



**BLUMONT GROUP LTD.  
SUSTAINABILITY  
REPORT 2018**

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## About this Report

Sustainability at Blumont Group Ltd. and its subsidiaries (“Blumont” or “the Group”) is about delivering values in a responsible way to meet the world’s growing needs.

The Group seeks to conduct responsible business operations while creating an exceptional value to our key stakeholders and build a sustainable future for our next generation.

We have published our first sustainability report for financial year (“FY”) 2017 in December 2018. The Group adopted a phased-in approach and in the financial year ended 31 December 2018, we have taken steps to further refine our reporting practices.

In this second sustainability report, we continue to address our material Economic, Environmental, Social, and Governance (“ESG”) topics of significance to our valued key stakeholders and present our milestone achievements so far in our sustainability odyssey.

The report has been prepared in accordance to the Global Reporting Initiative (“GRI”) standards (core option) and in reference to SGX-ST Listing Rules (711A and 711B) – Sustainability Reporting Guide. The report encompasses operations for the period from 1 January 2018 to 31 December 2018, with 1 January 2017 to 31 December 2017 being the year of comparison. The GRI Content Index is provided at the end of this report for relevant reporting references.

The contact point for queries and feedbacks regarding our report will be Mr. Lee Tak Meng, the Executive Director and the Chief Executive Officer of the Group.

As we fortify our sustainability practices in years ahead, we look forward to the feedback from our valued stakeholders and their support on our sustainability efforts.

The content of this report has not been externally assured by independent parties and the Group will consider doing so in the future.

## About Blumont

We are listed on Singapore Exchange Securities Trading Limited and headquartered in Singapore. The locations of our operations include Indonesia, Malaysia and Singapore. Our key business segments comprise of the provision of sterilisation and hygienic services through gamma processing, which we have a robust foothold nationwide across Indonesia, and strategic property investments.

During the financial year ended 31 December 2018, our sterilisation business remains the main contributor of our reported net revenue of S\$ 3,919,553. This report continues to focus on the sterilisation business which encapsulates our commitments and milestone achievements of our sustainability reporting journey as we endeavour to drive business expansion and work towards a sustainable future.

As our mission dictates, we aim to continue to re-engineer Blumont Group Ltd. into a niche strategic investor in business with the global market in mind, that can generate opportunities, scalability and growth for the Group.

## Chief Executive Officer's Message

Dear Shareholders,

On behalf of the Board of Directors (the "Board") of Blumont Group Ltd. ("Blumont" or the "Company" and together with its subsidiaries, the "Group"), I am pleased to present to you the Group's annual sustainability report for the financial year ended 31 December 2018 ("FY2018").

This is Blumont's second Sustainability Report to detail our Economic, Environmental, Social and Governance ("ESG") initiatives and practices for the past financial year.

In FY2018, we continued to focus on sustainable best practices in our core sterilisation business and strategic investments. For instance, in our sterilisation business, we maintain strict compliance not only to local regulations but also global standards on environment and safety. In our strategic investment, we have disposed unprofitable companies and consolidated 100% ownership of our core business and assets. We believe that our focus will attain business sustainability and create long-term value for our shareholders.

We are seeking best governance practices and will continue to review our corporate governance and the effectiveness of our Board and Committees. The Board shall embark on risk management controls to drive sustainable business growth. The Group recognises the importance of good employment practices. Management will focus on staff engagement and development to promote staff well-being and sustainable business performance.

The Group is convinced that the best way to create shareholder value is through positive engagement with all stakeholders to seek alignment for sustainable business growth. Our strategy is also to increase staff productivity, educate our employees for a safer work place and build a sustainable healthy working environment.

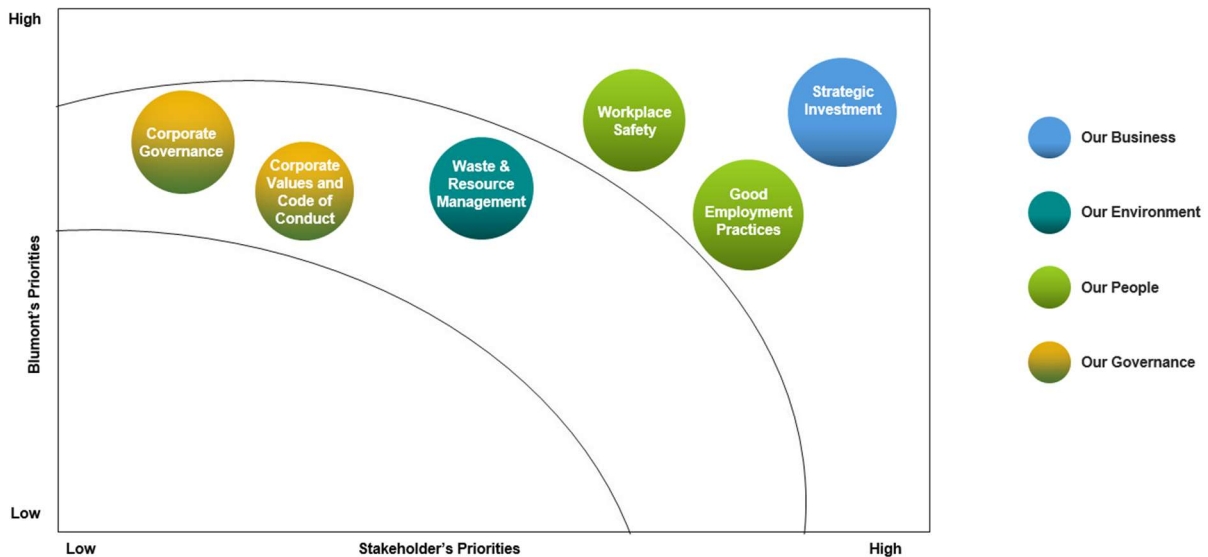
On behalf of Blumont Group, I would like to thank our stakeholders for their continued support. Together, we can improve the economic, environmental, and social well-being in our communities.

Lee Tak Meng

Executive Director & Chief Executive Officer

## Materiality Assessment

The Group assesses and reviews sustainability matters based on the Economic, Environmental, Social and Governance (“ESG”) impacts of our operations via sources from our valued stakeholders’ feedbacks and GRI guidelines. We continue to assess our current strategies of the reporting period, measure our milestone achievements of prior year’s targets and cautiously identify our future initiatives projection in managing sustainability. We present our material ESG topics highlighting the accomplishments in the sections of: **Our Business**, **Our Environment**, **Our People** and **Our Governance**.



The ESG factors are evaluated through the use of questionnaires and correspondences with key management personnel. The material topics are prioritised and ranked based on the likelihood and potential impact of issues affecting Blumont and our identified key stakeholders.

During the reporting period, the Group heightened its vigilance on corporate values and code of conduct as part of its efforts to comply with the mandatory listing requirements of the revised code of corporate governance 2018. Our prioritisation of the rest of the existing ESG factors remains the same since there are no significant changes in our business operating environment.

## Key Stakeholders Engagement

The Group recognises the significance of active engagements with our valued stakeholders to foster a robust and long term relationship. We continue to communicate with our identified platforms and understand their expectations based on the table below.

Key Stakeholders	Key Topics	Stakeholder Engagement
1. Shareholders	<ul style="list-style-type: none"> <li>- Maximising shareholder value</li> <li>- Industry conditions and business outlook</li> <li>- Business investment strategies</li> <li>- Disclosure timeliness</li> <li>- Financial returns</li> </ul>	<ul style="list-style-type: none"> <li>- Annual General Meeting</li> <li>- Extraordinary General Meeting</li> <li>- Quarterly Meeting</li> <li>- SGX announcement on relevant disclosures and financial information</li> </ul>
2. Employees	<ul style="list-style-type: none"> <li>- Occupational health and safety</li> <li>- Workplace condition compliance</li> <li>- Training and education</li> </ul>	<ul style="list-style-type: none"> <li>- Annual appraisals</li> <li>- Employee feedback</li> <li>- Employee gatherings</li> <li>- Workplace safety training programme</li> </ul>
3. Customers	<ul style="list-style-type: none"> <li>- Quality management</li> </ul>	<ul style="list-style-type: none"> <li>- Customer feedback management</li> <li>- Face-to-Face meetings with key customers</li> <li>- Informal dialogues</li> <li>- Email correspondence</li> </ul>
4. Suppliers	<ul style="list-style-type: none"> <li>- Material quality</li> <li>- Material waste management</li> </ul>	<ul style="list-style-type: none"> <li>- Price quotations via email correspondences</li> <li>- Proper disposal of material waste</li> </ul>
5. Government	<ul style="list-style-type: none"> <li>- Rules and regulation compliance</li> </ul>	<ul style="list-style-type: none"> <li>- Annual compliance audit</li> <li>- Adhere to statutory disclosures and requirements</li> <li>- Participation in conferences and seminars on regulation updates</li> </ul>
6. Community	<ul style="list-style-type: none"> <li>- Contribution to community development</li> </ul>	<ul style="list-style-type: none"> <li>- Active participation in corporate volunteering programmes</li> </ul>

## Risk and Opportunities

In order to gain competitive advantage as a niche strategic investor, we continuously analyse and review our operations across our value chain.

The Group anticipates new entrants to the sterilisation business and strives to increase productivity by introducing greater automation in the future.

The re-structuring of the board composition provides vast leadership and opportunities to lead business expansion. We have assessed our key risks and potential impacts to gain an extensive overview of the mitigating approaches and transform them into opportunities to combat change and uncertainties as follows:

	Risk	Opportunities	Approaches
	Financial impact to the Group's revenue due to introduction of new competitor in the sterilisation business.	Increased output efficacy and quality assurance by eliminating manual process.	We strive to improve our productivity by introducing automation to our irradiation process.
	Inadequate approach to reduce waste emissions. Non-compliant with rules and regulations, resulting in operations disruption.	Adopting energy saving plans. Increase environmental awareness and reduce environmental footprints for future generations.	We strive to be compliant with new regulations. Revised regulations and new energy saving plans will be conveyed to our employees, sharpening their environmental consciousness behaviours.
	Increased operational injuries and ill-health due to insufficient risk evaluations. Unable to discharge operational duties professionally due to insufficient guidance.	Increased operational security and safety through thorough and regular evaluations of our workplace safety. Enhance employees communication skills by sending them for operational etiquette trainings.	We maintain compliance with international safety standards by engaging Occupational Radiation Protection Appraisals (ORPAS) to conduct an overall appraisal of our current operations.
	Disruptions of operations and potential legal implications due to non-compliance with new or existing rules and regulations.	Strengthening the Group's code of business conduct and ethics by conducting regular review of the policies. Enhancement of corporate framework through periodic assessment of the Group's level of risk tolerance and risk management.	We strive to maintain good corporate governance through compliance with the new code of corporate governance 2018.



## Our Business

### Strategic Investment

Strategic investment remains as the top priority of our business strategy to seek competitive advantages and to maximise values for our shareholders.

In 2018, we adopted strategic acquisition and divestment as part of our strategic investment. Strategic orchestrated acquisition means to build a stronger foundation to drive business expansion. We have disposed unprofitable subsidiaries such as Powerlite Ventures Limited and G1 Investment Pte. Ltd. and acquired 1,610,000 ordinary shares, representing the remaining 35% of the fully issued and paid up capital of Trackplus Sdn. Bhd. through Solid Base Limited.

The sterilisation business has always been the key segment in our revenue contribution. We have acquired the remaining of 6,823 ordinary shares in the issued and paid up share capital of PT. Rel-ion Sterilisation Services ("PT. Rel-ion), representing 22.29% of the fully issued and paid-up capital. We now own 100% of PT. Rel-ion.

We stand ready to explore new partnerships and potential investment portfolios ahead of us to develop our business further.

We remained a member of the Singapore Business Federation ("SBF"), for the essential means of bridging between Singapore business community and the Government for corporate expansion and improvements.



### Strategic Investment



## Our Environment

### Waste and Resource Management

Recognising the Group's operating impact on the environment from our inception, we continue to align ourselves to the unyielding commitment to combat climate change. The Group seeks continual improvements in our environmental efforts to better manage waste, through the conduct of annual radiation safety inspection to build a sustainable business environment. The radiation safety inspection is conducted by the Nuclear Energy Regulatory Agency, which encompasses both environmental and social aspect of the business operations. There are no exceptions of non-compliance observed from the results of the radiation safety inspection.

Environmental aspects:

- Economic life of the Cobalt-60
- Conditions of carriage during the transport of radioactive sources

Social aspects:

- Certified irradiation operators
- Health monitoring data of irradiation operators

No audits are conducted in the reporting year. Management will consider engaging service providers to conduct mandatory compliance audits whenever required.

We continue to stay engaged with our suppliers for arrangements of proper waste disposal for a sustainable supply chain. We present our current year measures in the below table.

### Waste and Resource Management



## Our People

### Workplace Health & Safety

The Group is committed to advocate health and safety of employees, placing sheer importance to and considers Workplace Health & Safety (“WHS”) a paramount aspect in all operations within our workplace. We abide by our Radiation Protection and Safety Programme (“safety programme”) which reaffirms the safety protocols. We have summarised our commitments, compliance and efforts in a three-step approach.

Step 1– Management commitments in safety programme:

- Conducts safety trainings for new employees upon commencement of employment, and communicate revisions/updates of safety programme to existing employees.
- Conducts emergency countermeasure drills twice annually.
- Conducts annual radiation safety inspection and health checks
- Conducts monthly preventive maintenance and safety system tests



Step 2 – Compliance with regulations:

- Law Number 10 of 1997: Nuclear Power
- Government Regulation No. 29/2008 Ionizer Radiation Source Utilisation License
- Government Regulation No. 33/2007 Ionizer Radiation Safety and Radioactive Source Security
- BAPETEN Chairman’s Regulation No. 7 of 2007 Radioactive Source Security
- BAPETEN Chairman’s Regulation No. 6 of 2010 Health Monitoring of Radiation Workers
- BAPETEN Chairman’s Regulation No. 11 Irradiator Construction and Operation Permit
- BAPETEN Chairman’s Regulation No. 16 of 2014 Working License of Ionizer Radiation Sources

Step 3 – Continual enhancement in workplace safety:

- Reviews cautiously of every case of workplace injury where applicable, identify mitigating controls to improve safety protocol
- Engage external assurance to conduct quality assurance audits such as ISO 9001:2015



*Emergency countermeasure drill, conducted twice annually*

In 2018, an independent appraisal service was conducted to assess the efficacy and compliance of the safety programme against the international safety standards. The Occupational Radiation Protection Appraisal Service (“ORPAS”) was conducted by International Atomic Energy Agency (“IAEA”). The Group displays commendable awareness with the extensive and well-structured safety programme developed. There are no exceptions of non-compliance observed by IAEA. The Group reports zero workplace related injury or ill health in the reporting period.

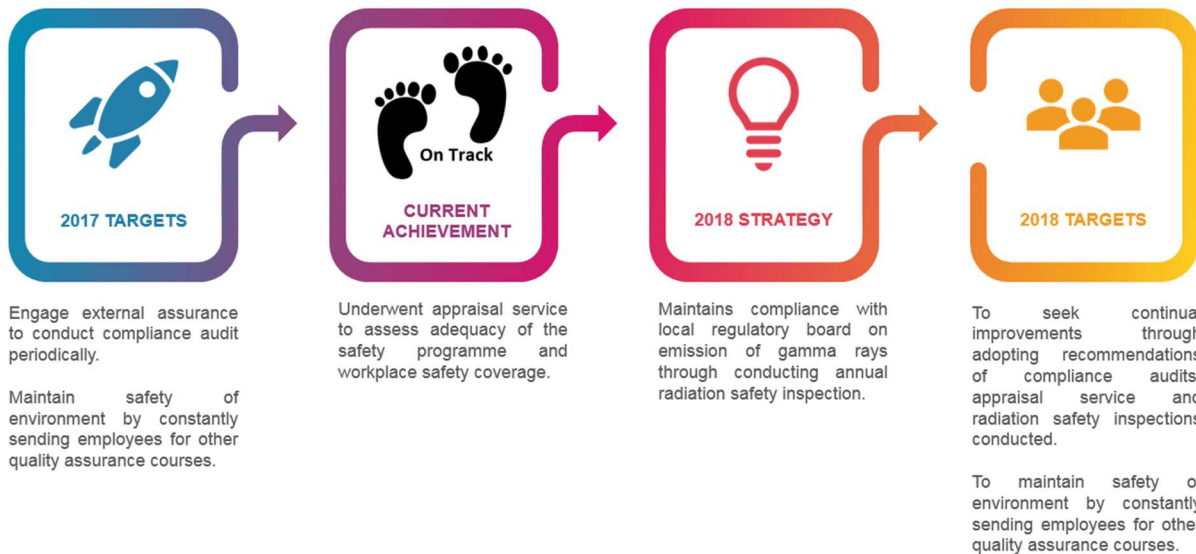


ORPAS appraisal certificate

The Group recognises the accreditation and external assurance services that are provided by IAEA and Nuclear Energy Regulatory Agency to improve operating efficacy. The Group did not send employees for quality assurance courses as the local regulatory board only requires irradiation operators to undergo certified training every three to five years. The Group will continue to monitor the validity of the operators’ licenses.

We measured our achievements against our targets set in 2017 and present our current year’s achievements in the below table.

### Workplace Health & Safety



## Good Employment Practices

We stay focused on good employment practices to create a motivated environment for sustainable growth.

The Group recognises that every employee possesses different qualities and skill-sets that contribute to the development of our business. Building on these aspects, by equipping them with improved knowledge and skill-sets, it increases the potential to achieve exponential growth.



*Employee gathering, fostering team spirit*

In 2018, our operations constituted 71 employees, which comprises 79% Male and 21% Female full-time staff.

We are committed to recognise the merits of employees by conducting annual objective evaluations. All employees received objective performance appraisals in the reporting period.

In Blumont, we encourage continuing education and have summarised our efforts in place for the reporting period.

### Good Employment Practices



## Our Governance

We stay focused and committed to uphold good corporate governance as they are fundamental to long term business success. We believe that adherence to our robust internal control systems and the applicable laws and regulations are critical aspects as they underly our stakeholder's trust and our license to operate in the business environment. We ensure our compliance to all relevant international and local standards, laws and regulations, inclusive of the Code of Corporate Governance 2012 with appropriate clarifications on the deviations that are described in the Blumont Group Ltd. Annual Report 2018.

The Group is strictly against corruptive behaviours. Our commitment of zero tolerance for such behaviours are vividly demonstrated in our Employee Handbook, encompasses our Corporate Code of Conduct, prescribing due diligence and professionalism. The Group pledges to the elimination of improper acts.

Our whistle-blowing policy is designed to encourage employees to make good faith reports of suspected frauds. The communication of whistle-blowing policy is via internal reporting channels to promote secure whistle-blowing. The Group will not tolerate any cases of deceptions. All stakeholders are encouraged to report any breach or violation to our sound practices through our whistleblowing mechanism.

In 2018, we have received zero report through our whistle-blowing channels. No irregularities and breaches of corporate governance were reported. We stand ready to maintain this unblemished record.

## Shareholders

We stay convinced to establish active, effective and fair communications with our valued shareholders to foster a strong bond and continuous support. As our Corporate Governance Report dictates, the Group does not practice selective disclosures. We warrant that all shareholders are equally informed of our major leaps and developments of the Group. All public disclosures are made as soon as practicable. We have made every effort to beseech and comprehend the views of our shareholders through our platforms of communications as identified in our "Key Stakeholders Engagement".

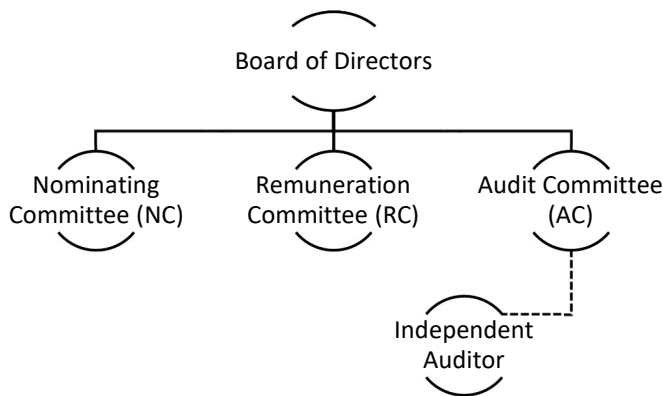


## Board of Directors (“BOD”)

The board of directors regulate the Group level of risk tolerance, oversees management in the monitoring of risk management, internal control systems and are responsible to make decisions on sustainable operations. The board conducts annual internal review, on the adequacy and efficacy of the risk management, internal control systems and sustainable operations.

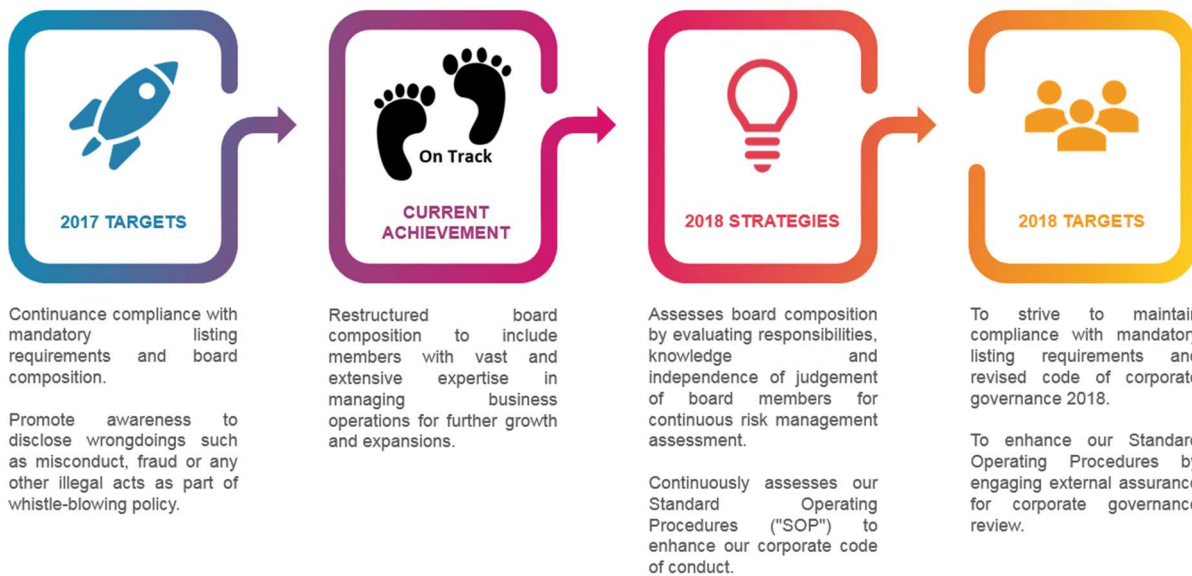
In our every effort to drive business expansion, we continue to assess the performance of present board members to maintain compliance with the Revised Code of Corporate Governance 2018.

The Group underwent reorganisation of the corporate board of directors. To date, the board of directors comprises of six directors in total, constituting of three Independent Directors and three Non-independent Directors. The Group introduces a new Executive Director and Chief Executive Officer, Mr Lee Tak Meng to take on the leadership, and spearhead the business growth of the Group.



The Group aspires to implement a sustainable committee whenever required by the mandatory listing requirements and benchmarked our achievements in the table below.

### Governance



## UNIVERSAL STANDARDS

GRI No.	Description	Page or direct references
<b>GENERAL DISCLOSURES</b>		
<b><i>Organisational profile</i></b>		
102-1	Name of the organisation	Blumont Group Ltd.
102-2	Activities, brands, products, and services	Pg.4
102-3	Location of headquarters	Apex @ Henderson 201 Henderson Road #03-26/27 Singapore 159545
102-4	Location of operations	Singapore, Indonesia and Malaysia
102-5	Ownership and legal form	Pg. 4
102-6	Markets served	Pg. 4
102-7	Scale of the organisation	Pg. 4
102-8	Information on employees and other workers	Pg. 13
102-9	Supply chain	Pg. 10
102-10	Significant changes to the organisation and its supply chain	No significant changes
102-11	Precautionary Principle or approach	Pg. 14
102-12	External initiatives	No external initiatives
102-13	Membership of associations	Pg. 9
<b><i>Strategy</i></b>		
102-14	Statement from senior decision-maker	Pg. 5
<b><i>Ethics and integrity</i></b>		
102-16	Values, principles, standards, and norms of behaviour	Pg. 14
<b><i>Governance</i></b>		
102-18	Governance structure	Pg. 15
<b><i>Stakeholder engagement</i></b>		
102-40	List of Stakeholder Groups	Pg. 7
102-41	Collective bargaining agreements	No Collective Bargaining Agreement
102-42	Identifying and selecting stakeholders	Pg. 7
102-43	Approach to stakeholder engagement	Pg. 7
102-44	Key topics and concerns raised	Pg. 7
<b><i>Reporting practice</i></b>		
102-45	Entities included in the consolidated financial statements	This is adopted in the FY 2018 Annual Report
102-46	Defining report content and topic Boundaries	Pg. 6
102-47	List of material topics	Pg. 6
102-48	Restatements of information	None
102-49	Changes in reporting	None
102-50	Reporting period	January to December 2018
102-51	Date of most recent report	December 2018
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Mr. Lee Tak Meng, the Executive Director and Chief Executive Officer of Blumont
102-54	Claims of reporting in accordance with the GRI Standards	Pg. 3
102-55	GRI content index	Pg. 16
102-56	External assurance	None



## SPECIFIC STANDARDS

Our People		
GRI No.	Description	Page or direct references
<b><i>Occupational Health and Safety</i></b>		
403-1	Occupational health and safety management system	Pg. 11
403-3	Occupational health services	Pg. 11
403-5	Worker training on occupational health and safety	Pg. 11
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Pg. 11
<b><i>Training and Education</i></b>		
404-3	Percentage of employees receiving regular performance and career development reviews	Pg. 13