

SUSTAINABILITY REPORT
FOR YEAR ENDED
31 DECEMBER 2018

ACMA LTD

SUSTAINABILITY REPORT

FOR THE YEAR ENDED 31 DECEMBER 2018

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1. BOARD STATEMENT

Dear Stakeholders,

The Board of Directors of ACMA LTD is pleased to present our Sustainability Report for 2018. There were no significant changes to the organization's structure and ownership during this reporting period.

We recognize that there is increasing interest from stakeholders on how companies deal with the various environments, social and governance ("ESG") issues in crafting strategies for the longer term development of their businesses. Therefore, the Board is committed to sustainable business practices and the adoption of these practices as part of the Group's strategy for the longer term development of our business.

The Group's sustainability efforts are led by management who reports directly to the Board. In developing the sustainability blueprint, management has sought and taken into consideration the views of various stakeholders as part of the process of identifying the material sustainability issues.

The Board, together with management, oversees the process and is collectively responsible for providing the strategic direction of the Company after due consideration of the relevant sustainability factors.

2. SCOPE OF OUR REPORT

This report covers the Group's operations for the financial year 2018 ("FY2018"). It has been prepared in line with the requirements of Listing Rules 711A and 711B of the Singapore Exchange Securities Limited ("Singapore Exchange") and in accordance with Global Reporting Initiative ("GRI") Standards-Core Reporting requirements. The GRI Content Index can be found at the end of this report.

The Group has not sought external assurance for this report but may consider doing so as reporting matures over time.

Accessibility and Feedback

As part of the Group's environmental conservation efforts, the Group has not printed copies of this Sustainability Report. An electronic version of this report is available at: <http://www.acmaltd.com>.

We welcome feedback and enquiries in relation to this report from our stakeholders. Please feel free to write in with your feedback and/or enquiries to: enquiries@acmaltd.com.

3. ORGANISATION PROFILE

ACMA Ltd is a Singapore incorporate company, headquartered at 17 Jurong Port Road, Singapore 619092 and listed on the Mainboard of the Singapore Exchange.

ACMA Ltd and its subsidiaries ("ACMA Group") are engaged principally in:-

- (a) the manufacture of precision plastic components and the fabrication of moulds (plastic injection moulding and tooling operations);
- (b) the distribution and trading of communications, electronics and electrical switchgear and other equipment and supplies;
- (c) the manufacture of metal packaging and provision of metal printing services (metal packaging and printing operations); and
- (d) investment holding.

The key locations of our various operations are as follows:-

Plastic Moulding and Tooling Operations

Plastic injection moulding and tooling operations	Xiamen, China
Tooling operations	Dongguan, China
Sales offices for tooling operations	Singapore Stockheim, Germany Hong Kong SAR

Metal Packaging and Printing Operations

Our metal packaging and printing operations are based in Ho Chi Minh City, Vietnam. We manufacture tin cans and provide tin-plate printing services for use in different industries.

Other Operations

Our communications, electronics and equipment distribution business are principally involved in the distribution and sale of air-conditioning related and electrical distribution systems. We are distributors for Hitachi brand chillers and related air-conditioning products and W Lucy brand electrical distribution systems for Singapore. We also trade in other products as may be required by our customers.

The primary operations are based in Singapore but we have established representative offices in Phnom Penh, Cambodia as well as Colombo, Sri Lanka, to support the sales of our products.

Principal Markets

In FY2018, the principal markets served were as follows:-

Plastic injection moulding and tooling operations	P.R. China, India, USA and Europe
Metal packaging and printing services operations	Vietnam and Indonesia
Communications, electronics and equipment Distribution and trading	Singapore, Indonesia, Sri Lanka, Bangladesh, Cambodia and Seychelles

4. OUR CORE VALUES

We believe that as a Group, we should always be guided by certain core values in our dealings with stakeholders. There are:-

(i) Quality

We strive to offer quality products and services for our customers.

(ii) Reliability

Offer on-time and reliable delivery of our products and services to all customers.

(iii) Commitment

Commitment to support the needs and interests of our stakeholders and a commitment to strive for continuous improvement in performance.

(iv) Teamwork

Developing strong teamwork and spirit of co-operation amongst workers, sections, operating units and organisations.

(v) Integrity

Always maintaining a sense of integrity, honesty and discipline in our business conduct and dealings with various stakeholders.

5. SUPPLY CHAIN

The Group's main suppliers consist of raw material suppliers, equipment and component manufacturers and subcontractors. Whilst we are committed to building on and ensuring a sustainable supply chain, we do not generally enter into long-term exclusive agreements with suppliers.

Our Group procurement policy provide guidelines and control principles for various stages of the procurement process such as selection and evaluation of suppliers with the view to minimizing supply chain in risk and enhancing flexibility. We also take effort when appropriate to ensure diverse supply sources as we believe this will help manage our supply chain risk as well as encourage price and service competition between existing and potential suppliers.

6. STAKEHOLDER ENGAGEMENT

The Group recognizes the importance of active stakeholder engagement. We identified our stakeholder groups based on our assessment of their level of influence on our business.

The Group continuously engages with various stakeholder groups to understand their concerns with the view to taking appropriate measures to address them.

Key Stakeholders	Engagement Platforms	Frequency	Key Interests of Stakeholder
Customers	Regular meetings and discussions with respective Group managers.	Throughout the year.	Product and service quality. Competitive pricing. Responsiveness to requests.
Employees	Orientation of new employees. Periodic company functions. Training Ad-hoc events. Open dialogues amongst teams.	Throughout the year.	Equitable remuneration. Welfare and benefits. Employee development.
Suppliers	Regular meetings and discussions with respective Group managers.	Throughout the year.	Timely payment in accordance with contract terms.
Government institutions and regulators	Meetings with government institutions and regulators.	Throughout the year.	Compliance with laws and regulations. Keeping abreast with changes in laws and regulations.
Shareholders	Singapore Exchange announcements. Annual report. Annual general meeting.	Quarterly. Annually. Annually.	Financial performance. Timely and transparent disclosures. Sound corporate governance.
Communities	Donations to charitable organisations.	As appropriate.	Corporate social responsibility initiatives.

7. MATERIALITY ASSESSMENT

We conducted a materiality assessment during the year to review potential material factors and their perceived economic impact and influence on the development of the Group's business as well as on our stakeholders.

As disclosed in last year's inaugural report, the Board had identified 3 material ESG factors. The Board considered these factors to remain relevant for FY2018 and they are as follows:

- Employees
- Environment; and
- Corporate Governance

The Board will continue to identify and evaluate the material ESG factors against both key business developments and the changing business landscape to ensure they remain relevant.

8. EMPLOYEES

The Group recognizes that an organisation's employees represent a key component to its ability to remain commercially viable and competitive. It is therefore committed to building a safe, nurturing and inclusive workplace environment which is conducive for attracting and retaining talent. The Group is also committed to protecting and respecting rights of employees in accordance with relevant laws and regulations as well as ensuring employee safety and well-being.

As at the end of FY2018, the Group has 995 full-time employees (including temporary staff) compared to 1,037 recorded at the end of FY2017 as follows:-

Locations	FY2018	FY2017
Singapore	50	53
Ho Chi Minh, Vietnam	356	551
Xiamen, China	494	335
Dongguan, China	69	69
Hong Kong SAR	3	3
Phnom Penh, Cambodia	9	13
Colombo, Sri Lanka	9	8
Stockheim, Germany	5	5
Total Employees	995	1,037

The demographics of the employees are set out in the table below:-

Number of Full-Time Employees, by Gender	FY2018	FY2017
Male	617	600
Female	378	437
Total Employees	995	1,037

Percentage of Total Employees, by Age Group	FY2018	FY2017
Less than 30 years	36%	43%
30 to 50 years	57%	52%
Over 50 years	7%	5%
Total Percentage	100%	100%

The Group continues to practice diversity in its workforce as seen through our employees' demographics in the tables above.

Management believes in fair compensation for our employees. Remuneration and benefits of employees are periodically reviewed based on employees' performance and with reference to market rates with a view to creating and maintaining a productive and motivated workforce.

During the year, our employees are encouraged to participate in a range of training courses, either internal or external, to enhance their skills and knowledge for their roles within the Group.

Moving forward, the Group expects to continue to have a diversified workforce with fair compensation to employees.

9. ENVIRONMENT

The Group recognizes a breach of any laws or regulations could have a significant impact on production and result in reputational damage. In some cases, non-compliance may also result in economic loss for the Group arising, for example, from clean up obligations or other costly environmental liabilities. In FY2018, there were no incidences of non-compliance with environment laws and regulations which have resulted in any significant fines or sanctions.

We aim to maintain zero incidence of no-compliance with environmental laws and regulations in FY2019.

10. CORPORATE GOVERNANCE

The Board and management are committed to maintaining strong corporate governance and risk management practices to help ensure sustainability of the Group's businesses. Please refer to the Corporate Governance Report on pages 7 to 21 of our FY2018 Annual Report.

The Group does not tolerate any corruption, impropriety, statutory non-compliance or malpractice by staff in the course of their work. Our Whistle-blowing policy is intended to provide a framework to promote responsible and secure whistle-blowing without fear of adverse consequences.

Employees and external parties including suppliers, customers and other stakeholders may use the procedure set out in the policy to report any concern or complaint regarding questionable business practices, disclosure matters, conflict of interest, breaches of Group policy, fraud, corruption or any other matters of employee misconduct.

There were no confirmed incidents of corruption during FY2018. We aim to continue the Group's existing policies in FY2019 and strive to maintain the zero incidences of confirmed corruption.

GRI CONTENT INDEX

GRI STANDARD

GENERAL DISCLOSURES

ORGANISATION PROFILE

102.1 - Name of the organization	ACMA LTD
102.2 - Activities, brands, products and services	Please refer to Page 2 – Organisational Profile
102.3 – Location of headquarters	Singapore
102.4 – Location of operations	Please refer to Page 2 –Organisational Profile
102.5 – Ownership and legal form	Singapore incorporated public limited company listed on the Singapore Exchange
102.6 – Markets served	Please refer to Page 2 – Organisational Profile
102.7 – Scale of the organisation	Please refer to Page 2 – Organisational Profile, Page 5 – Employees and Pages 98-100 of ACMA Ltd FY2018 Annual Report
102.8 – Information on employees and other workers	Please refer to Page 5 - Employees
102.9 – Supply chain	Please refer to Page 3 – Supply Chain
102.10 – Significant changes to the organisation and its supply chain	There were no significant changes during the period
102.11 – Precautionary Principle or approach	The Company does not specifically apply the Precautionary Principle or approach
102.12 – A list of externally-developed economic and social charters, principles, or other initiatives to which the organization subscribes, or which it endorses	None
102.13 – Membership of associations	ACMA Ltd and/or companies within the Group are members of the following associations: <ul style="list-style-type: none"> • Singapore Business Federation • Singapore Electrical Contractors & Licensed Electrical Workers Association • Xiamen Mould Association • Xiamen Foreign Investment Enterprises Association

STRATEGY

102.14 – Statement from senior decision-maker	Please refer to Page 1 – Board Statement
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ETHICS AND INTEGRITY

102.16 – Values, principles, standards, and norms of behavior	Please refer to Page 3 – Our Core Values
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GOVERNANCE

102.18 – Governance structure	Please refer to Page 1 – Board Statement
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STAKEHOLDER ENGAGEMENT

102.40 – List of stakeholder groups	Please refer to Pages 3-4 – Stakeholder Engagement
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GENERAL DISCLOSURES	
STAKEHOLDER ENGAGEMENT	
102.41 – Collective bargaining agreements	The Acma Group does not have any collective bargaining agreements in place
102.42 – Identifying and selecting stakeholders	Please refer to Pages 3-4 – Stakeholder Engagement
102.43 – Approach to stakeholder engagement	Please refer to Pages 3-4 – Stakeholder Engagement
102.44 – Key topics and concerns raised	Please refer to Pages 3-4 – Stakeholder Engagement
REPORTING PRACTICE	
102.45 – Entities included in the consolidated financial statements	Please refer to Pages 75 to 76 of our 2018 Annual Report
102.46 – Defining report content and topic boundaries	Please refer to Page 1 – Scope of our Report
102.47 – List of material topics	Please refer to Page 4 – Materiality Assessment
102.48 – Restatement of information	No restatements
102.49 – Changes in reporting	No changes
102.50 – Reporting period	1 January 2018 to 31 December 2018
102.51 – Date of most recent report	31 December 2017
102.52 – Reporting cycle	Annual
102.53 – Contact point for questions regarding the report	Please refer to Page 1 – Scope of our Report
102.54 – Claims of reporting in accordance with the GRI Standards	Please refer to Page 1 – Board Statement
102.55 – GRI content index	Please refer to Pages 7-8 – GRI Content Index
102.56 – External assurance	Please refer to Page 1 – Scope of our Report

SPECIFIC DISCLOSURES	
EMPLOYEES	
103.1 – Explanation of the material topic and its boundary	Please refer to Page 5
103.2 – The management approach and its components	
103.3 – Evaluation of the management approach	
ENVIRONMENT	
103.1 – Explanation of the material topic and its boundary	Please refer to Page 6
103.2 – The management approach and its components	
103.3 – Evaluation of the management approach	
CORPORATE GOVERNANCE	
103.1 – Explanation of the material topic and its boundary	Please refer to Page 6
103.2 – The management approach and its components	
103.3 – Evaluation of the management approach	