

shopper360



Sustainability Report 2021

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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 Catalyst.

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.

ABOUT THIS REPORT

We are pleased to present our Sustainability Report for the financial year ended 31 May (“FY”) 2021 which covers the company’s strategies, initiatives and performance in relation to Economic, Environmental, Social and Governance (“EESG”) issues. The scope of this report covers the sustainability performance and practices across our Group from 1 June 2020 to 31 May 2021, unless otherwise stated.

This report, produced in accordance with the Global Reporting Initiatives (“GRI”) Standard (Core Option), includes the primary components as set out in Rules 711A and 711B of the Singapore Exchange Securities Trading Limited (“SGX-ST”) Listing Manual Section B: Rules of Catalist for sustainability reporting. The GRI Standard were selected as it is an internationally recognised and widely adopted reporting framework that provides guidance to report on sustainability matters.

The GRI content index and relevant references are disclosed on pages 34 to 35 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.

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.



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.

2020 has been an unprecedented year, marked by challenges from the ongoing COVID-19 which disrupted the lives of many globally. COVID-19 has created a difficult social and business environment, causing disruptions to operations throughout the world. It shaped our operations in 2021 and we made adaptations as it became apparent that the crisis was not going to dissipate anytime soon.

While the world grappled with the pandemic, Myanmar woke to the news that its military forces had retaken power on 1 February 2021, after a decade of democratic government. The military government has imposed periodic

shutdowns, limiting access and mobility. With the resulting mass demonstrations and nationwide uprising through civil disobedience movement, this has led to operational difficulties for businesses. The military coup had impacted our operations in Myanmar to a certain extent, with some of our media contracts being postponed or cancelled due to the cautious outlook of our clients towards the stability of the nation. We also had to deal with the morale of the team, as many were concerned about the state of their nation and some were genuinely concerned about safety as their work took them mainly out-of-home and into the stores.

Although the COVID-19 pandemic presented many challenges, it also brought about new opportunities. The pandemic accelerated digitalisation trends including the migration to cloud computing, meetings and trainings being conducted virtually, as well as services being fulfilled through online platforms. Many of us have acknowledge the fact that COVID-19 will be here to stay for the foreseeable future. While the pandemic had been unimaginable for many, it has also demonstrated the importance of building resilience, challenging us to rethink the way we work, live, and play.

Following from last year's report, the COVID-19 pandemic has continued to hamper global economy growth. We had taken several steps to safeguard our business operations and ensure that our business is not materially affected by the situation. Above all, shopper360 is committed to protecting the health and well-being of all our stakeholders, particularly our employees and has taken swift actions to manage the impacts of the pandemic as outlined in *Our Response to COVID-19* and other sections of this report. 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 continue to maintain oversight over our sustainability directions, strategies and initiatives despite the impact of the COVID-19 pandemic during the financial year. Our EESG management and performance at shopper360 is overseen by the Board, which works closely with Senior Management to define the impact

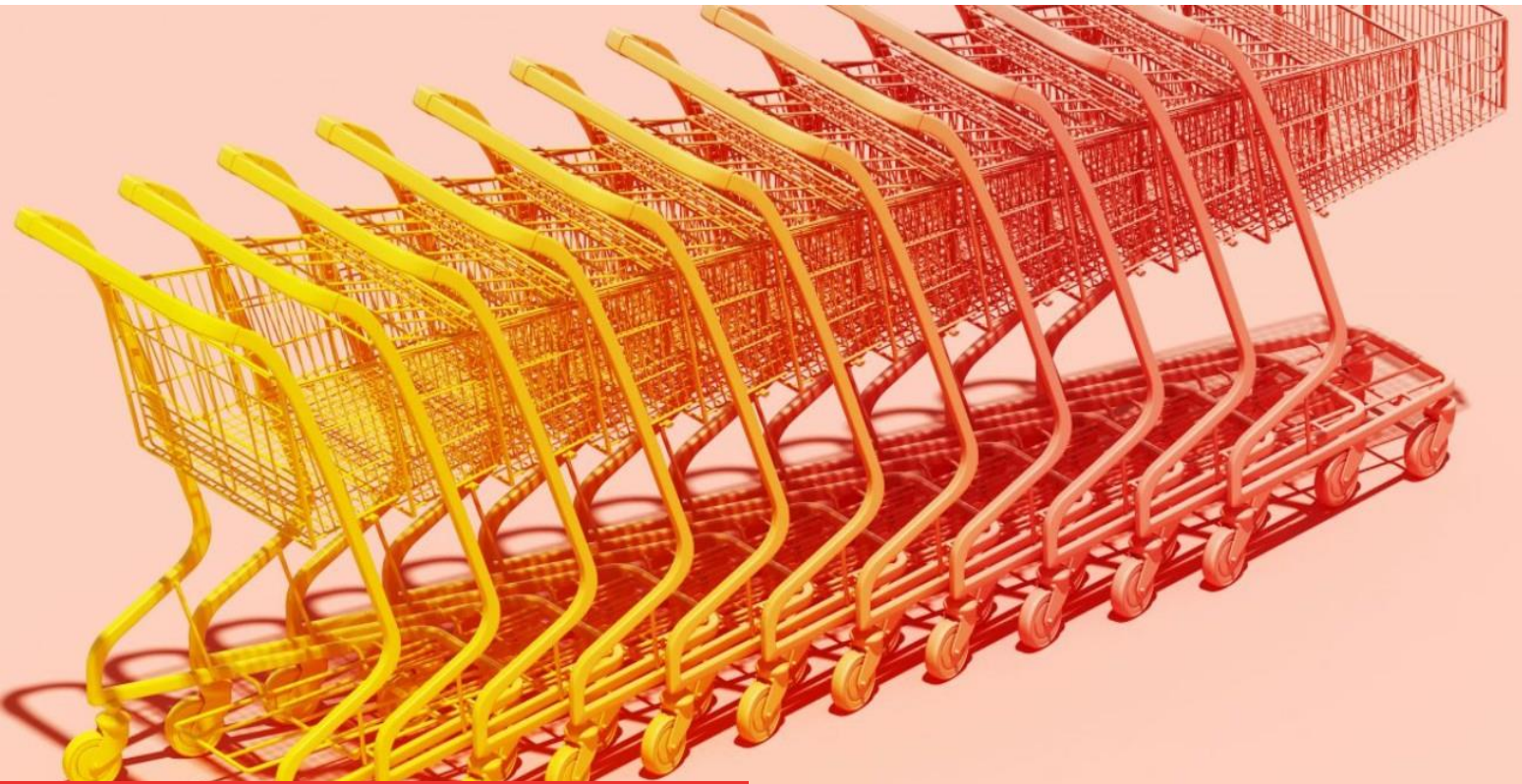
of EESG issues on our business and our stakeholders including our employees, investors and the local communities in which we operate.

We identify 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 our annual review to prioritise the material EESG matters that are most relevant to our operations, we have concluded that the same matters disclosed in FY2020 remain relevant to the Group in FY2021.

The Group will continue to make improvements to its sustainability efforts and work with its stakeholders towards promoting sustainability in its businesses.

 <p>BE EXPERT</p> <p>We're smart people. We know our products and services inside out; and are always ready to dish out information and advice on them.</p>	 <p>COLLABORATIVE</p> <p>Two heads are better than one. The best solutions come from working together with our clients, partners and colleagues.</p>	 <p>FORWARD THINKING, FORWARD DOING</p> <p>We're always one step ahead and challenging the status quo.</p>	 <p>DO WHAT'S RIGHT</p> <p>Always doing what is morally right for yourself and the company without any compromise in any situation.</p>
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CORPORATE PROFILE

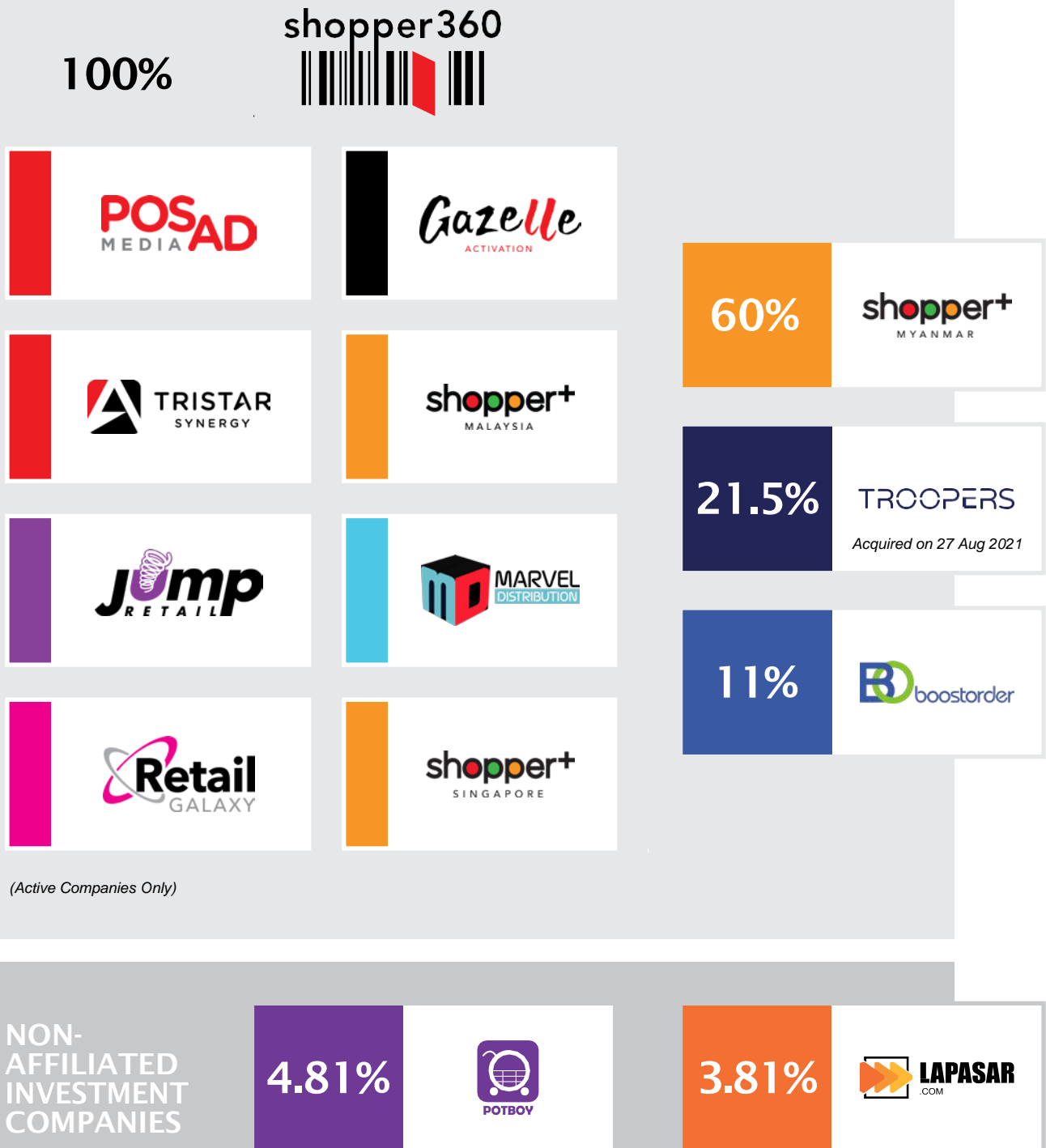
shopper360 is a well-established shopper marketing services provider in the retail and consumer goods industries in Malaysia with more than 30 years of experience in the in-store advertising industry.

The Group offers a comprehensive range of field, digital and shopper marketing and advertising services such as in-store advertising, field force management, creative and digital solutions, sampling and promoter management and events activation. It also provides sales distribution services for products and brands. The Group consists of nine agencies in Malaysia, Singapore and Myanmar, namely Pos Ad, Jump Retail, Retail Galaxy, shopperplus Malaysia, Tristar Synergy, Gazelle Activation, Marvel Distribution, shopperplus Singapore and shopperplus Myanmar.

shopper360's major supplier partners 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 shopper marketing services provided by the Group can be categorized into three main segments, namely (i) In-store Advertising and Digital Marketing; (ii) Field Force Management; (iii) Sampling Activities and Events Management; and (iv) Others.

GROUP STRUCTURE



Group's Vision

To be the leading tech-driven shopper marketing experts in Asia

Group's Mission

- *We aspire to be the leader in the field of shopper marketing, sales and distribution by providing 360 solutions such as integrated digital and offline shopper solutions such as creative specialist, retail consultancy, data analytics, in-store advertising, retail marketing, field force management, promoters activation, on-ground activation and retail technology products and services. Having established shopper360 as a one-stop agency for shopper solutions, brands are able to speed up its sales penetration and distribution by leveraging our network and marketing expertise.*
- *We aspire 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'.*

OUR RESPONSE TO COVID-19

PROVIDING ESSENTIAL SERVICES DURING MOVEMENT CONTROL ORDER (“MCO”)

Jump Retail Sdn Bhd and Retail Galaxy Sdn Bhd are among the largest retail field force management companies in Malaysia. We support brands in maintaining world class visibility in-store, effectively executing promotional plans at retail, while enabling customers to make decisions through real-time on-ground reports. Constant training is held for our field force to ensure the quality of our service remains at its best.

In the months of April and May 2020, Singapore went into a “Circuit Breaker” lockdown period to curb the number of COVID-19 transmissions within the country, while in Malaysia, the Government of Malaysia has instituted various Movement Control Orders (“MCO”) which lasted from March 2020 till June 2021. Both of these control orders had, to a certain extent, impacted the operations of the Group.

While we are challenged by the COVID-19 pandemic where some segments of the Group took a greater hit during the pandemic, our Field Force segment in Malaysia were allowed to operate since it was considered essential services by the Malaysian Ministry of Trade & Industry (MITI). This has helped in cushioning the impact and enabled us to fulfill our responsibilities to our clients. Throughout the MCO period, our merchandisers were actively working in retail outlets nationwide to ensure essential products were sufficiently stocked and replenished.

PROVIDING A SAFE ENVIRONMENT FOR EMPLOYEES TO CARRY OUT THEIR DUTIES

The well-being of our employees is paramount to us. Since the emergence of COVID-19, keeping our employees safe, healthy and fully engaged has been a heightened priority for the Group. We established measures to ensure that all employees across our Group functions and business units are able to carry out their tasks safely. As a result of these initiatives, we were able to ensure the continuity of our operations in a safe manner. As viral cases surged, the need for seamless telecommuting methods rose. We have prepared the necessary infrastructure and platform for our employees to work from home, ensuring they could access systems remotely and minimising disruptions to operations.

Other measures implemented include on-going communications between management and staff, provision of safety masks to staff, and tightening of safety and health protocol across our workplace. Travelling to workplace is only out of necessity, and temperature checks are conducted for staff prior to admitting them into the workspace and each department is equipped with hand sanitisers. Sanitisation at work areas is also conducted to maintain a clean and safe environment for employees and visitors.

We engage employees and provide them with pandemic-related news as we implemented various precautionary measures and issued advisories to update employees on the latest developments.



APPROACH TO SUSTAINABILITY

ENGAGING OUR STAKEHOLDERS

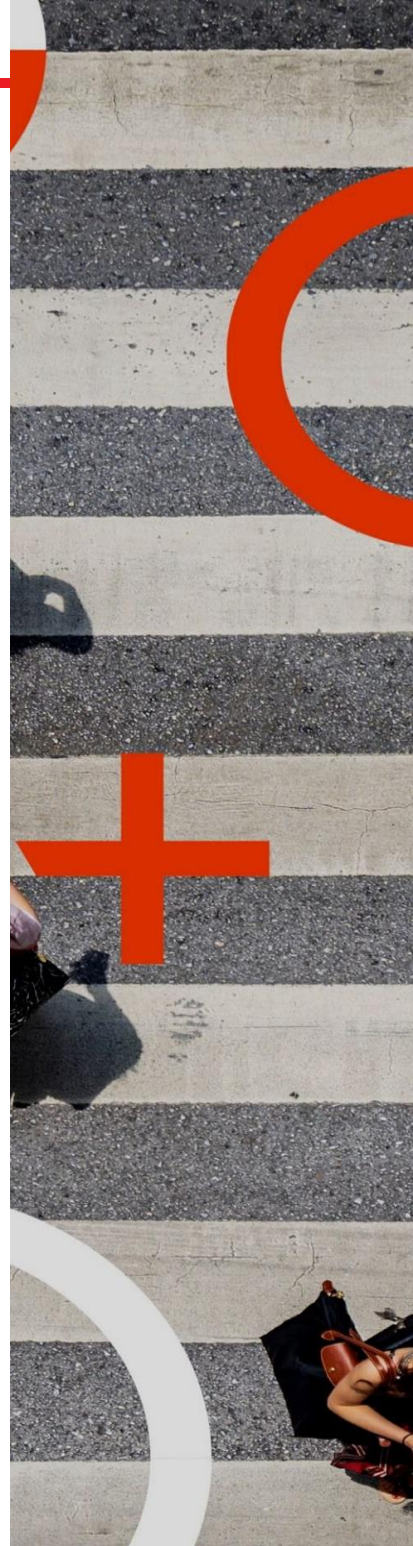
The Group adopts an inclusive approach by considering and balancing the needs and interests of material stakeholders as part of its overall responsibility to secure the long term future of the Company. We believe that responding to rapidly changing stakeholder interests is crucial in sustaining its business growth and as such it is of utmost importance that we engage with our stakeholders to gain valuable insights and understand the issues that they are most concerned with.








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.

Stakeholder engagement and responding to their feedback and needs are part and parcel of shopper360's way of doing business and ensuring long-term success. Their feedback and suggestions will help the Group to adjust its business strategy and operate in a transparent and accountable manner. The following table represents the stakeholder engagement methods which the Group adopts in our sustainability practices to meet the economic, environmental, social and governance requirements.



Stakeholders	Engagement Platform	Frequency of Engagement	Key Concerns
Suppliers 	<ul style="list-style-type: none"> Face-to-face or virtual (online) meetings and by phone¹ 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 development² 	<ul style="list-style-type: none"> Annually Occasionally 	<ul style="list-style-type: none"> Employment benefits Employee capabilities and career development Sense of belongings and recognition
Investors and Shareholders 	<ul style="list-style-type: none"> Annual General Meeting/ Extraordinary General Meeting³ 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 or virtual (online) meetings, and by phone⁴ Regular customers' feedbacks Social Media Exhibition⁵ 	<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

Notes to the above: Impact on Stakeholders engagement during COVID-19

1. Emphasis was placed on virtual (online) meeting and via phone.
2. Trainings were conducted online in order to meet safety distancing measures.
3. These general meetings were convened virtually in FY2021.
4. Emphasis was placed on virtual (online) meeting and via phone.
5. There are no exhibitions during FY2021.

MATERIALITY ASSESSMENT






Material topics are reviewed annually for their continued relevance according to current global and local trends. In our annual review to prioritise the material EESG matters that are most relevant to our operations, we have concluded that the same matters disclosed in FY2020 remain relevant to the Group in FY2021.



OUR MATERIAL TOPICS AND TARGETS

Applying the guidance from GRI, we have identified the following material topics from our previous disclosure. We have also set targets, while at the same time aiming to track our progress against them.

Material Topic	3 Year Target	FY2021 Progress
 Economic Performance	Growth within business segments and external growth	<p>We continue to seek internal and external growth. The Group has embarked on various growth initiatives, riding on technology and innovation capabilities coupled with a longer term business growth objectives.</p> <ul style="list-style-type: none"> Marvel Distribution Sdn Bhd, a new marketing & distribution arm of shopper360 is launched under our Group to help customers and brands penetrate to new traditional trade outlets. <p>We invested in 3 companies, out of which 2 are involved with online grocery which allows us to connect our clients who intent on growing their businesses online, and a digital manpower solutions company:</p> <ul style="list-style-type: none"> PB Grocery Group Sdn Bhd (April 2021) Tenderin Sdn Bhd (May 2021) Troopers Innovation Sdn Bhd (August 2021)

Material Topic	Perpetual Targets	FY2021 Progress
 Anti-Corruption	Zero incidents of corruption.	Zero reported incidents of corruption in FY2021.
 Environmental Compliance	No incidence of non-compliance with laws and regulations	No incidence of non-compliance with laws and regulations in FY2021.
 Diversity and Equal Opportunity	Continue to maintain diversity in our workforce	In FY2021, female representation is approximately 32% of the workforce. The Board of Directors consists of 5 directors, of which 3 are women.
 Non-Discrimination	Zero incidents of discrimination	Zero reported incidents of discrimination in FY2021.
 Training and Education	Average 8-9 hours for permanent staff	Target achieved. The Group has moved towards virtual learning environment since the onset of COVID-19 and has achieved an average of 14 hours per staff (permanent staff) for FY2021. The Group believes that virtual learning should be seen as a complement and extension of physical forms of learning and aim to achieve the targeted training hours in the forthcoming year.
 Socioeconomic Compliance	Zero incidents of non-compliance with laws and regulations in the social and economic area	Zero incidents of non-compliance with laws and regulations in the social and economic area for FY2021.
 Customer Privacy	Zero substantiated complaints concerning breaches of customer privacy and losses of customer data	Zero substantiated complaints concerning breaches of customer privacy and losses of customer data in FY2021.

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.

(A) KEY DATA OF OPERATING RESULTS

	FY2018 (RM'000)	FY2019 (RM'000)	FY2020 (RM'000)	FY2021 (RM'000)
Revenue	142,377	161,085	162,678	153,133
Profit before tax	9,341	7,773	7,043	10,069
Profit for the year	5,713	5,404	3,633	6,563
Profit attributable to equity holders Company	6,010	5,185	2,964	5,816

(B) FINANCIAL INDICATORS

Return on equity	13%	10%	6%	10%
Earnings per share ⁽¹⁾ (RM cents)	5.25	4.53	2.62	5.29

NOTE: (1) Earnings per share is computed based on profit attributable to equity holders of the Company divided by the weighted average number of ordinary shares during the year (taking into account the effect of treasury shares).

Cash and Cash Equivalents	19,026	21,242	22,054	27,592
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The FY2021 revenue was lower than previous year mainly due to the cautious stance of clients and the disruptive impact of the movement control order in Malaysia led to lower revenue across all segments.

Despite the lower revenue base, the Group was able to record an increase in profit. This improvement would not have been possible if not for the unity and commitment of the team for pushing through the tough times and making some hard decisions to right size the business. The Group has been able to implement tighter costs control measures, considering the difficult environment caused by the COVID-19 pandemic during FY2021, as the Group optimised overhead expenses either through reducing or delaying expenses including business development, staff hiring and other overhead expenses.

Internally, we maintain a strong cashflow position that has been strategically built up over the years, and this will ensure that we are able to cope with the unpredictability that may persist and at the same time, continue to pursue growth. For FY2021, our cash position stands at RM27.6 million, due to our strong cash focus, to billing and collection processes.

It is our belief that to deliver value for all our stakeholders, particularly our shareholders, we have to focus on maintaining a strong financial position by carrying out our operations in a responsible manner and building resilience throughout our business operations for long-term sustainable growth.

DETAILED FINANCIAL RESULTS

For the detailed financial results of our Group, please refer to the following sections in our Annual Report 2021:

- Group Financial Highlights, pages 11 to 15
- Financial Statements, pages 81 to 139



OPPORTUNITIES FOR INTERNAL AND EXTERNAL GROWTH VIA INNOVATION AND DIGITAL ENABLEMENT

The COVID-19 pandemic is transforming how we think about our economies and our societies, and has highlighted the importance of organisational resilience. Policies and choices made today will determine their success in building a transition to a more resilient tomorrow. The Group has embarked on various growth initiatives, riding on technology and innovation capabilities coupled with long-term business growth objectives. As we recover from this pandemic, we believe our growth plans laid out will benefit the Group in the long-run.

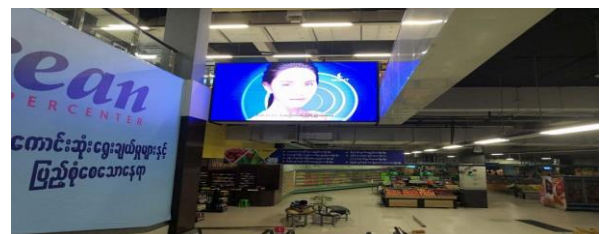
Instore Advertising & Digital Marketing

Pos Ad Sdn Bhd is the leading media provider in Malaysia, with over 30 years of expertise in creating point of sale material to help brands connect better with shoppers. Pos Ad Sdn Bhd constantly strives to create innovative ways for shoppers to engage with brands, reaching 70% of Malaysian shoppers across over 3000+ retail outlets.

Pos Ad Sdn Bhd has evolved in more recent years to provide a variety of tech mediums and other non-media services for retailers such as in-store music services via Pos Ad Sdn Bhd's Digital Music Box, creative services, corporate and TVC videography, conceptual execution for rebranding, festive decoration and many more.

Succeeding Malaysia in-store advertising, the Group extended the business model to Singapore and Myanmar, known as shopperplus Singapore and shopperplus Myanmar. This is done via partnership with the largest modern trade retailers, namely NTUC FairPrice in Singapore and City Mart in Myanmar.

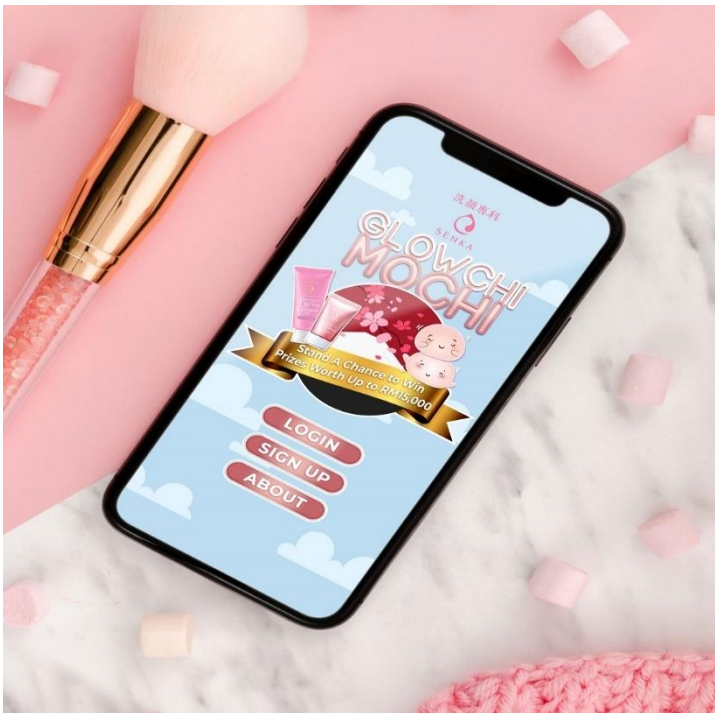
In-line with our strategy to scale without adding manpower to our labour services for the Myanmar market, we have launched formats that are easy to plug & play content. This has led to the launching of digital screens in Myanmar. These digital screens are capable of tracking data in-store such as reach, gender, age, dwell time, as well as ability to serve responsive ads relevant to target audience.



Connecting Our Clients To Their Audience

Our suite of innovative tech tools drive engagement, increase customer satisfaction and promote loyalty by enhancing the shopping experience. We have been able to assist one of our client, a world renown brand specialising in skin care to connect with its target audience via mobile game.

We created a fun, interactive mobile game that would appeal to its target audience, building a personality for the brand that feels more approachable and accessible.



The game not only successfully engaged shoppers, but also educated them on the benefits of using their products, while driving trial kit redemption and online sales.

With minimal media buy in e-commerce platforms, the game reached over 182,000 players who played it over 300,000 times, giving the brand a 50% uplift in sales – all during the MCO period in Malaysia.



Sampling & Event Management



Augmented reality (AR) is an enhanced version of the real physical world that is achieved through the use of digital visual elements, sound, or other sensory stimuli delivered via technology.

By incorporating augmented reality technology, the Group has been able to offer new and interactive consumer experience, thus effectively increase sales and raise brand awareness. For example, our activation team-Gazelle Activation, executed a campaign for Danone Dumex, using augmented reality to engage shoppers just by scanning a QR code on the detailing kit, bringing the product to life at the convenience of the consumer.

With restrictions posed by COVID-19 on our physical presence in stores, we have been able to reach and engage shoppers digitally during the MCO period in Malaysia.



Distribution

Marvel Distribution Sdn Bhd, a new marketing & distribution arm of shopper360 is launched under our Group to help customers and brands penetrate to new traditional trade outlets.

Equipped with trucks and a B2B sales ordering platform for retailer, Marvel Distribution delivers selected products directly to general trade outlets while-on-the-move with our very own van sales team.

Marvel's ambition is to reach more than 10,000 general trade and retailers across Peninsular Malaysia. Some of our distributed brands include Berjaya Foods, Red One and Network Foods.



Investing in Complimentary Businesses

We invested in 3 companies, out of which 2 are involved with grocery online which allows us to connect our clients who are intent on growing their businesses online, and a digital manpower solutions company.



The first company, PB Grocery Group Sdn Bhd (“PB Grocery Group”), has an online grocery platform (“Potboy”) that links Fast Moving Consumer Goods (“FMCG”) companies with eateries and provision shops in Klang Valley (Kuala Lumpur and Selangor) and Seremban, Malaysia. PB Grocery Group has their own



delivery fleet and has been reinventing themselves every year, from educating customers to buying online, to winning e-distributorship rights with the likes of Nestle Food Service. This year, Potboy launched their O2O (online to offline) concept store. They have launched 20 stores which will bring about better brand presence and allow for the stores to double up as delivery depots. Shoppers that enter Potboy Mart will also get to shop online and purchase products delivered to their home, especially for bulky items.



The second company we invested in, Lapasar Sdn Bhd is the operator of a business-to-business (“B2B”) wholesale platform called Lapasar.com. With the stricter movement control throughout the year, it became more inconvenient for

minimarkets and small provision shops to shop at traditional wholesale outlets. Lapasar filled in the gap by going to them and educating them to replenish through an app with a click of a button. Since the launch of their app, 50% of their customers are now ordering through the app.

Nielsen reported a trend in Singapore and India, similar to what we are seeing in Malaysia, where traditional trade is benefiting from the lack of inter-district movement, where shoppers are frequenting their neighborhood stores to replenish their essential needs. We believe Lapasar can only grow stronger by serving the traditional trade segment in helping them stock up their supplies without having to leave their stores unmanned. Lapasar will also offer these retailers trade financing in order to ease their cashflows and grow their businesses.



The third investee company, Troopers Innovation Sdn Bhd (acquired on 27 August 2021), is a digital manpower solutions company that specialises in part-time recruitment, human

resource management and technology enabled job matching for the gig-economy. Troopers aims to provide a safe and secure working environment for individuals while providing clients with access to a well-trained and talented flexible workforce.

Background of PB Grocery Group

PB Grocery Group is the owner of online grocer platform, Potboy. This online grocery platform links Fast Moving Consumer Goods companies with consumers, eateries and provision shops on Klang Valley and Seremban. Potboy is revolutionising a century-old supply chain model in FMCG by quickening the process of ordering and delivery. They are not only an online grocery platform but a pioneer of O2O. In April 2021, Potboy launched its first Offline-to-Online concept shop Potboy Mart and up to September 2021, they already have more than 30 operating shops across Klang Valley.

Background of Lapasar Sdn Bhd

Lapasar Sdn Bhd (formerly known as Tenderin Sdn Bhd) is a technology company based in Kuala Lumpur and the operator of Lapasar.com, a business-to-business platform that allows companies and minimarkets to purchase supplies for their business via an online marketplace. Lapasar connects corporations and minimarket stores to suppliers of products and services across Malaysia with the aim of making purchasing more efficient. They are currently servicing over 3,000 retailers and these numbers continue to grow. Traditional trade retailers are welcoming ecommerce platforms like Lapasar for convenience and efficiency in stock replenishment, rather than visiting wholesalers to purchase their goods especially during this global pandemic.

Background of Troopers Innovation Sdn Bhd

Troopers Innovation Sdn Bhd is a digitally enabled job matching platform and manpower solutions business that specialises in part-time recruitment, human resource management and event consulting. Troopers aims to provide a safe and secure working environment for individuals while providing clients with access to a well-trained and talented flexible workforce. Troopers is revolutionising the existing part-time recruitment culture and structure in Malaysia in order to create an eco-system that is reliable, efficient and effective for their stakeholders to maximise their time, money and resources. Troopers conducts all their recruitment, selection and training in-house and has matched more than 100,000 job sessions over the past 3 years.

Troopers recently launched their recruitment app and managed to efficiently place 20,400 job sessions in a short turnaround time. Gig workers apply and are filtered through the app and once they have been given the position, they are able to use the same app to check-in for work, make relevant field reports and get notified when payment is made to them.



GIVING BACK TO THE COMMUNITY

When the COVID-19 pandemic hit, the entire world was unprepared. Right here in Malaysia, we saw its devastating effects on everyone from individuals and families to businesses and even the economy. But the B40¹ community was hit especially hard, and we knew we could not sit by silently as they struggled to make ends meet.

Together with brands Saji and Good Virtues Co. as well as NGOs, namely The Lost Food Project and Dignity for Children Foundation, the Group collectively launched Kotak Kasih, an initiative aimed at providing families affected by the pandemic with boxes of daily essentials. Each Kotak Kasih box was filled with food and personal care items such as cooking oil, sugar, flour, fruit drinks/beverages, instant noodles, UHT milk, milk products/beverages, and shower gel.

By the end of the campaign in September 2020, we had successfully donated 10,000 boxes filled with personal care and food items. shopper360 provided the manpower and logistics resources to help distribute the Kotak Kasih boxes to those in need.

In addition to the boxes donated during the campaign period, our staff from Pos Ad and Tristar Synergy also worked with Dignity for Children Foundation to help deliver other essential items on 2 occasions to B40¹ students and their families. On 15 December 2020, the team made a delivery to 61 families, and on 21 December 2020, with additional special Christmas dinner of roast chicken, mac and cheese and brownies, to a further 44 families.

¹ B40 - Bottom 40% of Malaysian household income

ANTI-CORRUPTION

We remain steadfast in upholding our business ethics to the highest levels. The Group is committed to the values of transparency, integrity, impartiality and accountability in the conduct of its business and affairs.

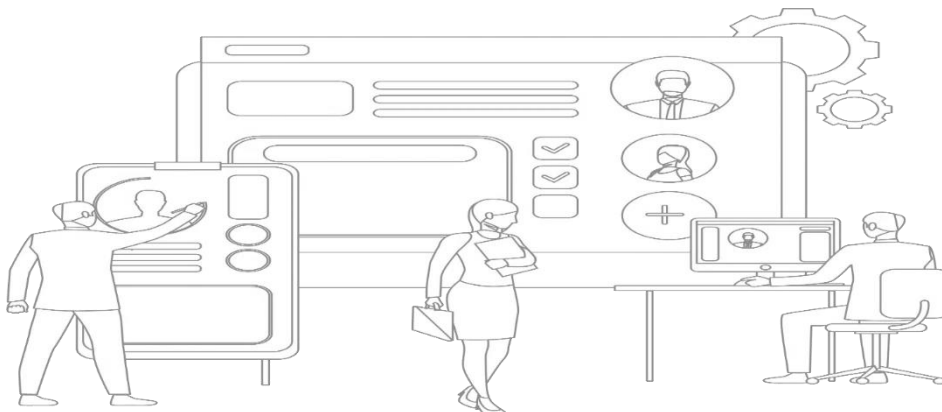
shopper360 has zero-tolerance for corruption. We take a strong stand against corrupt practices and strategies, and this value has been communicated to all of our employees, major suppliers and business partners. There were no fines or non-monetary sanctions for non-compliance with laws and regulations in FY2021.

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 59 of our Annual Report 2021 for further details on the Group’s whistle-blowing policy.

In FY2021, there were no reported incidents of corruption.

Anti-Corruption	FY2021	FY2020
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 2022 (“FY2022”) and beyond. In fact, we will always ensure that there will be no incidents of corruption in the Group.



ENVIRONMENTAL COMPLIANCE

Our Group is dedicated to protect the environment through the integration of environmental conservation methods whenever possible, into our business operations. 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 footprint and to further reduce the impact on the environment.

In FY2021, there was no incidence of non-compliance with laws and regulations and we endeavor to maintain this track record.

Environmental Compliance	FY2021	FY2020
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 FY2022 and beyond.

REDUCE, REUSE AND RECYCLE

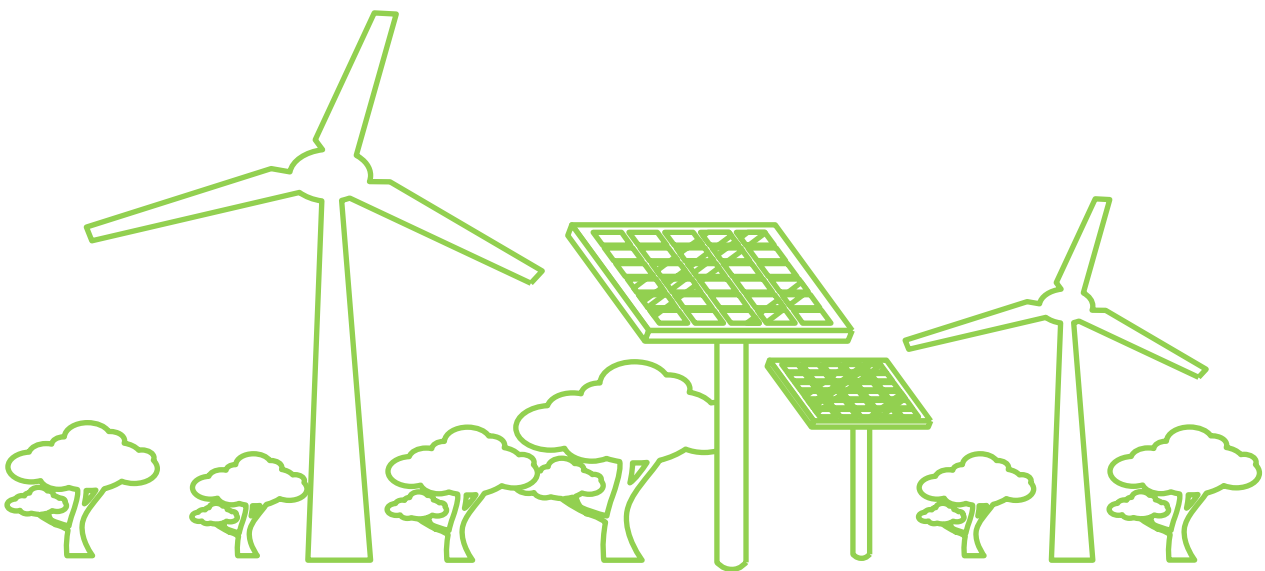
Environmental issues such as climate change continues to be on the forefront of global sustainability agenda. The Group realises the importance of improving our sustainability performance in enhancing our competitiveness. We aim to make contributions to the environment, our business and the local communities by integrating sustainability approach in our operation. In the Group's day-to-day operations, we encourage our employees to practice the 3Rs – Reduce, Reuse and Recycle in the management of our resources. The 3Rs play a crucial role, not only in contributing to a more sustainable environment but also lowering our cost.

Corporate Office

- Display anti-littering, water and energy conservation, and other environmental messages at prominent locations in the office.
- Toilets have motion sensors installed to minimize electricity usage and turn off lights when not utilized.
- Recycling bins are available and waste items are separate and recycled.

-
- Utilisation of digital meeting formats where possible to minimize the need to travel.
 - Implement online approvals utilising Microsoft Teams thus removing the need to have hardcopy approvals since June 2021, which is an improved process from email approvals that was implemented in 2020 during the pandemic lockdowns.
 - Our human resource management system have further been enhanced to extend online expense claims initially introduced in March 2020 to all staff including project contract staff since June 2021. In addition, performance management module have been introduced in August 2021 resulting in non-paper online processes for the new financial year.

Apart from the above, our employees are also encouraged to conserve energy through the switching-off of power for equipment that are not in use, and the switching-off of lights during lunch hours and when not in use. We continue to communicate and encourage our employees to minimize the use of paper and upgrade processes to digital methods whenever possible and this will be a continuous focus moving forward.

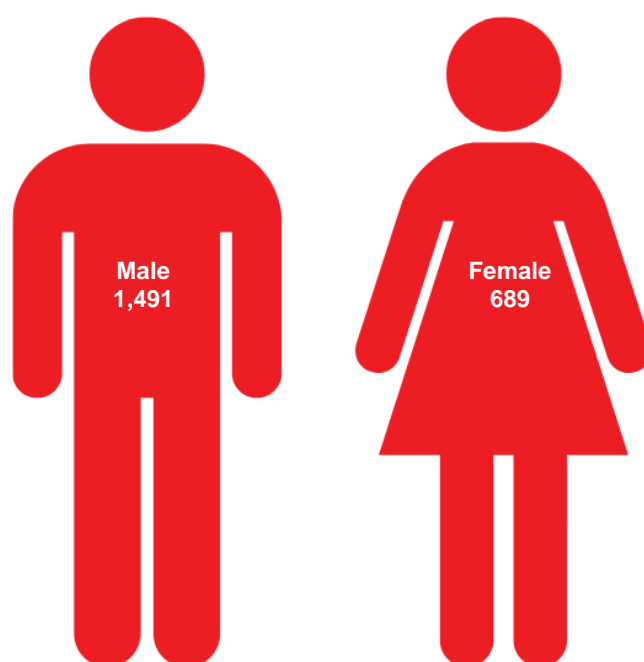


DIVERSITY AND EQUAL OPPORTUNITY

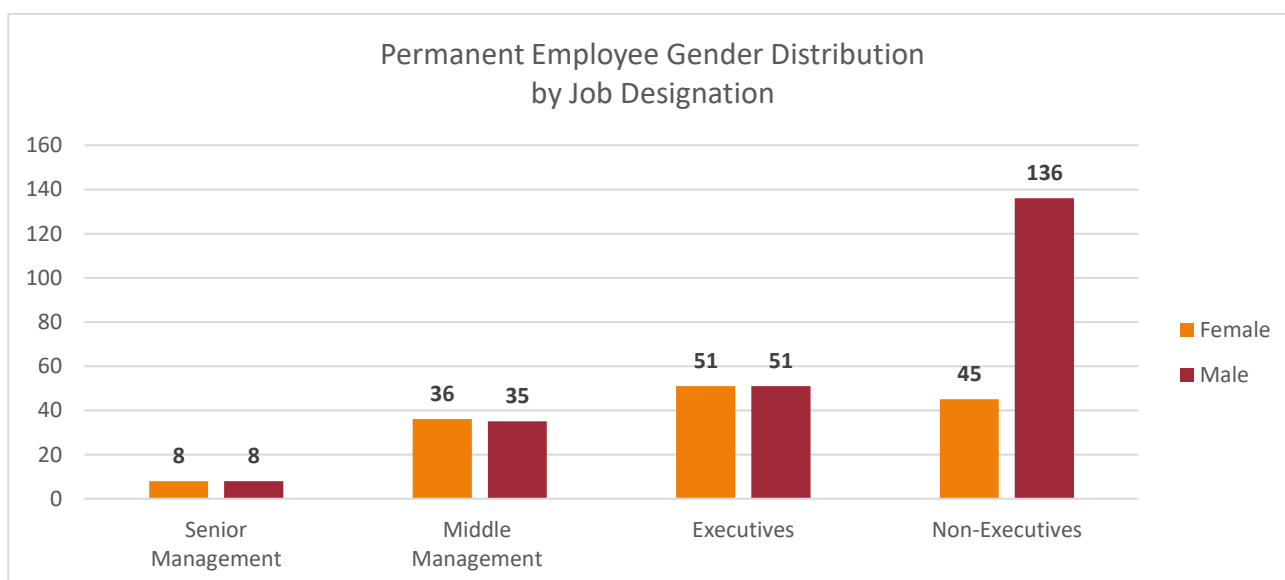
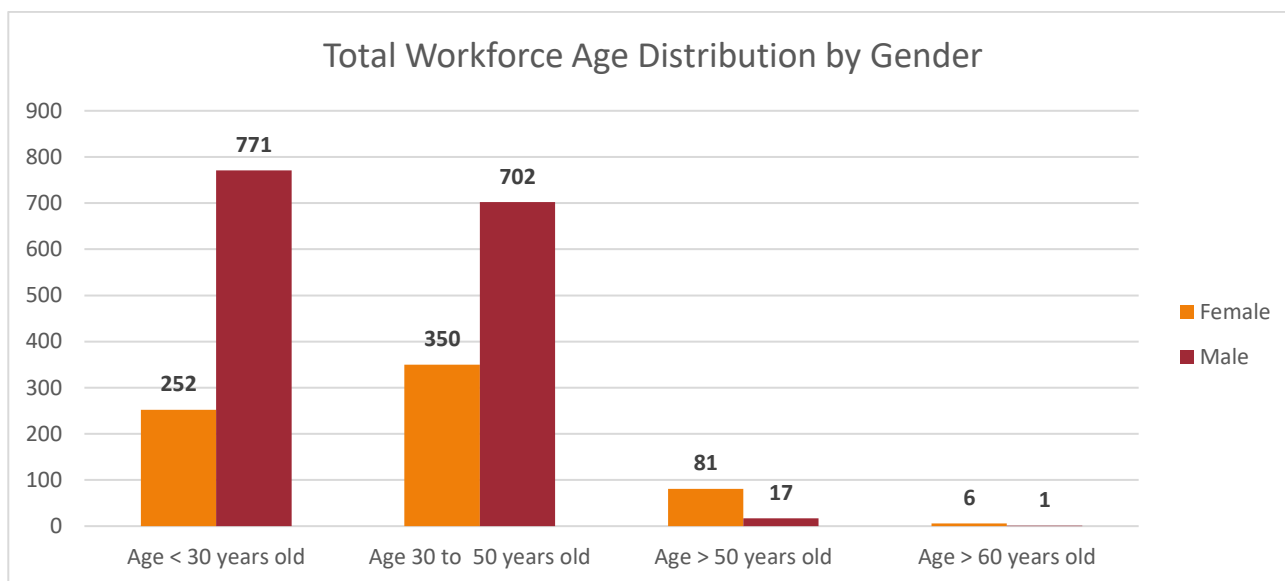
We aim to create a vibrant team as we strive to offer equal opportunities for recruitment, career progression and training within the Group. We recognise our employees are the drivers of our business and we believe in creating a respectful, rewarding and safe working environment for our people. Our work 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.

As at 31 May 2021, shopper360 employed 2,180 staff, comprising 370 permanent staff and 1,810 contract staff. A total of 98% of our staff are based in Malaysia. Female employees accounted for approximately 32% of our total workforce.



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



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 2021.

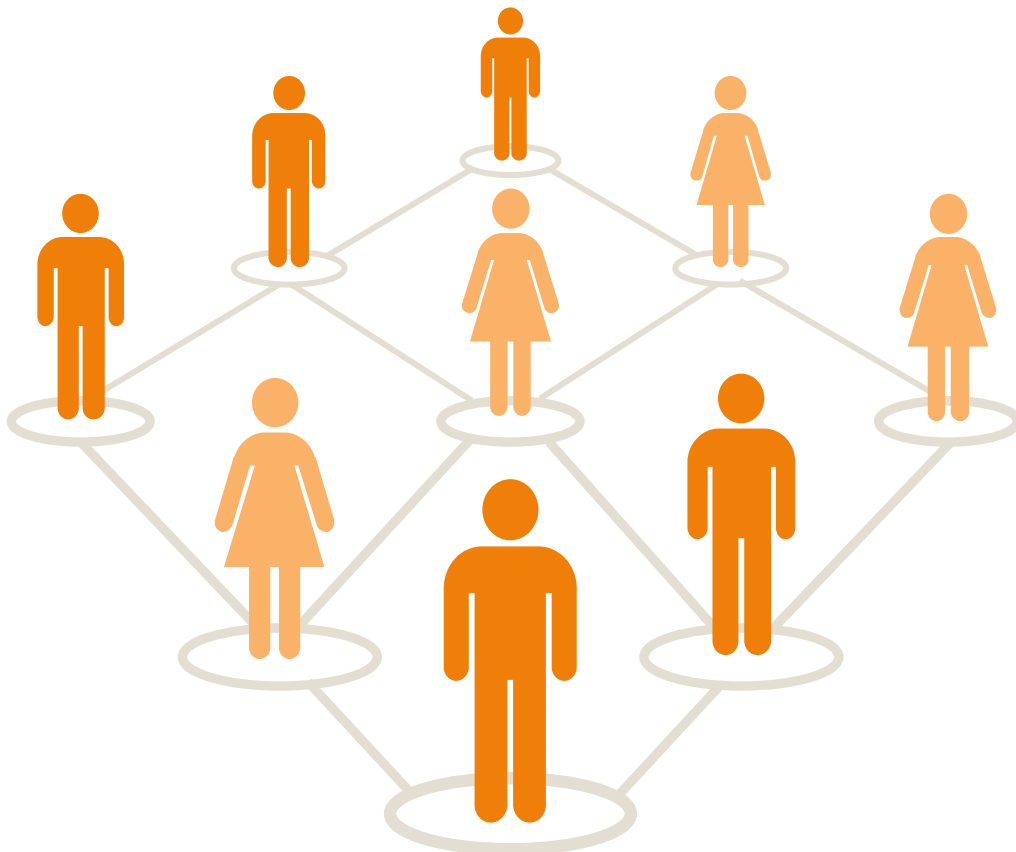
NON-DISCRIMINATION

The Group encourages freedom of expression and open communication. 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	FY2021	FY2020
Incidents of discrimination and corrective actions taken (GRI 406-1)	NIL	NIL

Our Group will strive to maintain zero incidents of discrimination in FY2022 and beyond.



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.

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.



The COVID-19 pandemic has triggered new ways of learning and the Group acknowledges the importance of continued capability building. The Group believes a competent workforce could contribute to seizing opportunities as the economy charts its way forward towards recovery from the impact of COVID-19.

During the onset of the pandemic, the ability to organise internal and external trainings has been uncertain and disrupted. Hence, for FY2021, we moved towards virtual learning environment including webinar workshops (both internally and externally conducted) and self-learning platforms utilising technology to enable learning whenever possible even during a work-from-home order. Leveraging technology and digital tools has been key to achieving successful employee engagement during the extended periods of remote working.

We continued to upskill our employees during this period as they acquired new knowledge through virtual learning programmes completed on e-learning platform and through videoconferencing. These virtual trainings have increased our staff's digital savviness and prepared them to be adaptable on multiple fronts, thus enabling shopper360 to be more resilient in the future. Some of these courses include:

- Sales - 5 Steps Selling Process, 20 Proven Unconventional Sales Strategies;
- Human Resource Management System - Expenses Claim, Onboarding module;
- Strategy – Certification of Business Strategies;
- Creative Thinking – Talking to Goldfish;
- Productivity and Time Management for the Overwhelmed;
- Microsoft 365, Teams, Excel and Powerpoint;
- Reallyenglish Online; and
- Human Resource – Harrison Assessment.

AVERAGE TRAINING HOURS	FY2018	FY2019	FY2020	FY2021
Average Training Hours Per Staff (Permanent)	9.00	8.85	9.89	13.61

We have met our target by achieving an average training hour of 14 hours per staff (permanent staff) for FY2021, an increase from FY2020, mainly due to the additional training as a result of the implementation of Microsoft 365 environment in March 2021 and also more trainings during the work-from-home period. However, the Group also understands the importance of physical interaction and the effects of prolonged on-screen time and aims to strike a balance between virtual and physical learning. The Group believes virtual learning should be seen as a complement and extension of physical forms of learning. Moving forward, as the economy charts its way towards recovery, we would like to continue to target an achievement of an average of 8-9 hours for permanent staff in the long term.

SOCIOECONOMIC COMPLIANCE

We are mindful of the well-being of every community in which we operate in. 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	FY2021	FY2020
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 non-compliance with laws and regulations in the social and economic area in FY2022 and beyond.



CUSTOMER PRIVACY

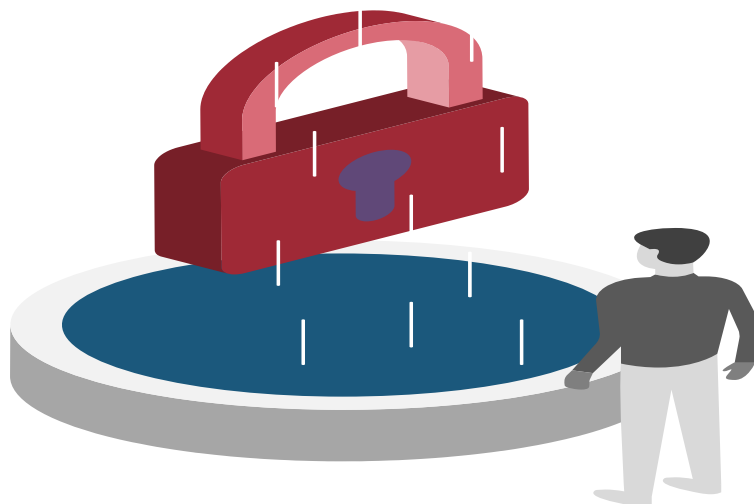
In the digital age, businesses are susceptible to data theft and cyberattacks. Therefore, safeguarding our stakeholders' data is of paramount importance to our Group and we are committed to maintain utmost privacy and security of their personal data. This includes recognising our responsibility to properly 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 FY2021, 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	FY2021	FY2020
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 FY2022 and beyond.



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 44 to 65 of our Annual Report 2021 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 57 to 58 of our Annual Report 2021.



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 2021 ("AR") page 2, Sustainability Report 2021 ("SR") page 6 to 7
Disclosure 102-6	Markets served	Malaysia, Singapore, Myanmar
Disclosure 102-7	Scale of the organization	AR page 2, 11 to 12, SR page 26
Disclosure 102-8	Information on employees and other workers	SR page 26 to 27
Disclosure 102-9	Supply chain	SR page 6, AR page 89 to 90
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 4-5
3. Ethics and integrity		
Disclosure 102-16	Values, principles, standards, and norms of behavior	SR page 8
4. Governance		
Disclosure 102-18	Governance structure	AR page 44 to 65
5. Stakeholder engagement		
Disclosure 102-40	List of stakeholder groups	SR page 10 to 11
Disclosure 102-41	Collective bargaining agreements	None
Disclosure 102-42	Identifying and selecting stakeholders	SR page 10
Disclosure 102-43	Approach to stakeholder engagement	SR page 10
Disclosure 102-44	Key topics and concerns raised	SR page 11
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 3
Disclosure 102-47	List of material topics	SR page 12 to 13
Disclosure 102-48	Restatements of information	Not applicable
Disclosure 102-49	Changes in reporting	Not applicable
Disclosure 102-50	Reporting period	1 June 2020 to 31 May 2021
Disclosure 102-51	Date of most recent report	28 October 2020
Disclosure 102-52	Reporting cycle	Annually

Disclosure 102-53	Contact point for questions regarding the report	SR page 3
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 34 to 35
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 14 to 22
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GRI 205: Anti-corruption

Disclosure 205-3	Confirmed incidents of corruption and actions taken	SR page 23
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GRI 307: Environmental Compliance

Disclosure 307-1	Non-compliance with environmental laws and regulations	SR page 24
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GRI 404: Training and Education

Disclosure 404-1	Average hours of training per year per employee	SR page 30
Disclosure 404-2	Programs for upgrading employee skills and transition assistance programs	SR page 29 to 30

GRI 405: Diversity and Equal Opportunity

Disclosure 405-1	Diversity of governance bodies and employees	SR page 26 to 27
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GRI 406: Non-Discrimination

Disclosure 406-1	Incidents of discrimination and corrective actions taken	SR page 28
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GRI 418: Customer Privacy

Disclosure 418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR page 32
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GRI 419: Socioeconomic Compliance

Disclosure 419-1	Non-compliance with laws and regulations in the social and economic area	SR page 31
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