

SUSTAINABILITY
REPORT
2022



SCENE

PROD.
ROLL

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1. Highlights

1.1 Corporate Profile

Spackman Entertainment Group Limited ("**SEGL**" or the "**Company**"), together with its subsidiaries (the "**Group**"), is one of Korea's leading entertainment production groups. SEGL is primarily engaged in the independent development, production, presentation, and financing of theatrical motion pictures in Korea.

Since its founding, SEGL has produced more than 30 major motion pictures, including a number of the highest-grossing and award-winning films in Korea, namely *#ALIVE* (2020), *CRAZY ROMANCE* (2019), *DEFAULT* (2018), *MASTER* (2016), *THE PRIESTS* (2015), *SNOWPIERCER* (2013), *COLD EYES* (2013) and *ALL ABOUT MY WIFE* (2012).

Our films are theatrically distributed and released in Korea and overseas markets, as well as for subsequent post-theatrical worldwide release in other forms of media, including online streaming, cable TV, broadcast TV, IPTV, video-on-demand, home video/DVD, etc. Generally, we release our motion pictures into a wide-theatrical exhibition initially in Korea, then overseas and in ancillary markets.

The Group also invests in and produces Korean television dramas. In addition to the Group's content business, we own equity stakes in entertainment-related companies and film funds that can financially and strategically complement our existing core operations. SEGL is listed on the Catalyst of the Singapore Exchange Securities Trading Limited under the ticker 40E.



Production Labels

Studio Take

SEGL owns a 100% equity interest in Studio Take Co., Ltd. ("**Studio Take**"), which produced *STONE SKIPPING* (2020) and *THE BOX* (2021). Its latest film, *A MAN OF REASON*, premiered in the US at the 42nd Hawaii International Film Festival. The film was also invited to the 47th Toronto International Film Festival, the largest film festival in North America, and the 55th Sitges Film Festival, one of the world's top three genre film festivals. *A MAN OF REASON* is expected to be released in the third quarter of 2023. In addition, Studio Take shall also release an upcoming film, *THE GUEST*, which is in the post-production stage and scheduled to be released in the second half of this year.

Novus Mediacorp

SEGL owns Novus Mediacorp Co., Ltd. ("**Novus Mediacorp**"), an investor, presenter, and/or post-theatrical distributor for a total of 81 films (60 Korean and 21 foreign), including *COME BACK HOME* (2022), *OKAY MADAM* (2020), *LONG LIVE THE KING* (2019), *MY FIRST CLIENT* (2019), *ROSE OF BETRAYAL* (2018), *THE OUTLAWS* (2017) and *SECRETLY, GREATLY* (2013), which was one of the biggest box office hits of 2013 starring Kim Soo-hyun of *MY LOVE FROM THE STARS* (2013), as well as *FRIEND 2: THE GREAT LEGACY* (2013). In 2012, Novus Mediacorp was also the post-theatrical rights distributor of *ALL ABOUT MY WIFE* (2012), a top-grossing romantic comedy produced by Zip Cinema. In 2018, *THE OUTLAWS*, co-presented by Novus Mediacorp, broke the all-time highest Video On Demand ("VOD") sales records in Korea. For more

information, please visit <http://novusmediacorp.com>.

Greenlight Content

SEGL owns a 100% equity interest in Greenlight Content Limited ("**Greenlight Content**"), which is mainly involved in investing in dramas and movies and providing consulting services for the production of Korean content. Through the acquisition of Greenlight Content, the Group's first co-produced drama, *MY SECRET TERRIUS*, starring top Korean star, So Ji Sub, achieved #1 in drama viewership ratings for its time slot and recorded double digits for its highest viewership ratings. It was also awarded "Drama of the Year" at the 2018 MBC Drama Awards. Greenlight Content was one of the main investors of *MY SECRET TERRIUS*.

Simplex Films

SEGL owns a 100% equity interest in Simplex Films Limited ("**Simplex Films**"), an early-stage film production firm. The maiden movie of Simplex Films, *JESTERS: THE GAME CHANGERS* (2019), was released in Korea on 21 August 2019. Simplex Films has several line-ups of films, including *HURRICANE BROTHERS* (working title).

The Makers Studio

SEGL owns a 20% equity interest in The Makers Studio Co. Ltd. ("**The Makers Studio**"), which plans to produce and release four upcoming films, the first of which will be *THE ISLAND OF THE GHOST'S WAIL*, a comedy horror film.

Talent Representation

Spackman Media Group

The Company holds an effective shareholding interest of 43.88% in Spackman Media Group Limited ("**SMGL**"). SMGL, a company incorporated in Hong Kong, together with its subsidiaries, is collectively one of the largest entertainment talent agencies in Korea in terms of the number of artists under management, including some of the top names in the Korean entertainment industry. SMGL operates its talent management business through renowned agencies such as SBD Entertainment Inc. (Son Suk-ku, Han Ji-hyun, Park Keun-rok), MSteam Entertainment Co., Ltd. (Son Ye-jin, Wi Ha-jun, Lee Min-jung, Ko Sung-hee, Lee Cho-hee), UAA&CO Inc. (Kim Sang-kyung) and Play Content Co., Ltd. (Hwang-hwi).

Through these full-service talent agencies in Korea, SMGL represents and guides the professional careers of a leading roster of award-winning actors/actresses in the practice areas of motion pictures, television, commercial endorsements, and branded entertainment. SMGL leverages its unparalleled portfolio of artists as a platform to develop, produce, finance and own the highest quality of entertainment content projects, including theatrical motion pictures, variety shows and TV dramas. This platform also creates and derives opportunities for SMGL to make strategic investments in development-stage businesses that can collaborate with SMGL artists. SMGL is an associated company of the Company. For more information, please visit <http://www.spackmanmediagroup.com>.



Constellation Agency

The Company owns a 100% equity interest in Constellation Agency Pte. Ltd. ("**Constellation Agency**"). Constellation Agency, which owns The P Factory Co., Ltd. ("**The P Factory**") and Platform Media Group Co., Ltd. ("**PMG**"), is primarily involved in the business of overseas agencies for Korean artists venturing into the overseas market. The P Factory is an innovative marketing solutions provider specialising in event and branded content production. PMG is a talent management agency which represents and manages the careers of major artists in film, television, commercial endorsements and branded entertainment.

Strategic Business

Upper West & Noon Pictures

The Company also operates a café-restaurant, Upper West, in the Gangnam district of Seoul and owns a professional photography studio, Noon Pictures Co., Ltd.

For more details, do visit <http://www.spackmanentertainmentgroup.com/>.



1.2 Message to Stakeholders & Board Statement

The Board of SEGL is committed to minimising our environmental impacts, growing sustainably, and inspiring others to take action to conserve and protect the world we live in.

In FY2022, we are continuing our sustainability journey by implementing a sustainability program that covers Novus Mediacorp, Studio Take, and Simplex Films. This program aims to measure and manage our environmental impacts as we strive towards greater sustainability.

As part of our sustainability efforts, we believe it is crucial to leverage the power of media to spread awareness about environmental protection. We aim to set and improve our environmental, Social and Governance sustainability policies, especially in the film and drama production industry.

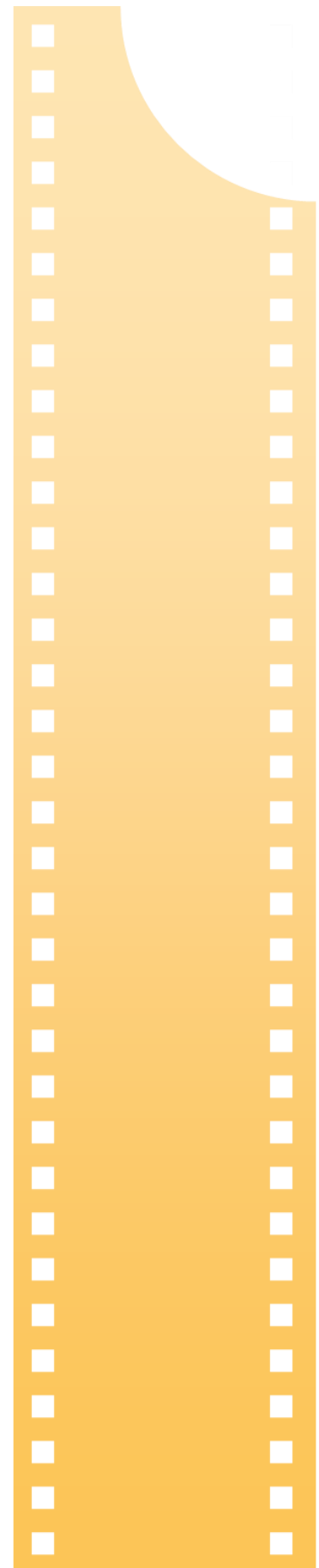
Our position as a leading entertainment production company in Korea gives us a unique opportunity to advocate for positive environmental, social, and economic narratives through our efforts behind the camera and the underlying messages conveyed on screen.

We are committed to complying with industry-leading sustainability practices and striving to raise awareness and inspire sustainable and socially responsible thinking among our local and international audiences through our movie and drama content in the future.

Lastly, our Board has incorporated sustainability issues into our strategic formulation and identified the material Environmental, Social, and Governance factors. We are dedicated to monitoring and managing these factors throughout our sustainability journey.

ANTHONY WONG
Non-Executive &
Independent Chairman

JOHN KO
Chief Executive Officer



1.3 Scope of Sustainability Report

The scope of the report covers information on material sustainability aspects of SEGL relating to the Entertainment segment in Korea from 1 January 2022 to 31 December 2022 ("**FY2022**") unless otherwise specified. This should sufficiently address stakeholders' concerns concerning sustainability issues arising from the major business operations of the Group.

This report has been prepared with guidance from the Global Reporting Initiative ("**GRI**") Standards: Core Option as it provides an extensive framework widely accepted as a global standard for sustainability reporting. It also considers the Sustainability Reporting Guide in Practice Note 7F of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") Listing Manual Section B: Rules of Catalyst ("**Catalist Rules**").

In preparing our report, we applied the GRI's principles for defining report content and quality by considering the Group's activities, impacts and substantive expectations and interests of its stakeholders. Please refer to **Appendix B** for the GRI content index.

The report also followed a phased approach, as recommended in the Sustainability Reporting Guide of Practice Note 7F, for disclosing information related to the Task Force on Climate-related Financial Disclosures ("**TCFD**").

The data and information provided within the report have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy.

1.4 Restatements

We have updated the fuel conversion factor and Grid Emission Factor ("**GEF**") used to calculate the total carbon footprint and the carbon footprint intensity of our scope 1 and scope 2 emissions, using the most up-to-date information available. This has resulted in the restatement of the reported carbon footprint and carbon footprint intensity for FY2020 and FY2021.

1.5 Sustainability Contact

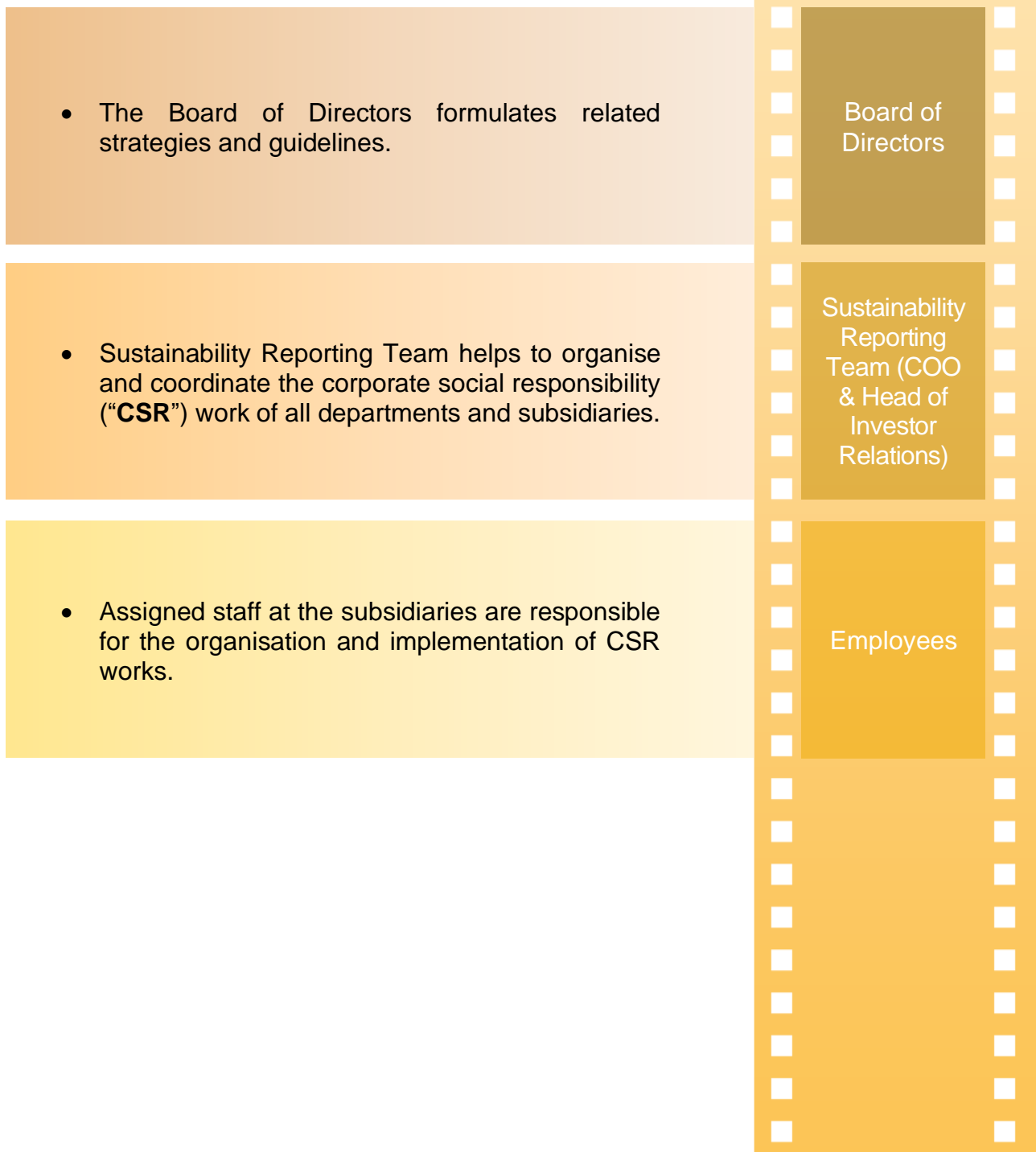
We welcome your views and feedback on our sustainability practices and reporting at sr@spackmanentertainmentgroup.com.



2. Our approach to sustainability

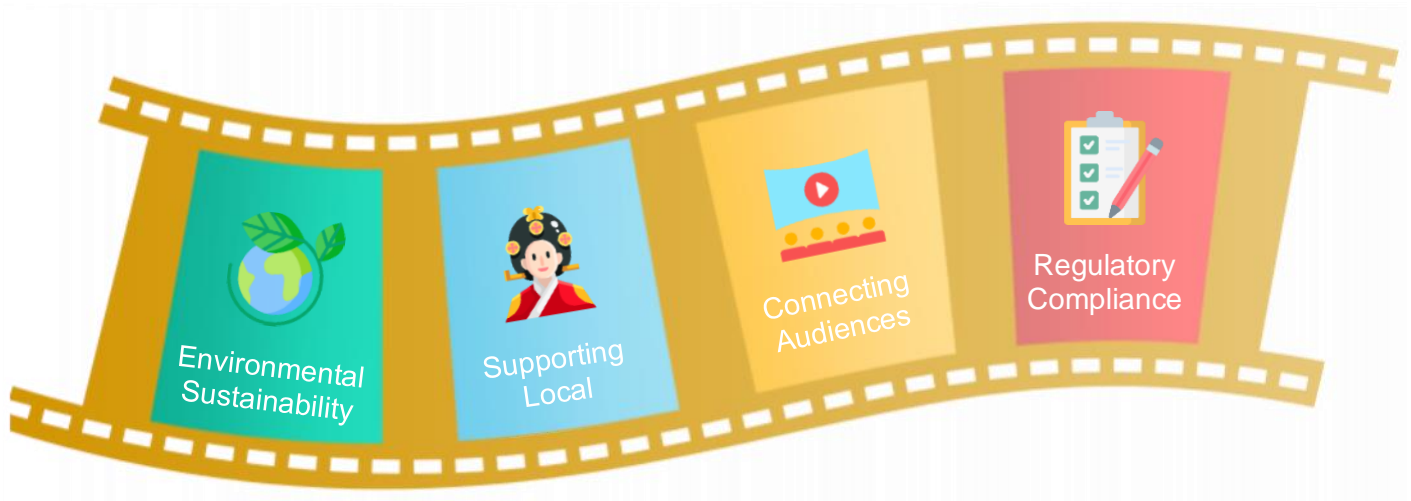
2.1 Sustainability Organisational Structure

Sustainability is a vital part of our corporate strategy for achieving long-term growth. The values we create for our people, the environment and society at large very much determine our financial performance. We developed a sustainability organisational structure to move things forward:



2.2 Sustainability Strategy

At the Group level, our sustainability strategy aims to create integrated values. Together with disciplined execution of our strategy and a commitment to doing business responsibly, we commit to delivering value to all our stakeholders through the following:



Our Employee Code of Conduct underpinned the sustainable strategy, which establishes a clear tone at the top concerning employees' business and ethical conduct. External sources, including the Global Reporting Initiative Standards and Sustainability Reporting Guide in Practice Note 7F of the Catalyst Rules, also guide the strategy.

2.3 Consulting Our Stakeholders

We recognise the need to continuously develop our responsible business approach to address growing stakeholder expectations around our impact on the economy, environment and society. As such, we periodically consult with our stakeholders to determine the issues most relevant to them and SEGL on an ongoing and ad hoc basis. An overview of our approach and rationale is set out below (with stakeholders listed in alphabetical order), together with the feedback we have received.

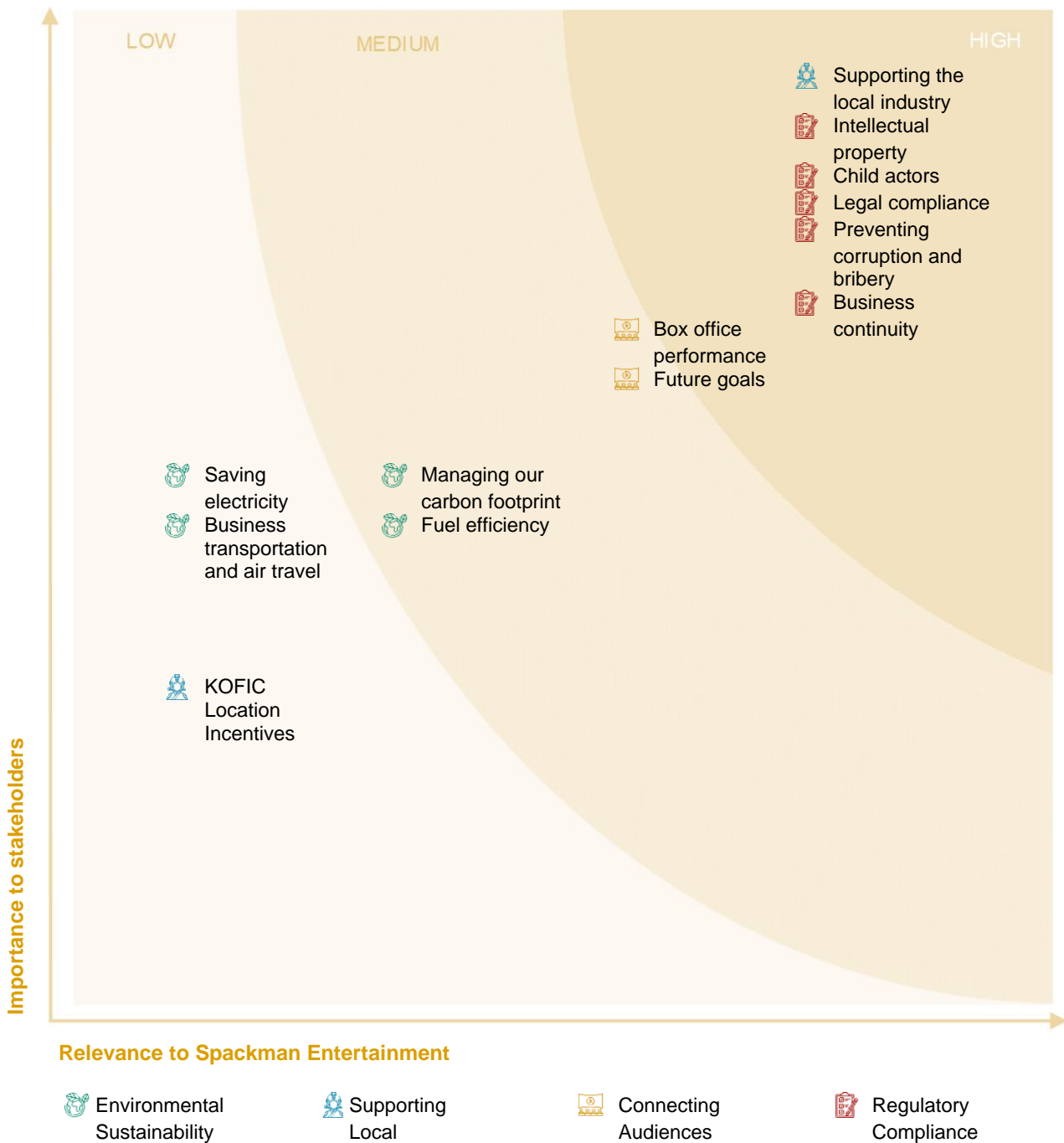
| Stakeholders | How we listen | Why do we do it | What you've told us |
|---|--|---|---|
| Distributors | <ul style="list-style-type: none"> Regular updates and communication Periodic meetings Events and official launches Interviews and press releases SEGL and other websites | <ul style="list-style-type: none"> Expand the distributorship of movies via movie theatres and online platforms in local and overseas markets | <ul style="list-style-type: none"> Maximise screening locations and distribution channels |
| Employees | <ul style="list-style-type: none"> Internal updates and communication Events and functions | <ul style="list-style-type: none"> Comply with manpower rules and regulations Develop and maintain effective avenues for two-way communication to obtain feedback from employees | <ul style="list-style-type: none"> Equal opportunities Career progression Benefits and rewards |
| Government and regulators | <ul style="list-style-type: none"> Regular updates and communication via sponsor Reports and compliance Periodic meetings | <ul style="list-style-type: none"> Uphold the highest standards of corporate governance and ethical behaviour Maintaining a good relationship between continuing sponsor and the Group Maintaining a dialogue with SGX Participate in SGX events to increase visibility and transparency (Shareholder engagement events, roadshows, talks, SGX research programme etc.) | <ul style="list-style-type: none"> Compliance with SGX rulings and local laws and regulations Fully understand all regulations applicable to the Company |
| Investors/ Producers/ Presenters | <ul style="list-style-type: none"> Regular updates and communication Periodic meetings | <ul style="list-style-type: none"> Maintain regular communication between producers, presenters, and investors Open communication between producer, directors, cast and crew members Discussion on what moviegoers want | <ul style="list-style-type: none"> Content development Project profitability Budget monitoring |
| Moviegoers | <ul style="list-style-type: none"> Events and official launches Interviews and press releases SEGL and other websites | <ul style="list-style-type: none"> Expand the distributorship of movies via movie theatres and online platforms in local and overseas markets Discussion on what moviegoers want | <ul style="list-style-type: none"> Targeted screening locations and distribution channels Viewing preference Content development |
| Shareholders | <ul style="list-style-type: none"> Shareholders' meeting Board meeting SEGL and other websites Regular updates and communication Roadshows | <ul style="list-style-type: none"> Consistently improve the Company's management Operate and manage the Company effectively and efficiently Committed to delivering economic value to our capital providers through strong financial performance and engagement with them | <ul style="list-style-type: none"> Long-term profitability Sustainability matters Achieve company targets Company growth and development Compliance with all relevant requirements Ensure business continuity |

2.4 Sustainability Materiality

Using a materiality index, we align our responsible business priorities with the SEGL's principal business and operational risks, as illustrated in the diagram below.

We have also developed metrics to help us measure our progress, as indicated in our sustainability scorecard in **Appendix A**. As the external and business context changes, we will review and adjust the matrix each year.

The aspect boundaries 'within' the organisation are limited to SEGL, Novus Mediacorp, Studio Take and Simplex Films. In contrast, the aspect boundaries 'outside' the organisation include distributors, employees, government and regulators, investors/ producers/ presenters, moviegoers, and shareholders.



3. Our Performance

3.1 How we measure our performance

Our **sustainability strategy** is embedded into the appropriate parts of our business, with dedicated teams for each focus area and coordination by our relevant departmental managers.

Progress will be tracked in two key ways: measuring performance against metrics and evaluating how well the programs have advanced through a series of 'commitments'.

Metrics and targets

We have established key performance indicators for each of the four focus areas outlined in our **sustainability strategy**. Please refer to **Appendix C** for the methodology review and data boundaries.

Periodically, we plan to introduce new metrics and update targets to ensure alignment with our strategy.

Commitments

We have included the key commitments for each area of our sustainability strategy to ensure a robust sustainability programme. The progress we have made against each key commitment is indicated using the symbols shown in the table below.

We track and review our sustainability programme with the Board of Directors at least once a year.

Symbols used to indicate progress against commitments

| Symbol | Meaning |
|--------|---------------------------------|
| Ⓝ | New commitment this year |
| ⦿ | Not started / not met |
| ◐ | In progress |
| ● | Complete |
| Ⓢ | Ongoing commitment: no end date |



3.2 Commitments to United Nations Sustainable Development Goals

To ensure that our sustainability efforts are comprehensive and impactful, we have included core commitments for each focus area in our sustainability strategy. In addition, our approach has been guided by the United Nations Sustainable Development Goals ("**UN SDGs**"), which have given us a framework to align our objectives with the broader global sustainability targets. By integrating these commitments into our sustainability program, we aim to create a strong and effective strategy addressing environmental, social, and economic challenges affecting our organisation and stakeholders.

| Goals | How we support |
|---|---|
|  <p>3 GOOD HEALTH AND WELL-BEING</p> | <p>We aim to promote the health and well-being of our employees, stakeholders, and the communities in which we operate where it is necessary for our suppliers and contractors to adhere to our requirements regarding safety, health, security and the environment, as well as the principles of our Standards of Business Conduct.</p> <p>For our commitment, please refer to "Supporting Local".</p> |
|  <p>8 DECENT WORK AND ECONOMIC GROWTH</p> | <p>We believe sustainable business practices can contribute to economic growth and create opportunities for communities to thrive. Therefore, we are committed to providing job opportunities that promote decent work and economic growth. In addition, we strive to achieve long-term economic benefits for our communities by recruiting local talents and developing local suppliers.</p> <p>For our commitment, please refer to "Supporting Local".</p> |
|  <p>13 CLIMATE ACTION</p> | <p>SEGL recognises that reducing carbon footprint in our daily operations could positively affect climate change. However, climate change is a global challenge that requires collective action. Therefore, we are committed to engaging stakeholders, including our employees, customers, suppliers, and local communities, to raise awareness of the importance of taking action on climate change and to identify opportunities to work together to reduce emissions.</p> <p>We encourage regular maintenance of vehicles used for transportation for our business in South Korea to improve efficiency. Employees have also been educated on energy conservation and emission reductions with the implementation of energy-saving practices. In view of our efforts to reduce carbon emissions, we are working towards a limitation on non-essential business transportation and air travel, which may be replaced by other modes of communication such as emails, phone or video conferencing.</p> <p>For our commitment, please refer to "Environmental Sustainability".</p> |

3.2 Environmental Sustainability

Overview

Our sustainability efforts are founded upon tracking our businesses' energy consumption, including measuring our operations' carbon footprint. Doing so gives us valuable insights into opportunities for reducing carbon emissions and improving our energy efficiency.

FY2022 Progress

110.5tCO₂e

Carbon footprint

44.2tCO₂e/USD'm

Carbon footprint intensity

Managing our carbon footprint

We recognise that reducing carbon footprint in our daily operations could positively affect climate change. To determine the carbon footprint, we collect energy usage data from each of our businesses and then calculate our total annual greenhouse gas ("GHG") emissions. We follow the Greenhouse Gas Protocol established by the World Resources Institute and the World Business Council for Sustainable Development, the standard manual for measuring corporate GHG emissions.

Using the "control method", we include 100% of the emissions associated with businesses we directly control.

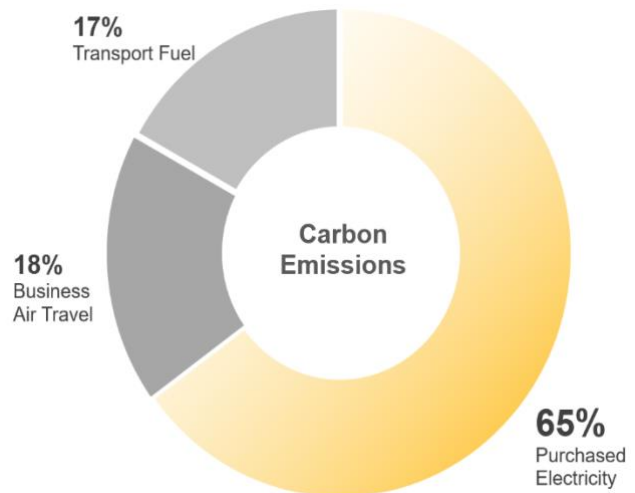
Our carbon footprint consists of the following:

- All fuels used directly by our companies (Scope 1 emissions)
- All purchased electricity used in our offices (Scope 2 emissions)
- Impact of business air travel (optional Scope 3 emissions)

The chart on the right shows the sources of our carbon footprint:

In FY2022, SEGL generated a carbon footprint of 110.5 (2021: 150.0¹) tonnes of carbon dioxide emission ("tCO₂e"), representing a carbon footprint intensity of 44.2 (2021: 10.1) tCO₂e per million USD revenue ("USD'm"). The decrease is primarily attributed to reduced filming activities in the current fiscal year due to Studio Take having completed the majority of filming for the upcoming production, *A MAN OF REASON*, during FY2021, which is scheduled for release in the third quarter of 2023. On the other hand, the carbon footprint intensity has risen due to lower revenue, attributable to the disposal of our production subsidiary, Zip Cinema Co., Ltd.

We are committed to maintaining our total carbon footprint below the FY2021 baseline and will continue to monitor the carbon footprint intensity.



¹ Restated

Saving electricity

Electricity consumption accounted for approximately 65% of the total carbon footprint of SEGL. This is mainly due to the regular operations of our offices. All employees stringently complied with the Group's policy of saving energy. The Group utilised electricity-saving light bulbs at its offices and educated its employees about energy conservation and emission reductions. To ensure the effective use of electricity, the Group adopted the following practices:

- Turn off lights, computers and air conditioning system before clocking out
- Place energy-saving reminder labels next to switches
- Clean office equipment (such as refrigerator, air-conditioner) regularly to maintain high efficiency
- Use energy-saving appliances
- Set the temperature of air conditioners to 25°C

The Group established policies and procedures to reduce energy consumption in the office, assess energy efficiency, increase the use of clean energy, and ensure power is turned off when electrical appliances are not in use.

Business transportation and air travel

We recognise that business transportation and air travel are a core part of business, and face-to-face meetings are often the best way to build relationships with clients and business partners. However, this also gives rise to carbon emissions that contribute to deteriorating air quality and climate change.

Business air travel accounted for approximately 18% of the total carbon footprint of SEGL. To manage our carbon emissions, we will strive to reduce non-essential business transportation and air travel by leveraging on other modes of client communication (including emails, telephone or video conferencing) calls) where possible.

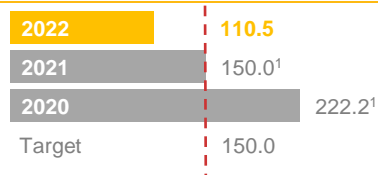
Fuel efficiency

Fuel consumption accounted for approximately 17% of the total carbon footprint of SEGL. This is mainly due to petrol usage by the management of our various subsidiaries when conducting their day-to-day business in Seoul and around the rest of South Korea. Therefore, the Group encourages regular maintenance of the vehicles to improve efficiency.

Commitments: Environmental sustainability

Maintain carbon footprint (from FY2021 baseline)

Carbon footprint (tCO₂e)



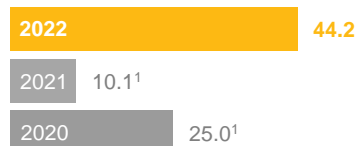
¹ Restated.

FY2022 progress

- We generated a carbon footprint of 110.5 tCO₂e, representing a sharp decrease from the previous year.
- The decrease is primarily attributed to reduced filming activities in the current fiscal year.
- We are committed to maintaining our total carbon footprint below the FY2021 baseline.

Continue to monitor carbon footprint intensity

Carbon footprint intensity (tCO₂e/USD'm)



¹ Restated.

FY2022 progress

- We generated a carbon footprint intensity of 44.2 tCO₂e/USD'm.
- The carbon footprint intensity has risen due to lower revenue, which can be attributed to the disposal of our production subsidiary, Zip Cinema Co., Ltd.

3.3 Supporting Local

Overview

Supporting local talent is a clear way to promote development in the local film industry. In addition, collaborating with local authorities provides various economic benefits such as tourism promotion and job creation.

Supporting the local industry

Novus Mediacorp and Frame Pictures strongly support the industry initiatives of KFPA and KOFIC to stimulate, grow and sustain the Korean film industry.

We also seek to create long-term economic benefits for our communities by recruiting local talent and developing local suppliers, supporting a reliable local supply network to drive economic growth.

In addition, all of our suppliers and contractors must adhere to our requirements regarding safety, health, security and the environment, as well as the principles of our Standards of Business Conduct. We are also focused on developing local businesses through regular meetings with them to ensure they know the opportunities created by our projects and understand our requirements.

As part of our strategy, we have committed to recruiting at least 80% of our talent and sourcing at least 80% of our purchases locally.

In FY2022, 92.3% (2021: 90.0%) of our talent was recruited locally and 66.8% (2021: 78.0%) of our purchases were also sourced locally. Unfortunately, due to the disposal of our production subsidiary, Zip Cinema Co., Ltd., our local purchase has fallen short of the target. However, we are taking active measures to expand our network of local suppliers and meet our target.

KOFIC Location Incentives

KOFIC provides a Location Incentive Grant to support part of the expenses spent in Korea for producing foreign audio-visual works for tourism promotion, job creation and other economic benefits. It is also aimed at encouraging the hosting of location shooting and post-production of foreign audio-visual works and thereby enhancing the production capacities of the Korean film industry and creating an international production network around it.

Eligible works consist of feature films, television series and documentaries produced by a foreign production company in which the allocation of foreign capital in the production cost exceeds 80%. Up to 20-25% of the total Qualifying Production Expenditure ("QPE") is claimable as a Location Incentives Grant, depending on the available amount in the production's total budget.

Presently, the Group has not tapped directly or indirectly into such incentives but may look at opportunities to collaborate with foreign partners to promote Korea as a film and drama hub and share Hallyu with international audiences.

FY2022 Progress

92.3%

Talents sourced locally

66.8%

Purchases sourced locally

Riding the Korean Wave

Globalisation of Korean Content



According to Korea's Ministry of Culture, Sports & Tourism, Korean content is becoming a worldwide phenomenon, with the exports of South Korea's content sector hitting an all-time high of US\$12.45 billion in 2021, which increased 4.4 percent from US\$11.92 billion in 2020².

Demand for Korean content has been burgeoning on over-the-top ("OTT") platforms as consumers become more accustomed to watching content in the comfort of their homes and on their mobile devices amidst the prolonged coronavirus situation. As a result, OTT platforms have also strived to ramp up their investments in Korean content, with Netflix Korea announcing its plans to invest around KRW 550 billion in creating such productions in 2021³.

The recent success of Korean drama productions includes Disney+ *BIG BET*, starring Son Suk-ku of Spackman Media Group, which broke the record for the highest viewing of all time in the first week of its release among all previous Disney+ Korean original content, and Netflix's top show ever *SQUID GAME* (2021), starring rising international Korean star Wi Ha-jun of Spackman Media Group. These serve as exemplary Korean content projects that attract huge viewership not only in the US and Asia but globally.

In light of the international popularity of Korean content, the Group shall continue to tap on its subsidiaries to develop, produce, invest in and/or distribute Korean dramas and films.

Softening of China's Ban on Hallyu



There also have been signs that China's ban on *Hallyu* or the Korean wave will soften soon. In December 2021, China released its first Korean film in six years, signalling the boycott's end. After a six-year hiatus, the theatrical release of the Korean comedy film *OH! MY GRAN* (2020) in Chinese cinemas signalled that an influx of Korean content might start to re-enter the world's largest film market.

In March 2022, *SOMETHING IN THE RAIN*, headlined by iconic Korean actress Son Ye-jin of Spackman Media Group, ranked within the top 10 on the Chinese streaming platform iQIYI. The release of *SOMETHING IN THE RAIN* on iQIYI marks the first time a Korean drama series returns on iQIYI since *DESCENDANTS OF THE SUN* (2016). This is followed by streaming the 2018 Korean film *HOTEL BY THE RIVER* on Tencent Video, one of China's top three over-the-top (OTT) platforms, in December 2022⁴.

China was poised to boost Korean content after a three-year boycott with the announcement of a deal between two state-owned TV groups, China Central Television ("CCTV") and South Korean public broadcaster KBS⁵.

Leveraging on Our Talent Management Business



The rapid globalisation of Korean content and the softening of China's ban on *Hallyu* will create opportunities for Korean artists in Spackman Media Group to participate in top-quality content production and collaborate with international brands for advertisements and endorsements.

Spackman Media Group's flagship artists include Korea's top star Son Suk-ku, iconic Korean actress Son Ye-jin, emerging international star Wi Ha-jun, leading Korean actress Lee Min-jung, veteran actor Kim Sang-kyung and rising star Han Ji-hyun.

Spackman Media Group, which the Group has a shareholding of 43.88%, is still reviewing various options to finance future growth, including listing to maximise its potential value.

² Yonhap News Agency, <https://en.yna.co.kr/view/AEN20230104006900315>, S. Korean content industry exports hit all-time high in 2021, 4 January 2023

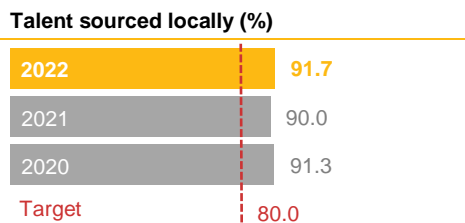
³ Statista, <https://www.statista.com/statistics/1269965/south-korea-ott-services-content-investment-plans/>, Major OTT (over the top) video services' plans to invest in content creation in South Korea in 2021

⁴ The Korea Times, https://www.koreatimes.co.kr/www/opinion/2023/01/202_340683.html, Lift ban on hallyu - The Korea Times

⁵ Variety, <https://variety.com/2021/film/asia/china-giving-korean-content-boost-after-boycott-1234920540/>, China Poised to Give Korean Content a Boost After Three Year Boycott, 3 March 2021

Commitments: Supporting local

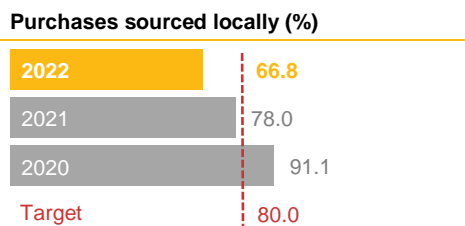
Recruit at least 80% of our talent locally



FY2022 progress

- The Group recruited 90.0% of our talent locally, which exceeds our target set.

Source at least 80% of our purchases locally



FY2022 progress

- The Group sourced 66.8% of our purchases locally, less than our target set.
- Due to the disposal of our production subsidiary, Zip Cinema Co., Ltd., our local purchase has fallen short of the target.
- We are taking active measures to expand our network of local suppliers and meet our target.

3.4 Connecting Audiences

Overview

In FY2022, Korean movies claimed a domestic market share of 55.7% (representing a box office of 61.4 million admissions)⁶. Given this potential, the Korean movie industry certainly has the opportunity to effect positive change in society on a large scale.

Through effective storytelling, we believe our movies help empower and inspire audiences to take action to improve their lives and communities. Therefore, despite the lack of box office performance for 2022 due to the prolonged COVID situation, the Group has stepped up its efforts to produce quality films.

The Group's latest film, *A MAN OF REASON*, premiered in the US at the 42nd Hawaii International Film Festival. The film was also invited to the 47th Toronto International Film Festival, the largest film festival in North America, and the 55th Sitges Film Festival, one of the world's top three genre film festivals. Produced by the wholly-owned indirect subsidiary, Studio Take, *A MAN OF REASON* is expected to be released in the third quarter of 2023. In addition, Studio Take shall also release an upcoming film, *THE GUEST*, which is in the post-production stage and scheduled to be released in the second half of this year.

Upcoming Movies

A MAN OF REASON

A MAN OF REASON marks the directorial debut of Korean star Jung Woo-sung, internationally known for his role in *STEEL RAIN* (2017) and the Group's production *COLD EYES* (2013). The action feature film depicts the story of Soo-hyeok (played by Jung Woo-sung), who wants to live a normal life after spending 10 years in prison on behalf of his gang boss. However, when he visits his long-abandoned girlfriend, he finds out he is a father of a young girl. He tries to cut ties with his former gang, but the boss hires a notorious killer to take his daughter hostage. Soo-hyeok then decides to seek revenge.

The film has been highly anticipated since its premiere in the US at the 42nd Hawaii International Film Festival and its invitation to the 47th Toronto International Film Festival and the 55th Sitges Film Festival. In addition, Epic Pictures Group, an independent film and television studio which has extensive experience in distributing genre films in the US and Canada, has acquired the North American rights to this film.

Coming soon



⁶ Statista, <https://www.statista.com/statistics/625516/south-korea-market-share-films-domestic-foreign/>, Statista, Distribution of films screened in cinemas in South Korea from 2004 to 2022, by origin

THE GUEST

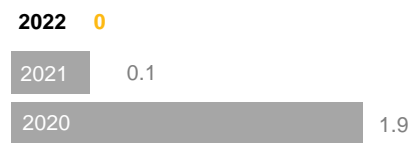
THE GUEST is based on a short film bearing the same name, also directed by Yeon Je-gwang, who was invited to the 2019 & 2016 Cannes Film Festival. Yeon Je-gwang has won awards for his short films at film festivals, and some of his notable films include *ALIEN* (2019), *STRANDED* (2018), *COMPREHENSIVE INSURANCE* (2017) and *HONGEO: FERMENTED SKATE FISH* (2016).

Headlined by Lee Joo-seung of *HAPPINESS* (2021) and Oh Hye-won of *#ALIVE* (2020) produced by the Group, *THE GUEST* tells the story of two part-time motel employees, who illegally film guests of the motel and unintentionally witness a crime.

Commitments: Connecting audiences

Track box office performance

Box office performance (m)



FY2022 progress



- Despite the lack of box office performance for 2022 due to the prolonged COVID situation, the Group has stepped up its efforts to produce quality films.

3.5 Regulatory Compliance

Overview

The Group is committed to upholding fairness, ethics, and efficiency in its business and workplace. As such, it consistently complies with the intellectual property (IP), child actor, anti-corruption, and bribery laws and regulations in all areas and countries where it operates.

Intellectual property

A filmmaker's journey, from script to screen, is heavily influenced by intellectual property (IP) rights, which play a crucial role in attracting funding, supporting the livelihoods of various professionals involved in the movie-making process, and inspiring innovative technologies.

The Group recognises the creative endeavour that goes into developing IPs that drive the film industry, and it takes measures to ensure that all its movies duly acknowledge, respect, and compensate the IP rights of all authors involved.

Child actors

The Group strives to maintain industry standards that safeguard the welfare of children and young individuals under 18 years of age who engage in artistic performances. These standards include having adequate guardian supervision during their work for the Group, complying with local legal conditions regarding continuing education, limiting their working hours, and providing psychological support to help them cope with the challenges of being a child celebrity.

Legal compliance

The Group, through its Company Secretary, has updated the Board on relevant new laws and regulations affecting the Company, including changes to the SGX-ST Listing Rules, risk management, corporate governance, insider trading and key changes in the relevant regulatory requirements, to facilitate effective discharge of their fiduciary duties as Board or Board Committees members.

Preventing corruption and bribery

The Group prohibits all forms of corruption and bribery. The Group requires all employees to strictly abide by professional ethics and eliminate any corruption and bribery. All employees are expected to discharge their duties with integrity, act fairly and professionally, and abstain from engaging in bribery activities or any activities that might exploit their positions against the Group's interests.

Whistleblowers can report verbally or in writing to the senior management of the Group for any suspected misconduct (including corruption, bribery, extortion, fraud and money laundering) with full details and supporting evidence. The management will conduct investigations against any suspicious or illegal behaviour to protect the Group's interests and the whistleblowers' confidentiality.

In FY2022, the Group was not in violation of any of the relevant laws and regulations concerning IP, child actors, anti-corruption and bribery, extortion, fraud and money laundering that have a significant impact on the Group.

Commitments: Regulatory compliance

Fully compliant with relevant laws and regulations concerning IP, child actors, anti-corruption and bribery, extortion, fraud and money laundering

Achievements

- Achieved full compliance with relevant laws and regulations concerning IP, child actors, anti-corruption and bribery, extortion, fraud and money laundering

FY2022 Progress

0

Regulatory and compliance incidents

0

Confirmed incidences of corruption and actions taken

0

Non-compliance with laws and/or regulations, which resulted in significant fines and non-monetary sanctions

FY2022 progress

- The Group was not in violation of any of the relevant laws and regulations concerning IP, child actors, anti-corruption and bribery, extortion, fraud and money laundering that have a significant impact on the Group.



4. Climate-Related Financial Disclosures 2022

Overview

Our first-ever Climate-Related Financial Disclosures Report clearly indicates our unwavering commitment to mitigating the impacts of climate change. To ensure the accuracy and thoroughness of the information shared in this report, we have adopted a phased approach based on the guidelines outlined in the Sustainability Reporting Guide of Practice Note 7F. As a result, we firmly believe that the disclosures made in this report will provide our stakeholders with a comprehensive understanding of how we manage climate-related risks and opportunities and our plans to address them in the future.

As we move forward, we intend to follow all the recommendations of the Task Force on Climate-related Financial Disclosures ("**TCFD**"). We recognise the importance of providing transparent and comprehensive information on our climate-related risks and opportunities to our stakeholders. By adopting the TCFD recommendations, we aim to enhance the quality and consistency of our climate-related financial disclosures and enable our stakeholders to make informed decisions regarding our business operations and investments.

Governance

| S/N | Recommendation | Disclosure |
|-----|--|--|
| 1 | Describe the Board's oversight of climate-related risks and opportunities | <p>SEGL recognises the importance of identifying, assessing, and managing climate-related risks and opportunities. The Company's sustainability strategy is overseen by the Board of Directors, who work closely with senior management to ensure the integration of climate considerations into business decisions and operations.</p> <p>As the governing body, the Board assumes overall responsibility for developing strategies, establishing objectives, reviewing policies, monitoring performance, and assessing risks and opportunities related to sustainability matters. Working closely with management, the Board conducts an annual enterprise risk management review to evaluate the risks and opportunities associated with climate change. The results of this review, including insights into initiatives and performance, are presented periodically during Board meetings.</p> |
| 2 | Describe management's role in assessing and managing climate-related risks and opportunities | <p>SEGL recognises the importance of managing climate-related risks and opportunities for the Company's long-term sustainability. As a result, the Company has established a Sustainability Reporting Team, which oversees the integration of sustainability considerations into the Company's business strategy and operations. The team works closely with the executive in each of the subsidiaries to identify and assess climate risks and opportunities and develop and implement strategies to manage them effectively.</p> <p>The team consists of a Chief Operating Officer ("COO") who oversees the operations of the Group, including those related to climate-related risks and opportunities, and the Head of Investor Relationships who is responsible for communicating the Company's corporate updates to the public, including its approach to managing climate-related risks and opportunities.</p> |

Strategy

| S/N | Recommendation | Disclosure | | | | | | | | | | | | | | | |
|--|---|--|----------------------------------|--------------|----------|--------------|--------------|------------------------|--|----------|-------|------------|--|---|--------------|----------------------------------|-------------|
| 1 | Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term | <p>As part of our TCFD reporting, we have evaluated climate-related risks and opportunities for SEGL, considering a time horizon of up to 15 years based on available information. To categorise the likelihood and potential impacts of these risks and opportunities, we have divided them into three time horizons:</p> <p>(a) short-term, which refers to events or trends expected to occur within the next 5 years;</p> <p>(b) medium-term, which covers a timeframe of 5 to 15 years; and</p> <p>(c) long-term, which encompasses events or trends that are anticipated to occur 15 years from now.</p> <p>This approach allows us to identify and address climate-related risks and opportunities that could impact our operations and stakeholders in the near and long term.</p> <table border="1"> <thead> <tr> <th>Risk/ Opportunity</th> <th>Description</th> <th>Category</th> <th>Sub-category</th> <th>Time Horizon</th> </tr> </thead> <tbody> <tr> <td>Extreme weather events</td> <td>Extreme weather events can have a significant impact on our film production operations. Typhoons, floods, and storms can cause damage to the film sets and equipment, leading to costly repairs and potential delays in filming schedules. In addition, extreme weather events can create safety hazards for actors and crew members, putting their health and well-being at risk.</td> <td>Physical</td> <td>Acute</td> <td>Short-term</td> </tr> <tr> <td>Growing demand for sustainable film production</td> <td>Film producers, studios, and industry professionals are exploring ways to reduce their carbon footprint and adopt sustainable practices. Sustainable film production practices can have both positive and negative impacts on SEGL. While it may lead to increased costs and competition for resources, it can also improve our reputation, create new markets, and lead to cost savings.</td> <td>Transitional</td> <td>Market, Financial and Reputation</td> <td>Medium-term</td> </tr> </tbody> </table> | Risk/ Opportunity | Description | Category | Sub-category | Time Horizon | Extreme weather events | Extreme weather events can have a significant impact on our film production operations. Typhoons, floods, and storms can cause damage to the film sets and equipment, leading to costly repairs and potential delays in filming schedules. In addition, extreme weather events can create safety hazards for actors and crew members, putting their health and well-being at risk. | Physical | Acute | Short-term | Growing demand for sustainable film production | Film producers, studios, and industry professionals are exploring ways to reduce their carbon footprint and adopt sustainable practices. Sustainable film production practices can have both positive and negative impacts on SEGL. While it may lead to increased costs and competition for resources, it can also improve our reputation, create new markets, and lead to cost savings. | Transitional | Market, Financial and Reputation | Medium-term |
| Risk/ Opportunity | Description | Category | Sub-category | Time Horizon | | | | | | | | | | | | | |
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| S/N | Recommendation | Disclosure | | | | |
|-----|----------------|--------------------------------------|---|--------------|--------------|--------------|
| | | Risk/ Opportunity | Description | Category | Sub-category | Time Horizon |
| | | Change in firm investors' preference | Investors and financiers are increasingly focused on the financial risks associated with climate change, including the potential impact on the success of film productions. This increased focus on climate-related risks means that film producers may face difficulties in securing funding for productions that are seen as vulnerable to climate-related risks. | Transitional | Financial | Medium-term |
| | | Changing weather patterns | As climate change continues to affect weather patterns, we may face challenges regarding the choice of filming locations for their productions. | Physical | Chronic | Long-term |

As the effects of global warming continue to spread and various economies accelerate their efforts to achieve net-zero carbon emissions by 2050, new climate-related risks and opportunities may emerge in the future. We will closely observe these developments and regularly reassess existing and potential climate-related risks and opportunities.

| S/N | Recommendation | Disclosure | | | | | | |
|--|---|---|----------------------|---|------------------------|---|--|--|
| 2 | Impact on business, strategy and financial planning | <p>Our evaluation of the impacts of climate-related risks and opportunities on our business has identified two broad categories of risks: physical and transitional. Physical risks are further divided into acute and chronic risks resulting from extreme weather events and changes in weather patterns. Transitional risks are further divided into regulatory, technology, market, and reputation risks, which arise from business operations and supply chain changes due to the transition towards a low-carbon economy, including the shift towards renewable energy sources.</p> <p>We have conducted historical and forward-looking analyses of our industry and business to assess these risks and opportunities. Based on our evaluation, we have identified specific impacts that these risks and opportunities may have on our business.</p> <table border="1" data-bbox="568 592 2136 1428"> <thead> <tr> <th data-bbox="568 592 1339 675">Risk/ Opportunity</th> <th data-bbox="1339 592 2136 675">Potential Impact and Financial Planning</th> </tr> </thead> <tbody> <tr> <td data-bbox="568 675 1339 1329">Extreme weather events</td> <td data-bbox="1339 675 2136 1329"> <p>Filming outdoors in extreme weather conditions poses safety risks to the crew and cast and can damage expensive equipment. Repairing or replacing equipment can be costly and cause delays. Production companies may need to invest in protective gear and backup equipment to mitigate risks, which can increase production costs. Additionally, increased insurance coverage may be necessary, leading to higher premiums. Therefore, evaluating risks and investing in appropriate safety measures to minimise costs and ensure crew and cast safety is crucial.</p> <p>Extreme weather conditions can lead to production delays and make it challenging for us to complete the projects on time. Production delays caused by extreme weather conditions can significantly impact film production, including schedule disruptions, crew availability, quality of the final product, and a negative impact on reputation. In addition, production delays caused by extreme weather conditions can result in increased labour costs, additional equipment rental costs, and additional post-production costs, all of which can significantly impact the overall film production budget.</p> </td> </tr> <tr> <td data-bbox="568 1329 1339 1428">Growing demand for sustainable film production</td> <td data-bbox="1339 1329 2136 1428">By recognising the growing demand for sustainable film production and prioritising it in our filmmaking process, SEGL can potentially tap into a larger audience base of environmentally</td> </tr> </tbody> </table> | Risk/ Opportunity | Potential Impact and Financial Planning | Extreme weather events | <p>Filming outdoors in extreme weather conditions poses safety risks to the crew and cast and can damage expensive equipment. Repairing or replacing equipment can be costly and cause delays. Production companies may need to invest in protective gear and backup equipment to mitigate risks, which can increase production costs. Additionally, increased insurance coverage may be necessary, leading to higher premiums. Therefore, evaluating risks and investing in appropriate safety measures to minimise costs and ensure crew and cast safety is crucial.</p> <p>Extreme weather conditions can lead to production delays and make it challenging for us to complete the projects on time. Production delays caused by extreme weather conditions can significantly impact film production, including schedule disruptions, crew availability, quality of the final product, and a negative impact on reputation. In addition, production delays caused by extreme weather conditions can result in increased labour costs, additional equipment rental costs, and additional post-production costs, all of which can significantly impact the overall film production budget.</p> | Growing demand for sustainable film production | By recognising the growing demand for sustainable film production and prioritising it in our filmmaking process, SEGL can potentially tap into a larger audience base of environmentally |
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| S/N | Recommendation | Disclosure | | | | | | |
|---|---|--|----------------------|---|---|---|--------------------------------------|---|
| | | <p>conscious individuals who may be more inclined to support and promote films that prioritise sustainability. This increased support and positive word of mouth can increase box office tickets and improve the Company's overall financial performance.</p> | | | | | | |
| | | <table border="1"> <thead> <tr> <th data-bbox="573 587 1245 671">Risk/ Opportunity</th> <th data-bbox="1245 587 2128 671">Potential Impact and Financial Planning</th> </tr> </thead> <tbody> <tr> <td data-bbox="573 671 1245 1114"> <p>Growing demand for sustainable film production (continued)</p> </td> <td data-bbox="1245 671 2128 1114"> <p>Sustainable film production practices can result in cost savings for film production companies. Companies can reduce energy consumption and related costs by implementing energy-efficient lighting and equipment. Additionally, by implementing waste reduction and recycling practices, companies can reduce waste generation and avoid purchasing new materials and equipment. This can result in lower disposal and landfill fees and savings on material and equipment costs.</p> <p>Adopting sustainable film production practices can also reduce insurance premiums, as film production insurance companies increasingly offer discounted rates for productions that demonstrate a commitment to sustainability.</p> </td> </tr> <tr> <td data-bbox="573 1114 1245 1428"> <p>Change in investor preference</p> </td> <td data-bbox="1245 1114 2128 1428"> <p>As investors become more aware of climate-related risks, they may also start to prioritise investments in films that are better positioned to manage and mitigate these risks. This could include films produced using more sustainable methods or promoting environmental consciousness and sustainability in their content.</p> <p>The entertainment industry has a significant carbon footprint due to its reliance on energy-intensive activities, such as filming and production which may result in investors viewing investments in traditional film production companies as riskier. Instead, they may</p> </td> </tr> </tbody> </table> | Risk/ Opportunity | Potential Impact and Financial Planning | <p>Growing demand for sustainable film production (continued)</p> | <p>Sustainable film production practices can result in cost savings for film production companies. Companies can reduce energy consumption and related costs by implementing energy-efficient lighting and equipment. Additionally, by implementing waste reduction and recycling practices, companies can reduce waste generation and avoid purchasing new materials and equipment. This can result in lower disposal and landfill fees and savings on material and equipment costs.</p> <p>Adopting sustainable film production practices can also reduce insurance premiums, as film production insurance companies increasingly offer discounted rates for productions that demonstrate a commitment to sustainability.</p> | <p>Change in investor preference</p> | <p>As investors become more aware of climate-related risks, they may also start to prioritise investments in films that are better positioned to manage and mitigate these risks. This could include films produced using more sustainable methods or promoting environmental consciousness and sustainability in their content.</p> <p>The entertainment industry has a significant carbon footprint due to its reliance on energy-intensive activities, such as filming and production which may result in investors viewing investments in traditional film production companies as riskier. Instead, they may</p> |
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| S/N | Recommendation | Disclosure |
|-----|----------------------------------|--|
| | | <p>seek investments in companies implementing sustainable practices or films promoting sustainability and environmental consciousness.</p> <p>SEGL's access to capital for filmmaking could be limited if we do not address climate-related risks and adopt sustainable practices.</p> |
| | <p>Changing weather patterns</p> | <p>As climate change continues to worsen and impact weather patterns over the long term, the film industry may face chronic challenges regarding the availability and suitability of filming locations. Rising sea levels, desertification, and changing weather patterns can alter the landscapes and environments traditionally used as backdrops for film productions, making securing suitable locations more difficult and costly. This may lead to increased travel costs, longer production timelines, and additional expenses for scouting and securing alternative locations, all of which can significantly impact the overall film production budget.</p> |

Risk Management

| S/N | Recommendation | Disclosure |
|-----|---|--|
| 1 | Describe the organisation's processes for identifying and assessing climate-related risks | <p>SEGL has implemented a robust enterprise risk management framework that enables us to identify, evaluate, and manage risks effectively. We consider various external sources and internal business operations to identify potential impacts, including corporate governance, regulatory requirements, environmental, health and safety, market conditions, and human resources, among others. We work closely with various departments to collect information on business risks, including climate-related risks and performance. The information is reviewed and conveyed to the Board to facilitate the identification of climate-related risks. We evaluate identified risks based on their scale and potential impact on our operational processes, considering information from reliable institutes and published reports.</p> |
| 2 | Describe the organisation's processes for managing climate-related risks | <p>We have established a risk ranking system to assess the magnitude of climate-related risks and their potential impacts on our business. This system categorises risks into five tiers based on their significance - Very significant, Major, Moderate, Minor and Insignificant. By prioritising risks according to their impact, we can allocate the necessary resources to manage them effectively. After evaluating the risks, we develop strategies to manage them effectively.</p> <p>We respond to identified risks through various measures, including implementing new internal controls, enhancing existing controls, or transferring the risks. Our goal is to mitigate the negative impact of these risks and capitalise on any opportunities that may arise from them.</p> <p>To ensure the effectiveness of our risk management strategies, we have developed monitoring mechanisms to review their performance regularly. Through this approach, we can adapt our strategy to changes in the business environment and maintain resilience in the face of climate-related challenges.</p> |

Metrics and Targets

| S/N | Recommendation | Disclosure | | | | | | | | | | | | | | | |
|-------------------------------------|---|--|-------|----------------------------|---------------------------------------|-----------------------------------|------|-----|-------------------------------------|------|------|-------------------------------------|------|-----|-------------------------|--------------|-------------|
| 1 | Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks | <p>We adhere to the Greenhouse Gas Protocol, the standard manual for measuring corporate greenhouse gas emissions, established by the World Resources Institute and the World Business Council for Sustainable Development. Our primary source of carbon emissions is purchased electricity, accounting for 65% of our total carbon emissions. To ensure comprehensive carbon footprint reporting, we use the "control method" to include 100% of the emissions associated with businesses that we directly control. Our carbon footprint encompasses the following:</p> <ul style="list-style-type: none"> • All fuels used directly by our companies (Scope 1 emissions) • All purchased electricity used in our facilities (Scope 2 emissions) • Impact of business air travel (optional Scope 3 emissions) <p>By measuring and reporting our carbon footprint, we strive to manage our environmental impact effectively and identify opportunities to reduce our emissions.</p> <p>The following table shows our carbon emissions and their intensity by scope:</p> <table border="1"> <thead> <tr> <th>Scope</th> <th>Total (tCO₂e)</th> <th>Intensity (tCO₂e/ USD'm)</th> </tr> </thead> <tbody> <tr> <td>Direct carbon footprint (scope 1)</td> <td>19.1</td> <td>7.7</td> </tr> <tr> <td>Indirect carbon footprint (scope 2)</td> <td>71.3</td> <td>28.5</td> </tr> <tr> <td>Indirect carbon footprint (scope 3)</td> <td>20.1</td> <td>8.0</td> </tr> <tr> <td>Carbon footprint</td> <td>110.5</td> <td>44.2</td> </tr> </tbody> </table> | Scope | Total (tCO ₂ e) | Intensity (tCO ₂ e/ USD'm) | Direct carbon footprint (scope 1) | 19.1 | 7.7 | Indirect carbon footprint (scope 2) | 71.3 | 28.5 | Indirect carbon footprint (scope 3) | 20.1 | 8.0 | Carbon footprint | 110.5 | 44.2 |
| Scope | Total (tCO ₂ e) | Intensity (tCO ₂ e/ USD'm) | | | | | | | | | | | | | | | |
| Direct carbon footprint (scope 1) | 19.1 | 7.7 | | | | | | | | | | | | | | | |
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| Indirect carbon footprint (scope 3) | 20.1 | 8.0 | | | | | | | | | | | | | | | |
| Carbon footprint | 110.5 | 44.2 | | | | | | | | | | | | | | | |

Appendix A: Sustainability Scorecard

Financial

| Performance indicators | Units | FY2020 | FY2021 | FY2022 |
|------------------------|-------|------------------|------------------|--------|
| Revenue | USD'm | 9.5 ⁷ | 3.1 ⁸ | 2.5 |

Governance

| Performance indicators | Units | FY2020 | FY2021 | FY2022 |
|-----------------------------------|-------|----------------|----------------|--------|
| Independent Directors | % | - ⁹ | - ⁹ | 75 |
| Females on the Board of Directors | % | - ⁹ | - ⁹ | 0 |

Employment

| Performance indicators | Units | FY2020 | FY2021 | FY2022 |
|---------------------------------------|--------|----------------|----------------|--------|
| Total employees | Number | 23 | 10 | 13 |
| Employee turnover | % | - ⁹ | - ⁹ | 0 |
| <i>Female employee</i> | | | | |
| Female employee | % | - ⁹ | - ⁹ | 54 |
| Females in senior management | % | - ⁹ | - ⁹ | 50 |
| Female new hires | % | - ⁹ | - ⁹ | 75 |
| Female employee turnover | % | - ⁹ | - ⁹ | 0 |
| <i>Current employees by age group</i> | | | | |
| Above 50 | % | - ⁹ | - ⁹ | 8 |
| 30-50 | % | - ⁹ | - ⁹ | 92 |
| Below 30 | % | - ⁹ | - ⁹ | 0 |
| <i>New hires by age group</i> | | | | |
| Above 50 | % | - ⁹ | - ⁹ | 25 |
| 30-50 | % | - ⁹ | - ⁹ | 75 |
| Below 30 | % | - ⁹ | - ⁹ | 0 |
| <i>Employee turnover by age group</i> | | | | |
| Above 50 | % | - ⁹ | - ⁹ | 0 |
| 30-50 | % | - ⁹ | - ⁹ | 0 |
| Below 30 | % | - ⁹ | - ⁹ | 0 |

Training

| Performance indicators | Units | FY2020 | FY2021 | FY2022 |
|---|-------|----------------|----------------|--------|
| Total training hours | Hours | - ⁹ | - ⁹ | 105 |
| Average training hours per employee | Hours | - ⁹ | - ⁹ | 12 |
| Total anti-corruption training | Hours | - ⁹ | - ⁹ | 7 |
| Average anti-corruption training hours per employee | Hours | - ⁹ | - ⁹ | 0.8 |
| Average training hours per male employee | Hours | - ⁹ | - ⁹ | 11 |
| Average training hours per female employee | Hours | - ⁹ | - ⁹ | 14 |

⁷ Includes revenue contribution from disposed entities Zip Cinema (US\$2.0m) and Frame Pictures (US\$0.5m)

⁸ Excludes revenue contribution from disposed entities Zip Cinema (US\$11.8m) and Frame Pictures (US\$0.9m)

⁹ Not tracked in previous FYs

Environmental Sustainability

| Performance indicators | Units | FY2020 | FY2021 | FY2022 |
|---|--------------------------|---------------------|---------------------|--------|
| Carbon footprint | | | | |
| Direct carbon footprint (scope 1) | tCO ₂ e | 51.4 | 35.6 | 19.1 |
| Direct carbon footprint (scope 1) intensity | tCO ₂ e/USD'm | 5.8 | 2.4 | 7.7 |
| Indirect carbon footprint (scope 2) | tCO ₂ e | 167.6 | 111.2 | 71.3 |
| Indirect carbon footprint (scope 2) intensity | tCO ₂ e/USD'm | 18.8 | 7.4 | 28.5 |
| Indirect carbon footprint (scope 3) | tCO ₂ e | 3.2 | 3.2 | 20.1 |
| Indirect carbon footprint (scope 3) intensity | tCO ₂ e/USD'm | 0.4 | 0.2 | 8.0 |
| Total carbon footprint | tCO ₂ e | 222.2 ¹⁰ | 150.0 ¹⁰ | 110.5 |
| Carbon footprint intensity | tCO ₂ e/USD'm | 25.0 | 10.1 | 44.2 |
| Electricity consumption | | | | |
| Electricity consumption | MWh | 394.33 | 261.53 | 167.87 |
| Electricity consumption intensity | MWh/USD'm | 44.31 | 17.55 | 67.09 |

Supporting Local

| Performance indicators | Units | FY2020 | FY2021 | FY2022 |
|---------------------------|-------|--------|--------|--------|
| Talents sourced locally | % | 91.3 | 90.0 | 92.3 |
| Purchases sourced locally | % | 91.1 | 78.0 | 66.8 |

Connecting Audiences

| Performance indicators | Units | FY2020 | FY2021 | FY2022 |
|------------------------|---------|--------|--------|--------|
| Total box office | Million | 1.92 | 0.1 | 0 |

Regulatory Compliance

| Performance indicators | Units | FY2020 | FY2021 | FY2022 |
|---|--------|--------|--------|--------|
| Regulatory and compliance incidents | Number | 0 | 0 | 0 |
| Confirmed incidences of corruption and actions taken | Number | 0 | 0 | 0 |
| Non-compliance with laws and/or regulations, which resulted in significant fines and non-monetary sanctions | Number | 0 | 0 | 0 |

Health and Safety

| Performance indicators | Units | FY2020 | FY2021 | FY2022 |
|---|--------|-----------------|-----------------|--------|
| Fatalities in workplace | Number | . ¹¹ | . ¹¹ | 0 |
| High-consequence injuries in the workplace | Number | . ¹¹ | . ¹¹ | 0 |
| Recordable injuries in the workplace | Number | . ¹¹ | . ¹¹ | 0 |
| Recordable work-related ill health cases in the workplace | Number | . ¹¹ | . ¹¹ | 0 |

¹⁰ Restated

¹¹ Not tracked in previous FYs

Appendix B: GRI content index

GRI Standards Content Index

The GRI Content Index references the SEGL Group Ltd Sustainability Report 2022 ("SR"), the Annual Report 2022 ("AR") and the SEGL Corporate Website ("Web").

| Disclosure number | Disclosure title | Page reference and remarks | |
|---|------------------|---|--|
| GRI 2: General disclosures | | | |
| The organisation and its reporting practices | 2-1 | Organisation details | <ul style="list-style-type: none"> AR Corporate Overview |
| | 2-2 | Entities included in the organisation's sustainability reporting | <ul style="list-style-type: none"> AR Corporate Overview |
| | 2-3 | Reporting period, frequency and contact point | <ul style="list-style-type: none"> SR: Scope of sustainability report SR: Sustainability contact |
| | 2-4 | Restatements of information | <ul style="list-style-type: none"> SR: Restatement |
| | 2-5 | External assurance | <ul style="list-style-type: none"> No External Assurance |
| Activities and workers | 2-6 | Activities, value chain and other business relationships | <ul style="list-style-type: none"> AR Corporate Overview |
| | 2-7 | Employee | <ul style="list-style-type: none"> Appendix A: Sustainability scorecard |
| | 2-8 | Workers who are not an employee | <ul style="list-style-type: none"> Not applicable |
| Governance | 2-9 | Governance structure and composition | <ul style="list-style-type: none"> AR Corporate Governance |
| | 2-10 | Nomination and selection of the highest governance body | <ul style="list-style-type: none"> AR Corporate Governance |
| | 2-11 | Chair of the highest governance body | <ul style="list-style-type: none"> AR Corporate Governance |
| | 2-12 | Role of the highest governance body in overseeing the management of impacts | <ul style="list-style-type: none"> AR Corporate Governance |
| | 2-13 | Delegation of responsibility for managing impacts | <ul style="list-style-type: none"> AR Corporate Governance |
| | 2-14 | Role of the highest governance body in sustainability reporting | <ul style="list-style-type: none"> SR: Sustainability of organisational structure |
| | 2-15 | Conflicts of interest | <ul style="list-style-type: none"> AR Corporate Governance |
| | 2-16 | Communication of critical concerns | <ul style="list-style-type: none"> SR: Consulting our stakeholders |
| | 2-17 | The collective knowledge of the highest governance body | <ul style="list-style-type: none"> AR Corporate Governance |
| | 2-18 | Evaluation of the performance of the highest governance body | <ul style="list-style-type: none"> AR Corporate Governance |
| | 2-19 | Remuneration policies | <ul style="list-style-type: none"> AR Corporate Governance |
| | 2-20 | The process to determine the remuneration | <ul style="list-style-type: none"> AR Corporate Governance |
| | 2-21 | Annual total compensation ratio | <ul style="list-style-type: none"> AR Corporate Governance |
| Strategy, policies and practices | 2-22 | Statement on sustainable development strategy | <ul style="list-style-type: none"> SR Sustainability strategy |
| | 2-23 | Policy commitments | <ul style="list-style-type: none"> SR How do we measure our performance |
| | 2-24 | Embedding policy commitments | <ul style="list-style-type: none"> SR How do we measure our performance |
| | 2-25 | Processes to remediate negative impacts | <ul style="list-style-type: none"> SR Sustainability strategy |
| | 2-26 | Mechanisms for seeking advice and raising concerns | <ul style="list-style-type: none"> AR Corporate Governance SR Consulting our stakeholders |
| | 2-27 | Compliance with laws and regulations | <ul style="list-style-type: none"> SR: Regulatory compliance |
| | 2-28 | Membership associations | <ul style="list-style-type: none"> Not Applicable |
| Stakeholder engagement | 2-29 | Approach to stakeholder engagement | <ul style="list-style-type: none"> SR: Consulting our stakeholders |
| | 2-30 | Collective bargaining agreements | <ul style="list-style-type: none"> Not Applicable |

| Disclosure number | Disclosure title | Page reference and remarks | |
|--|------------------|---|---|
| GRI 3: Disclosures on material topics | | | |
| Material topics | 3-1 | The process to determine material topics | <ul style="list-style-type: none"> SR Sustainability materiality |
| | 3-2 | List of material topics | <ul style="list-style-type: none"> SR Sustainability materiality |
| | 3-3 | Management of material topics | <ul style="list-style-type: none"> SR: Sustainability materiality SR: Environmental sustainability SR: Supporting local SR: Connecting audiences SR: Regulatory compliance |
| GRI 200: Economic disclosures (applicable sections only) | | | |
| Economic performance | 201-1 | Direct economic value generated and distributed | <ul style="list-style-type: none"> Appendix A: Sustainability scorecard |
| Procurement practices | 204-1 | The proportion of spending on local suppliers | <ul style="list-style-type: none"> SR: Supporting Local |
| Anti-corruption | 205-3 | Confirmed incidents of corruption and actions taken | <ul style="list-style-type: none"> SR: Regulatory Compliance |
| Anti-competitive behaviour | 206-1 | Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices | <ul style="list-style-type: none"> SR: Regulatory Compliance |
| GRI 300: Environment disclosures (applicable sections only) | | | |
| Energy | 302-1 | Energy consumption within the organisation | <ul style="list-style-type: none"> SR: Environmental Sustainability |
| Emissions | 305-1 | Direct (Scope 1) GHG emissions | <ul style="list-style-type: none"> SR: Environmental Sustainability |
| | 305-2 | Energy indirect (Scope 2) GHG emissions | <ul style="list-style-type: none"> SR: Environmental Sustainability |
| | 305-3 | Other indirect (Scope 3) GHG emissions | <ul style="list-style-type: none"> SR: Environmental Sustainability |
| | 305-4 | GHG emissions intensity | <ul style="list-style-type: none"> SR: Environmental Sustainability |
| GRI 400: Social disclosures (applicable sections only) | | | |
| Employment | 401-1 | New employee hires and employee turnover | <ul style="list-style-type: none"> Appendix A: Sustainability scorecard |
| Occupational health and safety | 403-1 | Occupational health and safety management system | <ul style="list-style-type: none"> Appendix A: Sustainability scorecard |
| | 403-5 | Worker training in occupational health and safety | <ul style="list-style-type: none"> Appendix A: Sustainability scorecard |
| | 403-9 | Work-related injuries | <ul style="list-style-type: none"> Appendix A: Sustainability scorecard |
| | 403-10 | Work-related ill health | <ul style="list-style-type: none"> Appendix A: Sustainability scorecard |
| Training and education | 404-1 | Average hours of training per year per employee | <ul style="list-style-type: none"> Appendix A: Sustainability scorecard |
| Diversity and equal opportunity | 405-1 | Diversity of governance bodies and employees | <ul style="list-style-type: none"> Appendix A: Sustainability scorecard |
| Non-discrimination | 406-1 | Incidents of discrimination and corrective actions taken | <ul style="list-style-type: none"> No incidents of discrimination have been reported in FY2022 |
| Child labour | 408-1 | Operations and suppliers at significant risk for incidents of child labour | <ul style="list-style-type: none"> SR: Regulatory Compliance |
| Forced or compulsory labour | 409-1 | Operations and suppliers at significant risk for incidents of forced or compulsory labour | <ul style="list-style-type: none"> Forced and compulsory labour is strictly prohibited. |
| Socioeconomic compliance | 419-1 | Non-compliance with laws and regulations in the social and economic area | <ul style="list-style-type: none"> There is no non-compliance with socioeconomic laws and regulations. |

Appendix C: Methodologies and data boundaries

This section details key definitions, methodologies and data boundaries applied to SEGL's Sustainability Report as we endeavour to elevate transparency and facilitate comparability of our data disclosed. These definitions and methodologies are adapted with reference to the GRI Standards Glossary 2021, Reporting Recommendations and Guidance set out in the respective GRI disclosures and various authoritative intergovernmental instruments.

Carbon Footprint

In the scope of this reporting, scope 1 emissions are emissions generated from the consumption of fuels for our operations. The emission factor for calculating carbon emissions is obtained from The International Energy Agency ("**IEA**"). Carbon emissions are expressed in tonnes of carbon dioxide ("**tCO₂e**").

The scope of this reporting, scope 2 emissions are emissions that result from the generation of purchased or acquired electricity by the Group. The Grid Emission Factor ("**GEF**") used for calculating carbon emissions is obtained from the IEA. Carbon emissions are expressed in tCO₂e.

The scope of this reporting, scope 3 emissions are emissions generated from the consumption of fuels used for the Airmiles travels. The quantity of emissions is negligible. The emission factor used for calculating the carbon emissions is obtained from The Department for Environmental, Food and Rural Affairs ("**DEFRA**"), United Kingdom. Carbon emissions are expressed in tCO₂e.

Carbon Footprint Intensity

This is the ratio of carbon emissions relative to the millions of USD revenue generated ("**USD'm**"). Carbon emissions intensity is expressed in tCO₂e per USD'm ("**tCO₂e/USD'm**").

Electricity Consumption

Electricity consumed results from purchased electricity by the Group. Purchased electricity is expressed in megawatt-hours ("**MWh**").

Electricity Consumption Intensity

This is the ratio of electricity consumed relative to the millions of USD revenue generated ("**USD'm**"). Electricity consumption intensity is expressed in kilowatt-hours ("**MWh**") per USD'm ("**MWh/USD'm**").

New Hires and Turnover

New hires are defined as new employees who have joined the Group during the financial year.

Turnover is defined as all employees who have left the Group voluntarily or due to dismissal, retirement or death in service during the financial year.

The turnover rate is the total number of employee turnovers in the financial year relative to the total number of employees recorded at the financial year-end.

The new hires/turnover rate by age group is the total number of new hires/employee turnovers for each age group in the financial year relative to the total number of new hires/resignees recorded at financial year-end.

The new hires/turnover rate by gender is the total number of female/(male) new hires/employee turnovers for each gender in the financial year relative to the total number of new hires/resignees recorded at financial year-end.

Training hours

Average training hours per employee is the total number of training hours incurred during the financial year provided to employees relative to the total number of employees recorded as of financial year-end.

Average training hours per female/(male) employee is the total number of training hours provided to female/(male) employees relative to the total number of female/(male) employees recorded as of financial year-end.

Fatalities in workplace

The number of fatalities as a result of work-related injury during reporting period across the organisation.

High-consequence injuries in the workplace

Number of high-consequence work-related injuries (an injury that results in a fatality from which the worker cannot recover fully to pre-injury health status within 6 months) excluding fatalities during the reporting period.

Recordable injuries

The number of recordable work-related injuries during the reporting period.

Recordable Work-related Ill Health Cases

The number of recordable work-related illnesses or health conditions arising from exposure to hazards at work during the reporting period.