Blumont Group Ltd.

Sustainability Report 2019

Incorporated in the Republic of Singapore

Company Registration Number: 199302554G

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About This Report

This Sustainability Report for the financial year ended 31 December 2019 ("FY2019") is the third report prepared by Blumont Group Ltd. and its subsidiaries ("Blumont" or "the Company" and together with its subsidiaries, the "Group"). Sustainability at the Group is about delivering values in a responsible way to meet the world's growing needs. In this report, we highlight the progress of our journey towards sustainable development and how we have carried out initiatives to attain our Environmental, Social and Governance ("ESG") goals.

This report is prepared in accordance with the Global Reporting Initiative ("GRI") standards - Core option and in reference to SGX-ST Listing Rules (711A and 711B) – Sustainability Reporting Guide. We have chosen GRI Sustainability Reporting Standards for its comprehensive guidelines in reporting sustainability matters, and we have applied its principles of accuracy, balance, clarity, comparability, reliability, and timeliness to put together a comprehensive report.

We will be focusing on sustainability initiatives carried out by our sterilisation business at PT. Rel-ion Sterilisation Services ("PT. Rel-ion") as it remains the main contributor of our reported net revenue for FY2019.

We have not sought external assurance for this reporting period and will consider it when our reporting matures over time. A copy of this report is available for download from the website of SGX-ST at www.sgx.com. We are committed to listening to our stakeholders and we look forward to your feedback. The contact point for questions regarding this report will be Mr. Lee Tak Meng, Executive Director & Chief Executive Officer ("CEO") of the Company.

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About Blumont

Company Profile

Blumont Group Ltd. is listed in year 2000 on the mainboard of Singapore Exchange Securities Trading Limited ("SGX") and headquartered in Singapore. Other operating subsidiaries are located in countries such as Indonesia and Malaysia.

The Group is organised into three main business segments, which are:

i. **Investment holding** - investment in transferable securities including but not limited to marketable shares, warrants and debentures etc.

ii. **Sterilisation** - providing contract sterilisation and polymerisation services to food packaging, medical devices, cosmetic raw materials and consumers products.

iii. **Property** - development of properties for sale, long-term holding of properties for rental and related income.

In FY2019, sterilisation business remained to be the main revenue driver as it contributes 98% of revenue to the Group. Please refer to table below for FY2019 results.

Segment	31 December 2019 (S$)
Sterilisation	4,211,505
Property	86,909
Investment holding	-

Mission Statement

To continue to re-engineer Blumont Group Ltd. (the "Company" and together with its subsidiaries, the "Group") into a niche strategic investor in businesses with the global market in mind, that can generate opportunities, scalability and growth for the Group.

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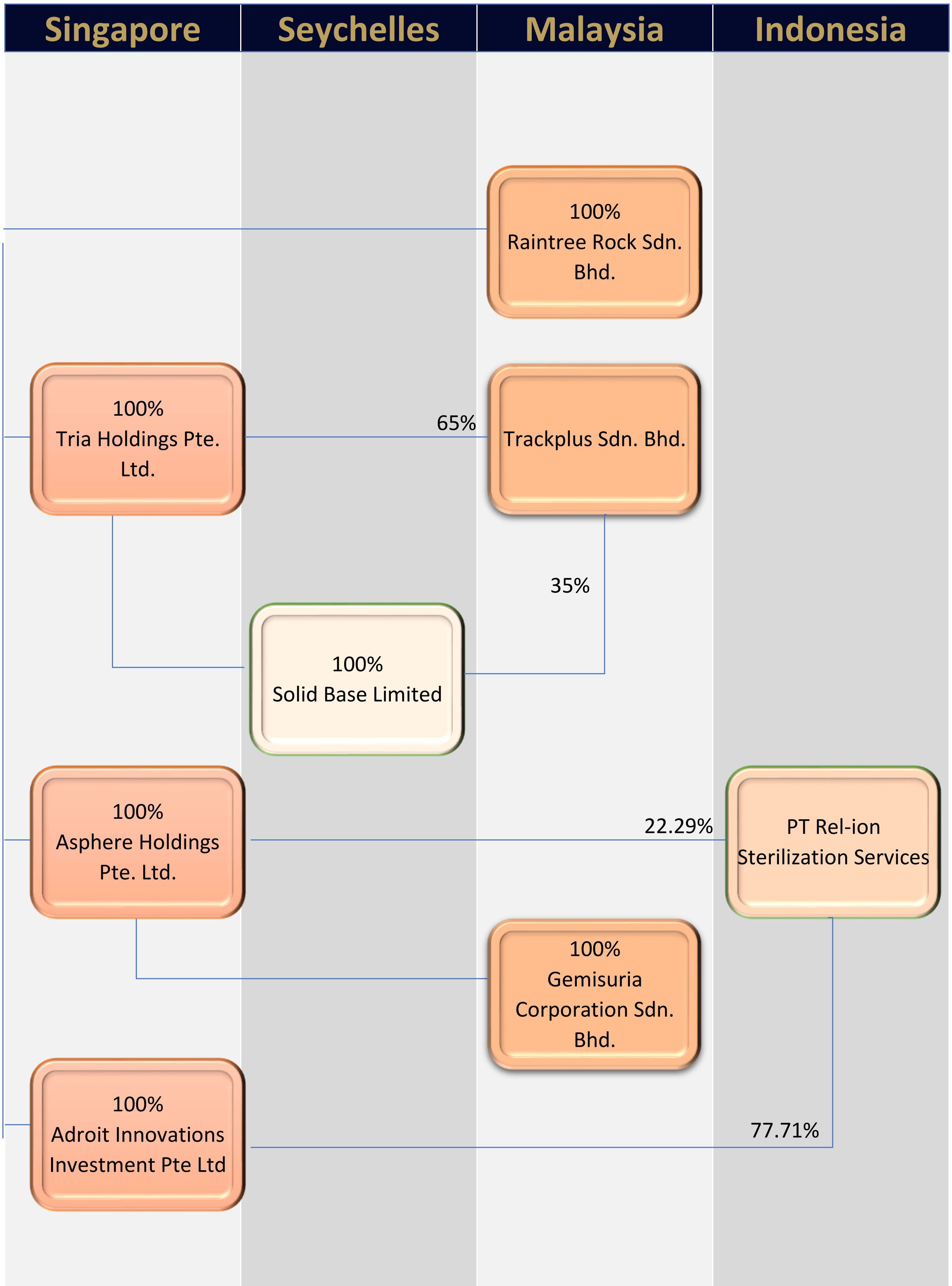
Group Structure



Board of Directors

Siaw Lu Howe	-	Non-Executive Chairman
Lee Tak Meng	-	Executive Director & CEO
John Lee Yow Meng	-	Executive Director & CFO
Ng Keok Chai	-	Lead Independent Director
Tan Gim Kang, Arran	-	Non-Executive and Independent Director
Aris Muhammad Rizal	-	Non-Executive and Independent Director

Message from Chief Executive Officer

Dear Stakeholders,

On behalf of the Board of Directors (the "Board"), I am pleased to share our journey towards sustainable growth through our third Sustainability Report. This report sets out our sustainability principles and initiatives that have been put in place to align our operations with our stakeholders' expectations in the areas of environment, social responsibilities and governance.

In our aspiration to become the leading sterilisation service provider in Indonesia, we are consistently committed to review the business operations and strategies to better serve the needs of our customers and deliver value to our stakeholders.

Blumont's sustainable growth also begins with our people, hence, the well-being of our employees is of utmost importance to us. With clear policies, strategies and open communication in place, we continue to build a strong and motivated team.

Through this report, we hope our stakeholders will better understand our priorities behind each approach and gain insights to how our business decisions contribute to sustainability in the long run.

We would like to thank our stakeholders for your continued support and trust in our journey to sustainability.

Lee Tak Meng
Executive Director & CEO

Materiality Assessment

The Group assesses and reviews sustainability matters based on the Economic, Environmental, Social and Governance ("ESG") impacts of our operations via what matters to our stakeholders.

Based on feedback gathered from our internal and external stakeholders, we have evaluated and identified topics which are material and would have significant impact to the Group and the stakeholders. We have prioritised them as shown in the Materiality Matrix below in the section of: **Our Business**, **Our Environment**, **Our People** and **Our Governance**.

Based on the matrix, the material ESG topics chosen to be reported are as follows:

- Economic Performance
- Waste & Resource Management
- Occupational Health & Safety
- Training & Education
- Corporate Governance
- Corporate Values & Code of Conduct

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Key Stakeholders Engagement

Stakeholders are important to us. We pro-actively engage them on their views of the business, and are responsive to their feedbacks and comments. We are also devoted to improving the economic and social well-being of our stakeholders by incorporating key sustainability issues and principles within our business operations.

Stakeholder Group	Engagement Channels	Key Interests
Customers	* Daily interactions * Enquiry and feedback channels * Customer survey	* Top notch customer service * Quality management
Employees	* Annual employee performance appraisal * Regular team meeting * Workplace safety training programme	* Staff right and welfare * Occupational health & safety * Employee skills enhancement
Investors	* Regular investor meetings * Annual and interim reports * Circulars to shareholders	* Profitability * Transparency * Timely reporting
Suppliers	* Periodic supplier evaluation * Comparison of quotes * Periodic discussion	* Compliance with terms and conditions of purchasing policies and procedures * Maintenance of ethical standards * Material quality and waste management
Government & Regulations	* Annual compliance audit * Adherence to statutory disclosures and requirements * Participation in conference/seminars for updates	* Compliance with rules and regulations * Timely reporting and resolution of issues
Community	* Active participation in corporate volunteering programmes	* Contribution to the community development

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Risk and Opportunities

Blumont recognises that a disconnect between sustainability and risk management can lead to strategic and operational risks, as well as missed opportunities for growth. We complement our Enterprise Risk Management (ERM) through stakeholder engagement and materiality assessment to identify and assess ESG risks and opportunities impact on our business and stakeholders.

We will continue to monitor and review the risks and mitigating controls, to reflect changes due to emerging global trends and the ever-evolving business landscape.

Our Business

- Competitors entering the market offering competitive prices and products.
- Continuously engaging with our customers to provide best price without compromising the profit margin.
- On-going monitoring of investment opportunities in order to maximise shareholders' returns.

Our Environment

- Non-compliance with waste emission standards.
- Increasing environmental awareness and reduce environmental footprints for future generations.
- Striving to comply with local environmental regulations with continuous monitoring

Our People

- Employees may be unfamiliar with the safety standards.
- Enhancing and upgrading of employees' skill through training
- On-going training to be provided to our employees and ensuring that every employee is keeping up-to-date on the industry's requirement.

Our Governance

- Non-compliance with local laws and regulations resulting in fines, complaints, reputational losses.
- Updating of policies and procedures as and when required. Periodic monitoring of enterprise risk.
- Maintaining good corporate governance practice by establishing robust policies and procedures.

Our Business

Strategic Investment

Strategic investment is our key priority to ensure the Group's business sustainability and stakeholders' value maximization. We are continuously monitoring and seeking new opportunities and collaborations to grow our businesses.

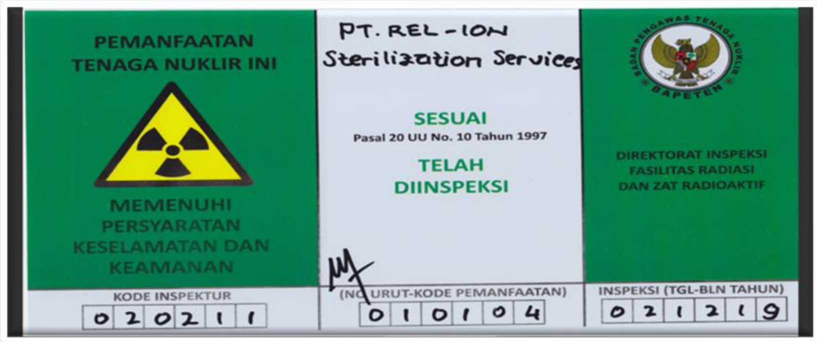
In FY2019, we continued to engaged in strategic acquisition and divestment activities as part of our investment strategy. The Group is still in the midst of negotiations on the acquisition of Samadhi Retreats Pte Ltd. The proposed acquisition is pursuant to the Company's corporate strategy to expand and diversify the scope of the existing business of the Group to include the Hospitality Business.

During FY2019, Raintree Rock Sdn Bhd ("Raintree"), a subsidiary of the Group, finally completed the divestment of its condo property held in Suasana Sentral Condominium, Kuala Lumpur.

The Group is 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.

Our Environment

Waste and Resource Management



Besides ensuring the shareholders' profitability, the Group recognises the impact on the environment through our operating activities at PT. Rel-ion. Our operating activities involve radioactive materials. Radioactive material is subject to special regulations which govern methods of handling, transportation, storage, and disposal to safeguard health and safety of the people and the environment.

We demonstrate our commitment to ensure we are operating in accordance with Indonesian safety standards by engaging BAPETEN Nuclear Energy Regulatory Agency, the Directorate for inspection of radiation facilities and radioactive substances to assess the protection and safety radiation program. We were awarded the Green Label 2 December 2019 for this inspection with no non-compliances noted from the inspection results.

Our aim is to provide high quality and reliable gamma irradiation services using radioactive isotope, namely cobalt-60. In a crucial era where we need to engage in green environment, we have engaged our suppliers in a sustainable supply chain. We have an arrangement with our suppliers and return of used cobalt-60 to them for proper disposal. We measured our achievements against our targets set in 2018 and present our current year's achievements in the table below.

2018 Target: Conduct audits to ensure compliance with the global and local standards of managing waste. To seek continual improvements through adopting recommendations of radiation safety inspections conducted.

Current Achievement: Engaged third party for radiation safety inspection with zero non-compliances noted.

2019 Strategy: Maintain compliance with local regulatory board on emission of gamma rays and managing waste through conducting annual radiation safety inspection.

2019 Target: Maintain zero non-compliance from subsequent inspections and to consider engaging service provider to conduct mandatory compliance audits whenever.

Our People

Occupational Health & Safety

Our people are valuable assets to the Group and key to our sustainable growth, especially at PT. Rel-ion where they perform operational duties during the sterilisation process which required handling of hazardous materials. As such, we believe it is important that occupational health and safety is stringently managed to ensure our employees are safe and protected from workplace injuries while performing their daily duties. We have in place various measures to ensure the health and safety of our employees are free from injuries and that they carry out their duties in a safe manner. In FY2019, we are glad that there is no reported workplace injury or reported non-compliances to applicable workplace health and safety regulations.

Occupational Health & Safety (Cont'd)

Compliance

√ 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

Continual Enhancement

* Consistent recordkeeping for 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

2018 Target: Engage external assurance to conduct compliance audit periodically. Maintain safety of environment by constantly sending employees for quality assurance courses.

Current Achievement: Undergone appraisal service to assess adequacy of the safety programme and workplace safety coverage.

2019 Strategy: Maintain compliance with local regulatory board on emission of gamma rays through conducting annual radiation safety inspection.

2019 Target: Seek continual improvements through adopting recommendations of compliance audits, appraisal service and radiation safety inspections conducted. To maintain safety of environment by constantly sending employees for quality assurance courses.

Our People (Cont'd)

Training & Education

Providing training opportunities to our employees will help level up their technical and personal skills to a higher level which will boost personal development, increase competence and enhance overall work performance. Technically skilled employees who are cognizant with evolving industry standards will help position the Group as a leader and strong competitor within the industry.

At Blumont, we believe in ensuring that our employees are adequately trained and continuously kept abreast of updates of standards in the industry. Newly hired employees are first given the opportunity to learn on the job to familiarise themselves with our operations. Subsequently, we encourage and enable employees to pursue professional development opportunities. In FY2019, we provided an average of 2 hours (internal) and 4 hours (external) training for our employees. Employees also attended the "Penyegaran PPR Industri Tingkat 1" training carried out by Nuclear Energy Regulatory Agency. We focused on growing their leadership capabilities, improving their skills in areas of technical, safety, commercial, and specialist expertise. Please refer to the table below for the relevant data pertaining to training provided to our employees.

Types of training	Number of trainings	Number of attendees	Actual training hours
Internal	2	25	2
External	2	2	4 - 6

Our People (Cont'd)

With our aim of becoming an outstanding people-centric company, we have been improving our organisational effectiveness and simplifying our communication channels across all levels and between business units. The Group has a review-and-feedback process in place, which has proven useful in our understanding of the employees' concerns and addressing their issues.

Blumont values talents as one of the most important factors in developing long-lasting benefits for the Group. We strictly adhere to all local laws and regulations to ensure gender equality and in employment. There have been no incidents of discrimination in FY 2019. In addition, we strictly comply with related labour and employment laws and regulations.

Employee Profile by Gender

Gender	FY 2019	FY 2018
Male	52 *(80%)*	56 *(78.9%)*
Female	13 *(20%)*	15 *(21.1%)*
Total	**65**	**71**

A strong team is more productive, energetic and eager to work. Taking the time for team bonding is just as important as meeting deadlines. Team outings are a great opportunity for team leaders and employees to connect and learn more about each other. Besides spending time with the colleagues during working hour, the Group also acknowledges work life balance of the employees and we organise company outings to foster team bonding.

Our People (Cont'd)

Blumont encourages transparency between the employees and their superiors. Employee performance reviews are two-way communication for superiors to speak with the employees on their performance and obtain feedbacks from the employees that enhance Group improvements. As such, the Group had established an annual employee performance appraisal that are conducted between the employee and the superior.

We measured our achievements against our targets set in 2018 and present our current year's achievements in the table below.

2018 Target: Perform periodic assessment of the training needs of the employees and create training plan for continuing education. Employee empowerment through recognition of their efforts.

Current Achievement: Conducted objective performance evaluations to identify shortfalls of employees.

2019 Strategy: Conduct internal evaluations periodically to identify training needs and gaps in knowledge.

2019 Target: Formalise a training plan to cater for all employees. To send employees for refreshment course and etiquette trainings to enhance their skillset.

Our Governance

Blumont is committed to conduct its business activities in an ethical, socially and environmentally sustainable manner. We ensure that our business operations and processes are managed to protect the environment. The Group recognises the importance of ensuring a healthy and safe work environment for the well-being of our employees and is committed to do so. Employees are also expected to maintain the highest standards of integrity and trust in all business relationships and dealings. The Group places great emphasis on accountability, transparency, ethical business conduct and good corporate governance.

Blumont is committed to ensure that the Group and all the subsidiaries meet its legal obligations and are strictly against corruptive behaviours. We have an established whistle-blowing policy for whistleblowers to voluntarily come forward to report or reveal information on wrong-doings. All stakeholders are encouraged to report any breach or violation to the Audit Committee. The Group has zero tolerance for adverse behaviors.

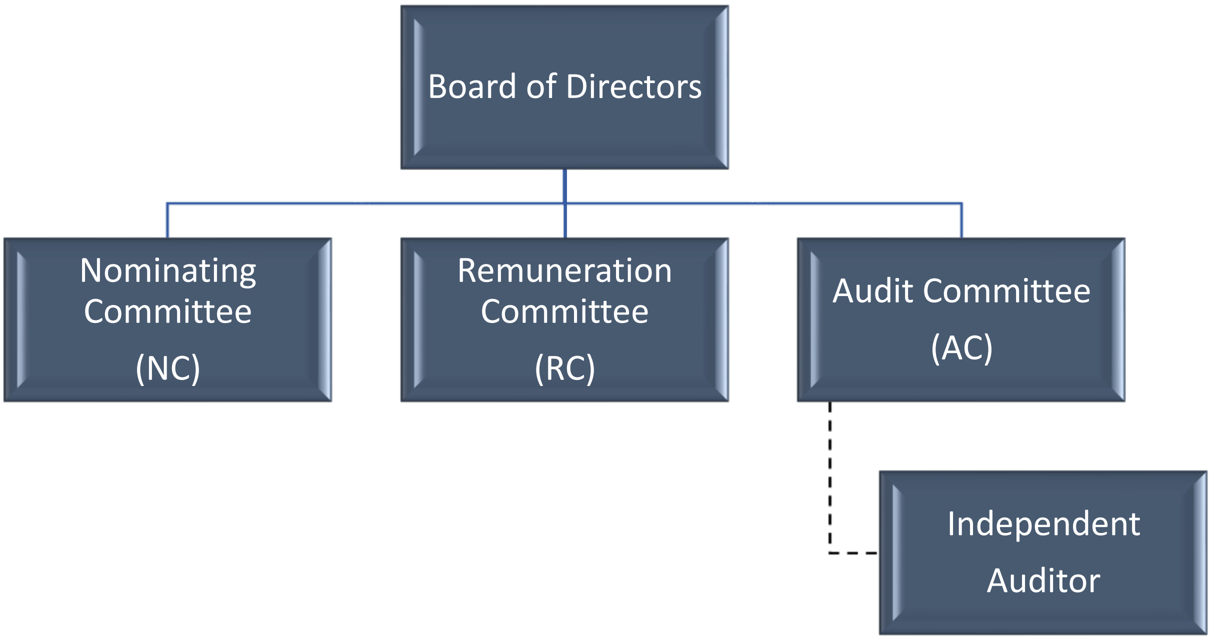
We are pleased to report that there were no reported irregularities and breaches received through our whistleblowing channel in FY 2019.

Our Board is committed to maintain a high standard of corporate governance to ensure greater transparency and to protect the interests of our stakeholders. The Board also acknowledge the importance of sustainability in our strategic formulation.

Our Board is responsible for the overall management of the business and corporate affairs of the Group. It sets goals, reviews and advises on overall strategies and directions, oversees the effectiveness of the management of the Company and assumes responsibilities for overall corporate governance of the Group to ensure the Group’s strategies are in the best interests of the Company and its stakeholders. The Company has also put in place various policies and practices that will safeguard the interests of stakeholders and enhance stakeholders’ value as part of our effort to maintain high standards of corporate governance.

Our Governance (Cont'd)

Details of our Board members and respective committees during FY2019 are as follows:



We measured our achievements against our targets set in 2018 and present our current year's achievements in the below table.

2018 Target: Comply with mandatory listing requirements and board composition. Promote awareness to disclose wrongdoings such as misconduct, fraud or any other illegal acts as part of whistle-blowing policy.

Current Achievement: Restructured board composition to include members with vast and extensive expertise in managing business operations for further growth and experience.

2019 Strategy: Assess board composition by evaluating responsibilities, knowledge and independence of judgement of board members for continuous risk management assessment.

Continuously assess our Standard Operating Procedures ("SOP") to enhance our corporate code of conduct.

2019 Target: Maintain compliance with mandatory listing requirements and revised code of corporate governance.

To enhance our Standard Operating Procedures by engaging external assurance for corporate governance review.

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