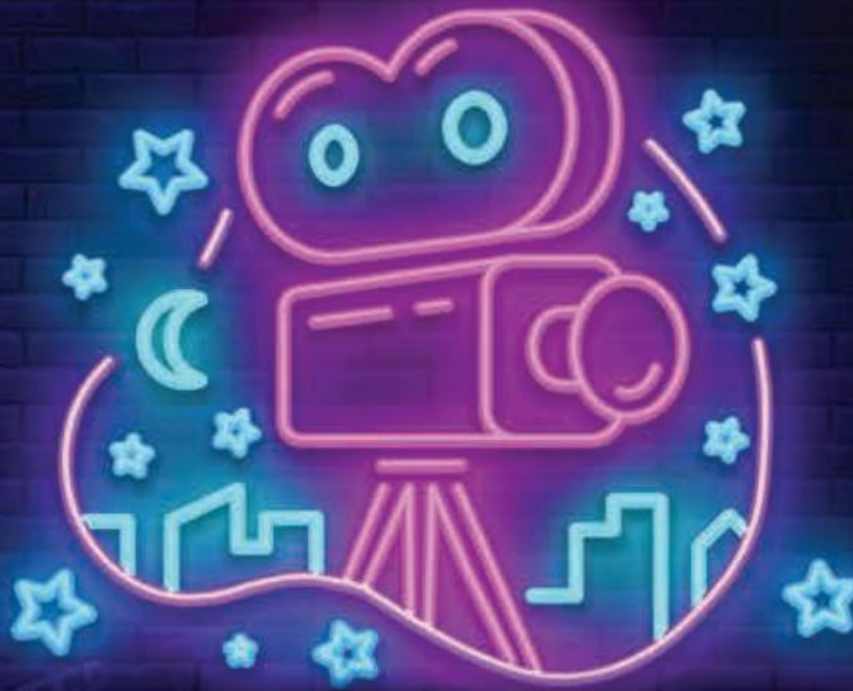


spackmanentertainmentgroup



SUSTAINABILITY
REPORT
2021

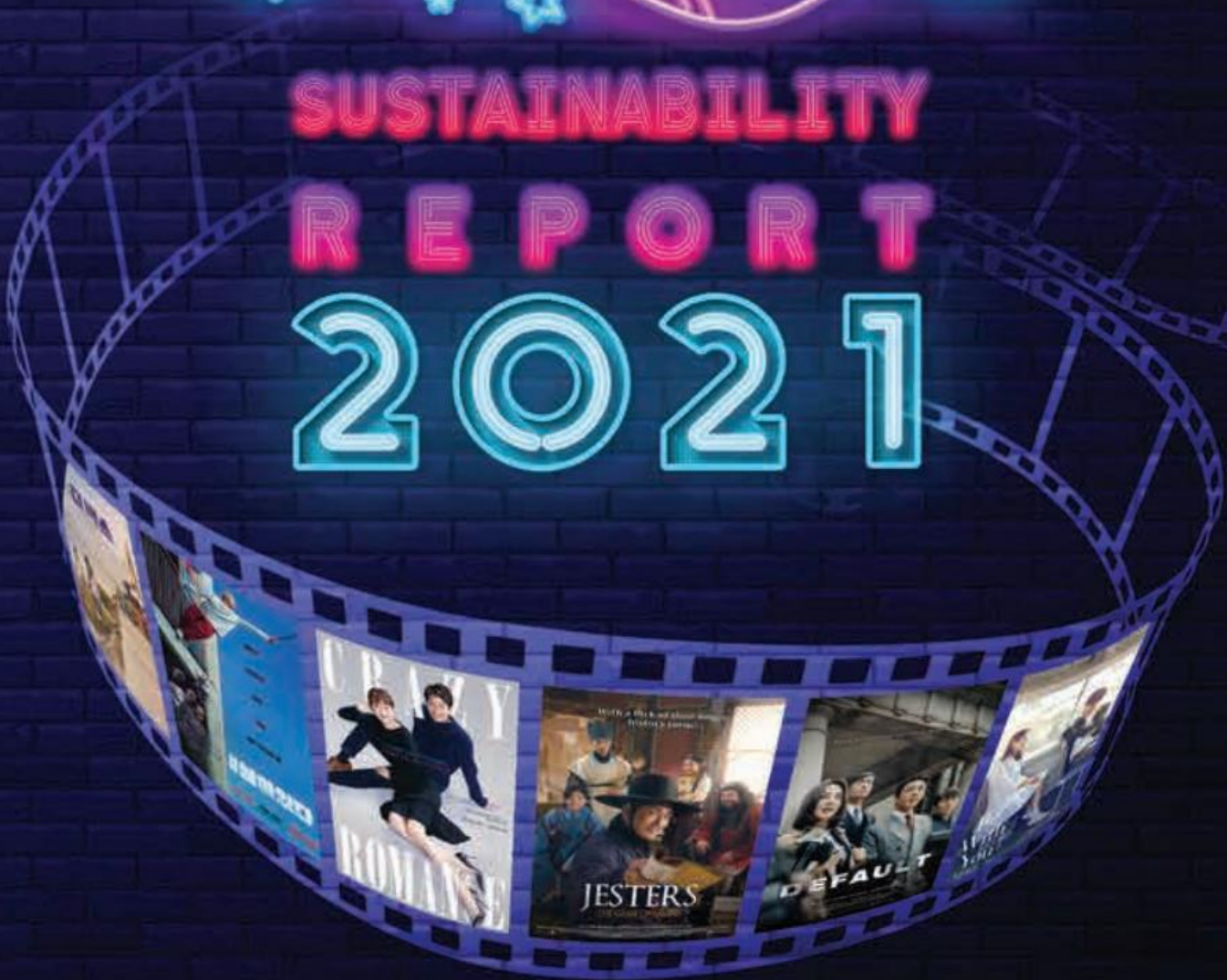


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1. Highlights

1.1 Corporate profile

Spackman Entertainment Group Ltd. (**'SEGL'** or the **'Company'**), together with its subsidiaries (the **'Group'**), is one of Korea's leading entertainment company groups. SEGL is primarily engaged in the independent development, production, presentation, and financing of theatrical motion pictures in Korea.

Our films are theatrically distributed and released in Korea and overseas markets, as well as for subsequent post-theatrical worldwide release in other forms of media, including online streaming, cable TV, broadcast TV, IPTV, video-on-demand, and home video/DVD, etc. Generally, we release our motion pictures into wide theatrical exhibition initially in Korea, and then in overseas and ancillary markets.

The Group also invests into and produces Korean television dramas. Other than Korean productions, the Group intends to continue to look out for opportunities to produce, finance and participate in US Hollywood movies. In addition to our content business, we also own equity stakes in entertainment-related companies and film funds that can financially and strategically complement our existing core operations. SEGL is listed on the Catalist of the Singapore Exchange Securities Trading Limited under the ticker 40E.

Production Labels

Novus Mediacorp

SEGL also owns Novus Mediacorp Co., Ltd. (**'Novus Mediacorp'**), an investor, presenter, and/or post-theatrical distributor for a total of 80 films (59 Korean and 21 foreign) including *ROSE OF BETRAYAL*, *THE OUTLAWS* and *SECRETLY, GREATLY*, which was one of the biggest box office hits of 2013 starring Kim Soo-hyun of *MY LOVE FROM THE STARS* fame, as well as *FRIEND 2: THE GREAT LEGACY*. In 2012, Novus Mediacorp was also the post-theatrical rights distributor of *ALL ABOUT MY WIFE*, a top-grossing romantic comedy produced by Zip Cinema. In 2018, *THE OUTLAWS*, co-presented by Novus Mediacorp broke the all-time highest Video on Demand (**VOD**) sales records in Korea.

For more information on Novus Mediacorp, do visit <http://novusmediacorp.com>.

Simplex Films

SEGL owns a 100% equity interest in Simplex Films Limited (**'Simplex Films'**) which is an early-stage film production firm. The maiden movie of Simplex Films, *JESTERS: THE GAME CHANGERS* (2019), was released in Korea on 21 August 2019. Simplex Films has several line-up of films including *HURRICANE BROTHERS* (working title).

Take Pictures

SEGL owns a 100% equity interest in Take Pictures Pte. Ltd. (**'Take Pictures'**) which produced *STONE SKIPPING* (2020) and *THE BOX* (2021), and shall release *A MAN OF REASON*, with the previous working title *GUARDIAN*, in 2022 tentatively.



Greenlight Content

SEGL owns a 100% equity interest in Greenlight Content Limited (**'Greenlight Content'**) which is mainly involved in the business of investing into dramas and movies, as well as providing consulting services for the production of Korean content. Through the acquisition of Greenlight Content, the Group's first co-produced drama, *MY SECRET TERRIUS*, starring top Korean star, So Ji Sub, achieved #1 in drama viewership ratings for its time slot and recorded double digits for its highest viewership ratings. It was also awarded "Drama of the Year" at the 2018 MBC Drama Awards. Greenlight Content was one of the main investors of *MY SECRET TERRIUS*.

The Makers Studio

SEGL owns a 20% equity interest in The Makers Studio Co. Ltd. (**'The Makers Studio'**), which plans to produce and release four upcoming films, the first of which will be *THE ISLAND OF THE GHOST'S WAIL*, a comedy horror film.

Talent Representation

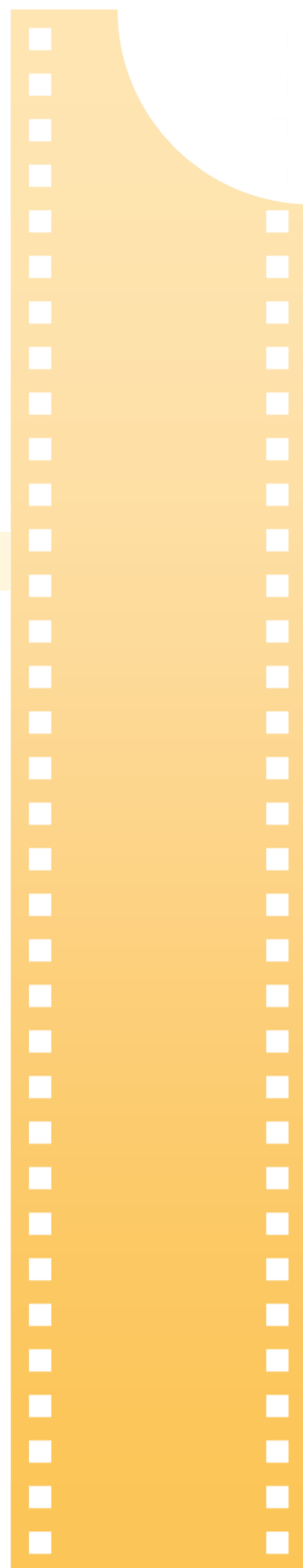
Spackman Media Group

SEGL holds an effective shareholding interest of 43.88% in Spackman Media Group Limited (**'Spackman Media Group'** or **'SMGL'**). SMGL, a company incorporated in Hong Kong, together with its subsidiaries, is collectively one of the largest entertainment talent agencies in Korea in terms of the number of artists under management, including some of the top names in the Korean entertainment industry. SMGL operates its talent management business through renowned agencies such as MSteam Entertainment Co., Ltd. (Son Ye-Jin, Wi Ha-jun, Lee Min-jung, Ko Sung-hee), SBD Entertainment Inc. (Son Suk-ku, Han Ji-hyun, Lee Cho-hee, Park Keun-rok), UAA&CO Inc. (Kim Sang-kyung, Kim Hye-ri, Kim Ji-young, Wang Ji-won), Play Content Co., Ltd. (Kang Min-ji, Hwang-hwi) and Kook Entertainment Co., Ltd. (Baek Si-won, Shin Ji-won).

Through these full-service talent agencies in Korea, SMGL represents and guides the professional careers of a leading roster of award-winning actors/actresses in the practice areas of motion pictures, television, commercial endorsements, and branded entertainment.

SMGL leverages its unparalleled portfolio of artists as a platform to develop, produce, finance and own the highest quality of entertainment content projects, including theatrical motion pictures, variety shows, and TV dramas. This platform also creates and derives opportunities for SMGL to make strategic investments in development stage businesses that can collaborate with SMGL artists. SMGL is an associated company of the Company.

For more details, do visit <http://spackmanmediagroup.com/>.



Constellation Agency

SEGL owns a 100% equity interest in Constellation Agency Pte. Ltd. (**'Constellation Agency'**). Constellation Agency, which owns The P Factory Co., Ltd. (**'The P Factory'**) and Platform Media Group Co., Ltd. (**'PMG'**), is primarily involved in the business of overseas agency for Korean artists venturing into the overseas market.

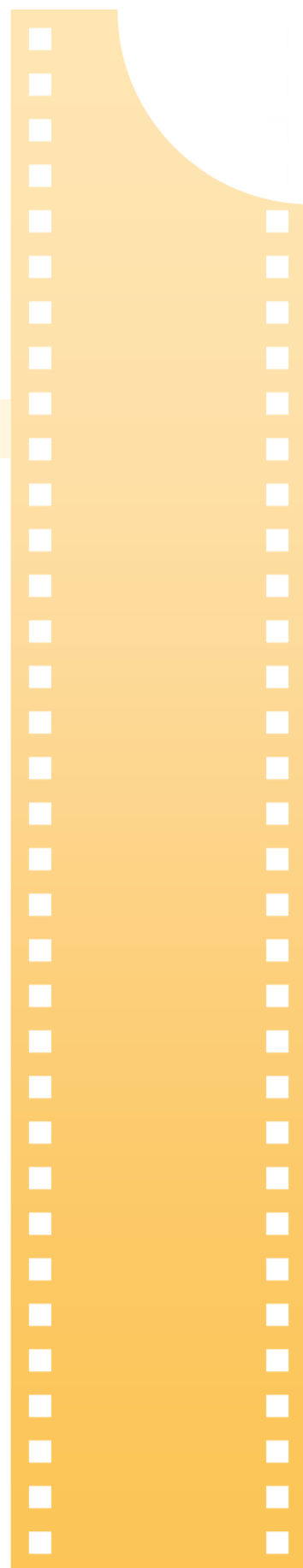
The P Factory is an innovative marketing solutions provider specialising in event and branded content production. PMG is a talent management agency which represents and manages the careers of major artists in film, television, commercial endorsements, and branded entertainment.

Strategic Business

Upper West & Noon Pictures

The Group also operates a café-lounge called Upper West, in the Gangnam district of Seoul, and owns a professional photography studio, noon pictures Co., Ltd (**'Noon Pictures'**).

For more details, do visit <http://www.spackmanentertainmentgroup.com/>.



1.2 Message to stakeholders & board statement

The Board of SEGL is committed to minimising our environmental impacts, growing sustainably, and inspiring others to take action for the benefit of conserving and protecting the world we live in.

In FY2021, we continue our sustainability journey to measure and manage our environmental impacts through our sustainability program covering Novus Mediacorp, Take Pictures and Simplex Films.

As a leading entertainment production company in Korea, we believe it is important for us to capitalise on the power of film and media to convey the message of environmental protection, not only through our actions of producing content but also narrating it in our content.

With the increasing global need and desire to practise eco-friendly and sustainable processes to produce content, we intend to set and improve our policies to achieve Environmental, Social and Governance sustainability. We understand that our position in the film and drama production arena provides us with the unique opportunity to advocate positive Environment, Social and Economic narratives through our efforts behind the camera as well as the underlying messages relayed on screen.

As such, we shall strive to comply with industry-leading sustainability practices in film and drama production, and also aim to raise awareness and inspire sustainable and socially responsible thinking in local and international audiences through our movie and drama content in the future.

Impact of COVID-19

FY2021 continued to be a challenging year due to the pro-longed COVID-19 situation. In December 2021, the Group announced its completion of its disposal of 100% equity interest in Zip Cinema Co., Ltd. ('**Zip Cinema**') and Frame Pictures Co., Ltd ('**Frame Pictures**'). Against the backdrop of uncertainty of the entertainment sector brought about by the pandemic, particularly in relation to the theatrical film sector, the disposal of Zip Cinema and Frame Pictures will provide the Group with the funds to expand further into the development, production and financing of Korean dramas and foray into US Hollywood movies.

As a Group, we continued with business continuity planning to protect our staff and mitigate the impact on the Group's business operations, with film developments and productions still continuing with the necessary precautions in place.

Lastly, on behalf of the Board, we wish to inform that the Board has, on the whole, considered sustainability issues as part of its strategic formulation and, together with the Management, determined the material Environmental, Social and Governance factors, as well as overseen the management and monitoring of these factors in the Group's sustainability journey.

ANTHONY WONG
Non-Executive &
Independent Chairman

JOHN KO
Chief Executive Officer



1.3 Scope of sustainability report

The scope of the report covers information on material sustainability aspects of SEGL relating to the Entertainment segment in Korea, from 1 January 2021 to 31 December 2021 ('**FY2021**'), unless otherwise specified. This should sufficiently address stakeholders' concerns in relation to sustainability issues arising from the major business operations of the Group.

This report is prepared in accordance with the Global Reporting Initiative ('**GRI**') Standards: Core Option as it provides a set of an extensive framework that is widely accepted as a global standard for sustainability reporting. It also considers the Sustainability Reporting Guide in Practice Note 7F of the Singapore Exchange Securities Trading Limited ('**SGX-ST**') Listing Manual Section B: Rules of Catalyst ('**Catalist Rules**'). In preparing our report, we applied the GRI's principles for defining report content and report quality by considering the Group's activities, impacts and substantive expectations and interests of its stakeholders.

The data and information provided within the report have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy.

1.4 Restatements

Environmental impact data relating to electricity consumption and the resulting carbon emission for FY2019 and FY2020 have been revised due to a computation error which has been rectified. No other restatements were made from the previous report.

1.5 Sustainability contact

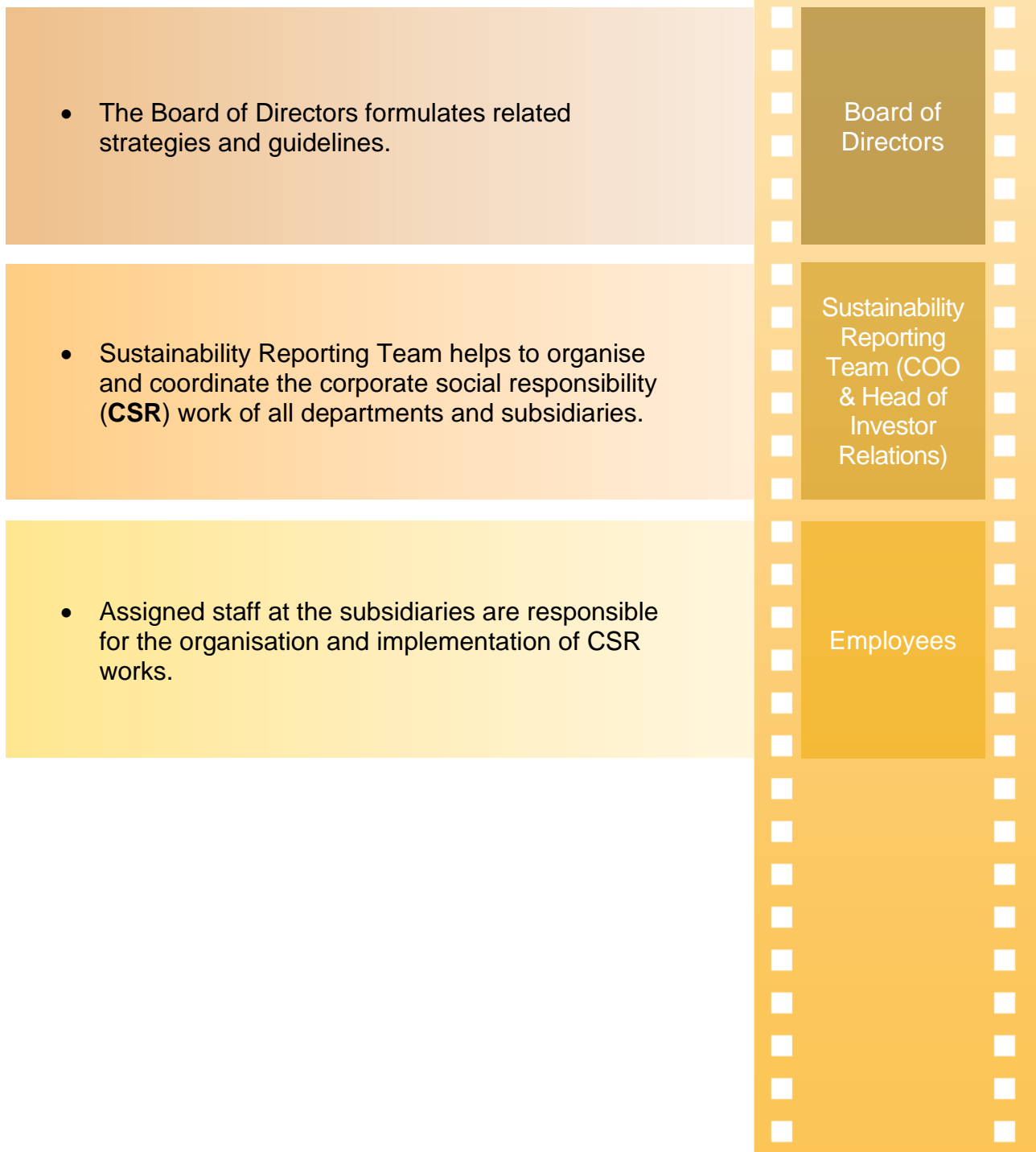
We welcome your views and feedback on our sustainability practices and reporting at sr@spackmanentertainmentgroup.com.



2. Our approach to sustainability

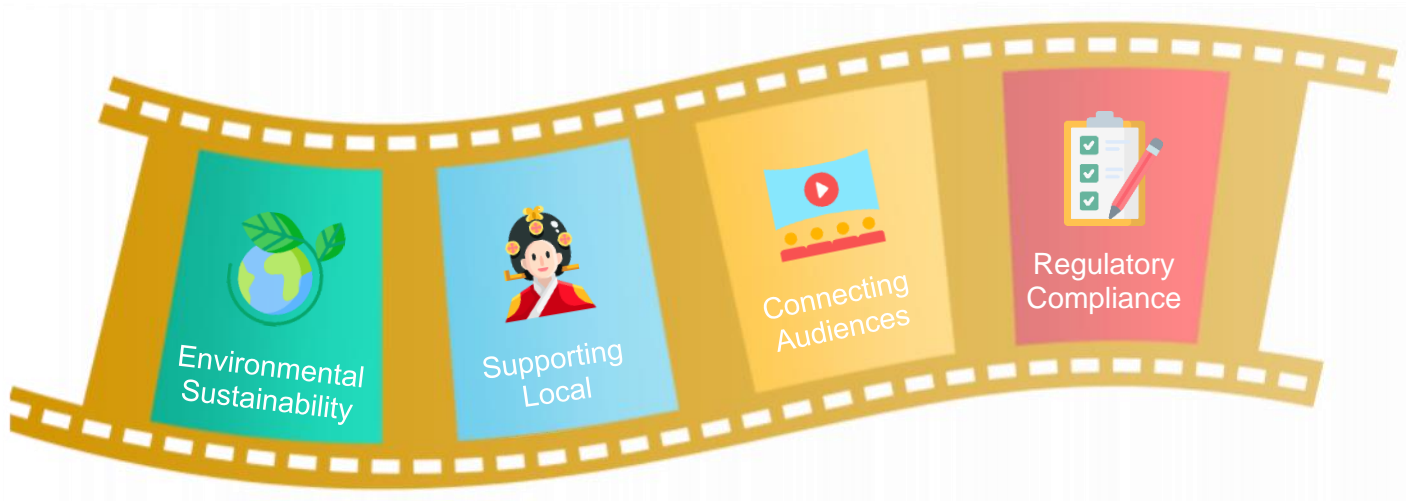
2.1 Sustainability organisational structure

Sustainability is a vital part of our corporate strategy for achieving long-term growth. The values we create for our people, the environment and society at large very much determine our financial performance. We developed a sustainability organisational structure to move things forward:



2.2 Sustainability strategy

At the Group level, our sustainability strategy aims to create integrated values. Together with disciplined execution of our strategy and a commitment to doing business responsibly, we commit to deliver value to all our stakeholders through the following:



The sustainable strategy is underpinned by our Employee Code of Conduct, which establishes a clear tone at the top with regards to employees' business and ethical conduct.

The strategy is also guided by external sources, including the Global Reporting Initiative Standards and Sustainability Reporting Guide in Practice Note 7F of the Catalist Rules.

2.3 Consulting our stakeholders

We recognise the need to continuously develop our responsible business approach in order to address growing stakeholder expectations around our impact on the economy, environment and society. As such, we periodically consult with our stakeholders to determine the issues that are most relevant to them and SEGL on an ongoing and ad hoc basis. An overview of our approach and rationale is set out below (with stakeholders listed in alphabetical order), together with the feedback we have received.

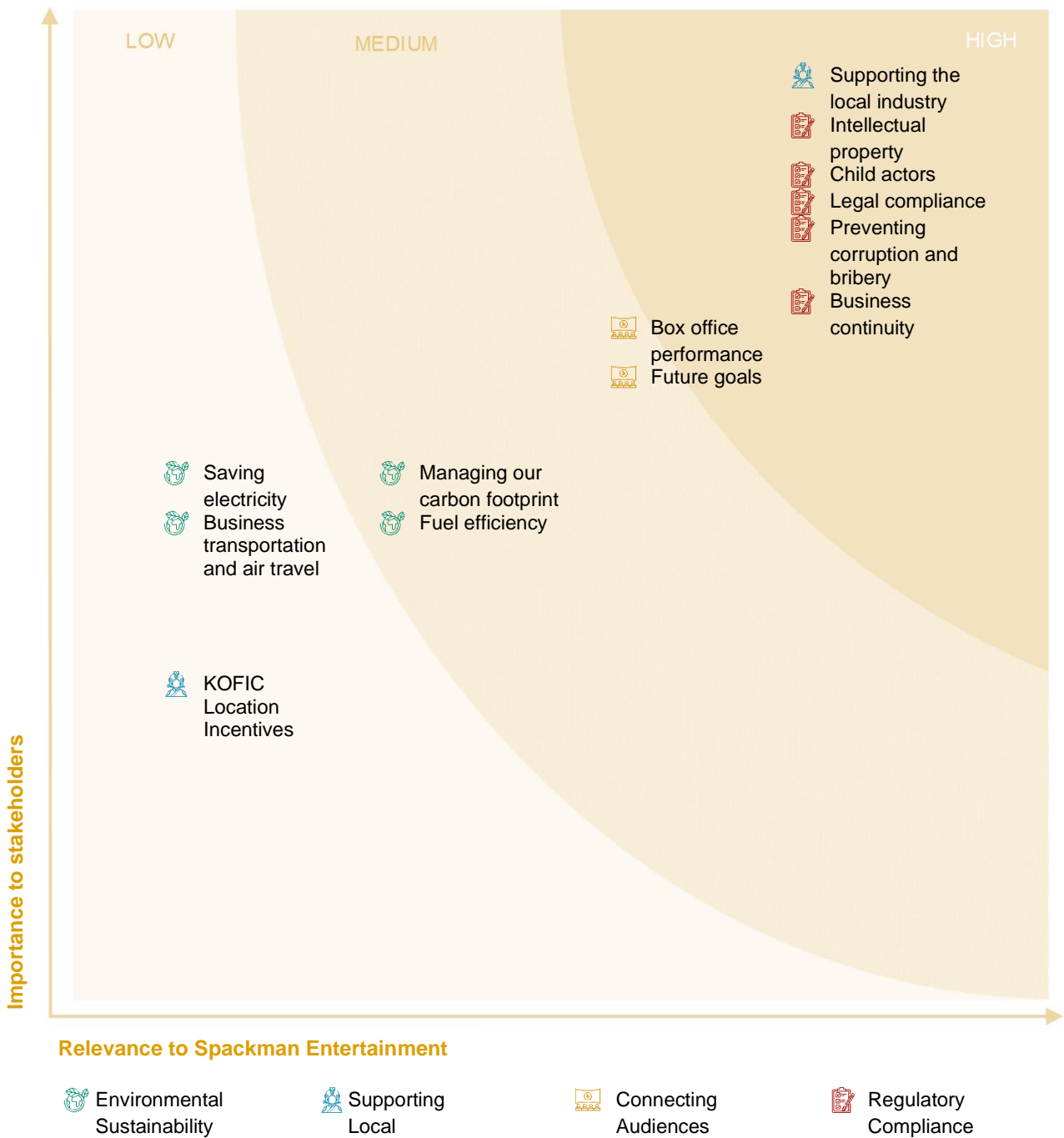
Stakeholders	How we listen	Why we do it	What you've told us
Distributors	<ul style="list-style-type: none"> Regular updates and communication Periodic meetings Events and official launches Interviews and press releases SEGL and other websites 	<ul style="list-style-type: none"> Expand distributorship of movies via movie theatres and online platforms in local and overseas markets 	<ul style="list-style-type: none"> Maximise screening locations and distribution channels
Employees	<ul style="list-style-type: none"> Internal updates and communication Events and functions 	<ul style="list-style-type: none"> Comply with manpower rules and regulations Develop and maintain effective avenues for two-way communication to obtain feedback from employees 	<ul style="list-style-type: none"> Equal opportunities Career progression Benefits and rewards
Government and regulators	<ul style="list-style-type: none"> Regular updates and communication via sponsor Reports and compliance Periodic meetings 	<ul style="list-style-type: none"> Uphold the highest standards of corporate governance and ethical behaviour Maintaining the good relationship between continuing sponsor and the Group Maintaining dialogue with SGX Participate in SGX events to increase visibility and transparency (Shareholder engagement events, roadshows, talks, SGX research programme etc.) 	<ul style="list-style-type: none"> Compliance with SGX rulings and local laws and regulations Fully understand all regulations applicable to the company
Investors/ Producers/ Presenters	<ul style="list-style-type: none"> Regular updates and communication Periodic meetings 	<ul style="list-style-type: none"> Maintain regular communication between producers, presenters, and investors Open communication between producer, directors, cast and crew members Discussion on what moviegoers want 	<ul style="list-style-type: none"> Content development Project profitability Budget monitoring
Moviegoers	<ul style="list-style-type: none"> Events and official launches Interviews and press releases SEGL and other websites 	<ul style="list-style-type: none"> Expand distributorship of movies via movie theatres and online platforms in local and overseas markets Discussion on what moviegoers want 	<ul style="list-style-type: none"> Targeted screening locations and distribution channels Viewing preference Content development
Shareholders	<ul style="list-style-type: none"> Shareholders' meeting Board meeting SEGL and other websites Regular updates and communication Roadshows 	<ul style="list-style-type: none"> Consistently improve company's management Operate and manage the Company effectively and efficiently Committed to delivering economic value to our capital providers through a strong financial performance and engagement with them 	<ul style="list-style-type: none"> Long-term profitability Sustainability matters Achieve company targets Company growth and development Compliance with all relevant requirements Ensure business continuity

2.4 Sustainability materiality

Using a materiality index, we align our responsible business priorities with the SEGL’s principal business and operational risks, as illustrated in the diagram below.

We have also developed metrics to help us measure our progress, as indicated in our sustainability scorecard in **Appendix A**. We will review and adjust the matrix each year, as the external and business context changes.

The aspect boundaries ‘within’ the organisation are limited to SEGL, Novus Mediacorp, Take Pictures and Simplex Films whereas the aspect boundaries ‘outside’ the organisation include distributors, employees, government and regulators, investors/ producers/ presenters, moviegoers, and shareholders.



3. Our performance

3.1 How we measure our performance

Our **sustainability strategy** is embedded into the appropriate parts of our business, with dedicated teams for each focus area, and coordination by our relevant departmental managers.

Progress will be tracked in two key ways: measuring performance against metrics, and evaluating how well the programs have advanced, through a series of 'commitments'.

Metrics and targets

We have established key performance indicators for each of the four focus areas outlined in our **sustainability strategy**.

Periodically, we plan to introduce new metrics and update targets to ensure alignment with our strategy.

Commitments

To ensure we have a robust sustainability programme in place, we have included the key commitments for each area of our sustainability strategy. The progress we have made against each key commitment is indicated using the symbols shown in the table below.

We track and review our sustainability programme with the Board of Directors at least once a year.

Symbols used to indicate progress against commitments

Symbol	Meaning
Ⓝ	New commitment this year
⦿	Not started / not met
◐	In progress
●	Complete
Ⓢ	Ongoing commitment: no end date



3.2 Environmental sustainability

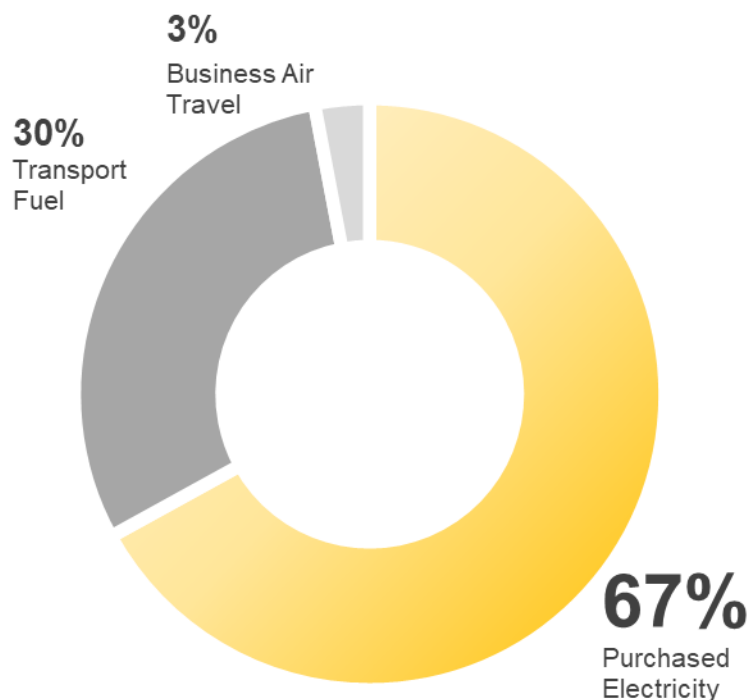
Overview

Tracking of the energy consumptions of our businesses forms the basis of our sustainability efforts. We measure the carbon footprint of our operations, providing insight into the carbon reduction and energy efficiency opportunities at each division.

Managing our carbon footprint

We recognise that reducing carbon footprint in our daily operations has a positive effect on climate change. To determine the carbon footprint, we collect energy usage data from each our businesses and then calculate our total annual greenhouse gas (**GHG**) emissions. We follow the Greenhouse Gas Protocol established by the World Resources Institute and the World Business Council for Sustainable Development, the standard manual for measuring corporate GHG emissions. Using the “control method”, we include 100% of the emissions associated with businesses which we directly control. Our carbon footprint includes:

- All fuels used directly by our companies (Scope 1 emissions)
- All purchased electricity used in our offices (Scope 2 emissions)
- Impact of business air travel (optional Scope 3 emissions)



In FY2021, SEGL generated a carbon footprint of 115.2 (2020: 169.9) tonnes of carbon dioxide emission (**tCO₂e**), representing a sharp decrease from the previous year. The decrease is mainly due to the exclusion of Zip Cinema and Frame Pictures from the current year reporting.

Our carbon footprint mainly arises from GHG Scope 2 emissions from electricity usage in offices which accounted for approximately 67% of the total carbon footprint of SEGL.

We commit to maintain our carbon footprint, using FY2021 as a baseline.

FY2021 Progress

115.2tCO₂e

Carbon footprint

Fuel efficiency

The Group’s fuel consumption accounted for approximately 30% of the total carbon footprint of SEGL. This is mainly due to petrol usage by management of our various subsidiaries when conducting their day-to-day business in Seoul and around the rest of South Korea. The Group encourages regular maintenance of the vehicles to improve efficiency.

Saving electricity

The Group’s electricity consumption accounted for approximately 67% of the total carbon footprint of SEGL. This is mainly due to regular operations of our offices. All employees stringently complied with the Group’s policy of saving energy. The Group utilised electricity-saving light bulbs at its offices as well as educated its employees about energy conservation and emission reductions. To ensure the effective use of electricity, the Group adopted the following practices:

- Turn off lights, computers and air conditioning system before clocking out
- Place energy saving reminder labels next to switches
- Clean office equipment (such as refrigerator, air-conditioner) regularly to maintain high efficiency
- Use energy saving appliances
- Set temperature of air conditioners to 25°C

The Group established policies and procedures to reduce energy consumption in the office, to assess the energy efficiency, to increase the use of clean energy, and to ensure power is turned off when electrical appliances are not in use.

Business transportation and air travel

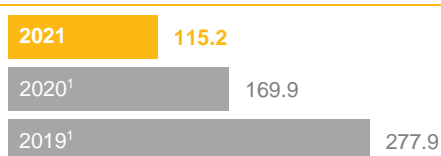
We recognise that business transportation and air travel is a core part of doing business and face-to-face meetings are often the best way to build relationships with clients and business partners. However, this also gives rise to carbon emissions that contribute to deteriorating air quality and climate change.

To manage our carbon emissions, we will strive to reduce non-essential business transportation and air travel by leveraging on other modes of client communication (including emails, telephone or video conferencing) calls) where possible.

Commitments: Environmental stewardship

Maintain carbon footprint (from FY2021 baseline)

Carbon footprint (tCO₂e)



¹ Restated.

FY2021 progress



- We generated a carbon footprint of 115.2 tCO₂e, representing a sharp decrease from the previous year.
- The decrease is mainly due to the exclusion of Zip Cinema and Frame Pictures from the current year reporting.
- The emission mainly arises from electricity usage in our offices which accounted for approximately 67% of the total carbon footprint of SEGL.

3.3 Supporting local

Overview

Supporting local talent is the way to go in developing the local film industry. Collaborating with local authorities provides a host of economic benefits such as tourism promotion and job creation.

Supporting the local industry

Zip Cinema has been a member of the Korean Film Producers Association (**KFPA**) under the Korean Film Council (**KOFIC**) since 2007. Novus Mediacorp and Frame Pictures also strongly support the industry initiatives of KFPA and KOFIC, to stimulate, grow and sustain the Korean film industry.

We also seek to create long-term economic benefits for our communities through recruitment of local talent and development of local suppliers, supporting a reliable local supply network to drive economic growth.

In addition, all of our suppliers and contractors must adhere to our requirements regarding safety, health, security and the environment, as well as the principles of our Standards of Business Conduct. We are also focused on developing local businesses through regular meetings with them to ensure they are aware of the opportunities created by our projects and understand our requirements.

As part of our strategy, we have committed to recruit at least 80% of our talent and source at least 80% of our purchases locally. In FY2021, 90.0% (2020: 91.3%) of our talent were recruited locally and 78.0% (2020: 91.1%) of our purchases were sourced locally as well.

KOFIC Location Incentives

KOFIC provides a Location Incentive Grant to support part of the expenses spent in Korea for producing foreign audio-visual works, for the purpose of tourism promotion, job creation and other economic benefits. It is also aimed at encouraging the hosting of location shooting and post-production of foreign audio-visual works and thereby enhancing the production capacities of the Korean film industry and creating an international production network around it.

Eligible works consist of feature films, television series and documentaries produced by a foreign production company, in which the allocation of foreign capital in the production cost exceeds 80%. Up to 20-25% of the total Qualifying Production Expenditure (**QPE**) is claimable as Location Incentives Grant, depending on the available amount in the production's total budget.

Presently, the Group has not tapped either directly or indirectly on such incentives but may look at opportunities to collaborate with foreign partners to promote Korea as a film and drama hub and the sharing of Hallyu to international audiences.

FY2021 Progress

90.0%

Talents sourced locally

78.0%

Purchases sourced locally

Riding the Korean Wave

Globalization of Korean Content



According to Korea's Ministry of Culture, Sports & Tourism, Korean content is becoming a worldwide phenomenon with the exports of South Korea's content sector surging 16% year-on-year to US\$11.9 billion in 2020, despite the COVID-19 pandemic¹.

Demand for Korean content has been burgeoning on over-the-top (OTT) platforms as consumers become more accustomed to watching content in the comfort of their homes and on their mobile devices amidst the prolonged coronavirus situation. OTT platforms have also strived to ramp up their investments in Korean content with Netflix Korea announcing its plans to invest around KRW 550 billion in the creation of such productions in 2021².

Recent success of Korean drama productions include *ALL OF US ARE DEAD* (2022), Netflix's top show ever *SQUID GAME* (2021), starring rising international Korean star Wi Ha-jun of the Group's associated company, Spackman Media Group, *HELLBOUND* (2021) and *MY NAME* (2021) serve as exemplary projects that attract huge viewership not only in the US and Asia, but globally.

In light of the booming popularity of Korean content internationally, the Group shall continue to tap on its subsidiaries, such as Take Pictures, Simplex Films, Greenlight Content, and Novus Mediacorp to develop, produce and invest in Korean dramas and films.

Softening of China's Ban on Hallyu



There also have been signs that China's ban on *Hallyu* or the Korean wave will soften soon. In March 2022, *SOMETHING IN THE RAIN* headlined by iconic Korean actress Son Ye-jin of Spackman Media Group ranked within top 10 on Chinese streaming platform, iQIYI. The release of *SOMETHING IN THE RAIN* on iQIYI marks the first time a Korean drama series returns on iQIYI since *DESCENDANTS OF THE SUN* (2016).

According to Variety in December 2021, China released its first Korean film in six years, signalling the end of boycott. After a six-year hiatus, the theatrical release of Korean comedy film *OH! MY GRAN* (2020) in Chinese cinemas signalled that an influx of Korean content may start to re-enter the world's largest film market. In March 2021, China was poised to give Korean content a boost after three year boycott, with the announcement of a deal between two state-owned TV groups, China Central Television (CCTV) and South Korean public broadcaster KBS³.

Leveraging on Our Talent Management Business



The rapid globalization of Korean content and the softening of China's ban on *Hallyu* will create opportunities for Korean artists in Spackman Media Group to participate in top quality content production and collaborate with international brands for advertisements and endorsements.

Presently, Spackman Media Group owns five talent management agencies, namely MSteam Entertainment Co., Ltd., SBD Entertainment Inc., UAA&CO Inc., Play Content Co., Ltd. and Kook Entertainment Co., Ltd. Spackman Media Group flagship artists include well-known Korean stars such as Son Ye-jin, Wi Ha-jun, Lee Min-jung, Ko Sung-hee, Son Suk-ku, Han Ji-hyun, Lee Cho-hee, Kim Sang-kyung, and others.

Spackman Media Group, in which the Group has a shareholding of 43.88%, is still currently reviewing various options to finance future growth, including listing to maximize its potential value.

¹ Yonhap News Agency, <https://en.yna.co.kr/view/AEN20220124006400315>, Exports of S. Korean content industry rise in 2020 despite pandemic, 24 January 2022

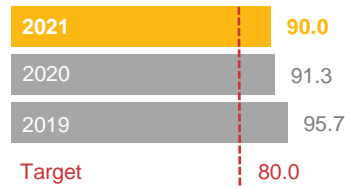
² Statista, <https://www.statista.com/statistics/1269965/south-korea-ott-services-content-investment-plans/>, Major OTT (over the top) video services' plans to invest in content creation in South Korea in 2021

³ Variety, <https://variety.com/2021/film/asia/china-giving-korean-content-boost-after-boycott-1234920540/>, China Poised to Give Korean Content a Boost After Three Year Boycott, 3 March 2021

Commitments: Supporting local

Recruit at least 80% of our talent locally

Talent sourced locally (%)

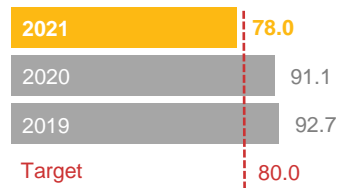


FY2021 progress

- The Group recruited 90.0% of our talent locally, which exceeds our target set.

Source at least 80% of our purchases locally

Purchases sourced locally (%)



FY2021 progress

- The Group sourced 78.0% of our purchases locally, which is slightly less than our target set.

3.4 Connecting audiences

Overview

In FY2021, Korean movies claimed a domestic market share of 30.1% (representing a box office of 18.2 million admissions). Given this potential, the Korean movie industry certainly has the opportunity to effect positive change in the society on a large scale.

Through effective storytelling, we believe our movies help to empower and inspire audiences to take action to improve their own lives and communities.

Box office performance – *THE BOX*

THE BOX is about the musical journey of an aspiring singer and a washed-out music producer across the country. It is a jukebox musical containing familiar popular songs from world music such as; Coldplay, Billie Eilish, Chet Baker, Mariah Carey, Pharrell Williams and famous Korean songs in the backdrop of South Korean locales.

Directed by Yang Jung-woong, the Executive Producer of the 2018 Pyeongchang Winter Olympics opening and closing ceremonies, *THE BOX* stars EXO's Chanyeol who plays the aspiring singer and Jo Dal-hwan who acts as the once popular producer. This is Chanyeol's first lead role for a Korean commercial film. Jo Dal-hwan is known for his role in *SECRET HEALER* (2016), *TRAFFICKERS* (2012) and *THE CON ARTISTS* (2014).

Chanyeol showcases his singing prowess in *THE BOX* through a number of international hit songs, such as Billie Eilish's *BAD GUY*. The music director of the musical film is Ecobridge, who is the composer of Jung Yup's *NOTHING BETTER* in 2008.

THE BOX is the second film production of Studio Take, which was founded by veteran movie producer, Song Dae-chan. Previously, Studio Take released its maiden art film *STONE SKIPPING* in 2020.

For more information on *THE BOX*, please scan the QR code on the right.



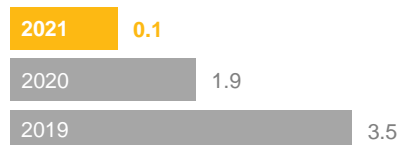
Box Office

0.1 m

Commitments: Connecting audiences

Track box office performance

Box office performance (m)



FY2021 progress

- THE BOX*, produced by Take Pictures, has a total of 0.1 million tickets sales, grossing US\$0.8 million at the Korean box office.

3.5 Regulatory compliance

Overview

To maintain a fair, ethical and efficient business and working environment, the Group strictly adheres to the local laws and regulations relating to intellectual property (IP), child actors, anti-corruption and bribery, irrespective of the area or country where the Group conducts its business.

Intellectual property

IP rights shape each stage of a film-maker's journey from script to screen. They help producers attract much needed funds; enable directors, screenwriters and actors, as well as the numerous artists and technicians who work behind the scenes, to earn a living; and inspire technological breakthroughs that enable creative ideas to be brought to life.

The Group respects the creative effort behind all IPs driving the movie industry and ensures that all of its movies acknowledges and respects and appropriately remunerates the IP rights of all authors.

Child actors

The Group aims to uphold industry standards to ensure conditions for the development and protection of children and young people under the age of 18 involved in artistic performance (e.g., level of guardian supervision required when working for the Group, continuation of education according to local legal conditions, limits to number of hours worked, psychological support in dealing with child celebrity).

Legal compliance

The Group, through its Company Secretary, has updated the Board on relevant new laws and regulations affecting the Company, including changes to the SGX-ST Listing Rules, risk management, corporate governance, insider trading and key changes in the relevant regulatory requirements, to facilitate effective discharge of their fiduciary duties as Board or Board Committees members.

Preventing corruption and bribery

The Group prohibits all forms of corruption and bribery. The Group requires all employees to strictly abide by professional ethics and eliminate any corruption and bribery. All employees are expected to discharge their duties with integrity, to act fairly and professionally, and to abstain from engaging in bribery activities or any activities, which might exploit their positions against the Group's interests.

Whistle-blowers can report verbally or in writing to the senior management of the Group for any suspected misconduct (including corruption, bribery extortion, fraud and money laundering) with full details and supporting evidence. The management will conduct investigations against any suspicious or illegal behavior to protect the Group's interests and the whistleblowers' confidentiality.

In FY2021, the Group was not in violation of any of the relevant laws and regulations in relation to IP, child actors, anti-corruption and bribery, extortion, fraud and money laundering that have a significant impact on the Group.

FY2021 Progress

0

Regulatory and compliance incidents

0

Confirmed incidences of corruption and actions taken

0

Non-compliance with laws and/or regulations which resulted in significant fines and non-monetary sanctions

Business continuity

The global outbreak of the COVID-19 dealt a significant toll on cinemas worldwide. Unlike home-based or digital media, which is likely to benefit from the possible spread of COVID-19 as people self-isolate at home and avoid social interactions, going to the movies is understandably a social activity that many people would want to avoid during a pandemic.

In FY2021, the world continued to fight against the spread of COVID-19. With the emergence of the delta variant, many countries returned to strict lockdowns and other pandemic related measures which disrupted businesses across all industries. In South Korea, cinemas remain operational and introduced COVID-19 measures like staggered seating, zero-contact food and ticket kiosks, to ensure proper social distancing during the pandemic.

Despite the efforts, the domestic film agency KOFIC reported that cinema attendance contracted for a second straight year in 2021 due mainly to the years long COVID-19 pandemic, prompting many films to delay both promotional events and film openings. As a result, foreign productions and Hollywood blockbusters outperformed South Korean-made movies for the first time in 11 years⁴.

As a Group, we have continued with our business continuity planning to protect our staff and mitigate the impact on the Group's business operations. We continue to put in place the following controls at our Singapore Headquarters and our offices in Seoul, South Korea as follows:

- Brief employees on good personal hygiene practices as advised by the respective health authorities.
- Hand sanitisers are placed in common areas for staff to use.
- Adopt social distancing measures as mandated by the respective governments.
- Where possible, cross-train employees and establish covering arrangements to minimise disruptions.

As far as practicable, our employees from Singapore and South Korea continue to work from home. Film developments and productions will still continue with the necessary COVID-19 precautions in place.

We will monitor the local situation and will put in place the above practices and any additional controls as required by the local governments (e.g. quarantine measures, stop work orders) where applicable.

As the current COVID-19 situation continues to develop, we shall keep a close eye on our operations, and announce any material changes to our business performance to shareholders timely, as and when appropriate.

Commitments: Regulatory compliance

Fully compliant with relevant laws and regulations in relation to IP, child actors, anti-corruption and bribery, extortion, fraud and money laundering

Achievements

- Achieved full compliance with relevant laws and regulations in relation to IP, child actors, anti-corruption and bribery, extortion, fraud and money laundering

FY2021 progress



- The Group was not in violation of any of the relevant laws and regulations in relation to IP, child actors, anti-corruption and bribery, extortion, fraud and money laundering that have a significant impact on the Group.

⁴ Yonhap News Agency, <https://en.yna.co.kr/view/AEN20220222011600315>, S. Korean film market shrinks 2 yrs in row in 2021 amid protracted pandemic, 22 February 2022.

Appendix A: Sustainability scorecard

Results

Performance indicators	Units	FY2019	FY2020	FY2021
Revenue	US\$'million	20.1	9.5 ¹	3.1 ²

1 - Includes revenue contribution from disposed entities Zip Cinema (US\$2.0) and Frame Pictures (US\$0.5)

2 - Excludes revenue contribution from disposed entities Zip Cinema (US\$11.8) and Frame Pictures (US\$0.9)

Environmental sustainability

Performance indicators	Units	FY2019	FY2020	FY2021
Total carbon footprint	tCO ₂ e	277.9 ³	169.9 ³	115.2

3 - Restated

Supporting local

Performance indicators	Units	FY2019	FY2020	FY2021
Talents sourced locally	Percentage	95.7	91.3	90.0
Purchases sourced locally	Percentage	92.7	91.1	78.0

Connecting audiences

Performance indicators	Units	FY2019	FY2020	FY2021
Total box office (<i>CRAZY ROMANCE</i>)	Million	2.9	N.A.	N.A.
Total box office (<i>JESTERS: THE GAME CHANGERS</i>)	Million	0.6	N.A.	N.A.
Total box office (<i>#ALIVE</i>)	Million	N.A.	1.9	N.A.
Total box office (<i>STONE SKIPPING</i>)	Million	N.A.	0.02	N.A.
Total box office (<i>THE BOX</i>)	Million	N.A.	N.A.	0.1

N.A. - Not Applicable

Regulatory compliance

Performance indicators	Units	FY2019	FY2020	FY2021
Regulatory and compliance incidents	Number	0	0	0
Confirmed incidences of corruption and actions taken	Number	0	0	0
Non-compliance with laws and/or regulations which resulted in significant fines and non-monetary sanctions	Number	0	0	0

Other information

Performance indicators	Units	FY2019	FY2020	FY2021
Total employees	Number	23	18	10

Appendix B: GRI content index

GRI Standards Content Index

The GRI Content Index references the SEGL Group Ltd Sustainability Report 2021 (SR), the Annual Report 2021 (AR) and the SEGL Corporate Website (Web).

Disclosure number	Disclosure title	Page reference and remarks	
GRI 102: General disclosures			
Organisational profile	102-1	Name of organisation	<ul style="list-style-type: none"> AR: Corporate Profile
	102-2	Activities, brands, products, and services	<ul style="list-style-type: none"> AR: Corporate Profile
	102-3	Location of headquarters	<ul style="list-style-type: none"> AR: Corporate Information – Note 1 to the Financial Statements
	102-4	Location of operations	<ul style="list-style-type: none"> AR: Our Business Segments AR: Group Structure AR: Corporate Information AR: Investment in Subsidiaries – Note 16 to the Financial Statements AR: Investment in Associated Companies – Note 17 to the Financial Statements Web: https://spackmanentertainmentgroup.com/contact
	102-5	Ownership and legal form	<ul style="list-style-type: none"> AR: Corporate Information – Note 1 to the Financial Statements
	102-6	Markets served	<ul style="list-style-type: none"> AR: Segment Information – Note 32 to the Financial Statements
	102-7	Scale of organisation	<ul style="list-style-type: none"> AR: Corporate Profile AR: Segment Information – Note 32 to the Financial Statements
	102-8	Information on employees and other workers	<ul style="list-style-type: none"> SR: Sustainability Scorecard
	102-9	Supply chain	<ul style="list-style-type: none"> SR: Supporting Local
	102-10	Significant changes to the organisation and its supply chain	<ul style="list-style-type: none"> Web: https://spackmanentertainmentgroup.com/corporate-filings
	102-11	Precautionary Principle or approach	<ul style="list-style-type: none"> AR: Corporate Governance Report
	102-12	External initiatives	<ul style="list-style-type: none"> Not applicable
	102-13	Membership of associations	<ul style="list-style-type: none"> SR: Supporting Local
Strategy	102-14	Statement from senior decision-maker	<ul style="list-style-type: none"> AR: Joint Message from Non-Executive Chairman & CEO SR: Message to Shareholders & Board Statement
	102-15	Key impacts, risks, and opportunities	<ul style="list-style-type: none"> AR: Corporate Profile AR: Film Business Model AR: Independent Auditor's Report
Ethics and integrity	102-16	Values, principles, standards, and norms of behavior	<ul style="list-style-type: none"> SR: Sustainability Strategy
	102-17	Mechanisms for advice and concerns about ethics	<ul style="list-style-type: none"> AR: Corporate Governance Report
Governance	102-18	Governance structure	<ul style="list-style-type: none"> AR: Corporate Governance Report
	102-19	Delegating authority	<ul style="list-style-type: none"> AR: Corporate Governance Report

Disclosure number	Disclosure title	Page reference and remarks
102-20	Executive-level responsibility for economic, environmental, and social topics	<ul style="list-style-type: none"> SR: Sustainability Organisational Structure
102-21	Consulting stakeholders on economic, environmental, and social topics	<ul style="list-style-type: none"> SR: Consulting Our Stakeholders
102-22	Composition of the highest governance body and its committees	<ul style="list-style-type: none"> AR: Corporate Governance Report
102-23	Chair of the highest governance body	<ul style="list-style-type: none"> AR: Corporate Governance Report
102-24	Nominating and selecting the highest governance body	<ul style="list-style-type: none"> AR: Corporate Governance Report
102-25	Conflicts of interest	<ul style="list-style-type: none"> AR: Corporate Governance Report AR: Statistics of Shareholdings SR: Sustainability Strategy
102-26	Role of highest governance body in setting purpose, values, and strategy	<ul style="list-style-type: none"> AR: Corporate Governance Report
102-27	Collective knowledge of highest governance body	<ul style="list-style-type: none"> AR: Corporate Governance Report
102-28	Evaluating the highest governance body's performance	<ul style="list-style-type: none"> AR: Corporate Governance Report
102-29	Identifying and managing economic, environmental, and social impacts	<ul style="list-style-type: none"> SR: Sustainability Materiality
102-30	Effectiveness of risk management processes	<ul style="list-style-type: none"> AR: Corporate Governance Report
102-31	Review of economic, environmental, and social topics	<ul style="list-style-type: none"> SR: Sustainability Report
102-32	Highest governance body's role in sustainability reporting	<ul style="list-style-type: none"> SR: Sustainability Organisational Structure
102-33	Communicating critical concerns	<ul style="list-style-type: none"> SR: Sustainability Materiality
102-34	Nature and total number of critical concerns	<ul style="list-style-type: none"> SR: Sustainability Materiality
102-35	Remuneration policies	<ul style="list-style-type: none"> AR: Corporate Governance Report
102-36	Process for determining remuneration	<ul style="list-style-type: none"> AR: Corporate Governance Report
102-37	Stakeholders' involvement in remuneration	<ul style="list-style-type: none"> AR: Corporate Governance Report
102-38	Annual total compensation ratio	<ul style="list-style-type: none"> AR: Corporate Governance Report

Disclosure number	Disclosure title	Page reference and remarks	
102-39	Percentage increase in annual total compensation ratio	<ul style="list-style-type: none"> AR: Corporate Governance Report 	
Stakeholder engagement	102-40	List of stakeholder groups	<ul style="list-style-type: none"> SR: Consulting Our Stakeholders
	102-41	Collective bargaining agreements	<ul style="list-style-type: none"> Not applicable
	102-42	Identifying and selecting stakeholders	<ul style="list-style-type: none"> SR: Consulting Our Stakeholders
	102-43	Approach to stakeholder engagement	<ul style="list-style-type: none"> SR: Sustainability Strategy
	102-44	Key topics and concerns raised	<ul style="list-style-type: none"> SR: Consulting Our Stakeholders
Reporting practice	102-45	Entities included in the consolidated financial statements	<ul style="list-style-type: none"> AR: Investment in Subsidiaries – Note 16 to the Financial Statements AR: Investment in Associated Companies – Note 17 to the Financial Statements
	102-46	Defining report content and topic Boundaries	<ul style="list-style-type: none"> SR: Sustainability Materiality
	102-47	List of material topics	<ul style="list-style-type: none"> SR: Sustainability Materiality
	102-48	Restatements of information	<ul style="list-style-type: none"> SR: Restatements
	102-49	Changes in reporting	<ul style="list-style-type: none"> Not applicable
	102-50	Reporting period	<ul style="list-style-type: none"> SR: Scope of Sustainability Report
	102-51	Date of most recent report	<ul style="list-style-type: none"> 31 December 2019
	102-52	Reporting cycle	<ul style="list-style-type: none"> Annual
	102-53	Contact point for questions regarding the report	<ul style="list-style-type: none"> SR: Sustainability Contact
	102-54	Claims of reporting in accordance with the GRI Standards	<ul style="list-style-type: none"> SR: Scope of Sustainability Report
	102-55	GRI content index	<ul style="list-style-type: none"> SR: GRI Content Index
	102-56	External assurance	<ul style="list-style-type: none"> No external assurance
GRI 200: Economic disclosures (applicable sections only)			
Economic performance	201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> SR: Sustainability Scorecard
Procurement practices	204-1	Proportion of spending on local suppliers	<ul style="list-style-type: none"> SR: Supporting Local
Anti-corruption	205-3	Confirmed incidents of corruption and actions taken	<ul style="list-style-type: none"> SR: Regulatory Compliance
Anti-competitive behavior	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	<ul style="list-style-type: none"> SR: Regulatory Compliance
GRI 300: Environment disclosures (applicable sections only)			
Energy	302-1	Energy consumption within the organisation	<ul style="list-style-type: none"> SR: Environmental Sustainability
Emissions	305-1	Direct (Scope 1) GHG emissions	<ul style="list-style-type: none"> SR: Environmental Sustainability

Disclosure number	Disclosure title	Page reference and remarks
305-2	Energy indirect (Scope 2) GHG emissions	<ul style="list-style-type: none"> SR: Environmental Sustainability
305-3	Other indirect (Scope 3) GHG emissions	<ul style="list-style-type: none"> SR: Environmental Sustainability
305-4	GHG emissions intensity	<ul style="list-style-type: none"> Not applicable
Laws and regulations	307-1 Non-compliance with environmental laws and regulations	<ul style="list-style-type: none"> There are no non-compliance with environmental laws and regulations.
GRI 400: Social disclosures (applicable sections only)		
Child labor	408-1 Operations and suppliers at significant risk for incidents of child labor	<ul style="list-style-type: none"> SR: Regulatory Compliance
Forced or compulsory labor	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labor	<ul style="list-style-type: none"> Forced and compulsory labour is strictly prohibited.
Socioeconomic compliance	419-1 Non-compliance with laws and regulations in the social and economic area	<ul style="list-style-type: none"> There are no non-compliance with socioeconomic laws and regulations.