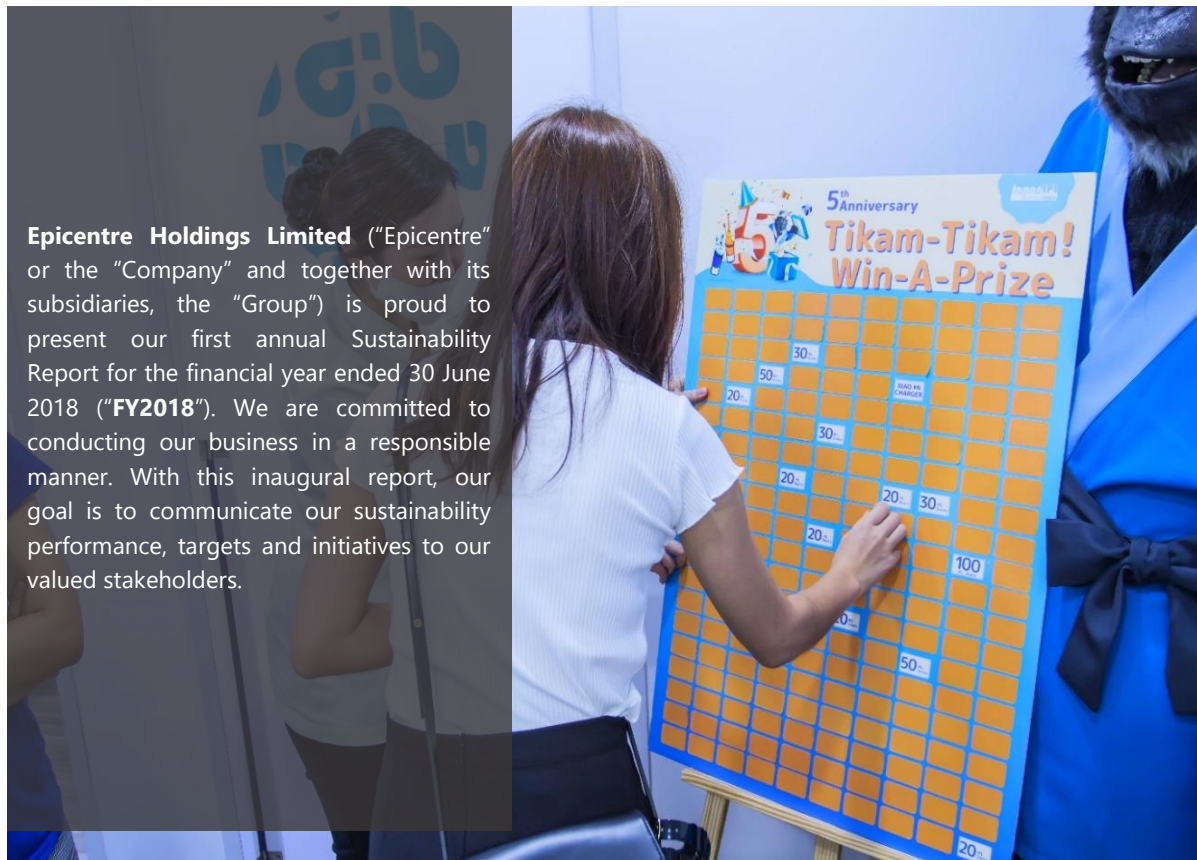


**epiCentre**

## About This Report

GRI 102-1 | 102-46 | 102-50 | 102-52 | 102-53 | 102-54

**Epicentre Holdings Limited** (“Epicentre” or the “Company” and together with its subsidiaries, the “Group”) is proud to present our first annual Sustainability Report for the financial year ended 30 June 2018 (“FY2018”). We are committed to conducting our business in a responsible manner. With this inaugural report, our goal is to communicate our sustainability performance, targets and initiatives to our valued stakeholders.



### Our Reporting Approach

This report has been prepared in accordance with the GRI Standards: Core option. The GRI Standards were selected, as it is the leading global standard for sustainability reporting. The content has been developed in accordance with the Reporting Principles as defined by the GRI Standards, which include:-

- Stakeholder Inclusiveness: capturing our stakeholder's expectations and concerns;
- Sustainability Context: presenting our performance in the wider context of sustainability;
- Materiality: identifying and prioritising the key sustainability issues that our Group usually encounters;
- Completeness: reporting all sustainability topics that are relevant to our Group and stakeholders.

The GRI Content Index on page 16-18 details the list of GRI Material references in this report.

This report is also formed with reference to the primary components set out in Singapore Exchange Limited listing Rule 711B.

### Scope and Boundaries

The scope of this report covers the environment, social and governance for our continued operations in Singapore and Malaysia, unless otherwise stated. For more information about the discontinued operations in the reporting period please refer to our FY2018 Annual Report. The reporting period is our financial period commencing from 1 July 2017 to 30 June 2018.

### Feedback

We value our stakeholder's feedback and welcome any questions you may have on any aspect of our sustainability report and performance. Please write to:

Ruth Xu  
Email : ruth.xu@epicentre.com.sg

## Board Statement on Sustainability

GRI 102-14

The Group is committed to conducting business responsibly through high standards of corporate governance, environmental sustainability, and stakeholder engagement. With that in mind, we are delighted to publish our first sustainability report for FY2018.

We value our customers immensely and achieving customer satisfaction, confidence and trust are of utmost importance. At Epicentre, we are constantly trying to enhance our services and improve our customer's experience with us. Through our report, we aim to provide greater transparency of our sustainability performance and bring our customers and stakeholders on this sustainable journey with us.

### ENVIRONMENT

As an environmentally conscious organisation, we aim to minimise the negative impact of our business on the environment. As a retail service provider, one of the key areas of concern is energy consumption. The electricity usage across all retail stores is consolidated and reviewed at Group level on a regular basis before they are presented to the Audit Committee and the Board. We understand the role we can play to protect our environment and encourage our employees to adopt good practices in our day-to-day operations.

### SOCIAL

For Epicentre, sustainability extends beyond protecting the environment. It is reflected and integrated into our corporate governance and workplace practice.

It is our priority to create a safe and conducive work environment for our valued employees. They form the foundation of our businesses and we endeavor to provide training and development opportunities to help them perform to the best of their abilities. We are proud to have a culture, which fosters growth and encourages personal as well as professional development.

### GOVERNANCE

Our senior management leads our sustainability agenda. They help align our business strategy with our sustainability targets. We also understand that in the journey of sustainable business operations, stakeholder engagement plays a critical role. The senior management communicates with our key stakeholders regularly and addresses their areas of concerns to create long-term value.

In addition to the Group's organic growth initiatives, the Group has also been exploring various opportunities to diversify its current business portfolio. The Group will continue to evaluate potential acquisitions that could strengthen and broaden its revenue base and help to position the Group strategically for further growth.

We want to thank our stakeholders for their continued support and look forward to sharing our sustainability performance and goals in the forthcoming years.

Lai Choong Hon

Independent Director

## About Epicentre

GRI 102-2 | 102-3 | 102-4 | 102-5 | 102-6 | 102-7 | 102-8



*Picture of Japan IPL Outlet*

The Group was set up in 2002 with our headquarters in Singapore and operations extending to serve markets in Malaysia as well. On 18 January 2008, the Group was listed on the Catalist Board of the Singapore Exchange Securities Trading Limited (SGX-ST).

Our goal is to offer the best quality service to our customers who have high expectations when it comes to the quality and efficacy of services. Since our inception, we have established ourselves as one of Singapore's leading lifestyle retail companies. To date, we operate six Epicentre stores in Malaysia; and twelve Japan IPL stores in Singapore, Malaysia and China.

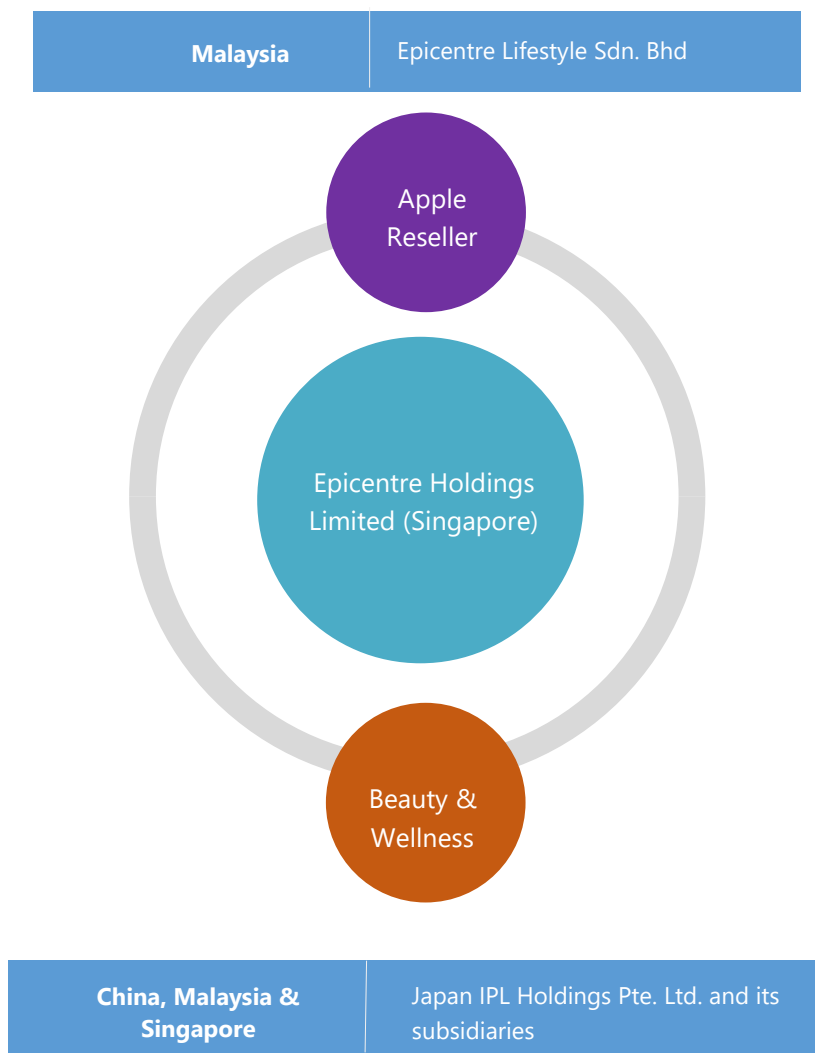
In 2017, we acquired a 51 percent equity interest in Japan IPL Holdings Pte Ltd and its subsidiaries ("JIPL Group").

The acquisition of JIPL Group represents a strategic development of the Group's business to diversify its business and revenue stream.

JIPL Group, as Singapore's first unisex IPL centre, offers both skin treatment and permanent hair removal services. JIPL Group promises to provide professional and high quality of service to establish reputation and trust among the customers. Our goal is to establish Japan IPL as a firm and trustworthy brand.

Currently, there are 12 outlets in Singapore, Malaysia and China (9 outlets in Singapore, 2 outlets in Malaysia and 1 outlet in Beijing China). It also has 2 franchises in the Philippines. JIPL Group plans to continue expanding in Singapore and Malaysia market by opening new outlets.

The figure below showcases our Group Business Structure:



**Scale**



**Total number of operations**  
18 outlets in Singapore Malaysia and China



**Total number of employees**

<b>Singapore</b>	39
<b>Malaysia</b>	99



**Full-time employees**

<b>Female</b>	83
<b>Male</b>	55



## Sustainability at Epicentre

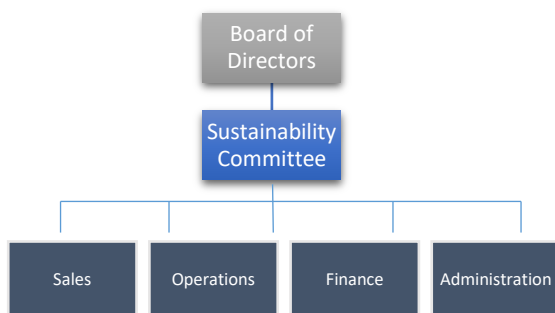
GRI 102-9 | 102-16 | 102-18

Epicentre believes in inculcating good sustainability practices in our staff and across all our operations. This is reflected in our Group’s governance approach as well as the vision and mission statement.

### Governance

Our senior management ensures that the Group’s business objectives are in line with our commitments to sustainable development leads our sustainability efforts. They are also responsible for on-going communication with internal and external stakeholders.

Epicentre’s sustainability management comes under the purview of the Sustainability Committee, comprising the independent directors and the representatives from all the business units. In respect of the individual committee members, an evaluation was carried out by the Board and the members were elected by the Board when establishing the Sustainability Committee. The sustainability performance is reviewed at least once a year by the Sustainability Committee and endorsed by the Board during the Board meeting. The Sustainability Committee guides and reviews the sustainability performance and progress of different functions as demonstrated below.



### Vision and Mission

Our values as a company underpin our high standards of ethical conduct. We respect human rights, embrace diversity and stand firm against corruption. This is core to who we are as a business and essential to our sustainable growth. We have a staff manual reflecting our expectations on staff conduct, primarily on customer data privacy. All employees are given a copy of the staff manual upon joining the company to ensure they are familiar with the Group’s expectations on ethical and professional conduct.

### Supply chain

We have 22 main vendors from the local market (i.e. Singapore and Malaysia) to ensure efficient supply of the high-quality products. We have overseas vendors (e.g. China and India) to fulfil certain specific products or services to our customers.

We target to provide our customers with high-quality product, beauty services, and therefore collaborate with reliable suppliers with whom we share good long-term relationship.

## Stakeholder Engagement

GRI 102-40 | 102-42 | 102-43 | 102-44

In order to identify our sustainability aspects and topics, we believe it is critical to engage our stakeholder. This is to ensure that we understand the issues that are important to our stakeholders and address their concerns while evolving our business policies and strategies.

We identified and selected our key stakeholders based on the importance, representation,

responsibility, dependency, and proximity to our business. The table below highlights our stakeholder engagement mechanisms.

We strive to continuously improve our communication channels in order to strengthen our relationship with our valued stakeholders.

Stakeholder Group	Mode of Engagement	Frequency of Engagement	Key Topics Raised
<b>Investors</b>	Annual General Meeting	Annual and as needed	<ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Energy</li> <li>• Employment</li> <li>• Diversity and Equal Opportunity</li> </ul>
<b>Suppliers</b>	Regular meetings/phone calls with key suppliers	Annually	
<b>Customers</b>	AppleCare scheme; Real-time feedback for the experience in the outlets	Regularly	
<b>Regulators</b>	Compliance with government/regulator rules	Annually	
<b>Management</b>	Regular meeting with the Board and AC	Semi-annually	
<b>Employees</b>	Open-door policy Employee survey Staff appraisal	Annually	

## Materiality Matrix

GRI 102-46 | 102-47 | 103-1

The key material issues identified during the materiality assessment process have developed the content of this report. Our approach to materiality assessment involved identification, prioritisation, and validation of the material issues.

We conducted a thorough peer benchmarking exercise and established a list of issues deemed material by them. We then further prioritised these

topics by their importance to our key stakeholders and the environmental, social and economic impact of our business. The selected topics were then endorsed by the senior management and the Board.

The table below showcases the key material topics identified which are disclosed in our sustainability report.

Corporate Governance	Energy
Employment	Diversity and Equal Opportunity

	Material Aspects	List of Indicators	Aspect Boundary
<b>Governance</b>	Corporate Governance	Non-GRI Indicator	Within organisation
	Employment	GRI 401-1: New employee hires and employee turnover	Within organisation
<b>Social</b>	Diversity and Equal Opportunity	GRI 405-1: Diversity of governance bodies and employees	Within organisation
	Energy	GRI 302-1: Energy consumption within the organisation	Within organisation
<b>Environment</b>			



## Governance

### Corporate Governance

GRI 102-18

#### Why It Matters?

The Group believes strong corporate governance is critical to the long-term success of the organisation and forms the foundation for the trust that our shareholders have placed in us to protect their interests. Beyond the basis for regulatory compliance, we believe strong corporate governance also translates to more robust risk management systems and better business performance.

#### How We Approach It

The Group has a Sustainability Committee in place to ensure all strategies, policies and practices have been incorporated and the Sustainability Committee reports to the board of directors ("the Board") on all sustainability matters.

At the same time, the Board and senior management regularly review business and operational activities to identify areas of business risks as well as to take appropriate measures to control and mitigate these risks.

The Board also assess and determines the nature and extent of significant risks that they are willing to take to meet their strategic goals.

On an annual basis, the Board reviews the adequacy and effectiveness of risk management and internal control systems.

For more details on our Corporate Governance policies and procedures please refer to the Corporate Governance Report section of Epicentre Holdings Limited Annual Report FY2018.

#### Our FY2018 Performance

The Board meets on a regular basis and engages our continuing sponsor to ensure that the Group meets all regulatory requirements.

#### Our Target for FY2019

We strive to actively engage our continuing sponsor to remain compliant with all reporting requirements under the Catalist Rules as well as other rules and regulations in Singapore.

## Social

### Employment

GRI 103-1 | 103-2 | 103-3 | 401-1

#### Why It Matters?

The core asset of Epicentre is our people, who shape the experiences of thousands of our customers every day. It is therefore imperative for us to invest and support their professional development, which in turn will enable us to deliver the highest standard of service and support the growth of our business. We also recognise the role of the organisation in contributing to job creation and wealth generation for the local economy.

#### How We Approach It

The Group understands the importance of job satisfaction, as it lowers turnover rates and increases productivity. Employees are entitled to a variety of benefits, such as medical leave and paid annual leave.

The management along with the Human Resources ("HR") department conducts a regular review regarding the benefits and compensation package for our employees. The review takes into consideration the specific job scope and responsibility of each staff to ensure all our employees retain high satisfaction in terms of the remuneration package. HR performs routine interview for all full-time employees. All the employees are encouraged to share problems encounter regarding work, colleagues, supervisor and customers. HR also interviews resigning staff as part of the resignation process to improve the retention policies.

We provide our employees with training and development opportunities to help in their professional development. This allows them to offer high-quality services to our customers. All full-time staffs are required to attend at least one learning event every year hosted internally or externally. All the employees are also encouraged to share knowledge with each other during working hours.

We provide our employees with a safe and healthy work environment across all our outlets.

#### Our FY2018 Performance

The highlights of our employment performance are presented below.

<b>Total new hire rate<sup>1</sup></b>	66%
<b>Total turnover rate<sup>1</sup></b>	70%

Due to the labour-intensive retail industry in Malaysia that Epicentre is in, as well as large number of non-executive staff, the staff movement whilst significant, was normal. In FY2018, the staff turnover of Japan IPL was 22.4%, which is close to the national average of 21.6% in Singapore.

Please see Appendix on page 13 for further breakdown of our social indicator performance.

#### Our Target for FY2019

We aim to decrease our turnover rate by at least 20% through team bonding activities and training and development opportunities for our employees.

<sup>1</sup> The employment performance excludes Singapore Headquarter and disposed Singapore business (i.e. the "Epicentre" retail business of selling Apple brand and complementary products in Singapore which was held by Epicentre Pte, Ltd).

## Inclusive and Diverse Workforce

GRI 103-1 | 103-2 | 103-3 | 405-1

### Why it Matters?

At Epicentre, we believe an inclusive workforce allows individuals to contribute effectively while providing the organisation with diverse perspectives, skills and talents. We are committed to gender diversity and in creating an inclusive and harmonious work environment for all our employees. This also plays a key role in motivating the employee to consistently improve their capabilities and contribute to the continued growth of the organisation.

### How We Approach It

We provide equal opportunity to all employees regardless of gender, age, nationality, religion, sexual orientation, disability, or another aspect of diversity.

The HR department performs a regular review of the current employment of each operating segment. This helps to prevent any gender and age discrimination of each outlet within the Group.

During the hiring process, our HR aims to cultivate an inclusive culture where employees with wide-ranging backgrounds and qualities are hired and nurtured into a highly motivated, engaged and connected workforce. Whilst we expect our employees to constantly challenge and improve themselves, we also require our employees to treat each other with respect and honesty.

Employees have the discretion to air their grievances on unfair labour practices and we have a system in place to ensure incident of discrimination is heard and handled in a fair and appropriate manner.

### Our FY2018 Performance

We are proud to affirm that during the reporting period, we have received zero reports of discrimination.

Please see Appendix on page 14 for further breakdown of our social indicator performance

### Our Target for FY2019

We aim to improve the gender ratio of our employees and create a greater gender balance within the Group.

## Environmental

### Energy

GRI 103-1 | 103-2 | 103-3 | 302-1

#### Why It Matters?

Globally, companies are playing a more active role in moving towards a low carbon economy and combatting the negative impacts of climate change, with the reduction of carbon emissions from electricity consumption as one urgent call-to-action. At Epicentre, we take our role as a responsible corporate citizen seriously. We are conscious of the impact of our energy consumption at each of our outlets and in the countries of our operations and are committed to reducing our carbon footprint. By ensuring our operations are conducted in a sustainable, cost-effective and responsible manner, we believe our commitment can contribute to the international momentum to reduce carbon emissions.

#### How We Approach It?

We are committed to take measures to minimise our overall energy consumption and improve energy efficiency to reduce the environmental impact of our operations. We believe that every little step goes a long way towards sustaining a clean and green environment, and at the same time help to improve efficiencies and deliver cost effectiveness for the Group.

To minimise energy usage, we ensure there is no additional energy wasted during off-business hours. We conduct weekly meetings to ensure all our outlet employees are aware of the initiatives and adhere to them. During the meeting, we educate our staffs about energy usage and what they should achieve. We ensure light switches are properly labelled, so that the staff can choose only what are needed in the outlets during business hours. The last staff that leaves the outlets has to ensure all the lights and equipment are switched off. In most of the outlets, the occupancy sensors are installed in staff-only areas and stock room to minimize the excess energy consumption. Moving ahead, the management and the Board plan to review our energy consumption at least once a year.

#### Our FY2018 Performance

Our energy consumption is from our electricity usage at our outlets. These are measured by tracking the utility bills. Currently, we do not have any non-renewable sources of energy consumption.

Our energy performance for the current financial year is presented below.

Energy Consumption <sup>2</sup>	198,323 kWh
---------------------------------	-------------

#### Our Target for FY2019

As part of our initiatives, we will consider energy efficient equipment when purchasing new equipments in our retail outlets and our office. We aim to reduce our electricity consumption by 5% in the next 3 years.

<sup>2</sup> The energy consumption number excludes Singapore Headquarter and disposed Singapore business (i.e. the "Epicentre" retail business of selling Apple brand and complementary products in Singapore which was held by Epicentre Pte, Ltd).

## Appendix A

### FY2018 Performance

#### Employee information

GRI 401-1

Employee information by age group and nationality	Singapore		Malaysia		Total
Less than 30 years of age	9		73		82
Between 30 and 50	24		28		52
Above 50	4		0		4
<b>Total</b>	<b>37</b>		<b>101</b>		<b>138</b>

New hires by age group	Male	Female	Rate of Hire (Male)	Rate of Hire (Female)	Total Rate of Hire
Less than 30 years of age	51	25	89.5%	78.1%	85.4%
Between 30 and 50	6	7	10.5%	21.9%	14.6%
Above 50	0	0	0	0	0
<b>Total Employees</b>	<b>57</b>	<b>32</b>			

New hires by Nationality	Male	Female	Rate of Hire (Male)	Rate of Hire (Female)	Total Rate of Hire
Singaporean	1	7	1.8%	21.9%	9.0%
Malaysian	56	25	98.2%	78.1%	91.0%
<b>Total Employees</b>	<b>57</b>	<b>32</b>			

New hires by gender	Number	Percentage
Male	57	64.0%
Female	32	36.0%
<b>Total</b>	<b>89</b>	

Employee turnover by age group	Male	Female	Rate of Turnover (Male)	Rate of Turnover (Female)	Total Rate of Turnover
Less than 30 years of age	63	17	90.0%	70.8%	85.1%
Between 30 and 50	6	7	8.6%	29.2%	13.8%
Above 50	1	0	1.4%	0.0%	1.1%
<b>Total Employees</b>	<b>70</b>	<b>24</b>			

Employee turnover by Nationality	Male	Female	Rate of Turnover	Rate of Turnover	Total
			(Male)	(Female)	Rate of Turnover
Singaporean	1	2	1.4%	8.3%	3.2%
Malaysian	69	22	98.6%	91.7%	96.8%
<b>Total</b>	<b>70</b>	<b>24</b>			

Employee turnover by Gender	Number	Percentage
Male	70	74.5%
Female	24	25.5%
<b>Total</b>	<b>94</b>	

### Diversity and Equal Opportunity

GRI 405-1

Percentage of individuals within the organization's governance bodies by gender

Governance Bodies	Number of females	Total number of members	Percentage of female
Board	0	4	0
Audit Committee	0	3	0
Others	0	3	0
<b>Total</b>	<b>0</b>	<b>4<sup>1</sup></b>	<b>0%</b>

Percentage of individuals within the organization's governance bodies by age group

New hires by age group	Board			Audit Committee			Others		
	Number of females	Total number of members	% of females	Number of females	Total number of members	% of females	Number of females	Total number of members	% of females
Less than 30 years of age	0	0	0	0	0	0	0	0	0
Between 30 and 50	0	2	0	0	1	0	0	1	0
Above 50	0	2	0	0	2	0	0	2	0
<b>Total</b>	<b>0</b>	<b>4</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>3</b>	<b>0%</b>

<sup>1</sup> As of 30 June 2018, the respective corporate governance bodies comprised the members, who were all Independent Directors of the Group.

Percentage of employees per employee category by gender



Employee Category	Number of females	Total number of members	Percentage of female
Management	6	12	50.0%
Executive	14	23	61.0%
Non-executive	63	103	61.0%
<b>Total</b>	<b>83</b>	<b>138</b>	<b>60.0%</b>

Percentage of employees per employee category by age group

New hires by age group	Management			Executive			Non-executive		
	Number of females	Total number of members	% of females	Number of females	Total number of members	% of females	Number of females	Total number of members	% of females
Less than 30 years of age	1	2	50.0%	3	6	50.0%	46	74	62.0%
Between 30 and 50	5	10	50.0%	10	16	63.0%	14	26	54.0%
Above 50	0	0	0	1	1	100%	3	3	100%
<b>Total</b>	<b>6</b>	<b>12</b>	<b>50.0%</b>	<b>14</b>	<b>23</b>	<b>61.0%</b>	<b>63</b>	<b>103</b>	<b>61.0%</b>

## GRI Content Index

GRI Standard 2016	Disclosure		Page number (s)	Omissions
<b>ORGANISATIONAL PROFILE</b>				
GRI 102: General Disclosures 2016	102-1	Name of the organisation	2	
	102-2	Activities, brands, products, and services	4	
	102-3	Location of headquarters	4	
	102-4	Location of operations	4	
	102-5	Ownership and legal form	4	
	102-6	Markets served	4	
	102-7	Scale of the organisation	4 to 5	
	102-8	Information on employees and other workers	5	
	102-9	Supply chain	6	
	102-10	Significant changes to organisation and its supply chain	<p>Epicentre Pte Ltd.'s ("EPL") status as an Apple Premium Reseller ("APR") and Apple Authorised Reseller ("AAR") in Singapore was not renewed by Apple in April 2018. The Group had since then exited the APR and AAR business in Singapore through the disposal of EPL's business and assets. Moving forward, we plan to maintain our business in Malaysia as an AAR and focus on our beauty and wellness business.</p> <p>For more information in relation to the disposal of EPL's business and assets, please refer to the Group's announcement dated 26 June 2018, 6 August 2018, 28 August 2018 and 8 November 2018</p>	
	102-11	Precautionary principle or approach	<p>Although we do not explicitly reference the precautionary approach in risk management framework, we are committed to prevent environmental degradation through sound risk management practices.</p>	
	102-12	External initiatives	World Vision Child Sponsorship	
	102-13	Membership of associations	Member of Singapore Business Federation and member of SESAMi	
	<b>STRATEGY</b>			

	102-14	Statement from senior decision-maker	3	
ETHICS AND INTEGRITY				
	102-16	Values, principles, standards, and norms of behaviour	6	
GOVERNANCE				
	102-18	Governance structure	6 and 9	
STAKEHOLDER ENGAGEMENT				
	102-40	List of stakeholder groups	7	
	102-41	Collective bargaining agreements		Not applicable as we do not have any trade unions.
	102-42	Identifying and selecting stakeholders	7	
	102-43	Approach to stakeholder engagement	7	
	102-44	Key topics and concerns raised	7	
REPORTING PRACTICE				
	102-45	Entities included in the consolidated financial statements	Epicentre Holdings Limited Epicentre Pte. Ltd. Epicentre Solutions Pte. Ltd. Epi Lifestyle Pte. Ltd. Japan IPL Holdings Pte.Ltd. and its subsidiaries Epicentre Lifestyle Sdn. Bhd.	
	102-46	Defining report content and topic Boundaries	2 and 8	
	102-47	List of material topics	8	
	102-48	Restatements of information	Not applicable as this is our inaugural report.	
	102-49	Changes in reporting	Not applicable as this is our inaugural report.	
	102-50	Reporting period	2	
	102-51	Date of the most recent report	Not applicable as this is our inaugural report.	
	102-52	Reporting cycle	2	
	102-53	Contact point for questions regarding the report	2	
	102-54	Claims of reporting in accordance with GRI Standards	2	
	102-55	GRI Content Index	16 to 19	
	102-56	External assurance	We have not sought external assurance for this reporting period.	

Material Topics				
GOVERNANCE				
Corporate Governance	Non-GRI Indicator	Corporate Governance	9	
SOCIAL				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	8 and 10	
	103-2	The management approach and its	10	

		components		
	103-3	Evaluation of the management approach	10	
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	10, 13 and 14	
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	8 and 11	
	103-2	The management approach and its components	11	
	103-3	Evaluation of the management approach	11	
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	11, 14 and 15	
ENVIRONMENT				
GRI 103: Management Approach 2016	103-1	Explanation of the material topic and its Boundary	8 and 12	
	103-2	The management approach and its components	12	
	103-3	Evaluation of the management approach	12	
GRI 302: Energy 2016	302-1	Energy consumption within the organization	12	