



**SK**  
JEWELLERY GROUP

SUSTAINABILITY REPORT  
2017

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This sustainability report ("Report") has been prepared by SK Jewellery Group Limited (the "Company") and its contents have been reviewed by the Company's sponsor, United Overseas Bank Limited ("Sponsor"), for compliance with the relevant rules of the SGX-ST. The Sponsor has not independently verified the contents of this Report.

This Report has not been examined or approved by the SGX-ST. The Sponsor and the SGX-ST assume no responsibility for the contents of this Report, including the correctness of any of the statements or opinions made or reports contained in this Report.

The contact person for the Sponsor is Mr. Lim Hoon Khat, Director, Equity Capital Markets, who can be contacted at 80 Raffles Place, #03-03 UOB Plaza 1, Singapore 048624, Telephone: +65 6533 9898.





## CEO'S STATEMENT



*“We are continually looking for new sustainable opportunities to meet and go beyond the ever-evolving needs and aspirations of our customers.”*

Mr Lim Yong Sheng  
Executive Director & Group CEO

I am pleased to present SK Jewellery Group Limited's ( the “Company” and together with its subsidiaries, the “Group”) inaugural Sustainability Report 2017.

This report marks a significant milestone for the Group, as it demonstrates our commitment to engage stakeholders in our sustainability vision, goals, and practices. Through this report, we hope to provide a better understanding of how we tackled several key areas in the economic, social, and environmental landscape of our business.

Sustainability has become a critical success factor for companies to ensure long-term value creation. The Group recognizes the importance and virtuous cycle of improvement of sustainability reporting. As a leading jeweler in Singapore, our customers place a huge importance on sustainability – from where the jewellery comes from, how it is made, and the process of which it impacts the planet and its community.



Our Board of Directors (the "Board") recognizes the importance of sustainability in the Group's business operations and performance. Our sustainability efforts are led by our Sustainability Steering Committee which comprises senior management personnel and our Board oversees and manages the direction, approach and performance of our sustainability goals against our strategy and business objectives.

I would like to impress upon you three key areas of success which contributes to the Group's business sustainability in the past year.

The first area touches on our business expansion activities. Having solidified our retail base in Singapore and Malaysia, we seek to establish our presence in two new markets, China and Thailand – channeled through our bespoke Love & Co. brand. We envisage growth opportunities in the bridal market, and will continuously pursue new technology in helping us connect with our savvy young consumer market.

The second topic covers employees - the Group's greatest assets. Just as they have invested themselves with us, we will also invest in their growth. Aside from maintaining open communication feedback channels, we offer upskilling programmes, cross-department exposures and employee benefit schemes. It is imperative for us to build a culture of collaboration and teamwork, which will translate to higher working productivity.

Finally, we seek to be a responsible corporate citizen, where we strive to give back to society. This comes in the form of community service engagements, donations, and sharing of business experiences to promote entrepreneurship. Beneficiaries of our involvement include the People's Associations Community Centres and Sian Chay Medical Institution. Financially, we donated S\$67,000 in 2017, up by 394% compared to 2016.

As our environment continues to evolve, we believe in creating a work environment that protects our planet, and continuously invest in "green" technologies. For instance, our air-conditioning system is based off latest district cooling technologies which can provide up to 40% of energy savings<sup>1</sup>. We are constantly looking at ways to reinvent current processes to create cost savings, both for our shareholders and environment.

On behalf of the Group, we invite you to join us on this journey of business sustainability. We believe in creating a sustainable business strategy that can align with profitability and stakeholder value as foremost priorities.

Source 1 : <http://www.kepcorp.com/en/content.aspx?sid=3680>

# ABOUT THIS REPORT

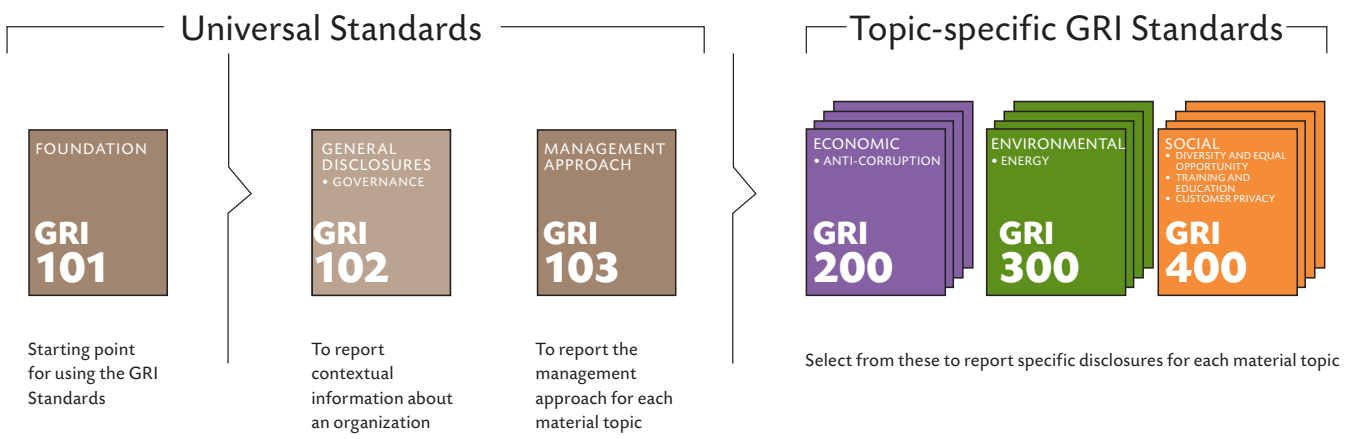
## REPORTING PERIOD AND SCOPE

This report covers data and information from 1 January 2017 to 31 December 2017 pertaining to Singapore context and discusses the Company's achievements and performance towards Environmental, Social and Governance ("ESG") issues.

The Group's sustainability report is prepared in compliance with the requirements of Rules 711A and 711B of the Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Manual Section B: Rules of Catalyst ("Catalist Rules"), and in accordance with the Global Reporting Initiative ("GRI") reporting guidelines, "Core" Option.

## REPORT BACKGROUND

Sustainability has become a critical success factor for companies to ensure long-term value creation. The Group recognizes the importance and virtuous cycle of improvement of sustainability reporting. We hereby proudly present our first sustainability report which discuss the challenges and material issues that are important to our stakeholders, our strategy in managing these challenges and issues, and how we have performed in terms of our key performance indicators.



We adopted a formalised reporting approach by applying the international reporting framework, GRI Standards: "Core" option, the latest set of standards issued by the GRI Global Sustainability Standards Board, in preparing our first sustainability report.

The Group will review its business in the context of the value chain and determine what environmental, social and governance ("ESG") factors in relation to its interaction with its physical environment and social community and its governance, are material for the continuity of its business. The Group is reporting the criteria and process by which it has made its selection with reference to how these factors contribute to the creation of value for the Group.

**GRI 101:** Foundation sets out the Reporting Principles for defining report content and quality. It includes requirements

for preparing a sustainability report in accordance with the GRI Standards, and describes how the GRI Standards can be used and referenced.

**GRI 102:** General Disclosures is used to report contextual information about an organization and its sustainability reporting practices. This includes information about an organization's profile, strategy, ethics and integrity, governance, stakeholder engagement practices, and reporting process.

**GRI 103:** Management Approach is used to report information about how an organization manages a material topic. It is designed to be used for each material topic in a sustainability report, including those covered by the topic-specific GRI Standards (series 200, 300, and 400) and other material topics.

## ABOUT THIS REPORT



### REPORTING PRINCIPLES

We have followed the GRI Principles for defining the sustainability report content and quality. We have determined the report content using the principles of stakeholder inclusiveness, sustainability context, materiality and completeness. To ensure quality of the report, we have applied the GRI Principles of accuracy, balance, clarity, comparability, reliability and timeliness.

The report contains consolidated environmental and social performance data from the Group. The data provided in this report has been extracted from official records to ensure accuracy.

The Group has not sought external independent assurance for this reporting period, and will consider doing so in the future as sustainability reporting matures.

This report does not evaluate performance against established targets, as this is the first full set of sustainability reporting. However, we have set targets for future sustainability reporting.

### REPORTING BOUNDARIES AND STANDARDS

This report is also prepared in accordance with GRI Principles

for defining report content, including:

**Materiality:** focusing on issues that impact business growth and are of utmost importance to stakeholders;

**Stakeholder Inclusiveness:** responding to stakeholder expectations and interests;

**Sustainability Context:** presenting performance in the wider context of sustainability; and

**Completeness:** including all information that is of significant economic, environmental and social impact to enable stakeholders to assess the Company's performance.

### ACCESSIBILITY

The Group only released this report in electronic edition (pdf format) and it is available for download via our website at <https://www.skjewellerygroup.com/>

### CONTACT

We welcome stakeholders' feedback and suggestions. If you have any questions about this report, please contact us at [feedback@SKJewellery.com](mailto:feedback@SKJewellery.com).



# ORGANISATIONAL PROFILE

## BACKGROUND

Headquartered in Singapore and listed on the Catalist of the SGX-ST since 20 August 2015, the Group was founded in 1991 and has an established presence of over 20 years in Singapore and over a decade in Malaysia. It has one of the largest networks of retail stores in both countries, strategically situated in prime shopping malls.

As a leading and established jeweler, the Group offers a wide range of jewellery products and mementoes through its Soo Kee Jewellery, SK Jewellery and Love & Co. brands to cater to a diverse range of consumer tastes and preferences,

occasions, and demographics. Each brand has a unique identity, with distinctive branding, marketing efforts and product offerings.

The Group offers upmarket, exquisite luxury jewellery pieces designed for confident, contemporary women with refined and discerning tastes. Our collections predominantly feature premium diamonds complemented by gold or platinum settings, and contemporary jewellery featuring precious gemstones and pearls. The Group is the exclusive distributor in Singapore and Malaysia for the distinctive Brilliant Rose brand of diamonds produced by an international diamond manufacturer.

To date, we have over 60 retail stores, strategically situated in prime shopping malls. In view of our commitment towards innovation, design and creating value, a new Soo Kee HQ was established at 7 Changi Business Park Vista in 2016, serving as a regional hub to support the Group's local and overseas operations in activities such as design and development, branding and training.







**OUR MISSION**

We pride ourselves on being a visionary Company, striving to continually challenge ourselves and going beyond to meet the ever-evolving needs and aspirations of smart, modern and globally-minded customers in Asia.



**OUR VISION**

We are committed to an active and progressive approach in everything we do. We look ahead and move towards our goals and objectives, with confidence and belief.



**OUR CORE VALUES**

**CUSTOMER-CENTRIC**

We celebrate the aspirations and desires of smart, modern and globally-minded customers for creativity and self-expression.

**SMART DETERMINATION**

We harness our experience, knowledge and capabilities to continually meet ever-changing needs.

**CREATIVE INNOVATION**

We embrace creativity and innovation to go beyond and inspire.

# ORGANISATIONAL PROFILE



**CENTRAL**

ION Orchard - IL  
2 Orchard Turn  
#B2-64 ION Orchard  
Singapore 238801  
Tel: 6509 8633

Plaza Singapura - PV  
68 Orchard Road  
#01-07 Plaza Singapura  
Singapore 238839  
Tel: 6835 7533

Vivo City - VL  
1 Harbourfront Walk  
#01-145/146 Vivo City  
Singapore 098585  
Tel: 6376 9033

**WEST**

Jem - JL  
50 Jurong Gateway Road  
#01-47  
Singapore 608549  
Tel: 6734 8033



**CENTRAL**

ION Orchard - IJ  
2 Orchard Turn  
#B2-66 ION Orchard  
Singapore 238801  
Tel: 6509 8533

Vivo City - VJ  
1 Harbourfront Walk  
#01-27A Vivo City  
Singapore 098585  
Tel: 6376 9433

**WEST**

Jurong Point - JP  
1 Jurong West Central 2  
#01-64/65 Jurong Point Shpg Ctr  
Singapore 648886  
Tel: 6791 0233



**CENTRAL**

Raffles Place  
24 Raffles Place  
#01-04 Clifford Centre  
Singapore 048621  
Tel: 6535 9633





# SK

JEWELLERY

## CENTRAL

Bugis Junction - BA  
200 Victoria Street  
#01-34/35 Parco Bugis Junction  
Singapore 188024  
Tel: 6337 1233

ION Orchard - IT  
2 Orchard Turn  
#B2-61 ION Orchard  
Singapore 238801  
Tel: 6509 8733

People's Park Complex - PE  
1 Park Road  
#01-52 People's Park Complex  
Singapore 059108  
Tel: 6538 0933

Vivo City - VC  
1 Harbourfront Walk  
#02-180 Vivo City  
Singapore 098585  
Tel: 6376 8033

Serangoon Nex - SN  
23 Serangoon Central  
#B1-60/61  
Singapore 556083  
Tel: 6634 4533

Plaza Singapura - PS  
68 Orchard Road  
#01-27/27A Plaza Singapura  
Singapore 238839  
Tel: 6336 1033

Tiong Bahru Plaza - TBP  
302 Tiong Bahru Rd #01-148  
Tiong Bahru Plaza  
Singapore 168732  
Tel: 6254 5733

Lucky Plaza - LY  
304 Orchard Road #01-  
56/57/58/59  
Lucky Plaza  
Singapore 238863  
Tel: 6733 5233

## NORTH

Nex - SK Gold - SG  
23 Serangoon Central  
#01-41 Nex  
Singapore 556083  
Tel: 6634 4733  
Bugis - SK Gold - GB  
200 Victoria Street  
#01-24 Parco Bugis Junction  
Singapore 188024  
Tel: 6337 2933

AMK Hub - AH  
53 Ang Mo Kio Avenue 3  
#B1-11 AMK Hub  
Singapore 569933  
Tel: 6554 1433

Causeway Point - CW  
1 Woodlands Square  
#01-K01 Causeway Point  
Singapore 738099  
Tel: 6893 7533

Hougang Mall - HHG  
90 Hougang Avenue 10  
#01-22/23/24 Hougang Mall  
Singapore 538766  
Tel: 6288 0433

Northpoint - NS  
930 Yishun Avenue 2  
#01-27 Northpoint Shpg Ctr  
Singapore 769098  
Tel: 6759 2733

Northpoint City - NC  
1 Northpoint Drive #01-179/180  
Northpoint City  
Singapore 768019  
Tel: 6484 2033

Junction 8 - JT  
9 Bishan Place  
#01-43 Junction 8  
Singapore 579837  
Tel: 6250 5033

Waterway Point - WTP  
83 Punggol Centre #01-48  
Waterway Point  
Singapore 828761  
Tel: 6385 9633

Compass One - SCP  
1 Sengkang Square  
#01-42 Compass One  
Singapore 545078  
Tel: 6386 9633

## EAST

Bedok Mall - BM  
311 New Upper Changi Road  
#01-42/43/44 Bedok Mall  
Singapore 467360  
Tel: 64478733

Tampines Mall - TT  
4 Tampines Central 5  
#01-19/20 Tampines Mall  
Singapore 529510  
Tel: 6260 0133

Tampines-SK Gold - GT  
4 Tampines Central 5  
#01-25/26 Tampines Mall  
Singapore 529510  
Tel: 6782 2933

Changi Airport T3 - T3  
Departure Check-in Hall Ctrl  
#02-84 Changi Airport T3  
Singapore 819663  
Tel: 6242 3433

## WEST

Choa Chu Kang Lot 1 - CCK  
21 Choa Chu Kang Avenue 4  
#01-19B Lot 1 Shopper's Mall  
Singapore 689812  
Tel: 6769 2433

IMM Building - IM  
2 Jurong East Street 21  
#01-26/27 IMM Building  
Singapore 609601  
Tel: 6569 3733

Jurong Point - JN  
1 Jurong West Central 2  
#01-29/29A Jurong Point Shpg  
Ctr  
Singapore 648886  
Tel: 6792 2933

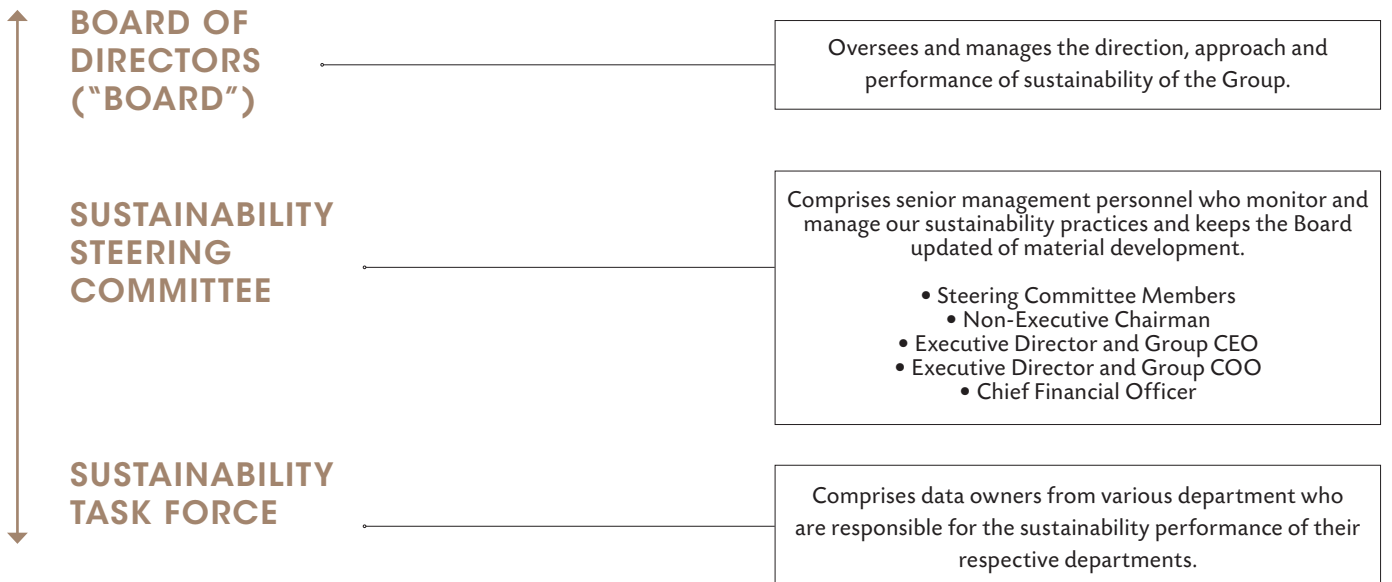
Jurong Point NOVI - JR  
63 Jurong West Central 1  
#01-53/54 and #01-83/84 The  
Centris  
Singapore 648886  
Tel: 6794 3133

The Clementi Mall - CI  
3155 C'wealth Ave West  
#03-43/44/45 The Clementi  
Mall  
Singapore 129588  
Tel: 6570 3133

# GOVERNANCE

## SUSTAINABILITY APPROACH

Our sustainability process begins with the efforts taken to engage and seek the opinion of our key stakeholders during the course of our business dealings. We aim to understand the needs and expectation of our key stakeholders and strive to build mutual beneficial relationships. Through this process, relevant aspects are then prioritized as material factors to be disclosed within this report.

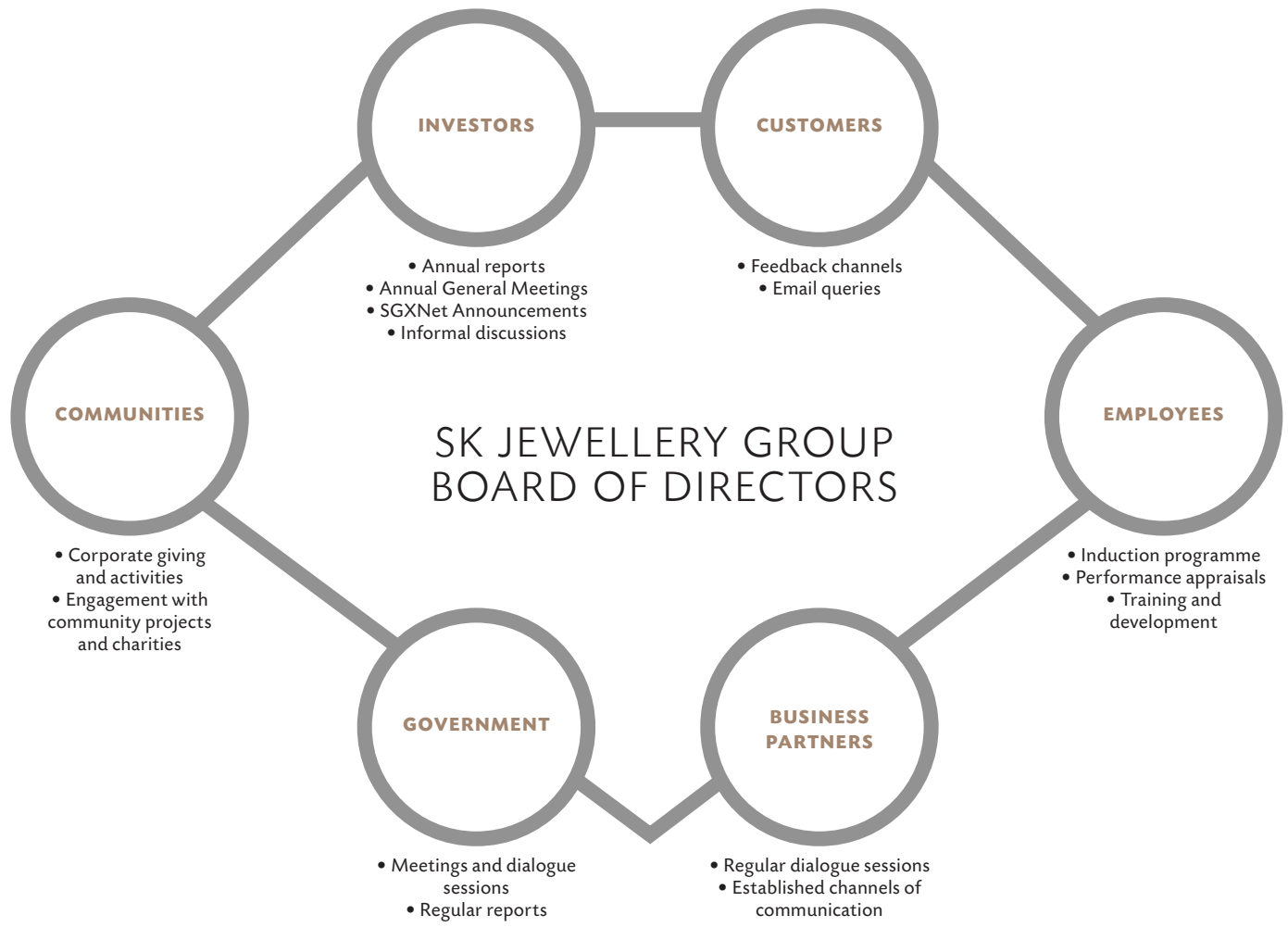




## STAKEHOLDERS ENGAGEMENT

An important starting point in our sustainability journey is to identify our stakeholders and material aspects relevant to our business. The interests and requirements of key stakeholders are also taken into account when formulating corporate strategies. These key stakeholders include, but are not limited to, investors, customers, employees and the community. We adopt both formal and informal channels of communication to understand the needs of key stakeholders, and incorporate these into our corporate strategies to achieve mutually beneficial relationships.

The figure below sets out our engagement with our stakeholders:

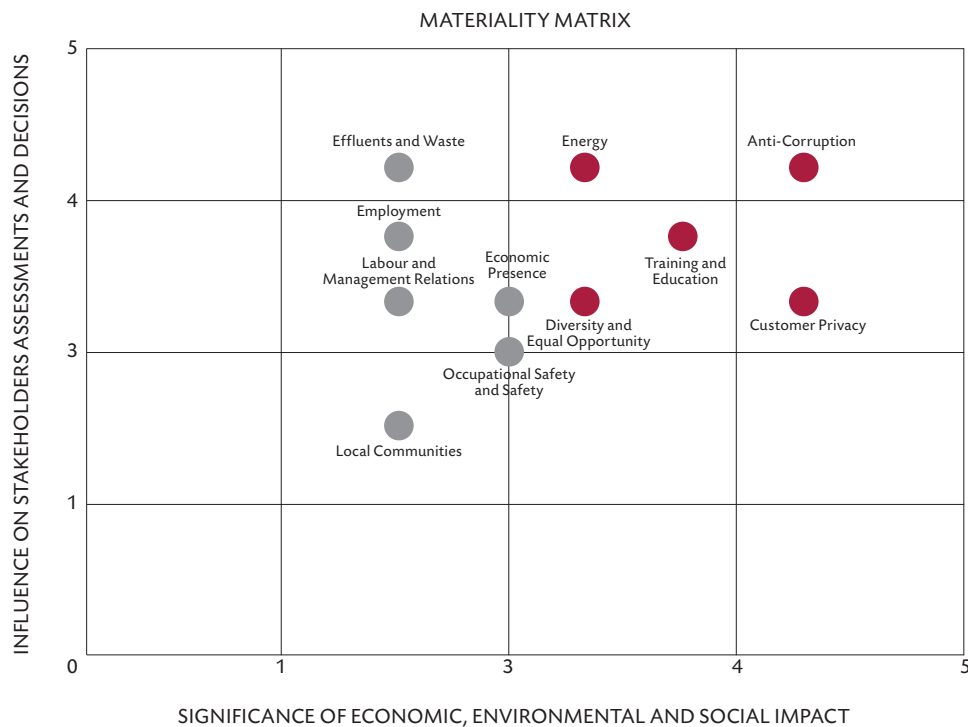


# GOVERNANCE

## MATERIALITY MATRIX

Based on feedback gathered from our internal and external stakeholders, we have evaluated and identified factors which would have significant economic, environmental and social impacts and are material to the organization and stakeholders.

Factors are prioritized as shown in the materiality matrix below.



### SELECTED SUSTAINABILITY TOPICS:

- Anti-Corruption
- Energy
- Diversity and Equal Opportunity
- Training and Education
- Customer Privacy

The materiality assessment is endorsed by the sustainability steering committee. We review our materiality topics every year in light of fresh stakeholders' feedback and our own business goals. A more detailed discussion on the materiality topics, including management approach, how we evaluate the management approach and the topic boundary limitations, if any, is provided in the respective chapters of this report.



## SUPPLY CHAIN MANAGEMENT

Our material purchases such as diamonds and gold are made with carefully assessed and selected suppliers based on, amongst others, experience, expertise, service quality and past performance.

We generally do not enter into long-term exclusive agreements with any of our suppliers as this provide us with the flexibility to evaluate and select our suppliers in accordance with our criteria which includes, amongst others, their experience, expertise, service quality and past performance.

The Group believes that our business and profitability are not materially dependent on any industrial, commercial or financial contract with any supplier and will not be materially affected by the loss of any single supplier.



## SUPPLIER COMPLIANCE

As stakeholder impact is a key element of a company's sustainability progress, we believe that our suppliers should be monitored and ensured that they comply with the relevant regulations such as Best Practice Principles (BPP) of De Beers, Responsible Jewellery Council (RJC), World Diamond Council (WDC) and World Jewellery Confederation (CIBJO).

For instance, our suppliers will need to apply know-your-customer measures to establish the identity ownership of their clients, as well as the nature of their business. These compliance measures aid in ensuring diamonds sourced are conflict-free, and uphold responsible and ethical practices within the industry. Our suppliers are periodically evaluated to ensure the quality of goods supplied as well as compliant with relevant regulations.





## MEMBERSHIP OF ASSOCIATION

We are actively engaged in projects, committees and dialogues with several industry associations, and strive to continuously build our capabilities and uphold high service standards to consumers.



### **SINGAPORE BULLION MARKET ASSOCIATION (SMBA) – MEMBER SINCE 2016**

SMBA is a non-profit organization established to represent the interests of industry stakeholders of the precious metals market. As a member, we engage with other industry, governmental and non-governmental players regularly, and strive to build Singapore into a global precious metals trading hub.



### **SINGAPORE BUSINESS FEDERATION (SBF) – MEMBER SINCE 2014**

SBF is a business board championing the interests of the Singapore business community in the areas of trade, investment, and industrial relations. It represents the interests of 25,800 companies, as well as key local and foreign business chambers.



### **CASETRUST – CERTIFIED SINCE 2015**

We are a member of CaseTrust, the accreditation arm of the Consumers Association of Singapore (CASE), Singapore's de facto standard for fair and transparent trading standards. This represents our commitment to high quality business practices.



### **AWARDS AND ACCREDITATIONS**

The Group has received various awards and accreditations, which include:

- i. JNA Award – Retailer of the Year 2017 (450 outlets and below);
- ii. JNA Award – Outstanding Enterprise of the Year 2016 (ASEAN Category);
- iii. JMA International Jewelry Design Competition 2016;
- iv. WIPO-IPOS Award 2016 – IPOS Award for Trade Mark Portfolio



# GOVERNANCE

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## CORPORATE GOVERNANCE

The Group is committed to ensuring a high standard of corporate governance so as to strengthen corporate transparency, to protect the interests of the shareholders of the Group and to promote investor confidence. We adhere to the principles and guidelines set out in the Code of Corporate Governance 2012 (the “Code”), where appropriate. These principles and guidelines reflect the Board’s commitment in having effective corporate practices to safeguard against, amongst others, fraud and dubious financial transactions, with the aim of protecting shareholders’ interests as well as maximizing long-term success of the Group.

The Group recognizes the importance of, and is committed to ensuring a healthy and safe work environment for our employees. Employees are also expected to maintain the highest standards of integrity and trust in all business relationships and dealings. The Group places great emphasis on accountability, transparency, ethical business conduct and good corporate governance.

In line with our determination to commit to a high standard of corporate governance, we have established policies for conflict of interest, insider trading and fraud and whistleblowing.

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## CONFLICT OF INTEREST POLICY

The Group has adopted a conflict of interest policy to guide our employees in the identification and management of conflicts of interests. Conflicts of interest is defined broadly in the policy to refer to any situation where an employee has a personal interest that is sufficient to influence, or appears to influence, the objective exercise of his official duties. Pursuant to the policy, our employees are required to declare real or perceived conflicts of interests in accordance with documented procedures and to comply with the actions recommended by our management to address such conflicts

All of our key management, including but not limited to our Executive Directors and Executive Officers, are to complete annual conflict of interest disclosures to our Board.

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## FRAUD AND WHISTLEBLOWING POLICY

The Group has a fraud and whistle-blowing policy which sets a strong tone of zero tolerance towards dishonesty and corrupt practices. Whistle-blowing channels are in place for employees and other persons to raise in confidence, whether anonymously or otherwise, concerns on any improprieties in financial reporting, fraud, corruption, bribery, and any non-compliance with laws and regulations without fear of reprisal.

In FY2017, there were no lapses with requirements under the Cartalist Rules leading to reprimands from the SGX-ST, and there were no whistle-blowing reports received.

# ECONOMIC

## ANTI-CORRUPTION AND ANTI-MONEY LAUNDERING POLICIES

<b>INDICATOR</b>	Confirmed incidents of corruption and money laundering and actions taken
<b>PERFORMANCE 2017</b>	Zero confirmed incidents of corruption and money laundering
<b>TARGET 2018</b>	Zero confirmed incidents of corruption and money laundering

The Group is committed to maintain high standards of business conduct to safeguard the interests of its stakeholders. We are dedicated to uphold integrity and honesty in our operations. Any malpractices related to the giving or taking of bribes and money laundering are strictly prohibited within the Group and any persons attempting such malpractices will be penalized should such cases be identified and confirmed.

The Group has implemented the anti-money laundering procedures which are aligned with the Financial Action Task Force (FATF) to prevent money laundering. For instance all sales cash transactions above S\$20,000 are required to submit a cash transaction report (CTR) by filing a completed Form NP 759 with the particulars of the customers to the Suspicious Transaction Reporting Office (STRO).

In addition to the establishment of operational systems which incorporate internal controls designed to minimize the incidence of fraud, limit its impact and ensure prompt detection, our employees are provided an avenue to report incidents of fraud or malpractice to their immediate supervisor or any of our Executive Directors or Executive Officers.

Our Board believes that it is in the interest of our Group to have prompt knowledge of such illegal, dishonest or improper activities. A preliminary investigation will be conducted on any information received to determine whether further investigation or disciplinary action is necessary or the matter should be referred to the local authorities. The whistleblower can be assured that our Group intends to protect our business and reputation.

In the Group, not only we are motivated to provide the best diamonds for our consumers, we aim to be transparent about

the origin and authenticity of the diamonds. As such, we aim to address concerns within the industry as our utmost importance. Concerns such as passing off synthetic diamonds as natural diamonds, mixing goods to disguise country of origin and document falsification are addressed by our Group thoroughly through our combined effort with our audit team to verify quality of the diamonds as well as the documentations of any diamonds supplies.

There were no confirmed incidents of corruption and money laundering during the year. We will continue to assess our operational risk that may relate to corruption and target to receive zero confirmed incidents of corruption and money laundering in the upcoming year.



# ENVIRONMENTAL

## OUR ENVIRONMENT

The Group attaches great importance to environmental protection and endeavors to promote sustainable development. It incorporates relevant environmental strategies in every aspect of its business, and implement initiatives in areas such as energy saving and waste management in administration and daily retail operations to mitigate the impact on the environment.



## ENERGY MANAGEMENT

The bulk of the Group's energy consumption is from purchased grid electricity.

<b>INDICATOR</b>	<ul style="list-style-type: none"> <li>• Head Office - Building Energy Intensity</li> <li>• Outlets – Building Energy Intensity</li> </ul>
<b>PERFORMANCE 2017</b>	<ul style="list-style-type: none"> <li>• Head Office – About 632 mWh</li> <li>• Outlets – About 684 mWh (18mWh per store)</li> </ul>
<b>TARGET 2018</b>	<ul style="list-style-type: none"> <li>• Maintain building energy intensity at equal or below 2017 intensity for head office and outlets</li> </ul>

Our approach to energy management involves monitoring and reducing consumption. We promote employee awareness initiatives to encourage them to turn off the lights and air-conditioning in offices when they are not in use. In addition, we have installed motion sensor lighting in public areas of the head office to conserve electricity.

As air-conditioning accounts for a majority of energy use in our head office, we have collaborated with district cooling systems developer and service provider Keppel DHCS that can save energy consumption of up to 40%<sup>1</sup> when compared to buildings with conventional in-building chilled water production.

The head office is also embarking on the building management system (BMS) that monitors the building's ventilation and regulates the office temperature to ensure internal comfort and to reduce overall energy consumption.

The head office uses doubled glazed glass panels to prevent ultraviolet and infrared radiation from increasing indoor temperature. This reduces heat transmission which in turn, reduces the electricity consumption of air-conditioners.

Source 1 : <http://www.keppcorp.com/en/content.aspx?sid=3680>

# EMPLOYEE DEVELOPMENT AND DIVERSITY

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## OUR PEOPLE

The Group believes that people is one of the most valuable assets to corporations and understand that attracting and retaining talents is essential to enhancing its competitive edge. With the right people and a collaborative culture, a business model will continue to be sustainable in the long term. This is especially true for a retail company like us.



## EMPLOYEE WELFARE

The Group maintains an open and standardized framework for employment, salary review, and promotion. Apart from basic salary, employees are rewarded with performance-based bonuses. Relevant policies are fully communicated to the employees through the Employee Handbook which is provided on the first day of work and available on corporate intranet.

The Group provides competitive benefits to the full-time employees which are in line with market practices. The benefits include Central Provident Fund, annual leave, insurance coverage, medical benefits, maternity and paternity leave in accordance with the recommendations of the Ministry of Manpower of Singapore.

To boost employees' morale and drive, we adopt a strategic reward system to recognize the contributions of top performing employees annually. SK Jewellery Long Service Awards are also awarded to show our appreciation towards long service employees for their contributions, loyalty and to celebrate their career milestones.

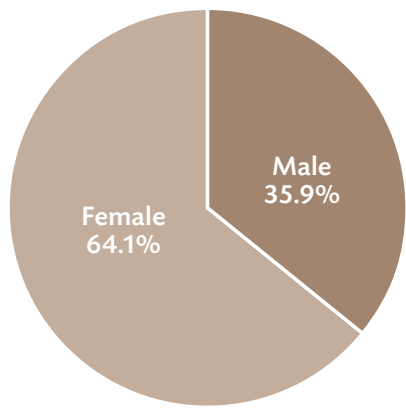


## DIVERSITY AND EQUAL OPPORTUNITY

Being an equal opportunities employer, the Group embraces diversity in its workforce and ensures no employees are being discriminated against due to their ethnicity, age, gender, marital status, religion or belief. We promote fair work practices and remuneration based on individual employee's performance without discrimination. There was no incident of discrimination reported during the year.

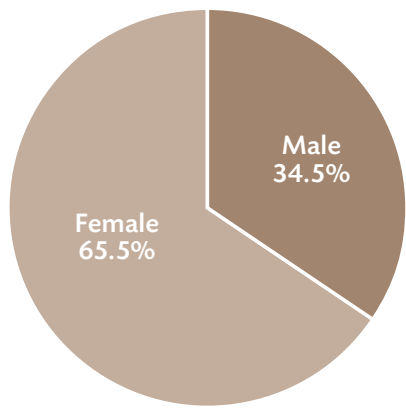
### COMPOSITION OF WORKFORCE

**FY2016  
WORKFORCE BY GENDER**

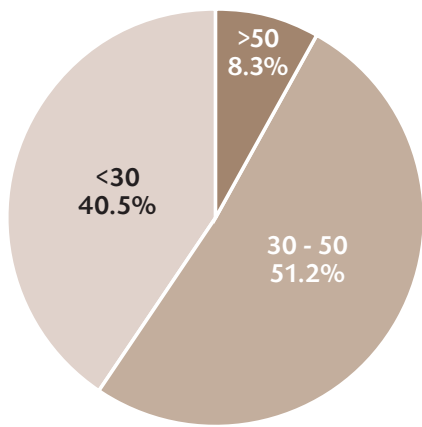


BREAKDOWN BY GENDER

**FY2017  
WORKFORCE BY GENDER**

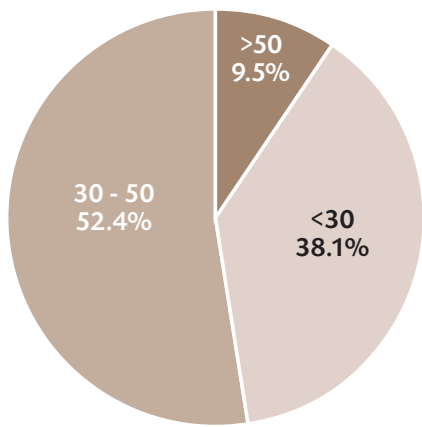


**FY2016  
WORKFORCE BY AGE GROUP**

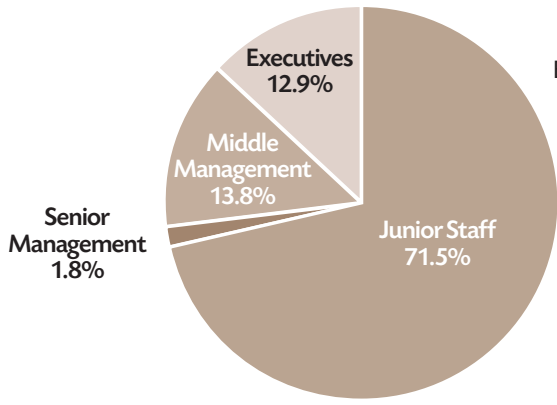


BREAKDOWN BY AGE

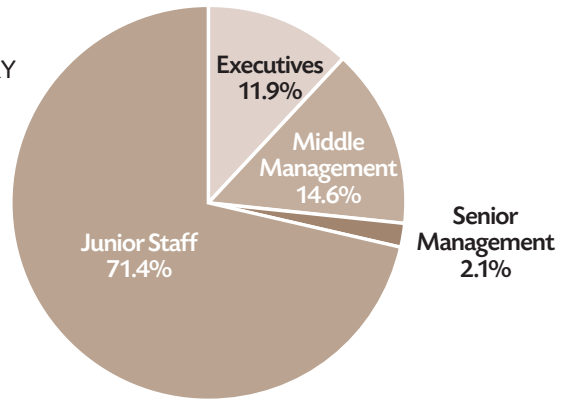
**FY2017  
WORKFORCE BY AGE GROUP**



**FY2016  
WORKFORCE BY  
EMPLOYMENT CATEGORY**



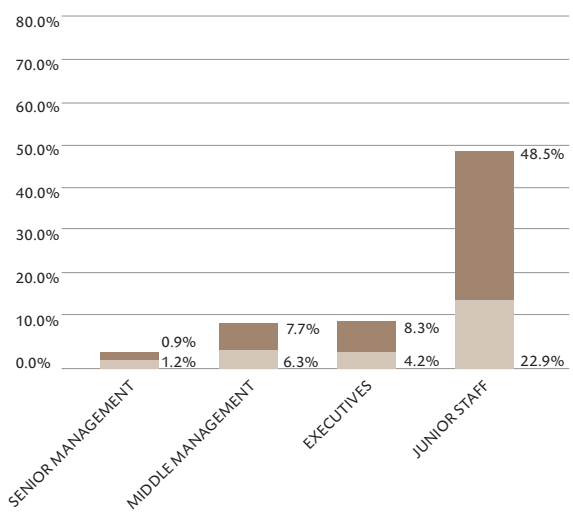
**FY2017  
WORKFORCE BY  
EMPLOYMENT CATEGORY**



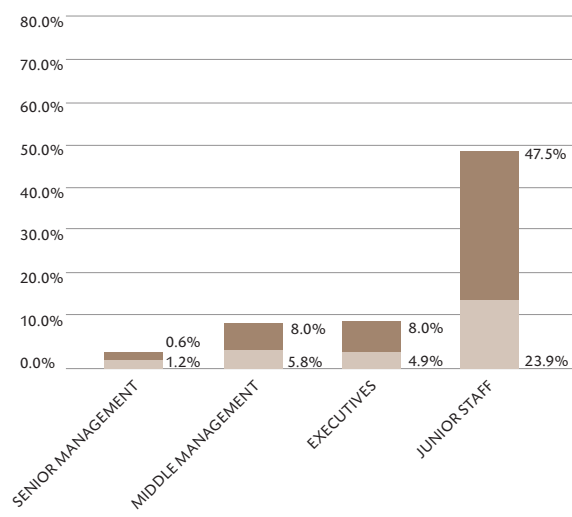
BREAKDOWN BY  
EMPLOYMENT CATEGORY

BREAKDOWN BY GENDER DIVERSITY BY EMPLOYMENT CATEGORY

**FY2017  
GENDER DIVERSITY BY EMPLOYMENT CATEGORY**



**FY2016  
GENDER DIVERSITY BY EMPLOYMENT CATEGORY**



 FEMALE  MALE

For FY2017, the Group does not have any temporary employees.

The Board currently comprises seven Directors, one of whom is female. This is recommended under the Code, which is to provide appropriate gender diversity within the Board for holistic and balanced decision-making.





## TRAINING AND EDUCATION

A dedicated department within the Group co-ordinates internal induction and refresher training courses on numerous topics. These topics include customer service, sales technique, product knowledge, employee supervision and leadership, all of which are designed to support staff at various ranks and functionality to facilitate their daily work and business operations.

The average training hours per employee received in FY2016 and FY2017 were 5.9 hours and 14.4 hours, respectively.

In 2017, all our employees received an annual performance appraisal, during which their learning needs were assessed, and to track their growth within the company. In 2018, we aim to continue to provide all eligible employees with an annual performance appraisal.

<b>INDICATOR</b>	Total training hours
<b>PERFORMANCE 2016</b>	1,920 hours
<b>PERFORMANCE 2017</b>	4,840 hours
<b>TARGET 2018</b>	To increase training hours by 10%

# COMMUNITY

## CUSTOMERS PRIVACY

<b>INDICATOR</b>	Substantiated and/or confirmed violations of Personal Data Protection Act ("PDPA") in Singapore
<b>PERFORMANCE 2017</b>	No substantiated and/or confirmed violations the PDPA.
<b>TARGET 2018</b>	Continue to improve data privacy and data management practices

Personal data privacy is one of the main concerns of our customers. We are committed to protecting the personal information provided by our customers in compliance with the relevant laws and codes.

The Group strictly abides with the PDPA, constantly reviews PDPA Policy and improves the process of managing IT security with the IT department.

Customer data is released strictly on a need-to-know basis, and the same will not be released without prior consent to outside parties or even departments that are not the original data collectors. Advertising or marketing messages are only sent under a customer's prior approval.

In FY2017, there were no substantiated violations of the PDPA.





# GRI CONTENT INDEX

This report has been prepared in accordance with the GRI Content Index ("Core" Option)

<b>GENERAL STANDARD DISCLOSURE</b>		<b>PAGE REFERENCE AND REASONS FOR (OMISSION, IF APPLICABLE)</b>
<b>ORGANISATIONAL PROFILE</b>		
102-1	NAME OF THE ORGANIZATION	PAGE 1
102-2	ACTIVITIES, BRANDS, PRODUCTS, AND SERVICES	PAGE 6
102-3	LOCATION OF HEADQUARTERS	PAGE 8
102-4	LOCATION OF OPERATIONS	PAGE 8, 10
102-5	OWNERSHIP AND LEGAL FORM	PAGE 8
102-6	MARKETS SERVED	PAGE 8
102-7	SCALE OF THE ORGANIZATION	PAGE 8
102-8	INFORMATION ON EMPLOYEES AND OTHER WORKERS	PAGE 23
102-9	SUPPLY CHAIN	PAGE 16
102-10	SIGNIFICANT CHANGES TO THE ORGANIZATION AND ITS SUPPLY CHAIN	NONE
102-11	PRECAUTIONARY PRINCIPLE OR APPROACH	PAGE 12
102-12	EXTERNAL INITIATIVES	PAGE 16
102-13	MEMBERSHIP OF ASSOCIATIONS	PAGE 17
<b>STRATEGY</b>		
102-14	STATEMENT FROM SENIOR DECISION-MAKER	PAGE 4
<b>ETHICS AND INTEGRITY</b>		
102-16	VALUES, PRINCIPLES, STANDARDS, AND NORMS OF BEHAVIOUR	PAGE 9
<b>GOVERNANCE</b>		
102-18	GOVERNANCE STRUCTURE	PAGE 12
<b>STAKEHOLDER ENGAGEMENT</b>		
102-40	LIST OF STAKEHOLDER GROUPS	PAGE 13
102-41	COLLECTIVE BARGAINING AGREEMENTS	NONE
102-42	IDENTIFYING AND SELECTING STAKEHOLDERS	PAGE 13
102-43	APPROACH TO STAKEHOLDER ENGAGEMENT	PAGE 13
102-44	KEY TOPICS AND CONCERNS RAISED	PAGE 14
<b>REPORTING PRACTICE</b>		
102-45	ENTITIES INCLUDED IN THE CONSOLIDATED FINANCIAL STATEMENTS	PAGE 5 (FY2017 ANNUAL REPORT)
102-46	DEFINING REPORT CONTENT AND TOPIC BOUNDARIES	PAGE 6
102-47	LIST OF MATERIAL TOPICS	PAGE 14
102-48	RESTATEMENTS OF INFORMATION	NOT APPLICABLE AS THIS IS OUR FIRST REPORT
102-49	CHANGES IN REPORTING	NOT APPLICABLE AS THIS IS OUR FIRST REPORT
102-50	REPORTING PERIOD	PAGE 6
102-51	DATE OF MOST RECENT REPORT	PAGE 6
102-52	REPORTING CYCLE	PAGE 6
102-53	CONTACT POINT FOR QUESTIONS REGARDING THE REPORT	PAGE 7
102-54	CLAIMS OF REPORTING IN ACCORDANCE WITH THE GRI STANDARDS	PAGE 6
102-55	GRI CONTENT INDEX	PAGE 27 -28
102-56	EXTERNAL ASSURANCE	PAGE 7



# GRI CONTENT INDEX

GENERAL STANDARD DISCLOSURE		PAGE REFERENCE AND REASONS FOR (OMISSION, IF APPLICABLE)
103-1	EXPLANATION OF THE MATERIAL TOPIC AND ITS BOUNDARY	PAGE 14
103-2	THE MANAGEMENT APPROACH AND ITS COMPONENTS	PAGE 12
103-3	EVALUATION OF THE MANAGEMENT APPROACH	PAGE 12
<b>MATERIAL TOPICS</b>		
<b>TOPIC: ANTI-CORRUPTION</b>		
205-1	OPERATIONS ASSESSED FOR RISKS RELATED TO CORRUPTION	PAGE 20
205-2	COMMUNICATION AND TRAINING ABOUT ANTI-CORRUPTION POLICIES AND PROCEDURES	PAGE 20
205-3	CONFIRMED INCIDENTS OF CORRUPTION AND ACTIONS TAKEN	PAGE 20
<b>TOPIC: ENERGY</b>		
302-1	ENERGY CONSUMPTION WITHIN THE ORGANIZATION	PAGE 21
302-2	ENERGY CONSUMPTION OUTSIDE OF THE ORGANIZATION	PAGE 21
302-3	ENERGY INTENSITY	NOT APPLICABLE
302-4	REDUCTION OF ENERGY CONSUMPTION	NOT APPLICABLE AS THIS IS OUR FIRST REPORT
302-5	REDUCTIONS IN ENERGY REQUIREMENTS OF PRODUCTS AND SERVICES	NOT APPLICABLE
<b>TOPIC: TRAINING AND EDUCATION</b>		
404-1	AVERAGE HOURS OF TRAINING PER YEAR PER EMPLOYEE	PAGE 25
404-2	PROGRAMS FOR UPGRADING EMPLOYEE SKILLS AND TRANSITION ASSISTANCE PROGRAMS	PAGE 25
404-3	PERCENTAGE OF EMPLOYEES RECEIVING REGULAR PERFORMANCE AND CAREER DEVELOPMENT REVIEWS	PAGE 25
<b>TOPIC: DIVERSITY AND EQUAL OPPORTUNITY</b>		
405-1	DIVERSITY OF GOVERNANCE BODIES AND EMPLOYEES	PAGE 23
<b>TOPIC: CUSTOMER PRIVACY</b>		
418-1	SUBSTANTIATED COMPLAINTS CONCERNING BREACHES OF CUSTOMER PRIVACY AND LOSSES OF CUSTOMER DATA	PAGE 26

Note: The Group takes a phased approach to the adoption of GRI indicators at "Core" Option and will review the relevance of indicators marked as Not Applicable to its operations annually.