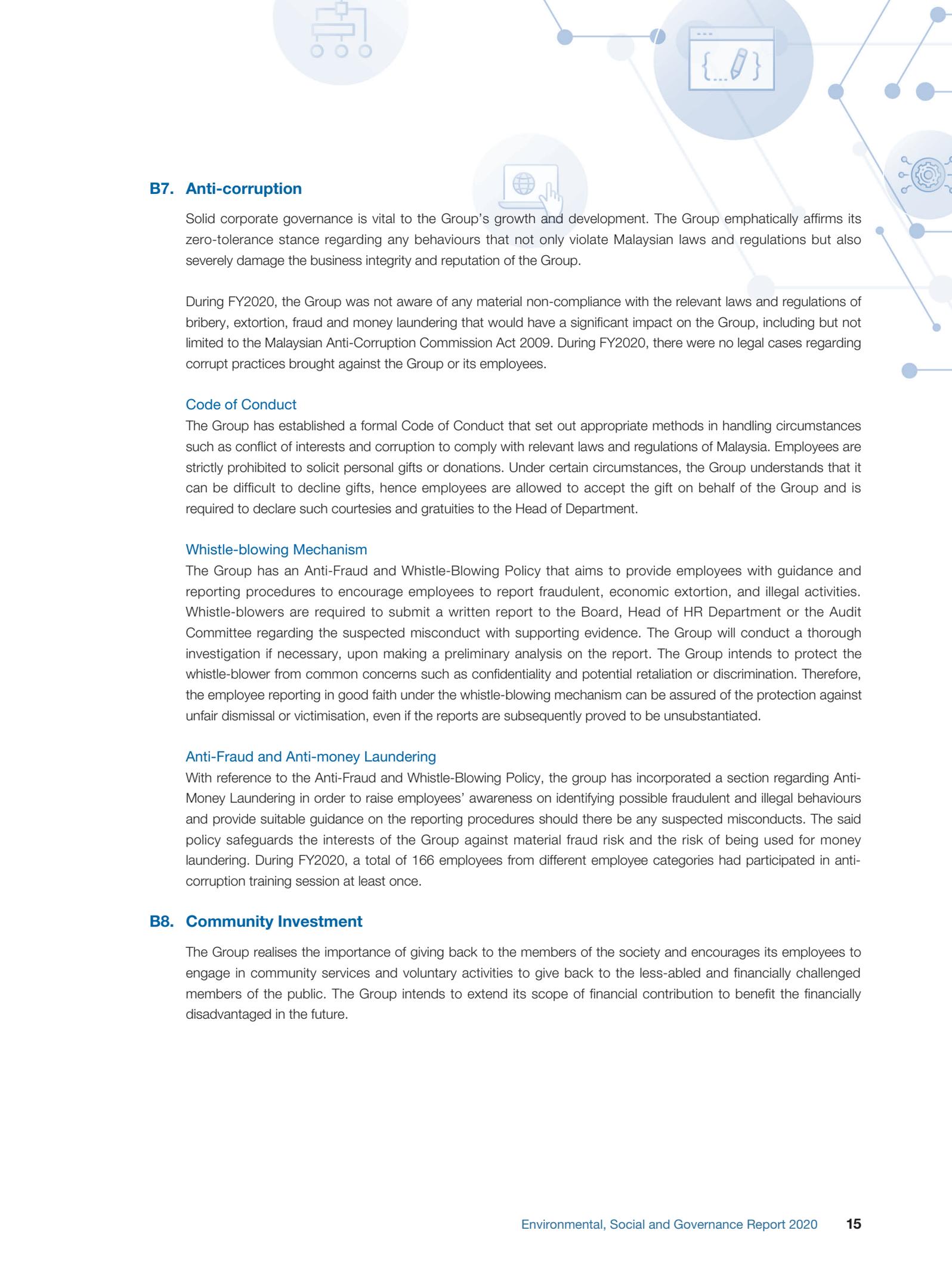
Should the Group receive any complaints, the client relationship managers will act as the point of contact for complaints from customers. Where necessary, the issue will be escalated to the Directors. The Group strives to act in a timely manner to resolve the issue with effective corrective and/or remedial actions. In addition, complaints received will be discussed and reviewed by the management during regular meetings to prevent re-occurrence. The Group has established a set of standard operating procedures for client servicing and production and training to new employees during probation to reduce the chance of receiving customer complaints.

### Health and Safety of Products

Due to the Group's business nature, health and safety matters are topics that are considered to be immaterial to the Group.

### Advertising and Labelling

Due to the Group's business nature, the Group considers that it has an insignificant amount of business dealing in relation to advertising and labelling matters.



## B7. Anti-corruption

Solid corporate governance is vital to the Group's growth and development. The Group emphatically affirms its zero-tolerance stance regarding any behaviours that not only violate Malaysian laws and regulations but also severely damage the business integrity and reputation of the Group.

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 that would have a significant impact on the Group, including but not limited to the Malaysian Anti-Corruption Commission Act 2009. During FY2020, there were no legal cases regarding corrupt practices brought against the Group or its employees.

### Code of Conduct

The Group has established a formal Code of Conduct that set out appropriate methods in handling circumstances such as conflict of interests and corruption to comply with relevant laws and regulations of Malaysia. Employees are strictly prohibited to solicit personal gifts or donations. Under certain circumstances, the Group understands that it can be difficult to decline gifts, hence employees are allowed to accept the gift on behalf of the Group and is required to declare such courtesies and gratuities to the Head of Department.

### Whistle-blowing Mechanism

The Group has an Anti-Fraud and Whistle-Blowing Policy that aims to provide employees with guidance and reporting procedures to encourage employees to report fraudulent, economic extortion, and illegal activities. Whistle-blowers are required to submit a written report to the Board, Head of HR Department or the Audit Committee regarding the suspected misconduct with supporting evidence. The Group will conduct a thorough investigation if necessary, upon making a preliminary analysis on the report. The Group intends to protect the whistle-blower from common concerns such as confidentiality and potential retaliation or discrimination. Therefore, the employee reporting in good faith under the whistle-blowing mechanism can be assured of the protection against unfair dismissal or victimisation, even if the reports are subsequently proved to be unsubstantiated.

### Anti-Fraud and Anti-money Laundering

With reference to the Anti-Fraud and Whistle-Blowing Policy, the group has incorporated a section regarding Anti-Money Laundering in order to raise employees' awareness on identifying possible fraudulent and illegal behaviours and provide suitable guidance on the reporting procedures should there be any suspected misconducts. The said policy safeguards the interests of the Group against material fraud risk and the risk of being used for money laundering. During FY2020, a total of 166 employees from different employee categories had participated in anti-corruption training session at least once.

## B8. Community Investment

The Group realises the importance of giving back to the members of the society and encourages its employees to engage in community services and voluntary activities to give back to the less-abled and financially challenged members of the public. The Group intends to extend its scope of financial contribution to benefit the financially disadvantaged in the future.

