



SUSTAINABILITY REPORT

YEAR ENDED 31 DECEMBER 2017

ACMA LTD

Sustainability Report

Year Ended 31 December 2017

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1 Board Statement

Dear Stakeholders,

The Board of Directors of Acma Ltd is pleased to present our first Sustainability Report. 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 environmental, 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 inaugural report covers the Group's operations for the financial year 2017 ("FY2017"). It has been prepared in line with the requirements of Listing Rules 711A and 711B of the Singapore Exchange Securities Trading 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 first 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 Organizational 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 Kronach, 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

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.

Whilst 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 sale of our products.

Principal Markets

In FY2017, the principal markets served were as follows:-

Plastic injection moulding and tooling operations	China, India, USA and Europe
Metal packing and printing operations	Vietnam
Communications, electronics and equipment distribution and trading	Singapore, Indonesia , Sri Lanka, Bangladesh, Cambodia, 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. These 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 organizations.

(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 provides 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 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 engage with various stakeholder groups to understand their concerns with the view to taking appropriate measures to address them.

<u>Key Stakeholders</u>	<u>Engagement platforms</u>	<u>Frequency</u>	<u>Key Interests of Stakeholder</u>
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	Throughout the year	Equitable remuneration Welfare and benefits Employee development
	Periodic company functions	Throughout the year	
	Training Ad-hoc events	Throughout the year	
	Open dialogues amongst teams	Throughout the year	
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	SGX announcements	Quarterly	Financial performance Timely and transparent disclosures Sound corporate governance
	Annual report	Annually	
	Annual general meeting	Annually	
Communities	Donations to charitable organizations	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.

The Board has identified the following material ESG factors for FY2017:

- * 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 organization'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 FY2017, the Group had 1,037 full-time employees (including temporary staff) compared to 889 recorded at the end of FY2016 as follows:-

	FY2017	FY2016
Singapore	53	55
Ho Chi Minh City, Vietnam	551	392
Xiamen, PRC	335	345
Dongguan , PRC	69	73
Hong Kong SAR	3	3
Kronach, Germany	5	5
Phnom Penh, Cambodia	13	8
Colombo, Sri Lanka	8	8
	<u>1,037</u>	<u>889</u>

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

Number of full time employees, by Gender	FY2017	FY2016
Male	600	530
Female	437	359
	1,037	889

% Of Total employees, by Age Group	FY2017	FY2016
Less than 30 years	43%	42%
30 to 50 years	52%	52%
Over 50 years	5%	6%
	100%	100%

The Group continues to practise 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 encourage to participate in a range of training courses, either internal or external, to enhance their skills and knowledge for their roles within the Group.

9 Environment

The Group recognize 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 FY2017, there were no incidence of non-compliance with environment laws and regulations which have resulted in any significant fines or sanctions.

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 19 of our FY2017 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.

GRI CONTENT INDEX

GRI Standard		
GENERAL DISCLOSURES		
Organization profile		
102-1	Name of the organization	Acma Ltd
102-2	Activities, brands, products and services	Please refer to Page 2 -Organization profile
102-3	Location of headquarters	Singapore
102-4	Location of operations	Please refer to Page 2 -Organization 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 -Organization profile
102-7	Scale of the organization	Please refer to Page 2 -Organization profile, Page 5 - Employees and Pages 84 -87 of Acma Ltd FY2017 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 organization 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:- * Singapore Business Federation * Singapore Electrical Contractors & Licenced 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
Ethics and Integrity		
102-16	Values, principles, standards, and norms of behavior	Please refer to Page 3 - Our Core Values
Governance		
102-18	Governance structure	Please refer to Page 1 - Board Statement
Stakeholder engagement		
102-40	List of stakeholder groups	Please refer to Page 4 - Stakeholder engagement

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 Page 4 - Stakeholder engagement
102-43	Approach to stakeholder engagement	Please refer to Page 4 - Stakeholder engagement
102-44	Key topics and concerns raised	Please refer to Page 4 - Stakeholder engagement
Reporting practice		
102-45	Entities included in the consolidated financial statements	Please refer to Pages 60 and 61 of our 2017 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 5 -- Materiality Assessment
102-48	Restatements of information	No restatements as this is the first report.
102-49	Changes in reporting	No changes as this is the first report.
102-50	Reporting period	1 January 2017 to 31 December 2017
102-51	Date of most recent report	Not applicable as this is the first report.
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 Page 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	