



Sustainability Report 2020



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This report has been prepared by shopper360 Limited (the “Company”) and its contents have been reviewed by the Company’s sponsor, ZICO Capital Pte. Ltd. (the “Sponsor”), in accordance with Rule 226(2)(b) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist.

This report has not been examined or approved by the SGX-ST and the SGX-ST assumes 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 Ms Alice Ng, Director of Continuing Sponsorship, ZICO Capital Pte. Ltd. at 8 Robinson Road, #09-00 ASO Building, Singapore 048544, telephone: (65) 6636 4201.

1. BOARD STATEMENT ON SUSTAINABILITY



shopper360 Limited (the “Company”, and together with its subsidiaries, “shopper360” or the “Group”) is a well-established provider of shopper marketing services in the retail and consumer goods industries in Malaysia and have more than 30 years of experience in the in-store advertising industry. The Group has always been committed to sustainability and fully supports the adoption of the SGX sustainability reporting guidelines. We firmly believe that building a sustainable business is vital to our continued success.

The global pandemic has affected many businesses, including us. For our Group, sustainability is about the ability to position ourselves and emerge stronger after this crisis. Through understanding the needs and

expectations of our stakeholders, we are better prepared in strengthening our sustainability position in a post-COVID-19 economy.

We are pleased to present our Sustainability Report for the financial year ended 31 May 2020 (“FY2020”). This report, produced in accordance with the Global Reporting Initiatives (“GRI”) Standard (Core Option), includes the primary components as set out in Practice Note 7F of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalyst (“Catalist Rules”) for sustainability reporting. The Group will continue to make improvements to its sustainability efforts and work with its stakeholders towards promoting sustainability in its businesses.

The GRI content index and relevant references are disclosed on pages 18 to 19 of this report. The data and information provided have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy of data and information.

The board of directors of the Group (the “Board” or “Directors”) oversees the management and monitoring of these factors, and takes them into consideration in the determination of the Group’s strategic direction and policies.

We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to consistently improve our policies, systems and results. Please send your comments and suggestions to ir@shopper360.com.my.

2. CORPORATE PROFILE

The Group is a well-established shopper marketing services provider in the retail and consumer goods industries of Malaysia, with over 30 years of experience in in-store advertising. The Group offers a comprehensive range of marketing and advertising services that integrate along the entire shopper journey, from the use of online media to influence a consumer's planning and brand consideration, to in-store media and shopper engagement through sampling and events. All these touchpoints will help drive brand awareness, trial and conversion to loyalty, retention and repeat purchase amongst shoppers.

shopper360's major suppliers are retailers of mass consumer products, in the form of hypermarkets, supermarkets, pharmacies and/or convenience chain and petrol marts, stores in Malaysia, Myanmar and Singapore. The Group has a strong network of retail partners that provide access to in-store advertising across all the main towns in Malaysia, Myanmar and Singapore.

The Group's current client base are mostly multi-national customers.



2. CORPORATE PROFILE

Group's Vision

To be the shopper marketing expert in Asia.

Group's Mission

- *To be the leader in the field of shopper marketing. Providing 360 solutions such as integrated digital and offline marketing – omnichannel, in-store advertising, e-commerce, data and insight, merchandising, field force activation (sampling), on-ground activation and retail technology products and services.*
- *To attract the best talent that fits our culture of forward thinking, forward doing, collaboration whilst cultivating an environment that promotes integrity, and develops expertise.*
- *To collaborate and be strategic with our business partners, retailers and customers (brand owners) in providing solutions to grow their businesses via sales and marketing efforts on the shopper marketing front.*
- *To create memorable shopper experiences in the digital and physical retail world.*
- *In summary, shopper360 aims to promote and advance our brand promise of helping companies (whether retailer or brand) to 'sell smarter'.*

3. APPROACH TO SUSTAINABILITY

ENGAGING OUR STAKEHOLDERS

The Board remains committed to building on the efforts in sustainability and progress made by the Group in the previous year. The Group believes that responding to rapidly changing stakeholder interests is crucial in sustaining its business growth and strongly recognises the importance of a meaningful engagement with its stakeholders to understand their key concerns and interests.



The Group recognises the importance of effective communication to ensure that our stakeholders understand our business, governance, financial performance and prospects. An important point in sustainability reporting is to identify our stakeholders and the material aspects relevant to our business.






We define our stakeholders as those impacted by our business activities, who have direct and indirect involvement and whose interest may have positive or negative consequences due to our business activities. 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 suppliers, employees, investor and shareholders, customers, and government and regulators. 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.

Through the above steps, we were able to gain an understanding of the sustainability issues that matter most to our key stakeholders. We then earmarked the material factors and assessed their materiality in the context of our business operations, with reference to the respective GRI standards.

The Group is committed in engaging all of our stakeholders as part of our continued sustainability endeavors. We view stakeholder engagement as a continual process and not a one-off event. The identification and management of material issues are carried out annually to ensure their relevance to our stakeholders.

3. APPROACH TO SUSTAINABILITY

The following table represents the stakeholder engagement methods which the Group adopts in our sustainability practices to meet the economic, environmental, social and governance (“EESG”) requirements.

Stakeholders	Engagement Platform	Frequency of Engagement	Key Concerns
Suppliers 	<ul style="list-style-type: none"> • Face-to-face meetings • Vendor Assessment 	<ul style="list-style-type: none"> • When needed • Annually 	<ul style="list-style-type: none"> • Product and service quality
Employees 	<ul style="list-style-type: none"> • Staff Appraisal • Training and development 	<ul style="list-style-type: none"> • Annually • Occasionally 	<ul style="list-style-type: none"> • Employment benefits • Employee capabilities and career development • Sense of belonging and recognition
Investors and Shareholders 	<ul style="list-style-type: none"> • Annual General Meeting/ Extraordinary General Meeting • Annual Report • Announcement 	<ul style="list-style-type: none"> • Annually or when needed • Annually • Half yearly (results announcements) or when needed (other announcements) 	<ul style="list-style-type: none"> • Company Growth • Transparency • Profitability
Customers 	<ul style="list-style-type: none"> • Face-to-face meetings • Regular customers’ feedbacks • Social Media • Exhibition 	<ul style="list-style-type: none"> • When needed • Daily • Daily • Occasionally 	<ul style="list-style-type: none"> • Quality of Service • Contracts Fulfilment
Government and Regulators 	<ul style="list-style-type: none"> • Annual Report • Announcement 	<ul style="list-style-type: none"> • Annually • Half yearly (results announcements) or when needed (other announcements) 	<ul style="list-style-type: none"> • Compliance with regulatory and industry standards and guidelines

3. APPROACH TO SUSTAINABILITY

MATERIALITY ASSESSMENT

We have identified these material topics for reporting based on the significance of our EESG factors and the degree of influence where we see the most potential for creating maximum value for our shareholders and stakeholders. The materiality assessment was guided by inputs from our management and key representatives from business units as well as some external stakeholders.

Material topics are reviewed annually for their continued relevance according to current global and local trends.

In FY2020, we have assessed the EESG issues previously identified in FY2019 through continuous stakeholder engagement and conclude that they continue to be relevant to our business and stakeholders. In addition, through our assessment and prioritisation of material topics, we have identified 1 new material topic, namely Diversity and Equal Opportunity.

3. APPROACH TO SUSTAINABILITY

Applying the guidance from GRI, we have reviewed and identified the following as our material aspects:



GOVERNANCE

Corporate Governance

Risk Management

MATERIAL TOPICS



ECONOMIC

Economic Performance

Anti-Corruption



ENVIRONMENTAL

Environmental Compliance



SOCIAL

Diversity and Equal Opportunity

Non-Discrimination

Training and Education

Socioeconomic Compliance

Customer Privacy

4. ECONOMIC

ECONOMIC PERFORMANCE

We are committed to achieving economic sustainability growth for our shareholders. We conduct our business in compliance with applicable laws and regulations and in accordance with high ethical business practices and good corporate governance.

As part of shopper360's journey to incorporate sustainable business practices in the long term, the Group is committed to a holistic approach to business management. shopper360 believes that focusing on financial sustainability is critical. The Group's basic principle is that long-term profitability and shareholder value is ensured by taking into account the interests of stakeholders, such as shareholders, employees, suppliers and society as a whole.

For detailed financial results, please refer to the following sections in our Annual Report 2020:

- Group Financial Highlights, pages 10 to 13
- Financial Statements, pages 72 to 128

4. ECONOMIC



ANTI-CORRUPTION

The Group is committed to the values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs.

shopper360 has zero-tolerance for corruption. We take a strong stand against corrupt practices and strategies, and this value has been communicated to all of our employees, major suppliers and business partners. There were no fines or non-monetary sanctions for non-compliance with laws and regulations in FY2020.

The Group has established a whistle-blowing policy with the aim of providing a structured mechanism for employees and other stakeholders to report any concerns on any suspected or wrongful activities or wrongdoings. These refer to any potential violations or concerns relating to any laws, rules, regulations, acts, ethics, integrity and business conduct, including any violation or concerns relating to malpractice, illegal, immoral, embezzlement and fraudulent activities, which will affect the business and image of the Group. Please refer to page 51 of our Annual Report 2020 for further details on the Group's whistle-blowing policy.

In FY2020, there were no reported incidents of corruption.

Anti-Corruption	FY2020	FY2019
Incidents of Corruption (GRI 205-3)	NIL	NIL

The Group will continue to target zero incidents of corruption in the Group in the current financial year ending 31 May 2021 ("FY2021"). In fact, we will always ensure that there will be no incidents of corruption in the Group.

5. ENVIRONMENTAL

ENVIRONMENTAL COMPLIANCE

The Group remains steadfast in our commitment to sustainable development and seeks to operate in a way that minimises environmental harm. shopper360's direct environmental impact is limited, but we always strive to avoid unnecessary impact and to further reduce the impact on the environment.

In FY2020, there was no incidence of non-compliance with laws and regulations and we endeavor to maintain this track record.

Environmental Compliance	FY2020	FY2019
Incidents of non-compliance with environmental laws and regulations (GRI 307-1)	NIL	NIL

Our Group will continue to target to maintain this track record of zero incidents of non-compliance with environmental laws and regulations in FY2021.

6. SOCIAL

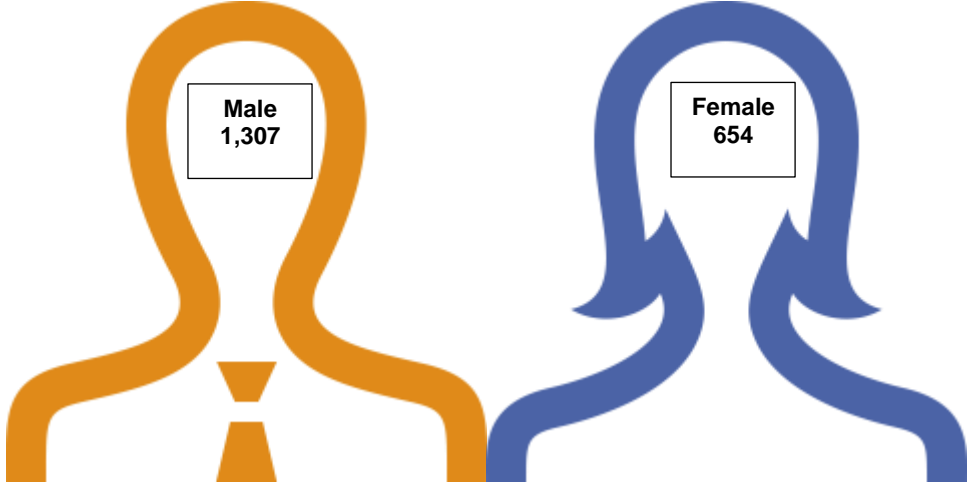
DIVERSITY AND EQUAL OPPORTUNITY

We strive to offer equal opportunities for recruitment, career progression and training within the Group. We recognise our employees are the drivers of our business and we believe in creating a respectful, rewarding and safe working environment for our people. Our work environment is aimed at providing a fair performance-based work culture that is diverse, inclusive and collaborative. We also encourage our employees to reach their fullest potential and provide them with a fulfilling and meaningful career.

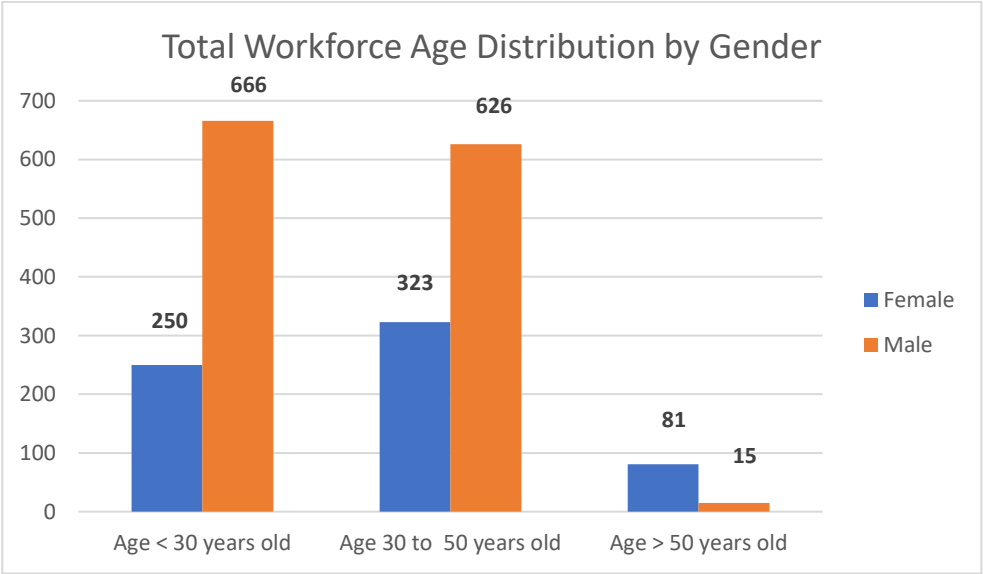
Every employee plays an essential role in the Group. Continuous open dialogue is the main platform used to engage our employees. Open dialogues are conducted informally to encourage employees to raise any issues to management. We believe that this provides a more interactive and direct channel for any form of feedback.

6. SOCIAL

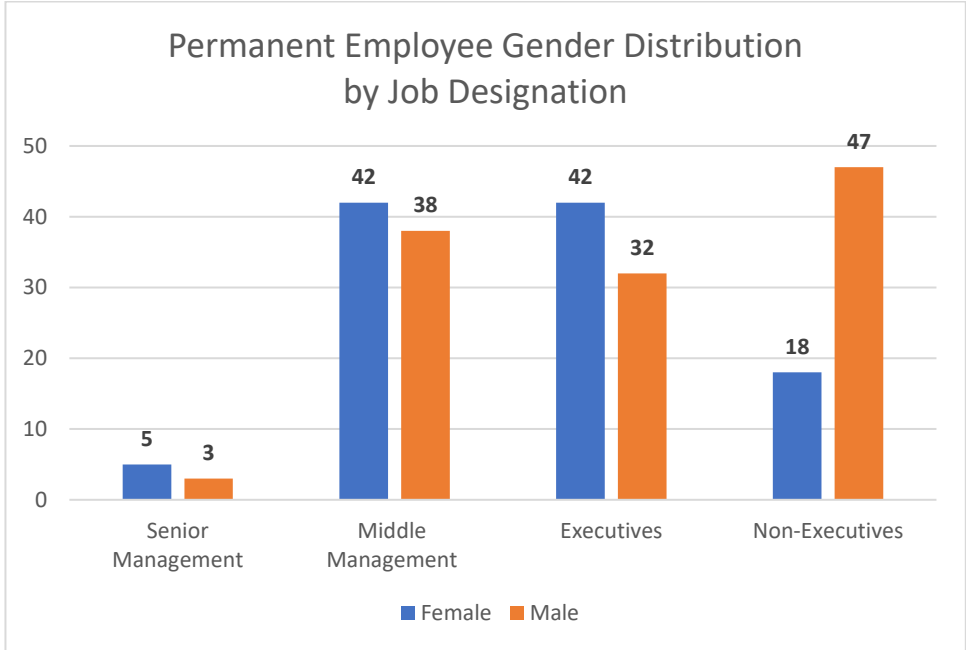
As at 31 May 2020, shopper360 employed 1,961 staff, comprising 227 permanent staff and 1,734 contract staff. A total of 97% of our staff are based in Malaysia. Female employees accounted for approximately 33% of our total workforce.



The Group’s workforce age distribution and job description by gender are represented in the following charts below:



6. SOCIAL



Building and retaining talent are both critical in growing the Group as the continuous growth of the Group needs talented employees. Having a diverse workforce with equal opportunity regardless of age, race and gender is one of the ways to build and retain talent. Our employees are not covered by collective bargaining agreements but are given the rights to exercise freedom of association.

Our diversity is not just limited to our employees but also represented in our Board of Directors. Our Directors come from different backgrounds which helps to expand the range of perspectives at the top and enables the Board to better advise the Group strategically.

The Board of Directors comprises 5 members, of which three are women. The profile of each of our Directors can be found on pages 6 to 7 of our Annual Report 2020.

6. SOCIAL



NON-DISCRIMINATION

Work culture plays an important role in drawing the best out of employees and for them to develop a sense of belonging.

The Group has pledged to instill an inclusive and non-discriminatory culture that focuses on treating all employees fairly. We adopt a strong stance against discrimination on any biases and are committed to providing equal opportunities.

Non-Discrimination	FY2020	FY2019
Incidents of discrimination and corrective actions taken (GRI 406-1)	NIL	NIL

Our Group will strive to maintain zero incidents of discrimination in FY2021.

6. SOCIAL



TRAINING AND EDUCATION

shopper360 believes in nurturing its employees to raise the employees' learning and development capacity, yielding a capable and more agile workforce.

We encourage and aim to provide all employees with equal opportunities for training and upgrading. We acknowledge that learning and training is an important, continuous and life-long process so that employees are equipped with the competencies needed to meet current and future business needs. This includes workshops, seminars, conferences, in-house company training and on-the-job training. We

believe that the personal growth of the employees would elevate our organisational performance and help in achieving long-term business growth and sustainability for the Group.

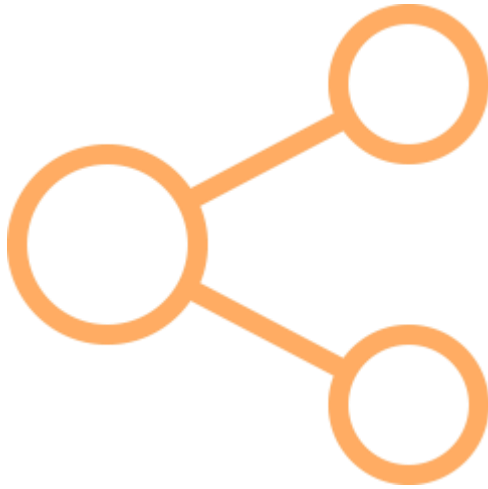
shopper360 has been recognised as one of the best companies to work for by HR Asia in the past. As a Group, we are continuously striving to create a collaborative and fulfilling working environment for all of our employees. This can only be achieved with carefully designed innovative employee engagement and development programmes.

We have not stopped short in our efforts to be thought leaders in our industry, whether by attending overseas expo, hosting shopper marketing talks or constantly upskilling our staff through various training programs.

Staff training and the continuing development of the employees are essential for the success of our Group. In a rapid changing business environment, we will need to ensure that the training needs are optimised, and meet the purpose of upgrading the skillset of our workforce. We believe as the market evolves, so must the skill set of learning professionals. As such, we have continued to be adaptive to the employees training requirements. Despite the prevailing market conditions, shopper360 has managed to achieve an average training hour of 9.89 hours per staff (permanent staff) for FY2020. The courses attended by our employees in FY2020 included Microsoft Excel, winning debt collection skills, the five steps selling process and problem solving.

During the COVID-19 pandemic, the ability to organise internal and external trainings has been uncertain and disrupted. Hence, for FY2021, we are moving more to a virtual learning environment including self-learning platforms and webinar workshops utilising technology to enable learning whenever possible even when there is a work from home order. Courses to be conducted include but not limited to English language, leadership, soft skills, Microsoft Excel and other business related topics.

6. SOCIAL



SOCIOECONOMIC COMPLIANCE

The Group always emphasises the importance of being aware of the social and cultural sensitivities of the local communities to all its employees.

The Group is proud to inform that it is in compliance, in all material aspects, with all social, economic, and environmental rules and regulations and is not engaged in any anti-competitive practices.

Socioeconomic Compliance	FY2020	FY2019
Incidents of non-compliance with laws and regulations in the social and economic area (GRI 419-1)	NIL	NIL

We did not identify any non-compliance with socioeconomic laws and regulations during the reporting period. Our Group will strive to maintain zero incidents of on-compliance with laws and regulations in the social and economic area in FY2021.



CUSTOMER PRIVACY

Safeguarding our stakeholders' data is of paramount importance to our Group and we are committed to maintain utmost privacy and security of their personal data. This includes recognising our responsibility to properly handle clients' personal information. Our employees are also aware on keeping business-related information confidential.

The Group has not been the subject of any complaints concerning breaches of customer privacy or loss of customer data, nor any complaints relating to data protection.

In FY2020, we are pleased to inform that there were no cases of substantiated complaints received about breaches of customer privacy, and no complaints received from outside parties and regulatory bodies.

Customer Privacy	FY2020	FY2019
Substantiated complaints concerning breaches of customer privacy and losses of customer data (GRI 418-1)	NIL	NIL

Our Group intends to maintain the record of zero incidents on breaches of customer data in FY2021.

7. GOVERNANCE

CORPORATE GOVERNANCE

The Board acknowledges the importance for the Group to adopt and continuously practise good corporate governance throughout the Group's operations to ensure accountability and transparency, as a fundamental part of discharging its responsibilities to protect and enhance shareholders' value and financial performance of the Group.

Please refer to Corporate Governance Report set out on pages 32 to 57 of our Annual Report 2020 for further details on the Group's corporate governance practices.

RISK MANAGEMENT

The Board acknowledges that it is responsible for reviewing the adequacy and effectiveness of the Group's risk management and internal control systems including financial, operational, compliance and information technology controls. The Board is committed to ensuring that the Group has an effective and practical enterprise risk management framework in place to safeguard Shareholders' interests, and the sustainability of the Group as well as provide a basis to make informed decisions having regard to the risk exposure and risk appetite of the Group.

For detailed disclosure on our risk management activity, please refer to pages 48 to 49 of our Annual Report 2020.

GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure	Reference/Description
GRI 101: Foundation		
GRI 102: General Disclosures		
1. Organizational profile		
Disclosure 102-1	Name of the organization	shopper360 Limited
Disclosure 102-2	Activities, brands, products, and services	https://shopper360.com.my/our-expertise/
Disclosure 102-3	Location of headquarters	Malaysia
Disclosure 102-4	Location of operations	Malaysia, Singapore, Myanmar
Disclosure 102-5	Ownership and legal form	Annual Report 2020 ("AR") page 2, Sustainability Report 2020 ("SR") page 3
Disclosure 102-6	Markets served	Malaysia, Singapore, Myanmar
Disclosure 102-7	Scale of the organization	AR page 2, SR page 12
Disclosure 102-8	Information on employees and other workers	SR page 12 to 13
Disclosure 102-9	Supply chain	SR page 3, AR page 80 to 81
Disclosure 102-10	Significant changes to the organization and its supply chain	None
Disclosure 102-11	Precautionary Principle or approach	shopper360 supports the intent of this principle, but has not expressed a specific commitment
Disclosure 102-12	External initiatives	None
Disclosure 102-13	Membership of associations	None
2. Strategy		
Disclosure 102-14	Statement from senior decision-maker	SR page 2
3. Ethics and integrity		
Disclosure 102-16	Values, principles, standards, and norms of behavior	SR page 4
4. Governance		
Disclosure 102-18	Governance structure	AR page 32 to 57
5. Stakeholder engagement		
Disclosure 102-40	List of stakeholder groups	SR page 5 to 6
Disclosure 102-41	Collective bargaining agreements	None
Disclosure 102-42	Identifying and selecting stakeholders	SR page 5
Disclosure 102-43	Approach to stakeholder engagement	SR page 5
Disclosure 102-44	Key topics and concerns raised	SR page 6
6. Reporting practice		
Disclosure 102-45	Entities included in the consolidated financial statements	AR page 2
Disclosure 102-46	Defining report content and topic boundaries	SR page 2
Disclosure 102-47	List of material topics	SR page 7 to 8
Disclosure 102-48	Restatements of information	Not applicable
Disclosure 102-49	Changes in reporting	Not applicable
Disclosure 102-50	Reporting period	1 June 2019 to 31 May 2020
Disclosure 102-51	Date of most recent report	30-October-2019
Disclosure 102-52	Reporting cycle	Annually

Disclosure 102-53	Contact point for questions regarding the report	SR page 2
Disclosure 102-54	Claims of reporting in accordance with the GRI Standards	This report is with reference to the GRI Standards (Core Option)
Disclosure 102-55	GRI content index	SR page 18 to 19
Disclosure 102-56	External assurance	We may seek external assurance in the future
MATERIAL TOPICS		
GRI 201: Economic Performance		
Disclosure 201-1	Direct economic value generated and distributed	SR page 9
GRI 205: Anti-corruption		
Disclosure 205-3	Confirmed incidents of corruption and actions taken	SR page 10
GRI 307: Environmental Compliance		
Disclosure 307-1	Non-compliance with environmental laws and regulations	SR page 11
GRI 404: Training and Education		
Disclosure 404-1	Average hours of training per year per employee	SR page 15
Disclosure 404-2	Programs for upgrading employee skills and transition assistance programs	SR page 15
GRI 405: Diversity and Equal Opportunity		
Disclosure 405-1	Diversity of governance bodies and employees	SR page 11 to 13
GRI 406: Non-Discrimination		
Disclosure 406-1	Incidents of discrimination and corrective actions taken	SR page 14
GRI 418: Customer Privacy		
Disclosure 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR page 16
GRI 419: Socioeconomic Compliance		
Disclosure 419-1	Non-compliance with laws and regulations in the social and economic area	SR page 16