ACTING SWIFTLY
SEIZING OPPORTUNITIES

SUSTAINABILITY REPORT for FY2020

立德集团有限公司
KTMG LIMITED

ACTING SWIFTLY
SEIZING OPPORTUNITIES

Amidst worldwide disruptions and uncertainties caused by the COVID-19 pandemic, KTMG Limited persevered through the year by adapting swiftly and capturing new opportunities in the face of these challenges.

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1.0 STATEMENT FROM THE EXECUTIVE CHAIRMAN

Dear reader,

As KTMG Limited (the "**Company**" or "**KTMG**" and together with its subsidiaries, the "**Group**") reflects upon the financial year ended 31 December 2020 ("**FY2020**"), the extreme challenges faced globally and within our industry, I would like to first and foremost thank the employees for their commitment towards overcoming adversity while upholding the Group's vision of being a responsible and accountable business.

On behalf of the Board, I would like to further cement KTMG's commitment towards sustainability, through further incorporating environmental and societal considerations as a strategic component of our business operations and performance. We hope that the readers of this report can better understand how KTMG has determined key sustainability focus areas, how this has translated into the listed material matters and how these matters are further monitored and managed.

The Board relies on a close working relationship with the management team to fully realise the vision for corporate sustainability, a key building block that forms our commitment to the communities and surrounding environments that we operate in. As Executive Chairman of the Board, I speak on behalf of the Board to lay the foundations for sustainability governance that is well structured and functioning throughout various levels of operations and we hope that we have highlighted this within this Report.

Through the incorporation of sustainability into our business practices, we find that we are more mindful of how our products are developed and made. As we move towards a more ethical business model, we are more conscious on the impact and footprint that we leave on the environment and our communities.

This report serves as a starting point for us to showcase our continuous progress on this journey. We hope to consistently meet the goals that we have set for ourselves and rise to meet the opportunities set before us.

On behalf of the Board

Mr. Lim Siau Hing
Executive Chairman
30 December 2021

2.0 ABOUT THIS REPORT

2.0 ABOUT THIS REPORT

This report has been designed to showcase the initiatives and activities surrounding sustainability carried out by KTMG and has included the considerations and interests of key stakeholders. KTMG hopes that this report provides comprehensive and accessible information on the company's strategy towards sustainability, the rationale behind these initiatives and the relevant data points based on recognised international reporting standards.

2.1 SCOPE OF REPORT

The report covers the sustainability efforts and performance of our consolidated entities for FY2020. The content of this report will focus on the Group's sustainability performance, activities and initiatives.

Material issues and topics described in this report have been selected according to their level of significance within the company's boundaries, the sustainability context, materiality and are reflective of our core business operations.

Given that this is the Group's first year of embarking on sustainability reporting, this report serves as a baseline for future reporting and will mostly cover the Group's initial data as we continue our sustainability journey. The data presented in this report applies to the Group as a whole, unless otherwise stated in the report. We hope to expand the indicators presented on the material matters in this report in the near future.

2.2 ORGANISATIONAL STRUCTURE
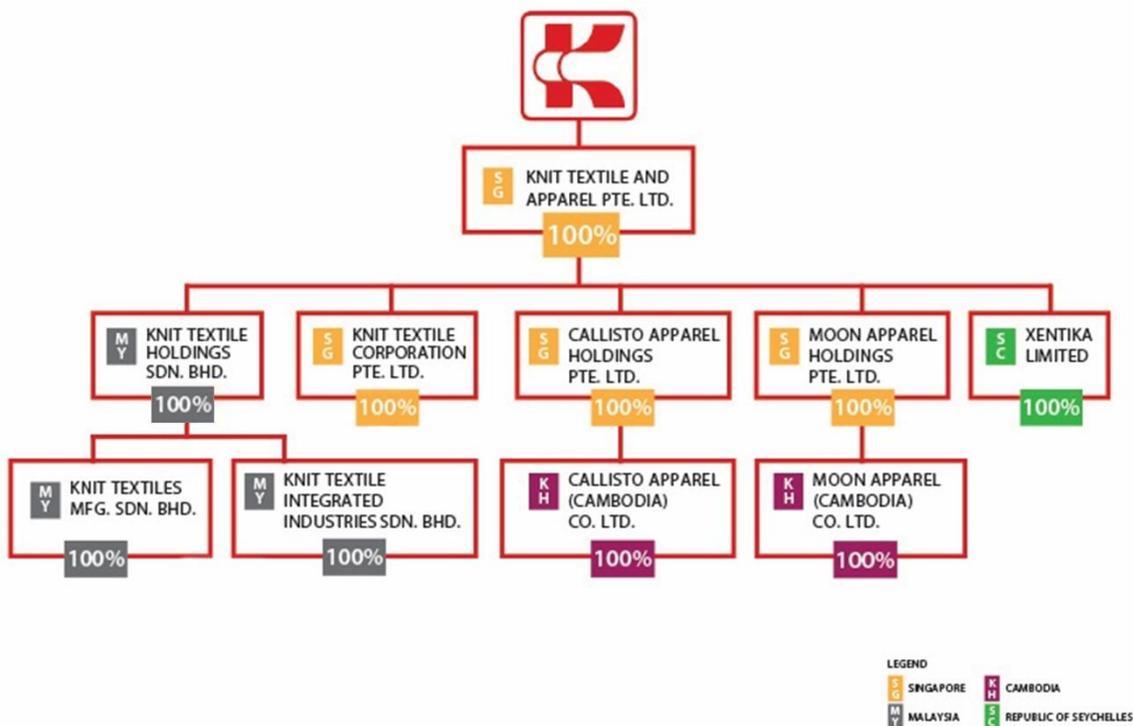
KTMG Limited is the parent company, listed on the Singapore Exchange and is a vertically integrated textile and apparel manufacturer. The Group, headquartered in Malaysia, has operations in Singapore, Malaysia and Cambodia and serves global markets.

In Malaysia, the Group has an apparel factory (Knit Textiles Manufacturing. Sdn. Bhd.) and a textile factory (Knit Textile Integrated Industries Sdn. Bhd.) The Group's apparel operations in Cambodia are conducted under Callisto Apparel Holdings Pte. Ltd, and Moon Apparel Holdings Pte. Ltd. All subsidiaries are 100% wholly owned by KTMG Limited.

2.3 REPORT METHODOLOGY

This is the Group's first sustainability report since its listing in 2019. We have prepared our report in accordance with the requirements of the Global Reporting Initiative's (GRI) Standards: Core option, an internationally recognised reporting framework that covers a comprehensive range of sustainability disclosures. This report is prepared in compliance with the Rules 711A and 711B of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited ("**SGX-ST**")("**Catalist Rules**"), and is referenced to the guidance set out in SGX-ST's Sustainability Reporting Guide under Practice Note 7F of the Catalist Rules. The Group adopts the precautionary principle to minimise negative effects of conducting its business whenever feasible. The primary components of SGX's sustainability reporting requirements that we have sought to include in this report includes:

1. Material environmental, social, and governance ("**ESG**") factors

Material ESG factors are elaborated in Section 3.2 of this report. The Group conducted a materiality assessment from internal and external stakeholders to identify material matters that are important to both the organisation and their stakeholders.

2. Policies, practices, and performance

The policies, practices, and performance for each material matter have been elaborated in their individual sections below. The Group understands the need to improve on the performance of ESG matters, however, given that this is the first reporting year the figures stated will be used as a baseline for the performance of upcoming years.

3. Targets

The Group is currently determining targets for upcoming years. As the Group continues to integrate ESG factors into the strategy of the organisation, the Group hopes to be able to provide targets in our next report.

4. Sustainability reporting framework

As mentioned above, this report has been prepared based on the GRI Standards: Core option and Sustainability Reporting Guidelines published by SGX-ST.

5. Board Statement

The statement from our Executive Chairman highlights how the Board views sustainability issues as a component of the Group's strategic formulation. In Section 3.1 on Sustainability Governance, we have further elaborated on how the Board oversees ESG issues throughout the organisation.

We aim to fully incorporate ESG factors that are pertinent to our business for the benefit of our stakeholders. Being transparent on these issues ensures that our stakeholders are able to better assess our initiatives

3.0 OUR APPROACH TO SUSTAINABILITY

Our approach to sustainability is guided by our vision of being a *"leading vertically integrated textile and apparel manufacturer through innovation and technology in Southeast Asia."* We continue to integrate sustainability in our mission of *"committing towards providing a platform with value-added services for customers to obtain cost-effective textile and apparel manufacturing solutions"* and *"aiming to initiate and embrace sustainable business practices to enhance growth and stakeholders' value."*

We integrate elements of sustainability in our core values of *"commitment, teamwork, quality, integrity and innovation"* and this has shaped our approach in determining the material matters that are further outlined within this report.

3.1 SUSTAINABILITY GOVERNANCE

Sustainability governance encapsulates the systems and controls in place to manage the Group's sustainability activities. The system encompasses policies, processes, and people, which are necessary to meet the expectations of all stakeholders with integrity, respect, transparency and in a responsible manner.

While the Board oversees the strategy of all sustainability initiatives throughout the Group, the Management team provides the necessary oversight for implementation.

For information on corporate governance matters, renumeration and compensation, please refer to our 2020 Annual Report which provides more details on corporate governance.

3.2 MATERIAL MATTERS

For the purposes of this report, we have defined materiality as the Group's significant economic, environmental, and social impacts that have substantive weight and influence on the decisions of our stakeholders.
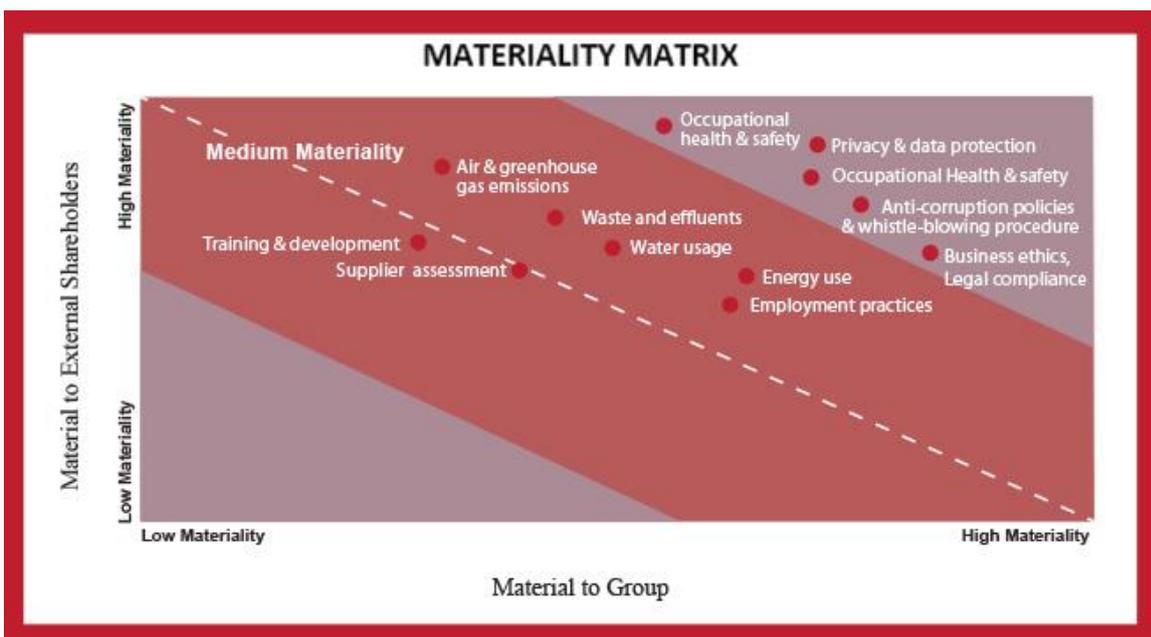
To determine the material matters, the Group has conducted a materiality exercise with key internal and external stakeholders. The outcome of the exercise serves as the basis of the material matters listed in the report. The Group has provided data and information of the material matters in the sections below.

Key material matters:

Governance Matters	Environmental Matters	Social Matters
Business ethics	Legal compliance on environmental matters	Legal compliance on employment practices
Anti-corruption and whistle-blowing procedures	Air and greenhouse gas emissions	Employment practices
Supplier assessments	Waste and effluents	Occupational health and safety
	Water usage	Training and development
	Energy usage	Privacy and data protection

3.3 STAKEHOLDER ENGAGEMENT

Successful stakeholder management is crucial in terms of building relationships and trust to implement corporate sustainability strategies and programs. Leveraging expertise from all levels within and outside of the organisation can ensure that we understand the points of views of all stakeholders.

Stakeholder engagement requires consistent and open communication channels as this is a key component of receiving feedback from our key stakeholders. The Group will consistently evaluate the appropriateness of engagements with relevant stakeholders and is open to any suggestions regarding reporting disclosures.

For any comments and feedback, please contact us through:

Email: info@ktmg.sg

Stakeholders and focus areas	Engagement Methods	Frequency
Customers: • **Supplier assessments** • **Anti-corruption and whistle-blowing** • **Privacy and data protection**	Feedback survey	On going
	Customer audits	On going
	Live interactions	On going
	Regular meetings	On going
	Customer site visits	On going

Stakeholders and focus areas	Engagement Methods	Frequency
Employees: • **Employment practices** • **Training and development** • **Occupational Health and Safety**	Health and safety briefing	On going
	In-house trainings	On going
	Corporate/staff memos	On going
	Performance evaluations	Annually
	Regular meetings	On going
	Anti-bribery and corruption briefings	On going
Management: • **Sustainability governance** • **Business ethics** • **Environmental management** • **Anti-corruption and whistleblowing**	Monthly operation reviews	Monthly
	Semi-annual operation review	Semi-annually
	Preparation of budget	Annually
Suppliers: • **Supplier assessments** • **Privacy and data protection**	Evaluation of suppliers	On going
	Live interactions	On going
	Supplier audit	On going
	Anti-bribery and corruption briefings	On going
Investors: • **Anti-corruption and whistleblowing** • **Sustainability governance and strategy** • **Legal compliance** • **Privacy and data protection**	Annual general meeting	Annually
	Press releases	On going
	Corporate website	On going
	Regular updates via SGXNet	On going
Government and regulators: • **Anti-corruption and whistleblowing** • **Legal compliance on environmental and social matters** • **Environmental management** • **Social management**	Inspections and audits	On going
	Participation of government or regulator organised events	On going
	Regular updates via SGXNet	On going

4.0 BUSINESS CONDUCT AND ETHICS

We take pride in maintaining the highest standards of corporate governance, as required by SGX's listing requirements. We have aligned ourselves to international best practices through our anti-bribery and corruption policy and whistleblowing policy. These policies serve as a guide to ensure that our organisation manages the associated impacts and stakeholders' reasonable expectations and interests towards upholding the highest standards of business conduct and ethics.

4.1 ANTI-BRIBERY AND CORRUPTION POLICY

The anti-bribery and corruption policy applies to all employees of KTMG Limited and its subsidiaries, including any associated business partners, agents, contractors and consultants acting on the Group's behalf.

The organisation defines corruption as an abuse of entrusted power for private economic gain and defines bribery as the giving, offering, or agreeing to provide benefits to others in order to improperly influence an outcome to obtain or retain an advantage.

To identify forms of bribery and corruption, the Group ensures that records and accounts are, in reasonable detail, accurately reflecting all transactions and dispositions and requires all individuals associated to the Group to maintain complete and accurate records with respect to all transactions on behalf of the Group. These requirements apply to transactions of any amount, not limited to sums that would be "material" in financial sense.

The Group has also prohibited the use of corporate funds or assets such as:

- Direct or indirect payments, gifts, contributions or offers or promises of anything of value in bribes, payoffs, kickbacks, or any other efforts for favours
- Commissions, fees, or similar payments which are not reasonably related in value to the services rendered, or commissions, fees or similar payments made in exchange for services rendered
- Direct or indirect contributions of money, property, or resources to the campaign of a political candidate or in any national political party, other than as permitted by law
- Use of assets, funds or resources of the Group by employees or members of their family which is personal, or not in furtherance of the business of the Group

The Group will continuously keep abreast with developments on anti-corruption and bribery to further enhance the anti-bribery and corruption policy.

In FY2020, no incidents of bribery or corruption were recorded by the Group and the Group adheres to maintain this going forward.

4.2 WHISTLEBLOWING POLICY

The Group and its subsidiaries are committed to the highest standards of integrity, openness, and accountability in terms of business conduct and operations. The Group will continue to ensure that all business affairs are conducted in an ethical, responsible, and transparent manner.

KTMG's Whistleblowing Policy provides an avenue for employees of members of the public to disclose any improper conduct (misconduct or criminal offence) through internal channels. Examples of misconduct or criminal offences includes:

- Fraud
- Bribery
- Abuse of Power
- Conflict of Interest
- Theft or embezzlement
- Misuse of company property
- Non-compliance with procedure.

The above list is non-exhaustive, and the Group encourages the reporting of any misconduct through the whistleblowing avenues.

All whistle-blowers will be accorded with protection of confidentiality of their identity. However, any employee or member of the public who wishes to report improper conduct will be required to disclose his/her identity to the Group so we are able to accord any necessary protection.

All disclosures can be submitted via whistleblow@ktmg.sg. Upon completion of the whistleblowing process and procedures, the whistle-blower will be accorded the privilege of being notified on the outcome of the disclosure.

For more information, please visit https://www.ktmg.sg/whistle-blowing-policy

4.3 SUPPLIERS' ASSESSMENT

As part of our ambitions to achieve greater integration of sustainability throughout our value chain, we extend the application of responsible business practices to our partners and suppliers. All suppliers are required to undergo our supplier selection criteria. We assess our suppliers on multiple parameters, namely product or service quality, price, delivery of supply and service or support.

Our suppliers are assessed annually on a scale of 1-3, with a score of 1 being unsatisfactory, and a score of 3 being exceeding expectations as demonstrated in the table below. In FY2020, the average scores of all the Group's fabric and accessories suppliers in both Malaysia and Cambodia scored 2 and above, where they achieved satisfactory expectations.

Group fabric supplier assessment scores in Malaysia and Cambodia (average score out of 3; 1-unsatisfactory, 3-exceeds expectations):

Assessed area	Malaysia	Cambodia
Product / service quality	2.33	2.38
Price	2.44	2.63
Delivery of supply	2.50	2.50
Service/ support	2.28	2.00

Group accessories supplier assessment scores in Malaysia and Cambodia (average score out of 3; 1-unsatisfactory, 3-exceeds expectations):

Assessed area	Malaysia	Cambodia
Product / service quality	2.67	2.81
Price	2.40	2.53
Delivery of supply	2.86	2.68
Service/ support	2.94	2.60

We will continue to work with our suppliers to achieve greater integration of sustainability throughout our value chain, through continuous assessment and constant communication with the suppliers.

In recent years, we have also included additional assessments for suppliers such as:

- Business Social Compliance Initiative (BSCI) Status

  BSCI is a system that helps companies to gradually improve working conditions in their supply chain. BSCI provides companies with a social auditing methodology and report. While social audits represent one pillar of activity for BSCI, it is also used to promote capacity building and build stronger relations with all stakeholders of the supply chain.

- Customs Trade Partnership Against Terrorism (C-TPAT) Status

  The CTPAT is a layer of the US Customs and Border Protection's cargo enforcement strategy. CTPAT is a voluntary public-private sector partnership that protects supply chains, identifies security gaps, and implements specific security measures and best practices. CTPAT members are considered to be of low risk and are therefore less likely to be examined at a US port of entry.

- Worldwide Responsible Accreditation Production (WRAP) Status

  WRAP is an independent, objective, non-profit team of global social compliance experts dedicated to promoting safe, lawful, humane, and ethical manufacturing around the world through certification and education.

The introduction of these additional assessments is relatively nascent within the organisation where we will continuously work with our suppliers to encourage the adoption of these statuses. As a major regional player in the apparel industry, we believe it is our duty to promote an ecosystem that adopts sustainability principles through positive reinforcement and encouragement.

5.0 ENVIRONMENTAL MATERIAL MATTERS

The Group has identified the following environmental material matters to our business based on the materiality exercise conducted for FY2020:

- Air and Greenhouse gas (GHG) emissions (Fuel Consumption - Scope 1 and Energy Use - Scope 2)
- Water Usage
- Waste Management

We ensure legal compliance of environment related matters through relevant laws from all jurisdictions that we operate in. The legal compliance of environmental matters is managed internally through internal compliance and audit committees, which is overseen by both Management and reported to the Board.

The data below has been categorised by the respective manufacturing centres, as we believe these operating centres produce the largest amount of impact in terms of environmental matters.

In FY2020, there were no issues of non-compliance with environmental matters within the organisation and the Group will continuously strive to maintain this status quo.

Other initiatives to increase resource efficiency includes the 3Ps – whereby we promote the efficient usage of Products, Processes and People. We believe that encouraging behavioural change through the 3Ps will help engrain a culture of resource efficiency throughout the organisation.

5.1 AIR AND GREENHOUSE GAS (GHG) EMISSIONS

For the purposes of this report, we will be covering the production of Scope 1 and Scope 2 GHG emissions through our operations. Scope 1 reflects GHG emissions produced from consumption of resources that are controlled by the organisation such as fuel consumption of company vehicles. Scope 2 reflects GHG emissions produced from generation of purchased or acquired electricity, heating, cooling, and steam consumed.

5.1.1 FUEL CONSUMPTION (SCOPE 1)

Our main usage of petrol and diesel in Malaysia is for the transportation of goods. In Cambodia, diesel was used for power generation through a generator. The fuel consumption of our operations in both Malaysia and Cambodia, are stated below:

Factory, Location	Annual Petrol Consumption (Litres)	Annual Diesel Consumption (Litres)	Annual GHG Emissions (tCO2)[1]
Knit Textile Integrated Industries Sdn. Bhd., Malaysia	2,200	12,500	44.75
Knit Textile Manufacturing Sdn. Bhd., Malaysia	9,004	9,510	52.50
Callisto Apparel (Cambodia) Co., Ltd, Cambodia	0	4,680	89.86
Moon Apparel (Cambodia) Co., Ltd, Cambodia	0	2,500	48.00

5.1.2 ENERGY USAGE (SCOPE 2)

As a responsible textile and apparel manufacturer, we understand the need to minimise the impact of climate change through adopting good energy management, and where possible, adopt the use of renewable energy.

Energy consumption and GHG emissions by factory:

Factory, Location	Annual Energy Consumption (kWh)	Annual GHG Emissions (tCO2)[2]
Knit Textile Integrated Industries Sdn. Bhd., Malaysia	2,618,939	1,817.53
Knit Textile Manufacturing Sdn. Bhd., Malaysia	873,178	605.99
Callisto Apparel (Cambodia) Co., Ltd, Cambodia	624,000	411.84
Moon Apparel (Cambodia) Co., Ltd, Cambodia	185,852	122.66

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[1] The carbon emissions from fuel (petrol and diesel) presented for Malaysia were calculated through http://greentechmalaysia.my/. The carbon emissions from fuel (diesel) presented for Cambodia was calculated with an emissions factor of 1.6tCO2/1000kWh and an assumption of a diesel generator that produces 12kWh/litre of diesel, which is aligned to UNDP's assessment of Cambodia's emissions factors, available here https://www.undp.org/publications/energy-efficiency-nama-garment-industry-cambodia.

[2] The carbon emissions from energy sources presented for Malaysia were calculated through http://greentechmalaysia.my/. The carbon emissions from energy sources presented for Cambodia was calculated with an emissions factor of 0.66tCO2/1000kWh, which is aligned to UNDP's assessment of Cambodia's emissions factors, available here https://www.undp.org/publications/energy-efficiency-nama-garment-industry-cambodia.

In line with our efforts to minimise our carbon footprint, we have embarked towards installing rooftop solar photovoltaic (PV) systems across our operations. We are currently piloting this project for our Malaysian operations in Knit Textile Manufacturing Sdn. Bhd. and Knit Textile Integrated Industries Sdn. Bhd. accordingly. The solar PV systems have the capacity to reduce our energy and emissions consumption by the following amounts:

Factory	Energy Consumption Reduction per year (kWh)	GHG Emissions Reduction per year (tCO2)
Knit Textile Integrated Industries Sdn. Bhd.	645,840	448
Knit Textile Manufacturing Sdn. Bhd.	322,920	224

5.2 WATER USAGE

The garment industry is a water-intensive industry due to the processes required for production of textiles and apparels. Understanding our water usage will help us better strategise on methods for us to continue reducing our water usage and be more sustainable to the environment.

Water is supplied from local water sources through local municipalities. Our water withdrawn is therefore equivalent to our water consumption. The Group has thus reported our water consumption for each factory and location below:

Factory, Location	Annual Water Consumption (m3)
Knit Textile Integrated Industries Sdn. Bhd., Malaysia	540,000
Knit Textile Manufacturing Sdn. Bhd., Malaysia	12,100
Callisto Apparel (Cambodia) Co., Ltd, Cambodia	9,360
Moon Apparel (Cambodia) Co., Ltd, Cambodia	2,442

As indicated from the figures above, wastewater and effluents are mainly discharged from operations of the textile factory under Knit Textile Integrated Industries Sdn. Bhd. due to the manufacturing process. Apparel manufacturing facilities produce significantly less discharge from wastewater and affluents due to the nature of manufacturing that does not involve the dyeing of fabrics. The Group ensures that any industrial wastewater is processed through the industrial effluent treatment plant before final discharge.

The Group also conducts a weekly analysis of the quality of wastewater which is reported to the Department of Environment on a weekly basis.

The Group records an average annual water discharge of approximately 420,000m^3/year.

The Group has also taken the initiative of recycling used water at Knit Textile Integrated Industries Sdn. Bhd. In FY2020, we recycled approximately 120,000m^3. We hope to further reduce water consumption as we explore the possibility of investing in rainwater capture and harvesting technologies in the future.

5.3 WASTE MANAGEMENT

Sustainable waste management ensures that the Group is taking proactive measures to reduce the amount of waste produced through production and manufacturing. It is also important to ensure that the amount of solid waste disposed through landfill or incinerations is minimised.

For hazardous waste, it is imperative for the Group to take active steps and measures to dispose of all waste in a safe and legally compliant manner. Further explanation of hazardous waste products will be explained in Section 5.3.2.

5.3.1 NON-HAZARDOUS WASTE

As a result of our operations, the Group generally produces fabric waste, paper waste and plastic waste. All non-recycled waste products will be disposed through companies licensed by the local municipal councils on a weekly basis.

Factory, Location	Amount of non-hazardous waste produced per year (tonnes)	Amount of non-hazardous waste recycled per year (tonnes)	Percentage of non-hazardous waste recycled
Knit Textile Integrated Industries Sdn. Bhd., Malaysia	15	5	33%
Knit Textile Manufacturing Sdn. Bhd., Malaysia	125	82	66%
Callisto Apparel (Cambodia) Co., Ltd, Cambodia	429	270	63%
Moon Apparel (Cambodia) Co., Ltd, Cambodia	212	142	67%

5.3.2 HAZARDOUS WASTE

Hazardous waste production is limited to our textile factory, Knit Textile Integrated Industries Sdn. Bhd. We mainly produce scheduled waste SW204, which is Sludge that contains metals such as chromium, copper, nickel, zinc, lead, and cadmium.

In FY2020, the Group reported an average of 1.5 tonne per month, or 18 tonnes of hazardous waste produced a year. In terms of managing, storing, and disposing of the waste, we ensure compliance to Malaysia's Environmental Quality (Scheduled Waste) Regulations 2005 and Environmental Quality (Industrial Effluent) Regulations 2009.

The Sludge produced is a by-product of wastewater as a result of our manufacturing activities. For the disposal of waste, we rely on Department of Environment approved contractors to ensure that all waste is disposed of in an appropriate manner. Any waste produced onsite will be held in on-site wastewater tanks prior to further treatment and disposal by our contractors.

6.0 SOCIAL MATERIAL MATTERS

The Group has identified the following social sustainability matters as material to our business based on the materiality exercise conducted for FY2020:

- Employment practices
- Occupational health and safety
- Training and development
- Privacy and data protection

The data below has been categorised by the respective manufacturing centres, as we believe these operating centres produce the largest amount of impact in terms of societal activity.

We ensure legal compliance of social matters through relevant employment acts from all jurisdictions that we operate in. The legal compliance of social matters is managed internally through internal compliance and audit committees, which is overseen by both Management and reported to the Board.

In FY2020, there were no issues of non-compliance with social matters within the organisation.

6.1 EMPLOYMENT PRACTICES

Our employment practices focus on providing equal opportunities for all and we uphold standards that are strictly based on merit and performance. We also take steps to ensure that no instances of child or forced labour occurs within our operations.

In Malaysia, this is aligned to the local regulations, such as the Malaysian Employment Act 1955, that has set statutory requirements of the minimum age for workers. In our Cambodian operations, we have strict anti-human trafficking, force labour and human rights policies to uphold our beliefs on human rights. While we do not currently have any collective bargaining agreements with our employees, this will be an area that we will further review to improve our employment practices.

While our Board has set the direction of our stance on human rights, our internal compliance departments ensure that our standards are upheld throughout the organisation.

Employee turnover rates are an indication of employee satisfaction, and we continuously strive to ensure that we remain an attractive company to current and future employees. Measuring and monitoring our employee turnover rates enables us to remain as competitive employer across our organisation.

Factory, Location	Total number of new employees	Employee turnover rate (%)
Knit Textile Integrated Industries Sdn. Bhd., Malaysia	20	21%
Knit Textile Manufacturing Sdn. Bhd., Malaysia	10	11%
Callisto Apparel (Cambodia) Co., Ltd, Cambodia	339	3%
Moon Apparel (Cambodia) Co., Ltd, Cambodia	89	2%

All of the Group's employees are full-time permanent employees, and the Group does not employ any part-time hires. All benefits for employees are determined purely based on merit. The Group provides opportunities for salary increments and reviews based on the discretion of the Management, which is mainly linked to performance.

6.1.1 DIVERSITY AND INCLUSION

Employees are the driving force of the Group, and it is imperative that we maintain a performance driven culture that is centred around the values of inclusivity. While the lack of female representation in management levels has been a pervasive issue globally, the Group strives to ensure that females are able to adopt management positions within our organisation.

Below are the gender breakdowns between staff and management in our operating factories. In FY2020, we are pleased to report high levels of female representation across our organisation.

Management level	Male		Female	
	Total number	Percentage	Total number	Percentage
General staff	383	19%	1593	81%
Middle management	22	33%	44	67%
Senior management	16	73%	6	27%

Below are the age breakdowns across all our operating factories. The majority of our employees are aged under 50 years old.

Age breakdown	Total number	Percentage
Aged 30 or below	1,090	53%
Aged 31-50	899	43%
Aged 51 and above	75	4%

6.2 OCCUPATIONAL HEALTH AND SAFETY

We are committed to achieving a safe working environment for all employees and strive to promote an accident-free safety culture to avoid any adverse impact to the overall well-being of the organisation. We remain guided by our Health and Safety Policy that is distributed across the organisation and is translated into multiple languages for ease of understanding.

The Health and Safety Policy ensures that all operations meet all local requirements of the operational jurisdictions. To enforce the Health and Safety Policy, each location is overseen by a Health and Safety Committee that comprises of individuals from various departments. We provide Health and Safety training for the committee members, however the training for FY2020 was restricted due to limitations on movements as we strove to minimise the spread of infections due to the COVID-19 pandemic.

Our Health and Safety Policy includes procedures in the event of any emergencies such as fires and hazardous leaks, or the standard procedures for work accidents or other threatening situations. We ensure that we maintain safety equipment such as emergency lights and fire extinguishers. All machines must also include relevant safety guards and are maintained accordingly to minimise any accidents.

In FY2020, we took extra precautions with regards to health and safety to ensure the well-being of our employees during the COVID-19 pandemic. We ensure that protective and safety equipment are worn by our employees to meet best practice standards of hygiene. In the dyeing section of our factories, all employees are required to wear wet boots, safety globes, googles, chemical aprons and dust masks. In any store or maintenance departments, we expect our employees to wear safety boots, safety globes, goggles, safety helmets and dust masks. We also ensure that we consistently clean and sanitise our air conditioning systems every 2 months to meet the highest standards of cleanliness.

We are pleased to report that in FY2020, we had no reports of work-related accidents and injuries and no lost days due to work injuries. We hope to continue this trend in future years.

6.3 TRAINING AND DEVELOPMENT

Consistent and ongoing education is critical for the development of a workforce that is competitive, skilled, motivated, and productive. Employee career development and performance management has been established based on the merits and contributing skill sets of employees towards the Group's organisational objectives and goals. We continue to review and improve our pathways for career development to all employees through regular performance reviews that is agile based on the changing business and operating environment.

The Group provides training courses for various levels of employees, on a variety of necessary skillsets that has been pre-determined as value added to the business. Due to the prevalence of COVID-19 during this period, we provided a significant amount of training on COVID-19 safety. COVID-19 safety training was conducted for an accumulated 3,490 hours, to 1,745 staff which is equivalent to 2 hours per employee. In addition to COVID-19 safety training, the Group also conducted training on health and safety, security, and compliance. These training accumulated a total of 21,654 training hours and the average hours of training that the Group's employees have undertaken during the reporting period was 12 hours per employee. Out of the total training hours accumulated, 69% or 14,910 hours of participation were female workers.

We hope to increase the types of training and duration of training provided to employees in future years. We were unfortunately hindered by the movement restrictions due to COVID-19 during the reporting year and aim to continuously develop our training and development initiatives.

6.4 PRIVACY AND DATA PROTECTION

Ensuring safety and privacy of our customers' data is of great importance to the Group. We remain guided by our internal Data Protection Policy that outlines the procedures and standards for all staff to adhere to in terms of protecting the privacy of our clients. The Data Protection Policy is distributed to all staff from the onset of onboarding within the organisation. We monitor any responses which may arise from concerns of data privacy by customers or the general public.

In FY2020, we are pleased to report no substantiated complaints regarding breaches of customer privacy and losses of customer data or incidents of cyber-attacks during the reporting period.

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GRI CONTENT INDEX

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