



# SUSTAINABILITY REPORT FOR 2020



# TRICKLESTAR LIMITED

## SUSTAINABILITY REPORT 2020

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## ABOUT THIS REPORT

### Reporting scope and standard

TrickleStar was admitted to the Catalist Market of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 18 June 2019 following a restructuring exercise. In accordance with the Rules of Catalist, this inaugural standalone Sustainability Report (“**Report**”) of TrickleStar Limited (“**Tricklestar**”), an expression that includes its subsidiaries where the context allows) is for the financial year ended 31 December 2020.

This Report has been prepared in accordance with the Global Reporting Initiative (“**GRI**”) Standards: Core Option (“**GRI Standards**”) – *G4 Sustainability Reporting Guidelines* issued by the Global Sustainability Standards Board. This Report is guided by Practice Note 7F of the *Sustainability Reporting Guide* under the **SGX-ST** Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”).

TrickleStar has adopted the GRI framework in reporting by considering its activities, impacts and substantive expectations and interests of its stakeholders. At this time, TrickleStar has highlighted four principles for its direction in sustainability: economic, environmental, social and governance (“**EESG**”).

Given that this is the TrickleStar’s inaugural report, TrickleStar will work towards expanding the scope of its Sustainability Reporting through the process of target setting and gathering performance data for the purpose of qualifying progress for further reports.

Please refer to Page 14 for the GRI Content Index which summarises the relevant information disclosed as per GRI Standards requirements.

We have not sought external assurance for this Report and may consider doing so in the future.

In line with TrickleStar’s commitment to environmental sustainability, no hardcopies of this Report have been printed. The Report can be viewed on our website <https://www.tricklestar.com/investors.html>

We welcome feedback and suggestions from our stakeholders on this Report or on TrickleStar’s sustainability initiatives. You may contact us through our investor relations email at [investor.relations@tricklestar.com](mailto:investor.relations@tricklestar.com).

## BOARD STATEMENT

The Board of Directors (“**Board**”) is always mindful of its responsibilities to TrickleStar’s shareholders and various stakeholders to create and deliver sustainable value and long term success through its leadership and oversight of management of TrickleStar’s business.

Identified key EESG factors for TrickleStar have been recommended by management, and are reviewed and approved by the Board. Sustainability is a part of TrickleStar’s wider strategy to create long term value for all its stakeholders. Going forward, TrickleStar will continue its efforts to further build on its sustainability efforts together with its key stakeholders.

This Report is prepared in relation to TrickleStar’s EESG initiatives and performance in 2020. When considering EESG, the Board is mindful that:

- TrickleStar produces energy-optimization products, which, by definition, are aimed to benefit the environment;
- Manufacturing and assembly of its products are contracted out; and
- TrickleStar had 19 employees at the end of 2020

For the accuracy of data monitoring and verification of this Report, we have used internal and publicly available resources only. Data and information in this Report have not been verified by an independent third party.

Stakeholders should note that, with the planned expansion of products and sales volumes, TrickleStar will require time to collect and consider data to set targets for EESG in all relevant categories under normal operational circumstances. To ensure reporting quality, we have observed the principles of balance, comparability, accuracy, timeliness, clarity and reliability.

TrickleStar is committed to its stakeholders, which includes employees, business partners and consumers who use TrickleStar’s energy-efficient products. TrickleStar employs strategies that are aimed to reduce manufacturing costs and take advantage of scale through contracts relating to manufacturing and assembly of products, while building its brand and protecting its technical know-how.

TrickleStar’s Board recognizes the need to adopt a sustainable approach in relation to policies, strategies and major decisions. TrickleStar’s goals are to become the world leader in intelligent, internet-connected, energy-saving products; and improve and simplify the way electric utilities around the world deploy demand response solutions.

Therefore, TrickleStar will continue to introduce new energy-optimization products with customized applications and diversify the manufacture and assembly of its products by sub-contractors. TrickleStar intends to grow in a way where its environmental impact is minimized, employees are treated fairly and good governance and ethical business practices are adhered to.

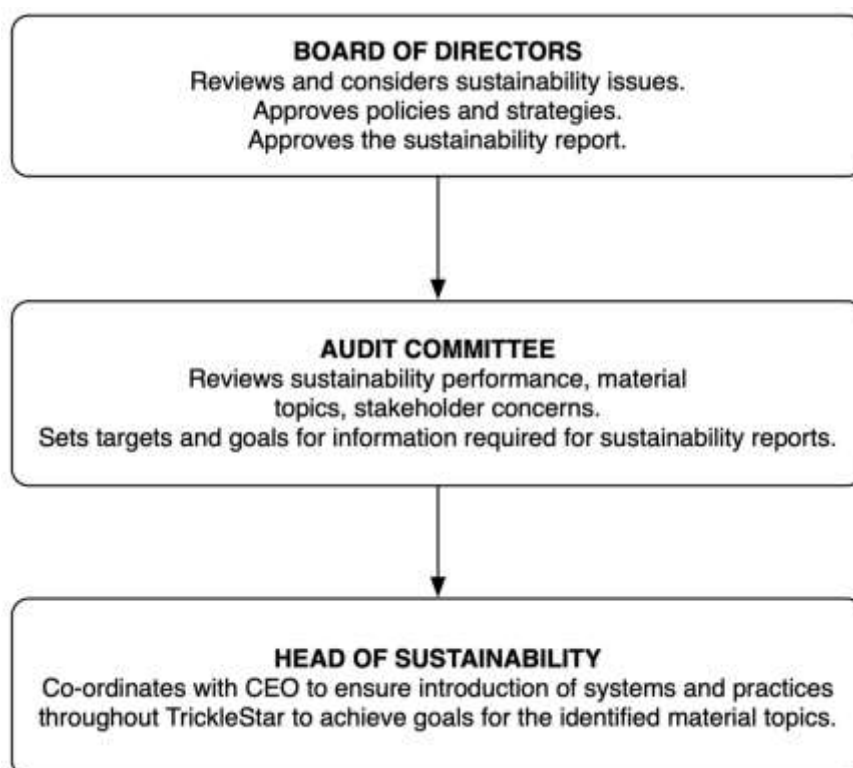
## COMPANY PROFILE

TrickleStar was formed in 2008 through the incorporation of TrickleStar Limited in Hong Kong. TrickleStar Limited, Singapore is an investment holding company that listed on the Catalist Board of Singapore Exchange Securities Trading Limited (“**SGX-ST**”) on 18 June 2019. TrickleStar’s business is design and supply of affordable energy optimization products that help minimise environmental impact by reducing energy wastage. For more details, please refer to the Corporate Profile and Our Products section in the 2020 Annual Report which is available through the Investors section of our website at <https://www.tricklestar.com/investors.html> and our company Listing Profile on SGX-ST.

## SUSTAINABILITY GOVERNANCE STRUCTURE

The Board sets the tone, drives sustainability and is responsible for the approach and integration of sustainability principles. The Chief Executive Officer (who is also Executive Chairman of the Board) is closely involved in the development and refinement of sustainability policies and initiatives. Following the direction set out by the Board, the Chief Executive Officer oversees the day-to-day execution and adherence of sustainability policies and practices, including tracking TrickleStar’s performance against material matters.

The sustainability governance structure below helps TrickleStar to achieve and advance its sustainability goals.



## STAKEHOLDER ENGAGEMENT

We engage with our stakeholders to align our sustainability approach with their expectations to better understand the material factors that will impact them. The table below sets out the platforms through which we engaged key stakeholders during 2020, the period under review:

Stakeholders	Engagement platform	Frequency of engagement	Main Interest/Concerns
Employees	<ul style="list-style-type: none"> <li>Open dialogues</li> <li>Annual performance review</li> </ul>	Formal Annual / Ad hoc as required	<ul style="list-style-type: none"> <li>Employee welfare and benefits</li> <li>Safe working environment</li> <li>Work-life balance</li> <li>Training and development needs</li> </ul>
Government and regulators	<ul style="list-style-type: none"> <li>Regular reports</li> <li>Meetings</li> <li>SGX-ST announcements</li> </ul>	Annual/ As required	<ul style="list-style-type: none"> <li>Corporate governance</li> <li>Compliance with laws and regulations</li> </ul>
Investors and shareholders	<ul style="list-style-type: none"> <li>Annual reports and circulars</li> <li>Sustainability reports</li> <li>Annual General Meetings</li> <li>Extraordinary General Meetings</li> <li>SGX-ST announcements / press release</li> </ul>	Annual/ half-yearly/ As required	<ul style="list-style-type: none"> <li>Stable and sustainable growth and profitability</li> <li>Reasonable returns to shareholders</li> <li>Corporate governance</li> <li>Financial performance and stability</li> </ul>
Business partners	<ul style="list-style-type: none"> <li>Regular dialogues and meetings</li> <li>E-mail communication</li> <li>Phone calls</li> </ul>	As required	<ul style="list-style-type: none"> <li>Quality of products and services</li> <li>Financial stability</li> <li>Fair payment terms</li> </ul>
Customers	<ul style="list-style-type: none"> <li>Regular dialogues and meetings</li> <li>Website inquiries</li> <li>E-mail and phone inquiries</li> <li>Trade partner inquiries (such as Amazon)</li> </ul>	As required	<ul style="list-style-type: none"> <li>Quality and pricing of products and services</li> </ul>
Banker	<ul style="list-style-type: none"> <li>Meetings</li> <li>Informal discussions</li> </ul>	As required	<ul style="list-style-type: none"> <li>Compliance with covenants</li> <li>Financial performance and stability</li> <li>Business outlook</li> <li>Future banking needs</li> </ul>

We recognize that TrickleStar’s sustainable growth and stable long-term returns require continuous engagement with stakeholders. As TrickleStar grows and expands its range of energy-optimization products, we intend to improve our employees’ understanding of the impact of sustainability, improve disclosures on EESG practices and consider engaging various stakeholder groups in identifying material factors for subsequent sustainability reporting.

In due course, we aim to identify and set targets for sustainability matters that are material to our business and important for our stakeholders.

At this time, our key stakeholders outside of shareholders are customers and contract manufacturers. The success of our businesses is inherently intertwined with the satisfaction of our customers. In some cases, the success of our customers e.g. utility distributors, is also of high importance as they have set goals that they expect to achieve through distribution of our products to end users.

We remain committed to working with all customers on their requirements and applications of our energy-optimization products and to contribute to our customers’ successes in achieving their goals.

## **MANAGEMENT APPROACH**

With regards to materiality, this Report addresses factors that reflect TrickleStar’s significant economic, environmental and social impacts, which we believe influence the assessments and decisions of stakeholders. TrickleStar has conducted an informal survey with management to determine key material sustainability factors.

Moving into 2022, TrickleStar will put in place measures to monitor additional sustainability factors that are aimed to help TrickleStar grow in a responsible and sustainable manner.

## **MATERIALITY**

### **Identification of material factors**

For the first time in 2019, management conducted a formal evaluation of TrickleStar’s risk profile using the Materiality Determination Process Tools as listed in the *Sustainability Reporting Guide*, Practice Note 7F of the Catalist Rules. The assessment aimed to identify economic, environmental, social and governance risks and opportunities that could have an impact on TrickleStar’s business. This profile, which was updated in 2020, has guided the contents of this Report and our overall sustainability agenda.

TrickleStar has identified the following material factors through the analysis and will continue to adjust and address these material EESG factors.

## STAKEHOLDER MATERIALITY ASSESSMENT



As TrickleStar widens the scope of its investigation into the impacts of its business, we intend to establish performance targets for material areas and explain the progress we have made in those areas in our subsequent sustainability reports. We also plan to engage frequently with our stakeholders to better understand their materiality concerns.

### ECONOMIC PERFORMANCE

TrickleStar’s growth and its performance in relation to environmental, social and governance factors are interconnected. Since TrickleStar was listed on the Catalist Board of the SGX-ST in June 2019 (SGX-ST: CYW), our financials are publicly available. For TrickleStar’s financial performance, please refer to the Performance Review, Financial Statements, and Notes to Financial Statements in the 2020 Annual Report and our financial statements for the six months ended 30 June 2021, which are available through our Investors section of our website and our company listing profile on SGX-ST.

To date, our primary source of revenue has been through the sales of advanced power strips and surge protectors mainly through distributors to utility companies in USA and Canada.

TrickleStar seeks to achieve long-term sustainable growth through strengthening its core business by introducing new, energy-optimization products and raising market awareness of its products and their economic and social benefits. The first of these new products began mass production in the second half of 2021.

We believe that we are on track for future growth as we introduce new products, raise sales volumes, increase market share and distribute our proprietary products through established lines as well as distribution networks in new markets.



## GOVERNANCE

TrickleStar is committed to upholding high standards of corporate governance and regulatory compliance, ensuring the sustainability of our business while safeguarding our stakeholders' interests and value in the long term. We commit to conduct our business with integrity and also require the Board and management to comply with all laws and regulations. We aim to achieve a target of nil incidents of non-compliance.

We are committed to upholding high standards of corporate transparency and disclosures. We comply with the principles and guidelines set out in the Singapore Revised Code of Corporate Governance 2018. Our latest Corporate Governance Report can be found in the 2020 Annual Report.

### Corporate Governance and Compliance

TrickleStar strives to maintain a high standard of corporate governance to safeguard the interests of all its stakeholders.

In 2020, there were no incidences of non-compliance with laws and/or regulations resulting in fines and sanctions. We aim to maintain good corporate governance track records.

### Risk Management

TrickleStar has in place several risk management measures to manage its exposure to risk associated with our business and to safeguard shareholders' interest. A comprehensive set of internal controls for key operations' processes have been put in place to address financial, operational, compliance, information technology and risk management. These are reviewed by the Board. For further details, please refer to the Corporate Governance Report in the 2020 Annual Report. Going forward, TrickleStar will endeavor to develop its risk management measures further as its business evolves.

### Anti-Corruption

TrickleStar will not compromise on corruption and has a zero-tolerance position on fraudulent or corrupt practices. TrickleStar has policies to support this stance, such as an Anti-Corruption, Foreign Corrupt Practices Act and No Gift Policy, Conflict of Interest Policy and Whistleblowing Policy, to prevent, govern and facilitate the reporting of any illegal and/or unethical practices. The Anti-Corruption, Foreign Corrupt Practices and No Gift Policy and Whistleblowing Policy are published at our website, [www.tricklestar.com](http://www.tricklestar.com). These matters are referred to in our Corporate Governance Report in our 2020 Annual Report.

## Whistleblowing

TrickleStar is committed to the highest standards of integrity and openness, and maintains a high standard of accountability in the conduct of its business and operations. TrickleStar has established a Whistleblowing Policy for employees and other stakeholders to raise, in confidence, concerns of misconduct and possible improprieties so that appropriate remedial action can be taken if concerns are deemed legitimate.

All whistleblowing complaints will be reviewed by the Audit Committee to ensure independent, thorough investigation and appropriate follow-up.

In 2020, there were no whistleblowing reports received.

## SOCIAL

### Employment Diversity and Equality

TrickleStar does not discriminate against employees or potential recruitments according to race, age, gender, religion, ethnicity, physical impairments, sexual preference, political viewpoints or nationality. Unlawful discrimination is a serious offense in TrickleStar. TrickleStar has in place an employee handbook and human resources manual that adheres to the legislation and guidelines in the relevant countries of operation.

In 2020, there were no employee complaints received with regards to discrimination in the workplace.

Our hiring practices are on the basis of merit such as skill and experience regardless of age, race, gender, religion or marital status. We value the diversity of our workforce and have an equal remuneration policy regardless of gender and nationality. The number of new employees in 2020 totaled 5.

Breakdown of new employees by region, age range and gender.

Age range	Malaysia		USA		Total
	Male	Female	Male	Female	
>=30 to <40		1	1	1	3
>=40 to <50		1			1
>=50	1				1
<b>Grand Total</b>	<b>1</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>5</b>

TrickleStar's employees are a key to success and achievement of our goals. We believe in staff development to widen the values of our employees, to assist them to contribute further to the success of our businesses.

At the end of 2020, the total number of our employees in both Malaysia and U.S.A was 19.

An analysis of employees by region, gender, contract (permanent/contract) and employment type (full-time/part-time) can be found below



### Employee Turnover

The employee turnover rate in 2020 was 23%.

As the organization grows and matures, particularly with the increase in sales volumes and expectations of listed companies, we have to support the growth by increasing our workforce.

Long and short-term incentives are granted to eligible employees based on their performance and contributions to TrickleStar. We conduct an annual performance review facilitated with an open discussion on the staff's performance for all employees. Remuneration policies and packages are reviewed regularly to ensure that compensation and benefits are in line with the industry and country norms, which helps TrickleStar in our recruitment and retention of talent.

### Workplace Health and Safety

TrickleStar is committed to providing employees with a healthy and safe working environment. TrickleStar has focused on creating a culture which requires all members of our workforce to create a safe work environment. We aim to identify and manage occupational risks, minimize occurrences of occupational illness and promote healthy lifestyles with a work-life balance.

The Board and management were quick to form an organized response to the Covid19 pandemic. Our priority was to ensure the health and safety of our employees. Implementation of robust measures were taken that were at least in line with government mandated precautions to ensure the well-being of our employees. Our employees were directed to work from home during lockdown periods, and TrickleStar kept in close contact with all employees to ensure they had the right resources at home and were adapting to the new working conditions.

In FY2020, there were no work-related incident, injuries and illness at our workplace.

### **Child Labor, Forced or Compulsory Labor**

TrickleStar does not tolerate child labor, forced labor or compulsory labor, in any of its operations. We are firmly opposed to all forms of child exploitation and forced labor. We will not engage with any company in our supply chain that does not share the same views on zero tolerance for child or forced labor.

## **ENVIRONMENT**

### **Supply Chain**

TrickleStar is selective in choosing its business partners. We carefully check the reputation of each of our main suppliers and contract manufacturers and, to date, we have had no cause for concern.

Currently, we outsource all manufacturing to selected companies that comply with all necessary safety regulations. This results in economies of scale and also reduces TrickleStar's footprint in emissions and transporting products. We assess and re-evaluate the performance of the sub-contractors regularly. Immediate feedback will be provided to our business partners when issues arise. To date, we have not had any environmental or other issues of concern with any of our business partners.

In 2021, we undertook an initial review of the sustainable and EESG policies of our main sub-contractors. The review confirmed that their approach to EESG is in line with TrickleStar's own objectives as outlined in this Report. We believe that like-minded business partners that share our commitment to sustainability will mitigate operational and reputation risks.

TrickleStar endeavors to minimize the negative effects of conducting its business whenever feasible. Our principle contract manufacturers and product assemblers conform to recognized quality and safety standards, including internationally recognized standards of ISO 9001, ISO 14001:2015 and ISO 45001:2018. TrickleStar's proprietary brands and products conform to international standards and requirements in the markets in which we sell, including the UL, ETL, FCC, IC and CE certifications.

## Energy and Materials Reduction

TrickleStar has undertaken environmentally-friendly measures to reduce energy usage and office consumables. In the future, we are looking to implement additional initiatives to maximize the use of recyclable materials in the production and packaging of our products. We will be performing benefit reviews in 2021 and 2022 on these initiatives before making any decisions.

As to the benefits that are derived from the use of TrickleStar products, various assumptions must be made to quantify the energy savings. These include the level of kWh of electricity saved by use of each the products, which we have quantified based on the assumptions as below:

- A TrickleStar Advanced PowerStrip (“**APS**”) Tier 1 product saves 75 kWh pa based on the research by NYSERDA’s “Advanced Power Strip Research Report, Final Report August 2011” and/or “RLPNC 17-3: Advanced Power Strip Metering Study, March 18, 2019” by NMR Group; and
- APS Tier 2 product saves 141 kWh pa based on the research by RLPNC 17-3: Advanced Power Strip Metering Study, March 18, 2019” by NMR Group Inc.

Using these assumptions and the EPA’s calculator:

- APS Tier 1 products help save 452,989,500 kWh energy over their expected lifetimes,
- APS Tier 2 products help save 232,121,250 kWh energy over their expected lifetimes.
- We have helped our customers save USD75,365,183 in energy demand costs.
- This saved energy is also equivalent to 485,526 metric tons of CO<sub>2</sub>
- This 485,526 metric tons of CO<sub>2</sub> emissions are equivalent to planting 594,856 forested acres of trees or removing 105,592 cars from the road or decommissioning 0.122 coal-fired power plants in one year.

## Use of Sustainably Sourced Packaging

TrickleStar is committed to the use of paper-based packaging sourced from sustainably sourced materials. TrickleStar will work to transition in usage of sustainably sourced cardboard and paper at all contract manufacturing facilities and ensure all paper based packaging is certified.

## Plastics Reduction

TrickleStar is committed to the reduction of plastics used in packaging of products. Where possible, use of plastics will be eliminated and we will work to transition to the use of certified, biodegradable plastics moving forward.

## Avoidance of Conflict Minerals

TrickleStar is committed to the ban of usage of conflict minerals in products. TrickleStar will require sub-contractors to verify and confirm that conflict minerals are not used in their factories or products that they produce for TrickleStar.

## GRI CONTENT INDEX: CORE OPTION

Note: FY2020 Annual Report is available at: <https://www.tricklestar.com>

GRI STANDARDS	REPORT REFERENCE	PAGE
<b>GRI-102: GENERAL DISCLOSURES</b>		
<i>1. Organisational profile</i>		
102-1	Name of the organisation	About this Report 3
102-2	Activities, brands, products, and services	Corporate website: <a href="https://www.tricklestar.com">https://www.tricklestar.com</a> -
102-3	Location of headquarters	Corporate website -
102-4	Location of operations	FY2020 Annual Report (Pg 2) -
102-5	Ownership and legal form	FY2020 Annual Report (Pg 2) -
102-5	Market served	FY2020 Annual Report (Pg 2) -
102-7	Scale of the organisation	FY2020 Annual Report (Pg 2) -
102-8	Information on employees and other workers	Employment Diversity and Equality 10
102-9	Supply chain	Supply Chain 12
102-10	Significant changes to organisation and its supply chain	FY2020 Annual Report (Pg 5) -
102-11	Precautionary principle or approach	Workplace Health and Safety 11
102-12	External initiatives	Not applicable -
102-13	Membership of associations	Corporate member of Singapore Business Federation (SBF) -
<i>2. Strategy</i>		
102-14	Statement from senior decision maker	Board Statement 4
<i>3. Ethics and integrity</i>		
102-16	Values, principles, standard, and norms of behaviour	Risk Management 9
<i>4. Governance</i>		
102-18	Governance structure	Corporate Governance and Compliance 9
<i>5. Stakeholder Engagement</i>		
102-40	List of stakeholder groups	Stakeholder Engagement 6
102-41	Collective bargaining agreements	Stakeholder Engagement 6
102-42	Identifying and selecting stakeholders	Stakeholder Engagement 6
102-43	Approach to stakeholder engagement	Stakeholder Engagement 6
102-44	Key topics and concerns raised	Stakeholder Engagement 6

<b>6. Reporting Practice</b>			
102-45	Entities included in the consolidated financial statements	FY2020 Annual Report (Pg 86)	-
102-46	Defining report content and topic boundaries	About this Report	3
102-47	List of material topics	Materiality	7
102-48	Restatements of information	Nil	-
102-49	Changes in reporting	Nil	-
102-50	Reporting period	About this Report	3
102-51	Date of most recent report	Nil	-
102-52	Reporting cycle	Annual	
102-53	Contract point for questions regarding the report	About this Report	3
102-54	Claims of reporting in accordance with GRI Standards	About this Report	3
102-55	GRI Content index	GRI Content Index	14
102-56	External assurance	Nil	2

### **GRI 103: MANAGEMENT APPROACH**

103-1	Explanation of the material topic and its boundaries	Management Approach	7
103-2	The management approach and its components	Management Approach	7
103-3	Evaluation of the management approach	Management Approach	7

### **TOPIC-SPECIFIC STANDARDS**

#### **1. Economic**

##### **GRI 201: Economic Performance**

201-1	Direct economic value generated and distribution	Economic Performance	8
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##### **GRI 205: Anti-Corruption**

205-3	Confirmed incidents of corruption and actions taken	Anti-Corruption	9
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#### **2. Social**

##### **GRI 401: Employment**

401-1	New employee hires and employee turnover	Employment Diversity and Equality	10
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##### **GRI 403: Occupational Health and Safety**

403-2	Type of injury and rates of injury, occupational diseases, lost, and absenteeism and number of work-related fatalities	Workplace Health and Safety	11
<b>GRI 404: Training and Education</b>			
404-3	Percentage employees receiving regular performance and career development reviews	Employee Turnover	11
<b>GRI 405: Diversity and Equal Opportunity</b>			
405-1	Diversity of governance bodies and employees	Employment Diversity and Equality	10
<b>GRI 406: Non-Discrimination</b>			
406-1	Incidents of discrimination and corrective actions taken	Employment Diversity and Equality	10
<b>GRI 408: Child Labor</b>			
408-1	Operations and supplies at significant risk for accidents	Child Labor, Forced or Compulsory Labor	12
<b>GRI 409: Forced or Compulsory Labor 2016:</b>			
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Child Labour, Forced or Compulsory Labor	12
<b>3. Environmental</b>			
<b>GRI 301: Materials</b>			
301-1	Materials	1) Use of Sustainability Sourced Packaging 2) Plastics Reduction 3) Avoidance of Conflict Minerals	13
<b>GRI 302: Energy</b>			
302-5	Reduction in energy requirements of products and services	Energy and Material Reduction	13