



FJ BENJAMIN

SUSTAINABILITY REPORT 2018

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BOARD STATEMENT

F J Benjamin Holdings Ltd (“F J Benjamin” or “the Group”) is proud to present our Inaugural Sustainability Report this year, which documents our sustainability performance for the financial year ended 30 June 2018. With our stakeholders in mind, it is firmly believed that operating our business sustainably has a positive long-term and far-reaching impact on the Group’s business operations and the value we generate. In pursuit of this, the Board remains vigilant in managing our Environmental, Social and Governance (“ESG”) commitments together with senior management, in driving the Group’s overall growth and development in a sustainable manner. The ESG matters that we have determined, namely, corporate governance, talent management and development, and energy use and greenhouse gas (“GHG”) emissions are of great importance to us in



realising the Group’s strategic objectives in today’s increasingly dynamic business environment. We are grateful to all Stakeholders who have supported the Group over the years. This sustainability journey we are on takes unremitting effort and we look forward to your continued support in building a sustainable future for generations to come.

INTRODUCTION

ABOUT F J BENJAMIN

F J Benjamin is an industry leader in brand building and management, and development of retail and distribution networks for international luxury and lifestyle brands across South East Asia. With a rich heritage dating back to 1959 and listed on the Mainboard of Singapore Stock Exchange Trading Limited ("SGX-ST") since November 1996, F J Benjamin currently has offices in Singapore, Malaysia and Indonesia, manages over 20 iconic brands and operates 220 stores. The Group comprises two core businesses. They are Luxury and Lifestyle Fashion Retailing and Distribution and Timepiece Distribution with an extensive portfolio of products ranging from adult apparels, footwear, bags, and accessories, to fragrances and cosmetics, timepieces, nursery-related products and beddings.

In moving along with times, whilst our brick and mortar stores give us unique advantages, the Group recognises the growing significance of embracing technology to engage our customers across all touchpoints. To that end, the Group is working towards an omnichannel approach, as supported by our Omnichannel Advisory Board established in March 2018, to develop a truly immersive and seamless experience that integrates both our physical stores and online channel for our customers.

OUR BRANDS

Luxury and Lifestyle Fashion Retailing and Distribution

F J Benjamin exclusively retails and distributes 14 brands across various territories, namely, Babyzen, Céline, Givenchy, Guess, La Senza, Loewe, Marc Jacobs, Pretty Ballerinas, Rebecca Minkoff, Sheridan, Superdry, Tom Ford, US Polo and VNC.

Timepiece Distribution

Our timepiece distribution network exclusively covers brands such as Alpina, Casio (in Indonesia only), Frederique Constant, Gc, Guess, Nautica, Superdry and Victorinox Swiss Army across Southeast Asia.



ABOUT THIS REPORT

This report is F J Benjamin’s inaugural Sustainability Report in which we seek to lay the foundation as responsible stewards towards sustainability. It provides an overview of our business in the context of our material sustainability practices, alongside the disclosure of our performance with insights into the opportunities and challenges present.

Reporting Scope

Unless otherwise specified, the report consists information in relation to the performance for period 1 July 2017 to 30 June 2018 (“FY2018”) covering significant operations of the Group in Singapore and Malaysia. The wholly-owned subsidiaries are as follows:

NAME OF SUBSIDIARIES	COUNTRY
F J Benjamin (Singapore)	Singapore
F J Benjamin Lifestyle	Singapore
Fashion Dynamics Singapore	Singapore
F J Benjamin (M)	Malaysia
F J Benjamin Lifestyle	Malaysia

We may consider expanding our scope as F J Benjamin matures in our Sustainability Reporting journey.

Reporting Standards

This report has been prepared with reference to Global Reporting Index (“GRI”) Standards: ‘Core’ option and the Sustainability Reporting Guide of SGX-ST Practice Note 7.6. The GRI Standards were selected as they are a globally-recognised and widely adopted framework for reporting on sustainability matters relevant to Group’s industry and nature of business. This thereby encourages a degree of consistency and comparability that makes disclosed information meaningful to the market and society.

Assurance for Report

F J Benjamin has not sought external assurance for this report. We will consider doing so as our reporting journey matures over time.

Feedback Mechanism

We welcome your feedback. Ranging from general information, media coverage, investor relations to human resources matters, our corporate website has listed specific e-mail contacts available for interested parties to contact or raise any concerns. For sustainability-related matters, you may reach out to info@fjbenjamin.com.

YEAR IN REVIEW

FY2018: YEAR IN REVIEW



Financial Highlights

S\$166 m
Total Revenue

S\$52.9 m
Total Net Assets



Sustainability Highlights

Average of **35h**
training hours per front
line employee

Zero validated cases
of non-compliance to
laws and regulations and
corruption



Award

**Employer
Appreciation
Award 2018**

by SCORE

STAKEHOLDER ENGAGEMENT

We recognise that engaging our stakeholders and enhancing the relationships we have with them are of importance in ensuring the sustainability of the business in the long-run. Our approach is as detailed below.

KEY STAKEHOLDER GROUPS	STAKEHOLDERS' KEY INTERESTS	MODES OF ENGAGEMENT	FREQUENCY OF ENGAGEMENT	OUR RESPONSE
Shareholders	<ul style="list-style-type: none"> • Good governance • Sustainable financial • Compliance with regulatory compliance • Accountability of ESG performance 	Annual Report	Annually	We aim to provide updates on key developments in a timely manner through the various engagement methods in place. The AGM further provides an interactive platform for management to address any concerns raised by the shareholders.
		Timely announcement of material information, including financial performance, through SGXNET and on F J Benjamin's website	As required	
		Annual General Meeting ("AGM")	Annually	
		Sustainability Report	Annually	
Employees	<ul style="list-style-type: none"> • Internal cohesiveness • Career growth • Training and development • Fair employment practices 	Tailored Brand training programmes	As required	The well-being and growth of our employees matter to us. We strive to boost the morale and foster harmony by celebrating a diverse range of festivities, providing a comprehensive suite of employee benefits, as well as, cater relevant training to allow our employees to perform their tasks effectively. Refer to Our People for more details on our approach.
		Mini festive parties and bonding sessions	Ad-hoc	
		Office closure on the eve of major holidays	As required	
		Distribution of festive goodies to office and store staff	Ad-hoc	
Customers	<ul style="list-style-type: none"> • Quality product and services • Timely updates on product launches and developments 	Loyalty programs	On-going	Customer satisfaction is at the heart of everything we do. This is why we invest in our people in ensuring they are performing at their best to meet the needs of our customers.
		Electronic direct mailers to customers on respective brand's mailing list	Monthly	
Suppliers (including Brand Principals)	<ul style="list-style-type: none"> • Long-term partnership • Reliable supply chain 	Reports on brand sales and inventory performance	Monthly	Our suppliers and brand principals are key drivers of the performance of our business. We adopt an honest, open communication approach with discussions on risks and enhancement opportunities in ensuring the products stay attractive to customers.
		Buy trips organised by Brand Principals	Quarterly	
		Conducting of store walks and meetings with Brand Principals	Half Yearly	
Government and Regulatory Bodies	<ul style="list-style-type: none"> • Compliance with relevant government policies, rules and regulations 	Regulatory filings	As required	We recognise that compliance is key factor in determining the reputation and success of the Group. As such, at F J Benjamin, we regard this with high importance to ensure that we meet all applicable regulatory requirements. For further details on our approach, please refer to Our Governance section of the report for our approach.
		Respond to requests for information via surveys	As required	

MATERIALITY ASSESSMENT

The Group has formalised the engagement approach with our stakeholders in the identification and prioritisation of our material sustainability matters as illustrated in figures 1 and 2. Our four-step approach is outlined below.

IDENTIFICATION

A list of potential material sustainability matters were identified through a desktop analysis of Sustainability Reports published by industry players and discussions with key personnel across various departments.

VALIDATION

The material sustainability matters identified in step 2 were subsequently validated by the Board for reporting in our sustainability report.

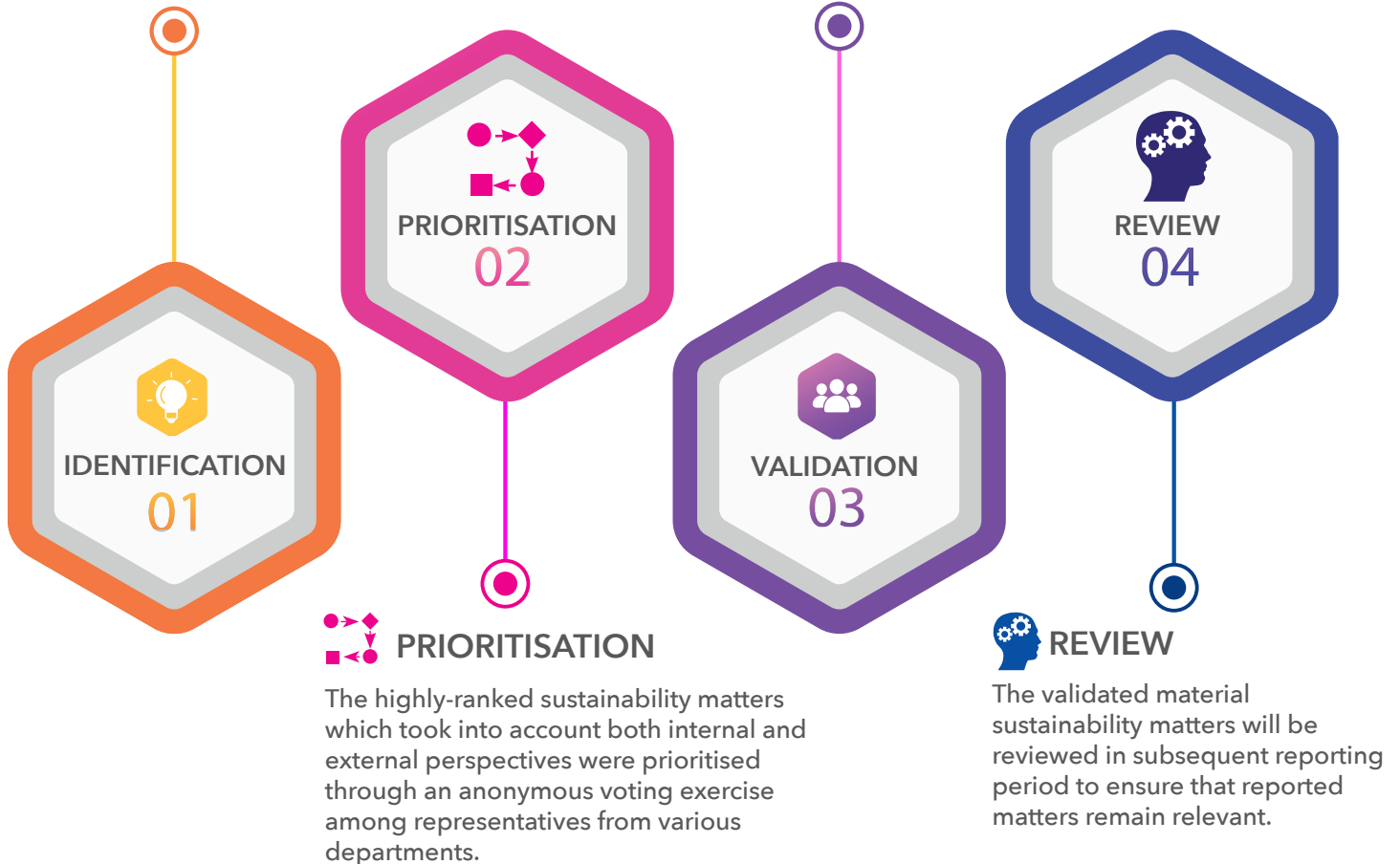


Figure 1: Materiality Assessment Results

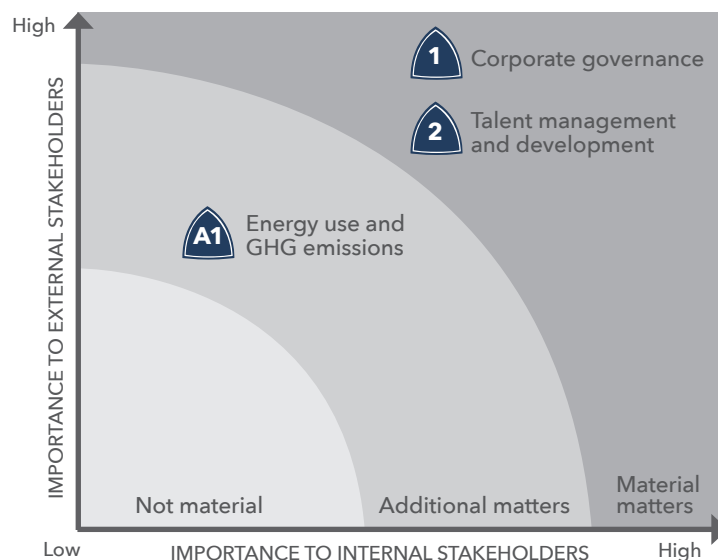



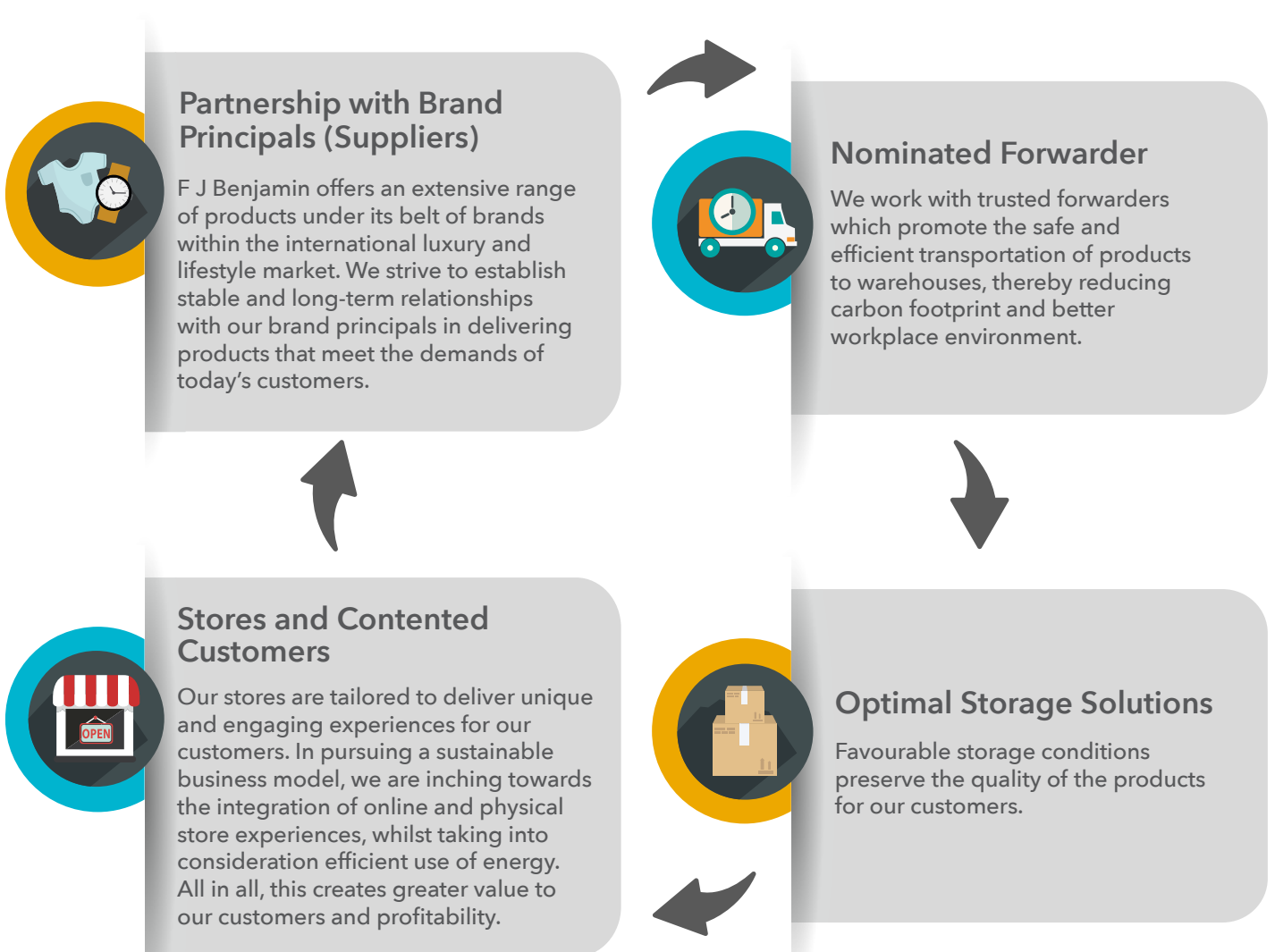


Figure 2: Material Matters and Corresponding GRI Standards Topics

	PILLARS	MATERIAL MATTERS	CORRESPONDING GRI 2016 STANDARDS TOPICS
	Our Governance	Corporate governance	GRI 205: Anti-corruption GRI 307: Environmental Compliance GRI 419: Socioeconomic Compliance
	Our People	Talent management and development	GRI 404: Training and Education
	PILLAR	ADDITIONAL MATTER	CORRESPONDING GRI 2016 STANDARDS TOPICS
	Our Environment	Energy use and GHG emissions	GRI 302: Energy GRI 305: Emission

OUR VALUE CHAIN

F J Benjamin’s value chain spans across 4 core processes with a multitude of steps and decisions made along the way, from partnering with our brand principal up to the moment a customer picks up a product off the shelves of the stores.



OUR GOVERNANCE

The Board strives to enhance shareholder value by upholding high standards of corporate governance, integrity and accountability at all levels, underpinned by robust internal controls in monitoring compliance matters, code of ethics and risk management system.

Responsibility for Sustainability Governance

Our everyday decisions have implications on the business and its long-term sustainability, which is why the Board is assuming responsibility in overseeing and managing the ESG matters, further supported by the Chief Operating Officer (“COO”), the respective Head of Departments (“HODs”) and Sustainability Reporting Team personnel from various departments.



Ethics and Integrity

Approach

F J Benjamin’s Corporate Code of Ethics serves to reinforce its values (Figure 3) and instill in its culture, the duties and obligations (“Code of Conduct”) of its employees within the organisation. This has brought the company success over years, to its valued shareholders, principals, business partners and its customers.

Overseen and monitored by F J Benjamin’s Regional Compliance and Internal Audit department, it is also regarded as the personal responsibility of every employee and director to understand and comply with the Code of Conduct that is made available to all new employees during employee induction. F J Benjamin maintains its zero tolerance towards any violation of the Code of Conduct. Any wrongdoings may result in disciplinary actions, which include reporting of matter to the authorities in cases of suspected corruption or any forms of criminal act.

All stakeholders can also raise any matters pertaining to possible improprieties in financial reporting or other matters with guidance from our whistle-blowing policy which details examples of reportable incidents and reporting procedures, as well as, the investigation and feedback process thereafter.

Figure 3: F J Benjamin's Values



Figure 4: Code of Conduct

CODE OF CONDUCT
Honest and fair business practices
Confidentiality of information
Conflict of interest
Protection of company's assets and resources
Employment and remuneration practices
Maintaining relations with suppliers, contractors and customers
Financial accountability and controls
Responsibilities to the community and environment
Personal conduct outside of work hours

Upholding a Corruption-free Environment



Anti-corruption practices are communicated to all employees during their induction program upon joining the company. It is required for employees to acknowledge and abide to the Supplementary Staff Policy detailing anti-corruption practices further to the terms and conditions stipulated in their employment contract.

Performance

In FY2018, 100% of our employees have acknowledged by signing off on their Supplementary Staff Policy. To that end, we have also achieved zero substantiated cases of corruption during the year.

OUR GOVERNANCE

Target

TARGET	FY2018 PERFORMANCE
Zero substantiated cases of corruption	
100% of new staff to acknowledge the Supplementary Staff Policy on anti-corruption practices	

Compliance with Laws and Regulations

Approach


The Group recognises that by engaging in socially-responsible business practices and maintaining compliance with the applicable laws and regulations where it operates in, it builds positive reputation which gives F J Benjamin an edge over its peers in terms of its offerings and recruitment of high-calibre candidates. These are pertinent factors which drive business performance and enable us to achieve our objectives and greater growth as a Group.

For any new regulatory requirements, relevant staff are provided opportunities to attend training and workshops to gain a better grasp of the compliance requirements. In addition, F J Benjamin works closely with accredited external auditors and its legal advisors to ensure that all regulatory requirements with SGX-ST listing rules and the various International Financial Reporting Standards are adhered to.

Performance

As a testament to the effectiveness of the management and measures in place, we have achieved zero validated non-compliance cases with all applicable laws and regulations during the year. We will strive to maintain this good track record in the following years.

Target

TARGET	FY2018 PERFORMANCE
Zero validated non-compliance cases with all applicable laws and regulations	

For more details, please refer to the Corporate Governance Report in the FY2018 Annual Report.

OUR PEOPLE

Our employees are dynamic individuals with diverse backgrounds who are key assets to the Group. Where we stand today would not have been possible without the dedication and collaborative efforts by each of our employees.

Profile of our Workforce

As at 30 June 2018, we have a total of 740 full-time employees on permanent contract in Singapore and Malaysia. This makes up approximately 81% of our total employees in FY2018. Employees within F J Benjamin are categorised into frontline and backend. Frontline employees comprise sales associate, supervisors and managers whilst backend comprise executives, managers and senior management. With a spectrum of brands and stores to manage, we have a relatively significant number of frontline employees in comparison to backend employees on permanent contract of 511 is to 229.

At F J Benjamin, we are committed to upholding fair employment practices and comply with the respective local hiring regulations. As an organisation that respects and celebrates diversity, we do not tolerate any form of discrimination and we strongly believe in the provision of equitable opportunities. We periodically review our remuneration packages to ensure that they remain competitive in the recruitment and retention of employees.

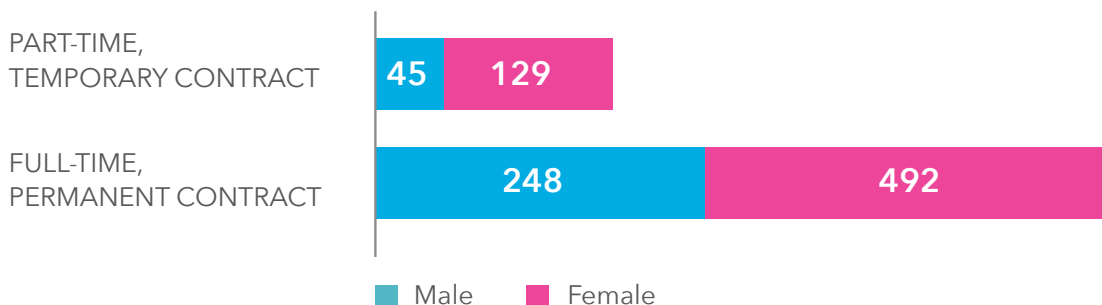
SCORE APPRECIATION AWARDS 2018

Singapore Corporation of Rehabilitative Enterprise ("SCORE") was established as a statutory board under the Ministry of Home Affairs to offer opportunities of rehabilitation and aftercare services to inmates and ex-offenders in helping them reintegrate into the national workforce and local community.

F J Benjamin is proud to have collaborated with SCORE and contributed to this meaningful cause by offering employment opportunities to offenders and ex-offenders. In 2018, SCORE has awarded FJ Benjamin (Singapore) Pte Ltd an Employer Appreciation Award for its continued collaboration with the organisation over the past 3 years.

Figure 5: Total Number of Employees by Employment Contract and Type in FY2018, by Gender

FY2018



OUR PEOPLE

Figure 6: Total Number of Employees by Employment Contract, by Region in FY2018

FY2018

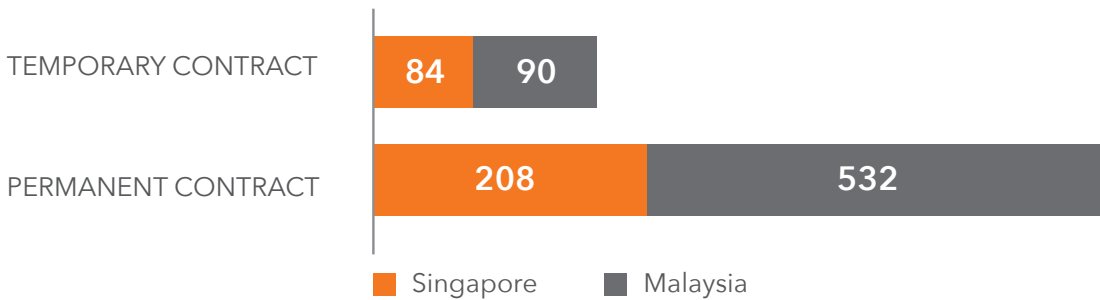
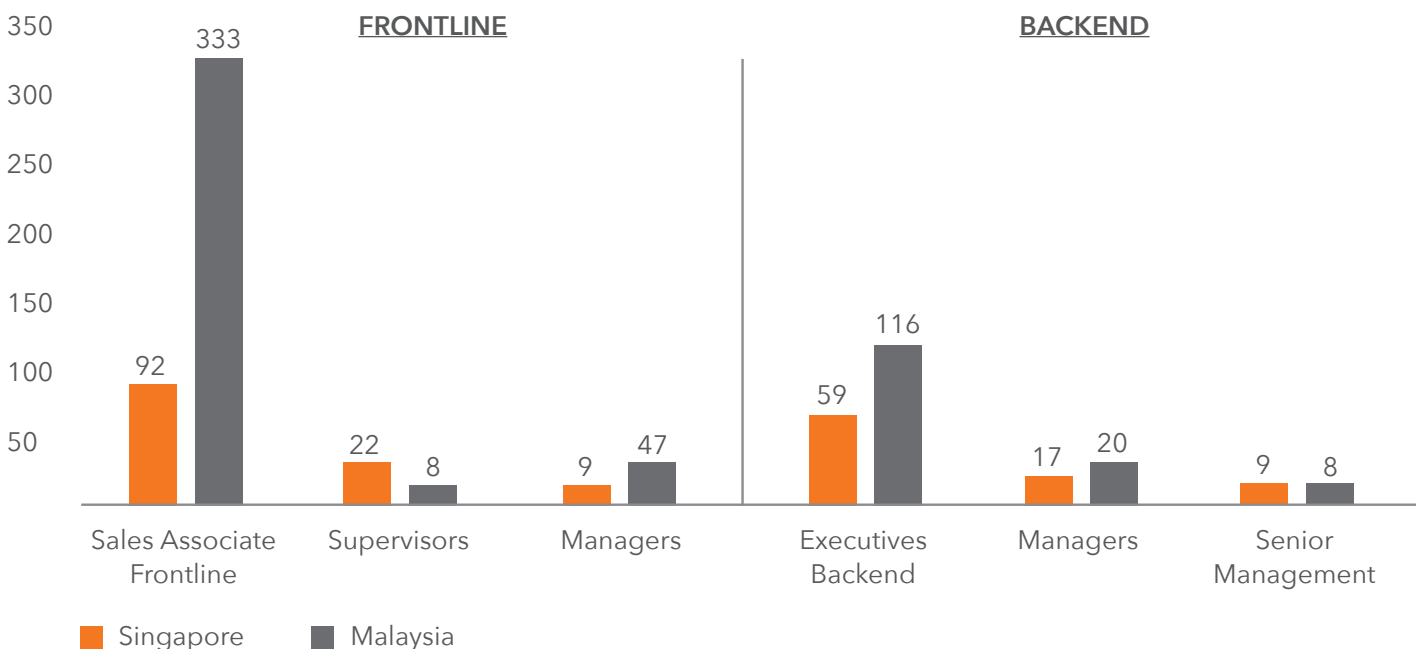


Figure 7: Total Number of Permanent Contract Employed by Employment Category in FY2018, by Region

FY2018



Talent Management and Development

Approach

F J Benjamin’s growth is sustained by the people who work tirelessly to keep operations running smoothly, to bring latest products to the store and the delivery of valued service to our customers. Thus, we seek to ensure that our employees receive the necessary resources they need to reach their fullest potential professionally.


As a retailer and distributor of products, a significant amount of training is tailored to brand stipulated requirements and are conducted by the store operations and merchandising team to ensure that service standards and product knowledge of the front-end employees meet the expectations of the Brand Principals. As required, we also have an in-house ACTA certified trainer who is qualified to deliver training in developing the skill set of our employees. On-the-job training is further implemented at stores whereby newly joined front-end employees will be buddied with a senior staff or supervisors at the store and are tested on their product-knowledge using a checklist at the end of the training period.

To identify relevant learning needs and interests of our employees, an annual performance appraisal exercise is conducted at F J Benjamin. The appraisal results are subsequently communicated to all employees and acknowledged by them.

Performance

For FY2018, we have completed the performance appraisal for 100% of our employees and achieved an average of 35 hours of training hours per front line employee.

Target

TARGET	FY2018 PERFORMANCE
To achieve an average of 35 training hours per front line employee annually	

INTRODUCING MANDARIN COURSES

To better serve the needs of our Chinese-speaking customers, FJ Benjamin has specifically selected employees whose mother tongue is not Chinese to participate in a Conversational Mandarin Course targeted at learners working for the Retail Industry, including in-store coaching.

In further ensuring the course meets the specific needs of the Company and Brand Principals, the HR manager worked closely with the certified learning centre to ensure that the programme covered a list of customer service terminology frequently used by each Brand.

As at end June 2018, 21 employees across Singapore and Malaysia have successfully completed the conversational mandarin course. These employees are expected to share their knowledge and impart words learnt to fellow colleagues at the stores. Given the success of this programme which has been well-received by our frontline employees, we are encouraged to extend this to more employees in the following years.



Course Feedback

“With the basics that I have learnt from the class, I am now able to handle enquiries from chinese speaking customers and build better rapport with them. It has increased my confidence level when communicating with these customers.”
 -Sumiyati, La Senza

“Personally, learning mandarin has enhanced my knowledge and understanding towards the chinese customs. I can now communicate with my Chinese colleagues, customers from Mainland China, Taiwan and Hong Kong on the ongoing store promotions and assist them in finding products and sizes they need in an effective and efficient manner.”
 -Komar, Superdry

OUR ENVIRONMENT

“Every single individual matters, every single individual makes some impact on the planet every single day, and we have a choice as to what kind of difference we’re going to make.”

-Jane Goodall

Energy Emission and GHG Emissions

Approach

In recent years, the issue of climate change and its impacts have become increasingly more prominent, giving rise to the urgent need for corporates and individuals worldwide to address them. At F J Benjamin, our primary environmental footprint stems from electricity used for lighting and air-conditioning to run our retail stores, warehouses and offices.

In our commitment to conserve electricity usage, we have installed Light Emitting Diode (“LED”) lightings which are more energy efficient and long-lasting in comparison to conventional incandescent light bulbs at new stores and retrofitted stores of larger floor area.


We further strive to inculcate a culture of good environmental housekeeping practices at F J Benjamin offices in Singapore and Malaysia. Some of our initiatives include, switching off the office lights daily during lunch-hour period and when not in use after office hours. Recently, our headquarters in Singapore shifted to an office of a smaller floor area, which has additionally allowed us to achieve effective utilisation of space and savings on energy consumption. Video conferencing capabilities are also built in to facilitate regional meetings and reduce the frequency of air travel, thereby reducing our carbon footprint.

Performance

We are currently in the process of building a structured data collection process to track and monitor the performance of our electrical consumption based on the various retail store and office locations on a monthly basis.

At the end of FY2018, 25 stores have installed LED lights.

Target

TARGET	FY2018 PERFORMANCE
To implement a structured data collection process for environmental data by FY2019	

GRI Content Index

GRI Standard Disclosure Reference	Description	Section of Report / Reasons for omission	Page Reference
GRI 102: General Disclosures 2016			
Organisational Profile			
102-1	Name of the organisation	F J Benjamin Holdings Ltd	-
102-2	Activities, brands, products, and services	Introduction: About F J Benjamin	03
102-3	Location of headquarters	1 Jalan Kilang Timor, #07-01/02 Pacific Tech Centre Singapore 159303	03
102-4	Location of operations	Introduction	03
102-5	Ownership and legal form	Introduction	03
102-6	Markets served	Introduction	03
102-7	Scale of the organisation	Introduction; Our People: Profile of our Workforce	03 12-13
102-8	Information on employees and other workers	Our People: Profile of our Workforce	12-13
102-9	Supply chain	Our Value Chain	08
102-10	Significant changes to the organisation and its supply chain	Introduction	03
102-11	Precautionary Principle or approach	Board Statement; Corporate Governance Report: Risk Management and Internal Controls (Annual Report)	02 40-41
102-12	External initiatives	Not applicable	-

GRI Content Index

GRI Standard Disclosure Reference	Description	Section of Report / Reasons for omission	Page Reference
102-13	Membership of associations	F J Benjamin is part of Singapore Retailers Association, a non-profit, independent non-governmental retail trade body in Singapore	-
Strategy			
102-14	Statement from senior decision-maker	Board statement	02
Ethics and integrity			
102-16	Values, principles, standards, and norms of behavior	Our Governance: Ethics and Integrity	09-10
Governance			
102-18	Governance structure	Our Governance: Responsibility for Sustainability Governance	09
Stakeholder Engagement			
102-40	List of stakeholder groups	Stakeholder Engagement	06
102-41	Collective bargaining agreements	Not applicable	-
102-42	Identifying and selecting stakeholders	Stakeholder Engagement	06
102-43	Approach to stakeholder engagement	Stakeholder Engagement	06
102-44	Key topics and concerns raised	Stakeholder Engagement	06
Reporting Practice			
102-45	Entities included in the consolidated financial statements	About this Report	04
102-46	Defining report content and topic Boundaries	Materiality Assessment	07-08
102-47	List of material topics	Materiality Assessment	07-08

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GRI Standard Disclosure Reference	Description	Section of Report / Reasons for omission	Page Reference
102-48	Restatements of information	No restatements as this is the first year of reporting	-
102-49	Changes in reporting	Not applicable	-
102-50	Reporting period	About this Report	04
102-51	Date of most recent report	This is F J Benjamin's inaugural report	-
102-52	Reporting cycle	On an annual basis	-
102-53	Contact point for questions regarding the report	About this Report	04
102-54	Claims of reporting in accordance with the GRI Standards	Introduction: About the Report	04
102-55	GRI content index	GRI Content Index	16-20
102-56	External assurance	About the Report	04
Governance			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Our Governance: Ethics and Integrity, Compliance with Laws and Regulations	09-11
103-2	The management approach and its components	Our Governance: Ethics and Integrity, Compliance with Laws and Regulations	09-11
103-3	Evaluation of the management approach	Our Governance: Ethics and Integrity, Compliance with Laws and Regulations	09-11
GRI 205: Anti-Corruption 2016			
205-2	Communication and training about anti-corruption policies and procedures	Our Governance: Ethics and Integrity	09-11

GRI Content Index

GRI Standard Disclosure Reference	Description	Section of Report / Reasons for omission	Page Reference
205-3	Confirmed incidents of corruption and actions taken	Our Governance: Ethics and Integrity	09-11
GRI 307: Environmental Compliance 2016			
307-1	Non-compliance with environmental laws and regulations	Our Governance: Compliance with Laws and Regulations	11
GRI 419: Socioeconomic Compliance 2016			
419-1	Non-compliance with laws and regulations in the social and economic area	Our Governance: Compliance with Laws and Regulations	11
Training Management and Development			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Our People: Talent Management and Development	13-14
103-2	The management approach and its components	Our People: Talent Management and Development	13-14
103-3	Evaluation of the management approach	Our People: Talent Management and Development	13-14
GRI 404: Training and Education 2016			
404-1	Average hours of training per year per employee	Our People: Talent Management and Development	13-14
404-3	Percentage of employees receiving regular performance and career development reviews	Our People: Talent Management and Development	13-14
Energy Use and GHG Emission			
GRI 103: Management Approach 2016			
103-1	Explanation of the material topic and its Boundary	Our Environment: Energy and GHG Emissions	15
103-2	The management approach and its components	Our Environment: Energy and GHG Emissions	15

GRI Content Index

GRI Standard Disclosure Reference	Description	Section of Report / Reasons for omission	Page Reference
103-3	Evaluation of the management approach	Our Environment: Energy and GHG Emissions	15
GRI 302: Energy 2016			
302-1	Energy consumption within the organisation	Our Environment: Energy and GHG Emissions	15
GRI 305: Emission 2016			
305-2	Energy indirect (Scope 2) GHG emissions	Our Environment: Energy and GHG Emissions	15