

# Sustainability Report

2021

Alpha DX Group Ltd.

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# About This Report

We are pleased to present the Sustainability Report for Alpha DX Group Limited ("**Alpha DX**" or the "**Company**", and together with its subsidiary corporations, the "**Group**"), covering the Financial Year ended 31 December 2021 ("**FY2021**").

Our Sustainability Report has been prepared in accordance with Global Reporting Initiative (GRI) Standards: Core option, with reference to the Singapore Exchange Limited ("**SGX Regco**") Sustainability Reporting Listing Manuals (Listing Rules 711A and 711B). The widespread adoption of the globally recognised GRI Standards across different industry sectors, including our own, make it a suitable standard by which we can establish, assess and report on our sustainability performance, year on year.

In determining the scope of this report, we have applied the GRI reporting principles of stakeholder inclusiveness, sustainability context, materiality, and completeness.

SUSTAINABILITY CONTEXT	STAKEHOLDER INCLUSIVENESS	MATERIALITY	COMPLETENESS
Presenting our ESG performance and impact within the wider context of sustainability	Identifying key stakeholders and responding to their expectations and interests	Focusing on ESG factors that influence our stakeholders' decisions and are relevant to our business operations	Providing precise and complete information for stakeholders to assess our performance

For this year's sustainability report, we have limited our reporting scope to Alpha DX and our largest subsidiary, Zionext Pte. Ltd and its subsidiaries ("**ZioNext**"), since all other subsidiaries were dormant entities in FY2021. We will continue to disclose information on all non-dormant subsidiaries in future iterations of our sustainability report.

We have relied on internal data monitoring and verification to ensure accuracy and have not obtained external assurance for this Report. We will review the option of seeking external independent assurance for future reports as we move forward in our sustainability journey.

We welcome all feedback and comments on our sustainability report and related initiatives at [enquiries@alpha-dx.com.sg](mailto:enquiries@alpha-dx.com.sg).



# “Board Statement

Dear Stakeholders,

The Board of Directors (the “**Board**”) is pleased to present Alpha DX’s inaugural Sustainability Report for FY2021. This report provides an overview of the Group’s sustainability efforts over the financial year as scoped in for this report, demonstrating our commitment to working alongside our valued stakeholders as we embark on our sustainability journey within an entirely new industry.

To begin, we would like to express our sincere gratitude towards all our stakeholders for their continued support towards Alpha DX, for the progress we have made over the past year which would not have been possible without their invaluable input. In FY2021, Alpha DX has successfully transitioned into the business of providing digital transformation services in the learning and education sector, and our newly added business units contributed a gross profit margin of 28.8% in FY2021, with the Group’s turnover registering S\$9.71 million and total equity recording S\$15.11 million.

As a Cross Culture Social Enterprise, Alpha DX is deeply committed to delivering long-term economic value for our shareholders and contributing to the social and environmental well-being of local communities. This lays the foundation for our mission to revolutionise the way we learn and our vision to democratise learning for all. In support of the United Nations Sustainable Development Goals, we will continue to co-create inclusive and effective learning environments for all, by making use of the latest innovations in EdTech.

To these ends, the Board deems incorporating sustainability into our business strategy and operations to be of utmost importance, and we have played an active role in overseeing the identification, management and monitoring of material Environmental, Social, and Governance (“**ESG**”) factors across the Group’s core businesses.

Together, we can revolutionise the education industry and create long-term value for Alpha DX, our stakeholders, and a global community of learners and educators.

Sincerely,  
The Board of Alpha DX

# Organisational Profile

Listed on SGX Catalist since November 2011 and formerly known as Alpha Energy Holdings Ltd, Alpha DX has transitioned from being an investment holding company with a specific focus in the oil and gas sector, to being a learning and education solutions provider in FY2021. To facilitate this transformation, we have completed the acquisition of ZioNext in January 2021 and the disposal of JK North Slope LLC and its subsidiaries in May 2021.

ZioNext is a learning solutions company providing end-to-end enterprise learning solutions for governments, corporations, and educational institutes in Singapore, with four key service offerings, namely:

## dMEDIA

- Digital learning consultancy
- Content transformation
- Pedagogical based training

## dPLATFORMS

- Learning management systems
- Training management systems
- Virtual learning environment

## dSYSTEMS

- Learning systems integration
- Custom application development
- Third-party learning solutions implementation

## dMANAGED

- Learning design & technologies specialist outsourcing
- Service desk support

In September 2021, Alpha DX has also acquired Invictus Academy Inc ("**Invictus**", formerly known as "DiDi Academy Inc"). As an educational institute, Invictus offers various EduTrust certified academic and training programs and contents in Japan.

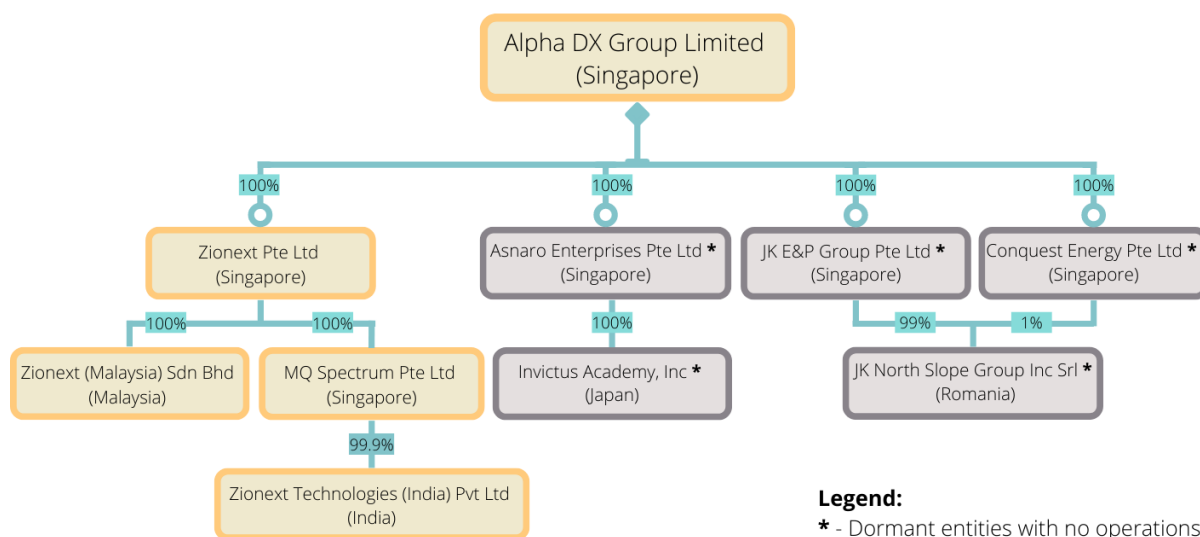
To effectively scale up our businesses within the EdTech sector, Alpha DX has adapted the "GLocally Optimised Network Strategy", whereby each of the Group's subsidiaries focuses on developing their local markets with globally networked resources, with product/service offerings shared among all subsidiaries.

In addition, the Group plans to engage in several international collaborations and partnerships with educational institutions and technology companies in the years to come.



## (cont.)

As of December 2021, our updated Group structure is as follows:



While Alpha DX, as an investment holding firm, it is not an official member of any association, while its subsidiary firm, ZioNext, has been accredited with bizSAFE 3, ISO9001:2015 Quality Management System, and is Great Place to Work Certified™. The Group will sustain our efforts to uphold the quality and standard of the training programs and digital learning solutions we offer, while maintaining an inclusive workplace that fosters curiosity, collaboration, and innovation.

The Group is currently still in the process of developing our corporate social responsibility policy and are beginning to look out for opportunities to collaborate with local non-governmental actors and play a more active role in giving back to the community.

# Sustainability Governance



The Group is committed to maintaining high standards of sound corporate governance and transparent business conduct, and we strive to create long-term positive value for our stakeholders and society at large. Thus, sustainability is key to the way we conduct our business.

With support from the management team, the Board plays a central role in aligning the Group's sustainability direction and strategies with our strategic and business objectives. To ensure that Board members are competent in economic, environmental, and social topics, all Directors have attended Listed Entity Directors courses held by the Singapore Institute of Directors, and will be attending SGX Regco-mandated sustainability training courses in the upcoming financial year ("FY2022").

In view of the risks and opportunities we face today and foresee in the future, the Group applies the Precautionary Principle in its strategic decision-making and day-to-day operations. Under our comprehensive risk management framework, we have implemented an annual enterprise risk assessment cycle, engaging internal auditors to identify, assess, and monitor all risks arising from the Group's business operations. The Board's Audit Committee holds the ultimate responsibility for ensuring the adequacy of the Group's sustainability plan, vision, strategy, and performance.

BOARD OF DIRECTORS IN FY2021			
Name	Mr Yoshiyasu Naruse	Mr Daiji Yamada	Ms Michiko Koyano
Position	<i>Chairman &amp; Non-Independent Non-Executive Director</i>	<i>Executive Director &amp; Chief Executive Officer</i>	<i>Independent Non-Executive Director</i>
Tenure Length	1 year	1 year 6 months	9 months
Other significant positions and commitments	- Director at DiDi Investments Inc and at C2C Global Education Japan	- Director at ERC Institute Pte Ltd - President of NPO Asnaro Japan - Executive Management Advisor of C2C Global Education Japan	Not applicable

On August 8, 2022, Alpha DX appointed two new Independent Non-Executive Directors to the Board, with oversight from SGX. With Mr Chan's varied experiences serving on the Board of Directors of several listed companies and Mr Poon's competencies in leading organisations' digital transformation, we are confident that these new additions to our Board will help Alpha DX progress in our sustainability journey.

<b>NEW ADDITIONS TO THE BOARD OF DIRECTORS IN FY2022</b>		
Name	Mr Poon Joe Keen	Mr Chan Kam Loon
Position	<i>Independent Director</i> <i>Non-Executive</i>	<i>Independent Director</i> <i>Non-Executive</i>
Other significant positions and commitments	<ul style="list-style-type: none"> <li>- Member of Governing Council, Chairman of Professional Development Committee, Singapore Institute of Directors</li> <li>- Member, Executive Committee, Association of AI Professionals</li> <li>- Member, Talent &amp; Manpower Committee, SG Tech</li> <li>- Founding Member &amp; Vice-Chairman of Smart Nation Chapter, SG Tech</li> </ul>	<ul style="list-style-type: none"> <li>- Director at Uni-Asia Group Limited, Jiutian Chemical Group, and Megachem Limited.</li> </ul>





More information on our nomination and selection process, board diversity policies, corporate governance practices, and risk management processes can be found in the Corporate Governance Report section of our Annual Report.



# Stakeholder Engagement

The Group considers having a healthy and communicative relationship with our key stakeholders to be critical to achieving our business and sustainability objectives. We understand sustainable growth to be dependent on understanding the concerns of our stakeholders, namely our employees, vendors, clients, shareholders, and regulators.

We employ a variety of different engagement platforms to communicate with our stakeholders on a timely basis to understand their concerns and expectations, as summarised in the table below. All feedback raised during our stakeholder engagement process are then compiled by Alpha DX's management team for yearly review by the Board.

OUR STAKEHOLDERS	ENGAGEMENT CHANNELS	THEIR CONCERNS
 Employees	<ul style="list-style-type: none"> <li>• Induction &amp; orientation</li> <li>• Annual performance appraisal</li> <li>• On-the-job employee training</li> <li>• Employee handbook</li> <li>• Townhalls, meetings, emails</li> </ul>	<ul style="list-style-type: none"> <li>• Remuneration &amp; benefits</li> <li>• Career progression &amp; equal opportunities</li> </ul>
 Customers	<ul style="list-style-type: none"> <li>• Enquiry &amp; feedback channels</li> </ul>	<ul style="list-style-type: none"> <li>• Quality of products/services</li> <li>• Data protection &amp; privacy</li> </ul>
 Shareholders & Investors	<ul style="list-style-type: none"> <li>• Annual general meeting</li> <li>• Ongoing investor relations management</li> </ul>	<ul style="list-style-type: none"> <li>• Transparency &amp; good corporate governance</li> <li>• Profitability &amp; sustainable returns</li> </ul>
 Government & Regulators	<ul style="list-style-type: none"> <li>• Annual Reports</li> <li>• Periodic SGX announcements</li> </ul>	<ul style="list-style-type: none"> <li>• Compliance with regulatory standards</li> <li>• Timely reporting &amp; resolution of issues</li> </ul>

Moving forward, we will continue to evaluate our key stakeholder groups, and engage in consultation with our stakeholders on a regular basis, to ensure their direct concerns and feedback are considered in developing the Group's business strategy and operations.

# Materiality Assessment

Following the extensive corporate restructuring Alpha DX underwent in FY2021 as it transitioned away from the oil and gas industry, there has been a significant change in the Group’s operations. To evaluate the appropriateness of the content of our sustainability review, the Group has opted to reperform our materiality assessment. In high-level discussions involving the Board and management executives, the materiality of the key concerns raised by all stakeholders were taken into account.

Considering the Group’s current risk environment, Alpha DX has prioritised and identified a total of six material topics that are newly relevant to the Group’s sustainability efforts. As summarised in the following table, we have disclosed our sustainability approach and performance in FY2021 for each of these topics.

MATERIAL TOPICS	MANAGEMENT APPROACH	FY2021 ACHIEVEMENTS
<b>Anti-Corruption (GRI 205)</b>	Incorporate best practices in anti-corruption within our organisation and maintain our record of having zero reported cases in unethical behaviour	No confirmed incidents of corruption
<b>Customer Privacy (GRI 418)</b>	Safeguard the data privacy and security of students and educators using our digital learning solutions	No reported cases of data privacy and security breaches
<b>Employment (GRI 401)</b>	Build a diverse, inclusive and supportive workplace while attracting, retaining and investing in our people, equipping them with skills for the future workforce	Substantial increase in employee headcount, with increased diversity representation
<b>Training and Education (GRI 404)</b>		
<b>Diversity and Equal Opportunity (GRI 405)</b>		
<b>Energy (GRI 302)</b>	Reduce our environmental footprint by proactively adopting environmentally friendly and energy-efficient practices within our workplaces	Not applicable, due to lack of comparative figures as a first-year discloser

# Ethics and Integrity

Good governance is key to building trust among stakeholders.

## Our Commitment to Anti-Corruption

The Group has a zero-tolerance policy towards unethical behaviour like bribery and corruption. Our firm commitment to integrity, transparency, and good governance is reflected in the strict anti-corruption policies and practices we have enacted across all business units, after discussions with our legal advisor and sponsors.

To ensure that our staff conduct themselves in a professional manner when dealing with clients and vendors, all new staff are briefed on our Code of Conduct and Ethical Standards, put in place by the Board, during their orientation on the first day of employment. The Code of Conduct states explicitly that staff are to declare any conflict of interest, whether potential or real, on an immediate basis.

Since all our anti-corruption policies and procedures apply to Board Directors as well, any directors facing a conflict of interest are to recuse themselves from discussions and decisions involving the issues of conflict, as and when they arise.

To ensure proper accountability within our organisation, the Group has put in place a whistleblowing policy and channels for reaching out while respecting confidentiality. If any of our stakeholders (investors and shareholders, employees, business partners, and other persons) have concerns pertaining to possible improprieties in financial reporting, fraudulent acts, and other irregularities, they have an avenue to highlight such incidents, in complete confidence. With our Audit Committee Chairman as the receiving officer, our whistleblowing policy ensures the independence of all investigations and the timely implementation of appropriate preventive and corrective actions. Please refer to Alpha DX's company website ('Contact Us' page) for further details on our whistle-blowing policy.

In FY2021, there were no instances of confirmed incidents of corruption or any whistleblowing incidents across all business units. The Group seeks to maintain our zero reported incidents of corruption record, and we will regularly assess our business operations for corruption-related risks and enhance our anti-corruption policies to manage and mitigate such risks.

## Protecting Customer Data Privacy

As an EdTech provider, ensuring the trust and data privacy of students and educators using digital learning solutions is a vital business concern. Across our operations, we are committed to protecting the personal data of our clients and employees and taking reasonable preventative action against security threats.

The Group seeks to uphold the highest standards of customer data privacy protection and cyber security measures in adherence to the requirements of the Personal Data Protection Act, which governs the collection, use, disclosure, and care of personal data in Singapore. We routinely review our data protection policies and practices to ensure that all personal data is being collected, handled, and protected in a responsible and secure manner.

With ZioNext's adoption of cloud technology as their main data storage solution, the Group is highly committed to guarding against any accidental deletion, override, or data theft by hackers. Our employees' data access rights are granted on a need-to basis. We periodically back up our data, and we have installed firewalls and anti-virus software on all office devices. In the event of a data loss, we have established a disaster recovery plan with response procedures for employees to abide by, and we have conducted employee trainings to educate them on cybersecurity measures.

In FY2021, the Group did not receive any complaints of personal data violation or any notice of customer privacy breaches. We will strive to maintain our good track record of having zero reported cases in the upcoming financial year, and we will actively update current policies and practices relating to the collection, usage, and retention of personal data to ensure that they are in line with best practices within our industry.



# Our Workforce

Our people is at the heart of what we do.

The Group is committed to undertaking fair employment practices and building an inclusive and supportive workplace culture.

## Employment

Across the Group, we have a total of 140 full-time employees, up from having 4 employees in FY2020 (excluding oil and gas sector). This increase is a direct result of Alpha DX having acquired full ownership rights over ZioNext in FY2021, and this subsidiary, with 135 employees, having been included within the scope of this report.

All full-time employees are afforded with the following benefits: health care, disability and invalidity coverage, and parental leave. In addition, employees of Alpha DX are provided with life insurance and outpatient/ dental benefits.

In FY2021, a total of 3 employees (2 males, 1 female) took parental leave. All of them returned to work and were still employed 12 months later, marking a 100% return to work rate and a 100% retention rate.

Given the important functions IT professionals perform across all sectors, especially amidst widespread efforts to drive digital transformation at the organisation-level, we recognise that there is a growing shortage of skilled IT professionals specialising in EdTech. In response, the Group is committed to continuously reviewing our recruitment and retention policies and ensuring the adequacy of our employee benefits programme.



## Training & Education

We strive to ensure that all our employees are fairly remunerated in adherence to local manpower legislation. In line with our non-discriminatory employment practices, employees are awarded with promotions and/ or other incentives based on their annual performance, as well as their potential and willingness to take on greater responsibilities.

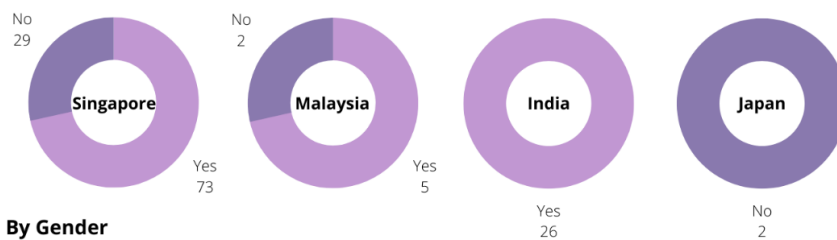
As part of our Human Resource Management policies, holistic performance evaluations are conducted for our full-time employees on an annual basis. Having a better awareness of our employees' competencies and gaps helps us understand how we can support them in their growth and improve our overall organisational performance.

We recognise the importance of providing our employees with learning and development opportunities and ensuring they remain future-ready. Our employees can apply for training and exam leave, and they are also eligible for professional development incentives. In the past year, some of our employees have become certified Scrum Masters, Project Management Professionals (NICF - PMP®) and AWS Certified Solutions Architects (Associate level).

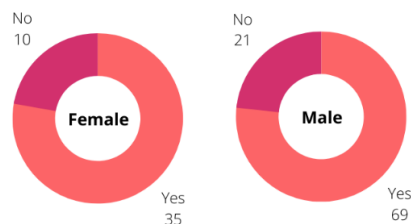
In FY2021, 77.0% of all full-time employees received a performance review. Employees that did not undergo a performance review in FY2021 were new joiners who have since met with their supervisors.

### Have our employees undergone their annual performance review in FY2021?

#### By Geographic Region



#### By Gender



Over the reporting 12-month period, a total of 403 training hours were conducted, which translates to an average of 2.88 hours of training conducted per employee.

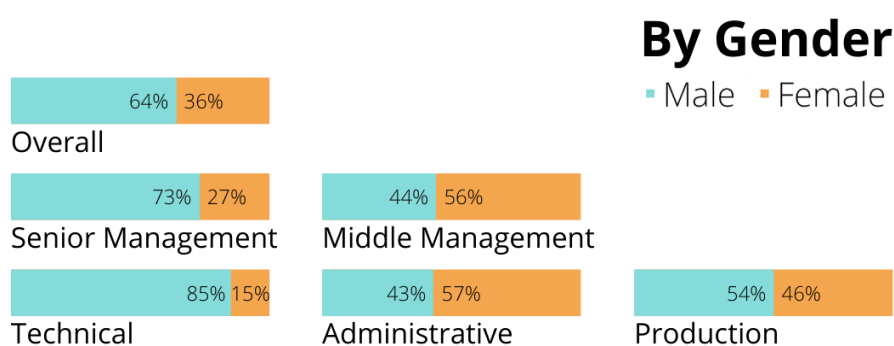


We constantly strive to invest more time and resources in our employees' personal and professional growth across all business operations, while also balancing access to career development opportunities in the workplace for all our employees. As we continue to enhance our employment policies, we also plan to develop a transparent and attractive career progression framework for our employees, to further boost employee retention rates.

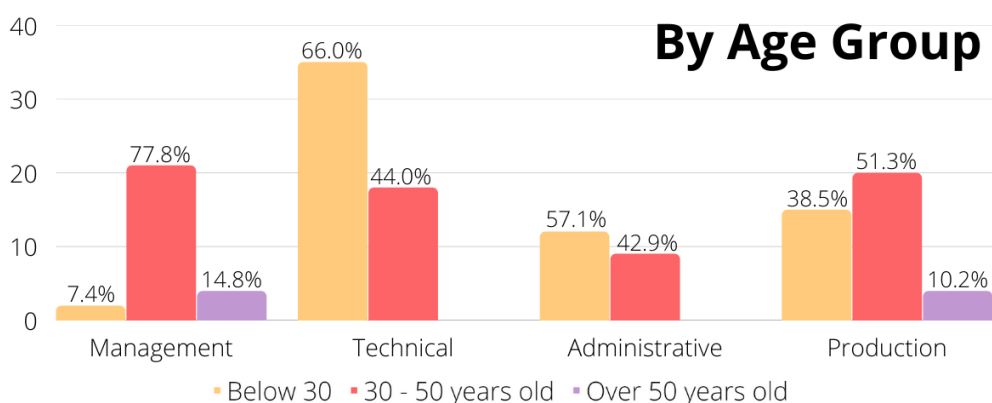
## Diversity and Equal Opportunity

The Group has put in place several human resource (HR) policies across all business units to encourage an inclusive working environment that supports diversity in all aspects. These policies, pertaining to our efforts to attract, develop, motivate, and retain talent, help ensure that every employee is valued and respected, regardless of their race, gender, national origin, religion, marital status, or any other distinction or preferences. Our diverse workforce is based in 4 different countries across Asia, namely Singapore, Malaysia, Japan and India. We hire based on merit and do not tolerate any form of discrimination within the workplace.

We are constantly trying to shift the needle when it comes to gender diversity, and we recognise the need to promote equal opportunity workplaces, especially within the male-dominated technology industry.



We strongly believe that it is never too early to think about leadership succession, and we believe that everyone – old and young – brings something valuable to the team.



We understand the importance of fostering a nurturing, diverse, and inclusive workplace environment that facilitates an open exchange of ideas, for our employees to flourish at work. It is very much a part of our corporate culture to value the unique perspectives that having a diverse workforce brings.

# Energy and Our Environment

We care for the environment and for future generations.

As a service provider, our environmental footprint is largely derived from our office operations. The Group seeks to proactively adopt energy-efficient and environmentally friendly practices within our workplaces. To hold ourselves accountable for our utilisation of resources, we have also begun to monitor our monthly electricity consumption.

FY2021 marks the first year we are reporting information on our Group's energy-related impacts. Limiting our reporting scope to the Group's Singapore-based operations, i.e., Alpha DX and ZioNext's local offices, our total electricity consumption was approximately 35,080 kWh. This includes Alpha DX's actual electricity usage throughout FY2021 (annual total: 1,858 kWh) and ZioNext's estimated electricity usage, approximated from its average monthly electricity usage during the second half of FY2021 (monthly mean: 2,769 kWh). Considering only the full-time employees that are based in Singapore, the Group's overall energy intensity ratio was 340 kWh per employee. As we advance our energy monitoring programme over the coming year, we plan to also include energy disclosures of other operational units in our next sustainability report.

Across the Group, we strongly encourage all our employees to engage in energy-saving habits, whether by enabling energy-saving mode on all their office devices or making sure to switch off lights and all other electronic appliances when leaving the office. We are also planning to implement more energy conservation initiatives, like setting our offices' air-conditioning temperature at 25 degrees Celsius, as is recommended by Singapore's National Environmental Agency.

The above disclosure(s) serve as baseline figures which we could use to evaluate our sustainability performance the next financial year, and we strive to maintain our energy intensity in FY2022 as we continue to expand our operations. In the coming years, we will continue to encourage the judicious use of energy in our offices to bring about greater cost-savings and reductions in our carbon footprint.



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