



SUSTAINABILITY REPORT

2021

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1. ABOUT US

Second Chance Properties Ltd was listed on SESDAQ on 24th January 1997. On 2nd March 2004, it was transferred to the Mainboard of Singapore Stock Exchange. Second Chance Properties Ltd. is involved in 4 core businesses which are:

- Property Investment
- Retailing of Apparel
- Retailing of Gold Jewellery
- Investing in Financial Instruments

2. ABOUT THE REPORT

Reporting Boundary

As a guide, this report covers operations and all subsidiaries for which Second Chance Properties Ltd (“Second Chance” or together with its subsidiaries, the “Group”) has management control, unless otherwise stated. It seeks to provide an overview of our approach, practices, commitment and performance of the Group’s material Environmental, Social and Governance (“ESG”) topics.

Reporting Period & Standard

The reporting period is the same as that of the financial year of the Group (1 September 2020 to 31 August 2021). This report was prepared in accordance with the Global Reporting Initiative (“GRI”) Standards – “Core” reporting requirements. The GRI Standards is the most widely used and internationally accepted sustainability reporting framework. A GRI Index at the end of the report specifies the location of the relevant disclosures.

Independent Assurance

The ESG performance data presented in the report have mainly been extracted from internal information systems and original records to ensure accuracy. The Group has not sought external assurance for this sustainability report but has relied on internal verification to ensure the accuracy of data.

3. FEEDBACK

We are fully committed to our stakeholders and welcome feedback from them with regards to our sustainability efforts as this enables us to improve our policies, systems and results. Kindly address all feedback to contact@secondchance.com.sg. Your feedback is vital to us in achieving our goals to build a sustainable and thriving business. In line with our efforts to promote environmental conservation, there will be no hard copies of this report.

4. BOARD STATEMENT ON SUSTAINABILITY

The Board of Directors (the “Board”) of Second Chance Properties Ltd. (the “Company”) and together with its subsidiaries (the “Group”) is pleased to present its Sustainability Report for FY 2021 prepared in accordance with the GRI Standards and in compliance with the SGX-ST guidelines on sustainability reporting.

The Board believes in the importance of sustainability reporting and is responsible for considering sustainability issues such as Environmental, Social and Governance factors as part of its strategic formulation. The report seeks to present an accurate and even account of our practices and performance in our quest to be a sustainable, responsible corporate citizen.

The Board aims for its businesses and operations to be conducted in a responsible and sustainable manner. The ESG topics in this report reviewed by the Board and Management are assessed to be material and relevant. The Group will continue to take a phased approach to progress along our sustainability journey as we grow our business. We look forward to progressively enhance our sustainability performance to strengthen the growth of our business in the long-term.

5. GOVERNANCE STRUCTURE

Sustainability is integrated into our business and embedded across various roles and functions. Though the Group does not have a formal SR Committee, the Board and the Audit Committee review and oversee the management and monitoring of the material ESG factors of the Group to ensure that sustainability matters are considered as part of its business strategy.

The Group maintains its benchmark through an annual audit which includes emphasis placed on its subsidiary in Malaysia, conducting In-house Internal Audit which comprises of document reviews and interview with key personnel and inspection of operations focused on Management and Environment. The audit ensures that systems are firmly in place to allow for effective planning and accountability of the Group.

6. STRATEGIC APPROACH FOR SUSTAINABILITY & STAKEHOLDER ENGAGEMENT

The Group recognises the importance of our stakeholders' interests and expectations in driving the success of our business as well as our sustainability performance. An important starting point in our sustainability journey is to identify our stakeholders and material aspects relevant to our business.

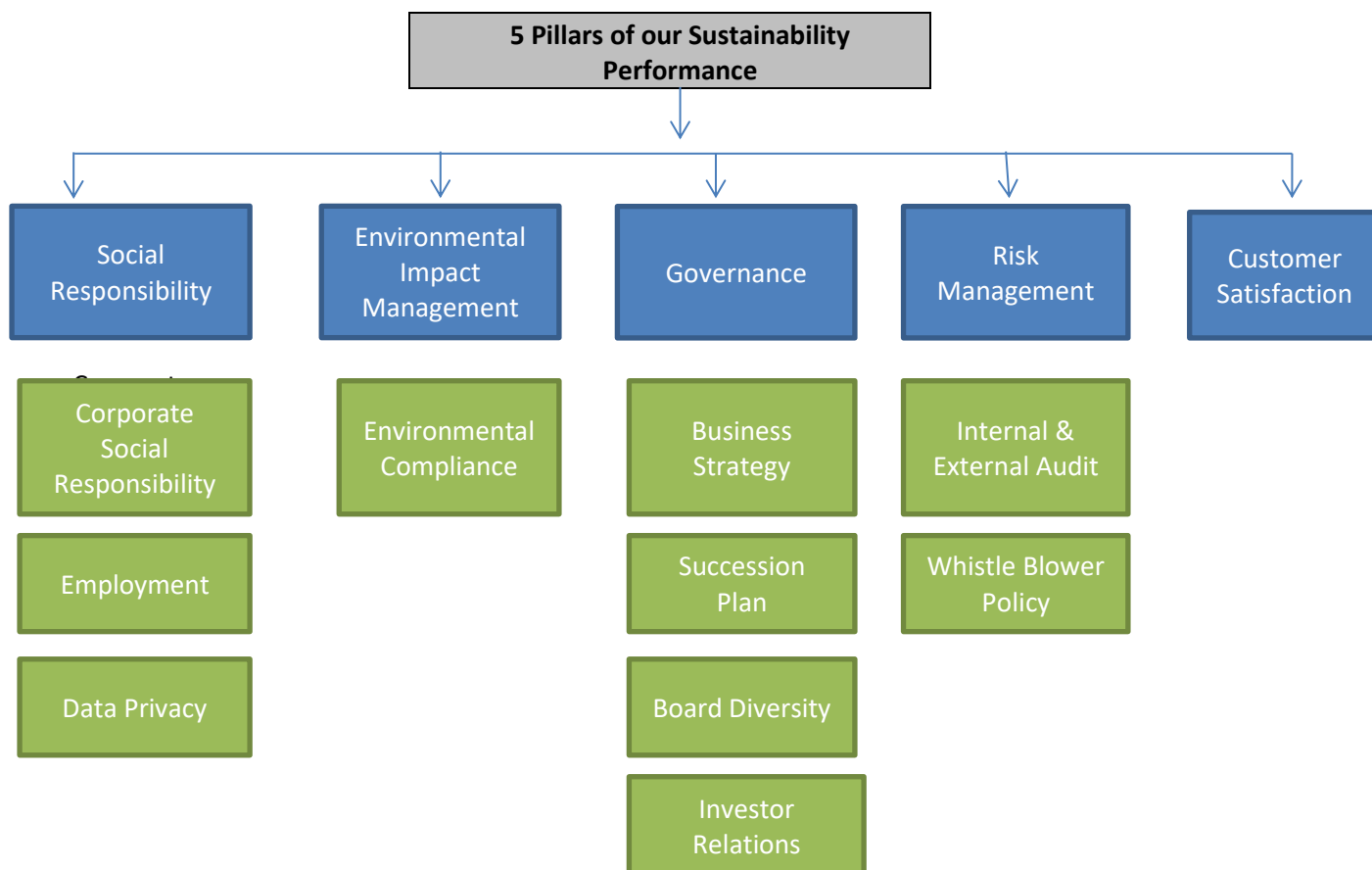
The stakeholders of the Group who are notably the shareholders, employees, customers and suppliers whose concerns on the environment are always addressed especially on the usage of environmentally friendly products.

Stakeholders	Engagement and Communication channels	Key concerns and expectations	Our Responses and Actions
Shareholders	<ul style="list-style-type: none"> • Group Annual Reports • Annual General Meetings • Half yearly announcements • Regular announcements via SGXnet 	<ul style="list-style-type: none"> • Increase earning capacity • Improve corporate governance structure 	<ul style="list-style-type: none"> • Strive towards healthy growth • Establish shareholder communication mechanism • Issue Annual reports and other information on regular basis
Employees	<ul style="list-style-type: none"> • Regular dissemination of information • Open dialogues with employees 	<ul style="list-style-type: none"> • Promote career development • Protection of their basic rights and interests • Sense of belonging and recognition 	<ul style="list-style-type: none"> • Provide a good working environment • Regular training to employees • Provide avenues for career development • Protection of employee rights and interests
Customers	<ul style="list-style-type: none"> • Email queries • Customer visit to stores 	<ul style="list-style-type: none"> • Providing quality products • Customer rights protection 	<ul style="list-style-type: none"> • Providing quality products • Customer data protection • Promptly addressing customer complaints
Suppliers & Tenants	<ul style="list-style-type: none"> • Email communication • Contracts and agreements 	<ul style="list-style-type: none"> • Promote joint development 	<ul style="list-style-type: none"> • Open communication • Ethical business practices

For FY 2021, the loyal shareholders who continue to place their faith in the Group have been rewarded with a very special dividend.

7. MATERIALITY ASSESSMENT

Material topics have been identified based on both risks and opportunities arising from our business activities, the environmental, social and governance impacts that are most significant to our stakeholders, as well as with reference to our current risk management framework. Applying the guidance from GRI, we have identified the following material aspects:



8. SOCIAL RESPONSIBILITY

(a) Corporate Social Responsibility

We believe in being a socially responsible corporate citizen by being involved in causes that help the less fortunate. The Company has committed to donate up to 1 % of net profit every year for social causes. Every year we make donations both in cash and kind to the needy. We have also started a bursary award in May 2017 and this year will be the 5th Bursary Award.

In Malaysia, every year we have been donating clothes to the Old Folks Home and others. We also encourage our employees, both in Singapore and Malaysia to volunteer their time in charitable causes.

In our endeavor to continuously improve our CSR, we have imposed a mandatory Casino Exclusion Order to all Executive Directors and key personnel of the Company.

(b) Employment

We believe in fair employment practices as well as upholding human rights principle. In line with this commitment, we continue to promote diversity and equal opportunities at work place. There is no discrimination on the basis of religion, age, ethnicity or gender.

As at 31 August 2021, the Group has in total about 45 employees in its retail outlets and corporate office. No incidence of workplace discrimination or grievance was reported in FY 2021.

Employee Remuneration and Benefit

We are of the view that the current remuneration structure for all employees are appropriate to attract, retain and motivate them to manage the business and operations of the Group. In addition to the competitive remuneration offered, the Group has in place a term life and hospital and surgical insurance as well as provision for free annual medical check-up for all its key executive employees.

We recognize the need to stay informed and accordingly both on-the-job and ad-hoc trainings are made available to our employees.

Covid-19 Compliance

The Group has put in place safeguards to ensure health and safety of all employees specially during the current times when the Covid-19 pandemic has significantly impacted the global economy. Recording body temperature at regular intervals, arranging free ART test kits for employees and conducting safety checks on visitors to our premises are some steps taken in this direction. Employees are made to undertake ART test twice a week and the result of the same is submitted online to MOH by the Company.

(c) Data Privacy

We are committed to follow and comply with all applicable data privacy laws. Various systems have been put in place so that information related to our customers and employees are protected. Customers can be rest assured that their personal data that are collected are handled and protected in a responsible and secure manner.

We are pleased to report that there was no incident of non-compliance with the applicable data privacy laws in FY 2021.

9. ENVIRONMENTAL IMPACT MANAGEMENT

Our Group is committed to do our best to care for the environment that we operate in and has carried out the following:

- a) Optimising electricity and water usage in our stores.
- b) Progressively replacing all lighting with energy efficient light fittings. Also, lights are switched off when rooms are unoccupied.
- c) In stages we are replacing all plastic bags with biodegradable bags, which has already been done in our Malaysian operation. In Singapore, we have stopped purchasing new plastic bags

and we aim to totally discontinue once all existing stock is cleared by the year 2022.

d) We have reduced excessive paper usage by adopting measures such as e-filing of documents wherever the option is available instead of printing them. Meeting papers are being reduced and reused by printing on both sides of the page. At the same time, we are recycling our papers and will also cut down any excessive papers used such as filings in our half-yearly meeting files. We have stopped circulating hard copy files for quarterly financial reports and instead use email to communicate the same to all Directors.

e) Since last year, in line with Company's corporate social responsibility initiatives and sustainability strategy, we have implemented the use of electronic means of communication for purpose of serving notices to the Company's shareholders and encourage our shareholders to support our sustainability efforts by embracing electronic communications.

As retailers in Apparels and Gold Jewellery, the electricity usage in Singapore is well controlled. There is no water usage as there are no toilets within the units. Staff and customers use the public toilets within the building where we have rented our units. In Malaysia, for the building which we own and occupy, we have installed energy efficient light fittings and water efficient sanitary fittings and we constantly keep reminding our employees on the control and avoidance of unnecessary wastage of electricity and water.

Regular practice is conducted for all our employees on the proper usage of fire extinguishers in the building. We also regularly make sure that all extinguishers are in proper working order and ready to be used when required.

We practice and encourage the principle of "Reduce, Reuse & Recycle" of resources such as paper. All employees are encouraged to reuse paper and minimize printing wherever possible.

No fines or non-monetary sanctions have ever been imposed on the Company for non-compliance with environmental laws and regulations.

10. GOVERNANCE

(a) Business Strategy

Over the last few years, our strategy was focused mainly on streamlining and consolidating our businesses, as well as actively reducing our debt positions. This approach was timely and is paying off. We are now in a strong position to capitalise on opportunities as they arise.

The Board has decided to invest in battered down stocks with strong fundamentals for dividend income. This has now become our core business and we look to increase our recurring dividend income by continuing to add to our portfolio. At the same time, we will continue to maintain a total debt to equity ratio of not more than 0.5 so as to ensure that we have sufficient standby facilities that can be drawn down to meet any margin calls should the necessity arise.

The Board has also an Investment Committee with members having significant experience in the field of securities investment.

(b) Succession Plan

The Nominating Committee endorsed a proposal that Mr. Hasan Marican, the Deputy CEO to be the successor to the CEO in any eventuality. Thereafter, he and the Nominating Committee will appoint a Deputy CEO either from the Company or headhunted with a preference of age below 50 years.

After a year or two on the job, this Deputy CEO, if found suitable, will rise to the post of CEO and thereafter Mr. Hasan shall be the Executive Chairman.

This Plan has been further reinforced with a succession team, whereby several executives within the Group, all below the age of 50 years have been earmarked and identified to form the core team that will support the overall Succession Plan. If necessary, recommendations will be made by the Nominating Committee for professionals to be brought to further reinforce the team.

Appropriate training and handover process has been initiated by the current Management team to Mr. Hasan and the other identified executives for their development towards their planned roles.

(c) Board Diversity

We have maintained a culture of diversity to benefit from a wide talent pool. As part of good governance and to ensure gender diversity, our Company's constitution stipulates that at any point in time, at least one member of the Board must be a female and this has been duly implemented by the Company.

Furthermore, the Board has knowledge and skills diversity, with two qualified accountants, a Chartered Financial Analyst specializing in capital markets and a Doctor in Business Administration being members of the Board.

(d) Investor Relations

We manage investors' expectations and promote a positive investment environment in the following manner:

- i. Annual General Meetings
- ii. SGX Net announcements
- iii. Annual Reports
- iv. Website updates
- v. Investors can request to be on the Mailing List of the Company
- vi. Maintain a database of email addresses of our Investors.

11. RISK MANAGEMENT

We take Risk Management seriously to ensure the sustainability of the Group. In doing so, we have readily engaged a professional Risk Management Consultant to thoroughly study our organisation for any inherent risk which includes the following:

- a. Identification and documentation of risks and controls.
- b. Assessment and Risk Management procedures and evaluation of controls.
- c. Test of controls
- d. Internal and External Audits – The Group engages an independent external accredited firm to conduct regular internal audits every year. The internal auditor review the internal controls in place and the proper implementation of the controls as well as any improvements suggested across various areas from IT operations to different business sectors to PDPA management.

e. An External audit is conducted annually by an accredited Certified Audit Firm. In every half-yearly Audit Meetings, the Committee discusses and updates risk matters related to the Group, to ensure that any inherent risks are identified and handled promptly and appropriately.

f. **Whistle Blower Policy** – As part of the Company’s due diligence effort to ensure that sound corporate governance practices are being adopted, the Company has also implemented a “Whistleblower” Policy to empower employees, suppliers, tenants and customers to voice their grievances and/or to raise their concerns involving the Company without any fear or repercussions. Such concerns include dishonesty, fraudulent acts, corruption, legal breaches and other serious improper conduct; unsafe work practices and any other conduct that may cause financial or non-financial loss to the Group or damage to the Group’s reputation. The whistle blowing policy is communicated to all staff and covered during staff training sessions. The CEO is in charge of managing this specific area.

The Group undertakes to investigate complaints of suspected fraud and unethical undertakings in an objective manner and has put in place, with the Audit Committee’s endorsement, arrangements by which staff of the Group may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters. The objective for such arrangements is to build up independent and transparent investigation of matters raised and to allow appropriate actions to be taken.

The Group is committed to a high standard of ethical conduct and adopts a zero tolerance approach to fraud. The Group will treat all information received confidentially and protect the identity and the interest of all whistleblowers. Anonymous disclosures will be accepted and anonymity honoured. To further strengthen its Whistleblower Policy, the company has implemented a strong deterrent by offering a cash reward to any person whether employees, suppliers, business associates or the general public who provides specific, reliable and credible information or evidence of fraudulent activities by any of the Company’s Executive Directors and Management team as listed in the Company’s Annual Report (S\$50,000/-cash reward) and all other employees (up to S\$2,000/-cash reward) which leads to admission of guilt by the accused or leads to successful prosecution.

The Audit Committee also reviewed the adequacy of the whistle blower arrangements instituted by the Group through which staff and external parties may, in confidence raise concerns about possible improprieties in matters of financial reporting or other matters.

All cases reported are objectively investigated and appropriate remedial measures are taken where warranted. All whistle blowing matters are reviewed monthly/quarterly by the Audit Committee.

The policy is communicated via the Company’s website. On an ongoing basis, the whistleblower policy is covered during staff training and periodic communication to all staff as part of the Group’s efforts to promote awareness of fraud control. Further to this, any staff member having any specific concerns can contact the Independent Non-Executive Chairman directly through email at amm6552@gmail.com or via his handphone at +65 9008 6668.

12. CUSTOMER SATISFACTION

It is a fact that customer satisfaction can make or break a business. We always emphasize upon the importance of good customer service to all our employees and we continuously provide in house training to employees to ensure excellence in servicing our customers at all times.

Recognising the benefits of ESG factors in business, we will continue to play our part by improving and ensuring our Corporate Sustainability.

13. GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure	Reference/ Description
GENERAL DISCLOSURE		
GRI 102: General Disclosures	102-1 Name of organization	Second Chance Properties Ltd.
	102-2 Activities, brands, products and services	Page 1 – About Us
	102-3 Location of headquarters	Singapore
	102-4 Location of operations	Singapore, Malaysia
	102-5 Ownership and legal form	Public Listed Company on the Mainboard of Singapore Stock Exchange
	102-6 Markets served	Singapore, Malaysia
	102-7 Scale of the organisation	Pages 96-97 of Annual Report 2021
	102-8 Information on employees and other workers	Page 5 - Employment
	102-9 Supply chain	Not applicable
	102-10 Significant changes to the organisation and its supply chain	None
	102-11 Precautionary Principle or approach	Second Chance does not specifically address the precautionary approach
	102-12 External initiatives	Page 4 – Corporate Social Responsibility
	102-13 Membership of associations	None
	102-14 Statement from senior decision maker	Page 2 – Board Statement
	102-16 Values, principles, standards and norms of behaviour	Page 57 of Annual Report
	102-18 Governance structure	Pages 29-57 of Annual Report
	102-40 List of stakeholder groups	Page 3
	102-41 Collective bargaining agreements	None
	102-42 Identifying and selecting stakeholders	Page 3
	102-43 Approach to stakeholder engagement	Page 3
	102-44 Key topics and concerns raised	Page 3
	102-45 Entities included in the consolidated financial statements	Page 96-97 of the Annual Report
	102-46 Defining report content and topic boundaries	Page 1
	102-47 List of material topics	Page 4
	102-48 Restatement of information	None
	102-49 Changes in reporting	None
	102-50 Reporting period	1 September 2020 to 31 August 2021
	102-51 Date of most recent previous report	26 January 2021
	102-52 Reporting cycle	Annually
	102-53 Contact point for questions about the report	Page 1
	102-54 Claims if reporting in accordance with the GRI Standards	This report was guided by the GRI standards, Core option.
	102-55 GRI content index	Pages 9 to 10
	102-56 External Assurance	Not Applicable. We did not seek external assurance for the Sustainability Report
MATERIAL TOPICS		
GRI 201: Economic performance	201-1 Direct economic value generated and distributed	Pages 10 to 17 of Annual Report Pages 72 to 127 of Annual Report
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	Pages 7 to 8
GRI 302: Energy	302-1 Energy consumption within the organization	Pages 5 to 6
GRI 405: Diversity and equal opportunity	405-1 Diversity of governance bodies and employees	Page 7
GRI 413: Local	413-1 Operations with local community engagement,	Page 4

Communities	impact assessments, and development program	
GRI 413: Customer Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data development programs	Page 5

