

SUSTAINABILITY REPORT

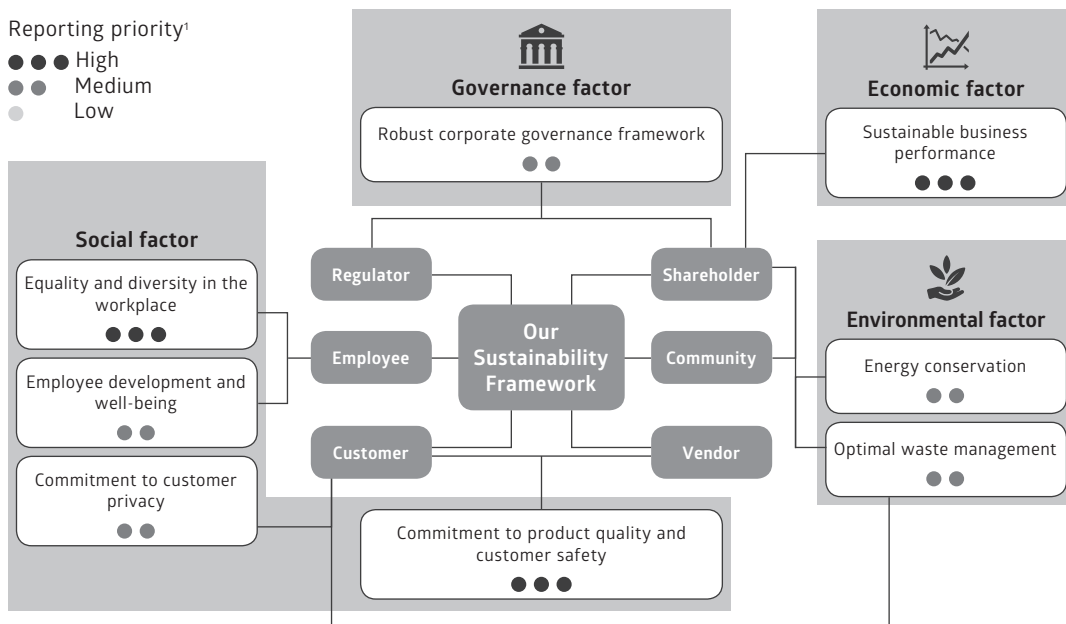
1. BOARD STATEMENT

We reaffirm our commitment to sustainability with the publication of our sustainability report (“Report”). For this Report, we provide insights into the way we do business, while highlighting our environmental, social, governance (“ESG”) factors and economic performance (collectively as “Sustainability Factors”).

Whilst mindful of our profit oriented objective, we are committed to strike a balance between growth, profit, governance, environment, the development of our people and well-being of our communities to secure a long-term future of our Group. This commitment is reflected in our sustainable business strategy and the material Sustainability Factors which are shown in this Report.

A sustainability policy (“SR Policy”) covering our sustainability strategies, reporting structure, materiality assessment and processes in identifying and monitoring material Sustainability Factors has been put in place and serves as a point of reference in the conduct of our sustainability reporting. Under this SR Policy, we will continue to monitor, review and update our material Sustainability Factors from time to time, taking into account the feedback that we receive from our engagement with our stakeholders, organisational and external developments.

We work closely with our stakeholders, comprising communities, customers, employees, regulators, shareholders and vendors, in our value chain and their inputs drive our sustainability strategy. An overview of our Sustainability Factors by stakeholder is as follows:



¹ Reporting priority refers to the ranking assigned to each Sustainability Factor based on the level of concern to stakeholders and the significance of our impacts on the economy, environment and society. Refer to section 7.3 for further details.

SUSTAINABILITY REPORT

A summary of our sustainability performance in FY2020 is as follows:

S/N	Material factor and reporting priority	Sustainability performance	Our efforts
Economic			
1	Sustainable business performance ● ● ●	Although our revenue has declined to \$270.8 million, profit net of tax and final tax-exempt dividend declared increases to \$23.3 million and 2.7 cents per ordinary share	Create long-term economic value for shareholders through consistent profits, robust balance sheet and strong operating cash flows.
Environmental			
2	Energy conservation ● ●	There is a reduction in our energy consumption rate	Use of high-efficiency lighting and track electricity consumption trends regularly.
3	Optimal waste management ● ●	We adopt various initiatives to minimise the amount of waste generated	<ul style="list-style-type: none"> • Adopt reusable packaging designs for products under our house brands • Reuse and recycle used IT and related products • Move towards a paperless working environment.
Social			
4	Equality and diversity in the workplace ● ● ●	No material changes in our diversity ratios between FY2019 and FY2020.	Select employees based on merit and competency.
5	Commitment to product quality and customer safety ● ● ●	No reported incident of substandard products resulting in electrical accidents to our customers.	Evaluate key suppliers and perform safety checks on products received.
6	Commitment to customer privacy ● ●	No reported incident concerning breaches of customer privacy.	Ensure compliance with Personal Data Protection Act ("PDPA").

SUSTAINABILITY REPORT

S/N	Material factor and reporting priority	Sustainability performance	Our efforts
7	Employee development and well-being ● ●	<ul style="list-style-type: none"> • There is an increase in the average hours of training per full-time employee and a decrease in the average hours of training per part-time employee. • The percentage full-time and part-time employees who have received regular performance and career development reviews remains at 100%. 	Implement comprehensive training programs and conduct regular staff assessments.
Governance			
8	Robust corporate governance framework ● ●	<ul style="list-style-type: none"> • No reported incident of serious offence. • SGTI score is 73. 	Implement robust corporate governance practices and a risk management framework.

The Coronavirus disease 2019 (“COVID-19” or “Pandemic”) which was unforeseen and unprecedented has affected our operations. To counter the adverse impact of the Pandemic on our operations, we have channelled our efforts towards strategic planning, cost and human resource management. We have detailed our responses to the impact of the Pandemic in the relevant sections of this Report.

SUSTAINABILITY REPORT

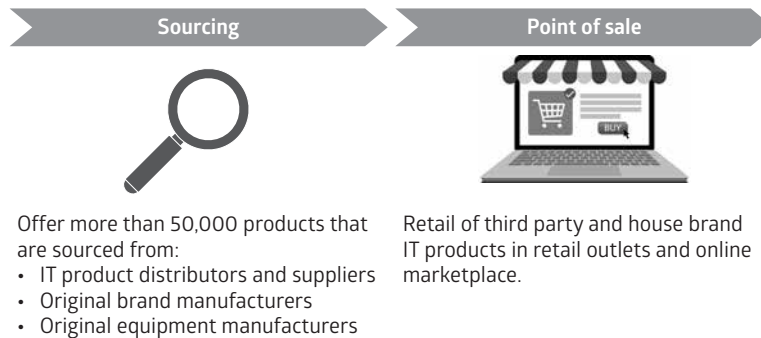
2. OUR BUSINESS

We are principally involved in the retailing of IT products at our retail outlets and online marketplace.

We source a wide range of IT and related products from reputable IT product distributors, including products under our house brands. Our product categories include electrical hardware, input devices, mobile computing hardware, printing devices, accessories, office products, desktops, data communication products, storage devices, multimedia products, software, digital gadgets and home entertainment appliances.

Our house brands

VALORE
VCE
ValueClub EXCLUSIVE



3. REPORTING FRAMEWORK

This report has been prepared in accordance with the Global Reporting Initiative (“GRI”) Standards: Core option and the Singapore Exchange Securities Trading Limited (“SGX-ST”) listing rules 711A and 711B. We have chosen to report using the GRI standards: Core option as it is an internationally recognised reporting framework. The GRI content index can be found in the Appendix.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we have mapped our sustainability efforts to the 2030 Agenda for Sustainable Development which is adopted by all United Nations Member States in 2015 (“UN Sustainability Agenda”). The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (“SDGs”), which form an urgent call for action by all countries – developed and developing – in a global partnership. We have incorporated the SDGs, where appropriate, as a supporting framework to shape and guide our sustainability strategy.

4. REPORTING PERIOD AND SCOPE

This Report is applicable for our financial year from 1 January to 31 December 2020 (“FY2020” or “Reporting Period”). A sustainability report will be published annually thereafter in accordance with our SR Policy.

This Report covers our key IT products and services business segment within our Group which contributed more than 90% (FY2019: more than 90%) of our total revenue for the Reporting Period.

SUSTAINABILITY REPORT

5. FEEDBACK

We welcome feedback from all stakeholders on this Report. You may send related questions, comments, suggestions or feedback to our investor relations email account: ir@challenger.sg.

6. STAKEHOLDER ENGAGEMENT

Our efforts on sustainability are focused on creating sustainable value for our key stakeholders, which comprise communities, customers, employees, regulators, shareholders and vendors. Key stakeholders are determined for each material factor identified, based on the extent of which they can affect or are affected by our operations.

We actively engage our key stakeholders through the following channels:

S/N	Key stakeholder	Engagement channel	Frequency of engagement	Key concern
1	Communities	Recycling campaigns	Regularly	Environmental initiatives
2	Customers	<ul style="list-style-type: none"> Company's website Social media 	Daily	<ul style="list-style-type: none"> Product diversity Customer service Data privacy
		<ul style="list-style-type: none"> Calls Face-to-face communications 	Regularly	
3	Employees	Staff evaluation sessions	Yearly	<ul style="list-style-type: none"> Equal employment Job security Career development and training opportunities Remuneration
		Email communications	Regularly	
		Intranet	Daily	
4	Regulators	Consultations and briefings organised by key regulatory bodies such as Singapore Stock Exchange	As and when required	Corporate governance
5	Shareholders	Group result announcements	Half-yearly	<ul style="list-style-type: none"> Sustainable business performance Market valuation Corporate governance
		<ul style="list-style-type: none"> Annual general meetings Annual reports 	Annually	
6	Vendors	<ul style="list-style-type: none"> Feedback Email communications Calls 	Regularly	<ul style="list-style-type: none"> Ability to distribute products Maintain and expand brand presence Maximise end customers' satisfaction

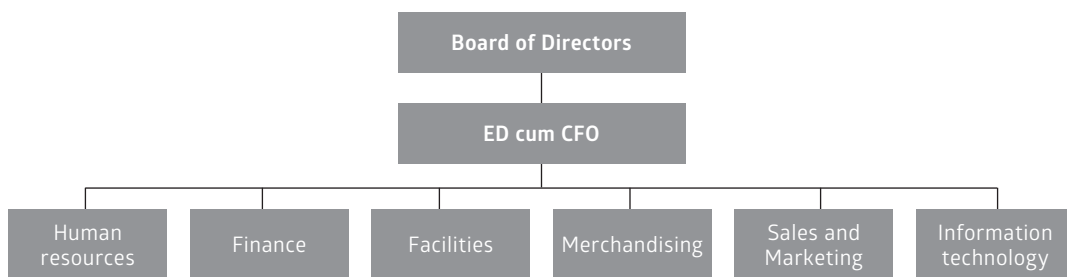
Through the above channels, we seek to understand the views of key stakeholders, communicate effectively with them and respond to their concerns.

SUSTAINABILITY REPORT

7. POLICY, PRACTICE AND PERFORMANCE REPORTING

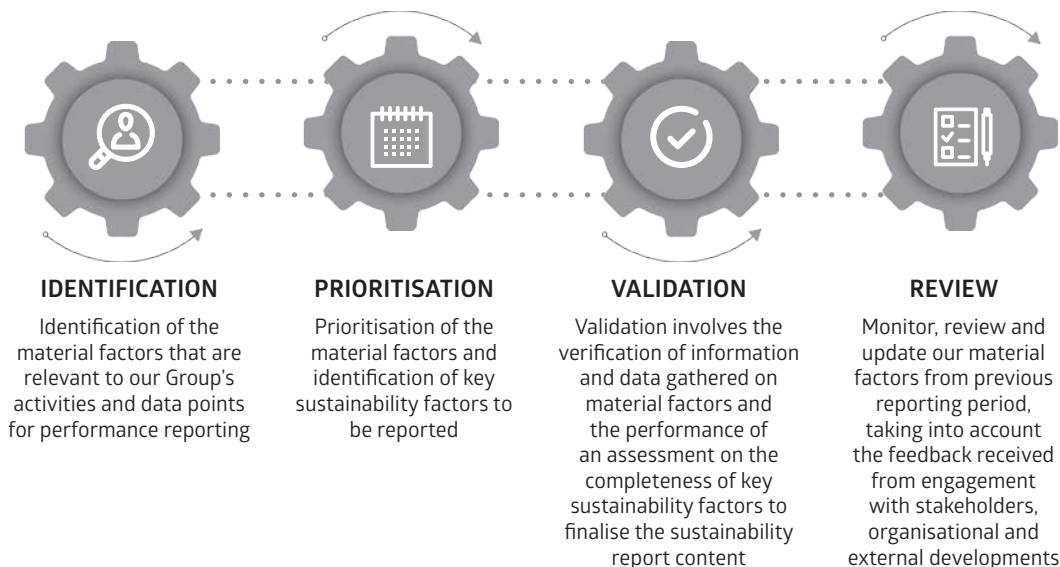
7.1 Reporting structure

The Board advises and oversees the development of our sustainability strategy and performance targets. Our sustainability strategy is spearheaded by the Sustainability Committee ("SC"). Our Executive Director cum Chief Financial Officer ("ED cum CFO") leads the SC which comprises representatives from various support units. Our senior management advises the SC in reviewing our sustainability progress, discussing and coordinating on how the Group can better implement sustainability initiatives and contribute to sustainability efforts. The SC reports to the Chief Executive Officer ("CEO") and the Board, reviews material impacts, considers stakeholders' priorities, sets targets, as well as collects, verifies, monitors and reports performance data for this report.



7.2 Sustainability reporting processes

Under our SR policy, our sustainability process begins with the identification of relevant factors. Relevant factors are then prioritised as material factors which are then validated. The end result of this process is a list of material factors disclosed in this Report. Processes involved are as shown in the chart below:



SUSTAINABILITY REPORT

7.3 Materiality assessment

Under our SR Policy, each Sustainability Factor is assigned a reporting priority that determines the actions required as illustrated in the table below:

Reporting priority	Description	Criteria
● ● ●	High	Factors with high reporting priority are reported on in detail.
● ●	Medium	Factors with medium reporting priority are considered for inclusion in the Report. They may not be included in this Report if not material.
●	Low	Factors with low reporting priority may be reported to fulfil regulatory or other reporting requirements. They are not included in this Report if not material.

The reporting priority is supported by a material factor matrix which considers the level of concern to stakeholders (“Stakeholders’ Concern”) and significance of our impacts on the economy, environment and society (“Business Impact”).

7.4 Performance tracking and reporting

We track the progress of our material factors by identifying the relevant data points, monitoring and measuring them. In addition, we set performance targets that are aligned with our strategy to ensure that we remain focused in our path to sustainability. We shall consistently enhance our performance-monitoring processes and improve our data capture systems. The sustainability trends can be found in the Appendix.

8. MATERIAL FACTORS

Our materiality assessment performed for FY2020 involved our SC in identifying Sustainability Factors deemed material to our businesses and our stakeholders so as to allow us to channel our resources judiciously to create sustainability value for our stakeholders.

Presented below is a list of material Sustainability Factors and material factor matrix applicable to our Group:

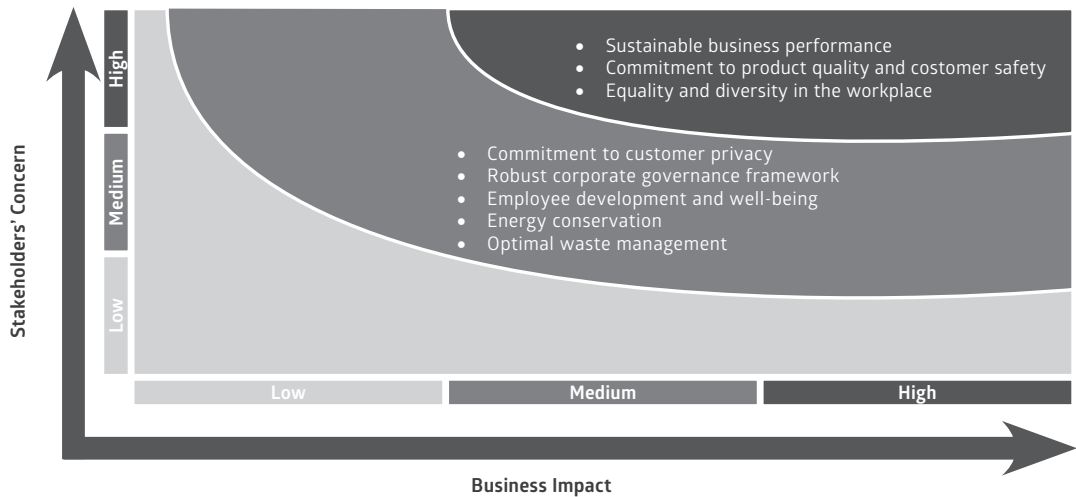
List of material Sustainability Factors

S/N	Material factor	SDG	Reporting priority	Key stakeholder
Economic				
1	Sustainable business performance	Decent work and economic growth	● ● ●	Shareholders
Environmental				
2	Energy conservation	Affordable and clean energy	● ●	<ul style="list-style-type: none"> · Communities · Shareholders

SUSTAINABILITY REPORT

S/N	Material factor	SDG	Reporting priority	Key stakeholder
3	Optimal waste management	Responsible consumption and production	● ●	<ul style="list-style-type: none"> · Communities · Customers · Shareholders
Social				
4	Equality and diversity in the workplace	Reduced inequalities	● ● ●	Employees
5	Commitment to product quality and customer safety	Peace, justice and strong institutions	● ● ●	<ul style="list-style-type: none"> · Customers · Vendors
6	Commitment to customer privacy	Peace, justice and strong institutions	● ●	Customers
7	Employee development and well-being	Quality education	● ●	Employees
Governance				
8	Robust corporate governance framework	Peace, justice and strong institutions	● ●	<ul style="list-style-type: none"> · Regulators · Shareholders

Material factor matrix



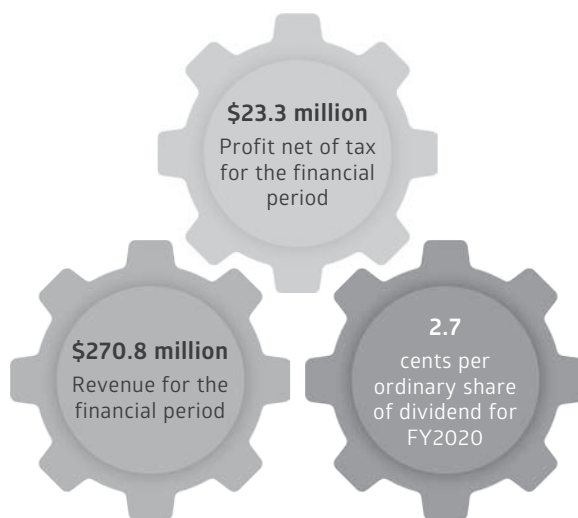
We will update the material factors on an annual basis to reflect changes in business operations, environment, stakeholder's feedback and sustainability trends. The details of each material sustainability factor are presented as follows:

SUSTAINABILITY REPORT

8.1 Sustainable business performance

We believe in creating long-term economic value for shareholders by striking a balance between rewarding shareholders by way of consistent profits and maintaining a robust balance sheet with strong operating cash flows.

In FY2020, our Group recorded revenue of \$270.8 million (FY2019: \$329.6 million). The decrease in revenue was mainly attributable to the absence of tradeshows and weaker performance from corporate sales and retail operations as a result of movement restriction measures imposed during the circuit breaker period and safety management measures imposed during the Pandemic. Nonetheless, the decrease in revenue was partially offset by stronger revenue contribution from our online sales. We will continue to focus on driving greater e-commerce productivity to mitigate the downside impact coming from the weak retail operations amid the Pandemic.



Our Group generated \$23.3 million (FY2019: \$17.7 million) of profit net of tax and a final tax-exempt dividend of 2.7 cents per ordinary share was declared for the Reporting Period (FY2019: 1.5 Singapore cents per share).

Details of our Group's economic performance can be found in the financial contents and audited financial statements of this Annual Report.

Target for FY2020	Performance in FY2020	Target for FY2021
Maintain or improve our financial performance subject to market conditions	Profit net of tax and final tax-exempt dividend improve amid the decline in revenue in light of the Pandemic	Maintain or improve our financial performance subject to market conditions

8.2 Energy conservation

We are committed to responsible usage of energy resources that results in lesser carbon emissions which in turn helps to preserve the environment that we operate in and also reduces our costs, thus enhancing returns to shareholders.

To run our operations, we rely on electricity for lighting, office equipment and cooling. During the Reporting Period, the electricity usage for our office premises and retail outlets is 6.8 kWh (FY2019: 9.0 kWh) per square foot. The decrease in energy consumption rate during the Reporting Period can be mainly attributed to the restrictions imposed in light of the outlet closure during the circuit breaker period.

SUSTAINABILITY REPORT

Electricity conservation initiatives adopted by us include the following:

- 100% of our retail outlets optimise electricity efficiency through the use of high-efficiency lighting; and
- Electricity consumption trends in retail outlets are regularly reviewed. Corrective actions are taken when higher-than-normal consumption patterns are observed.

Target for FY2020	Performance in FY2020	Target for FY2021
Maintain or reduce energy consumption rate	There is a reduction in our energy consumption rate	Energy consumption rate shall not exceed 9.0 kWh per square foot

8.3 Optimal waste management

We are committed to manage and minimise the impact of our retail operations on the environment through the following initiatives:

Adopt reusable packaging design for house brand products

We sell third-party products and house brand products. Our efforts to optimise waste management is focused on our house brand products as we have more control in their design and use of packaging materials.

For house brand products, packaging optimisation is a key focus of our efforts to minimise waste materials. Multiple factors related to packaging are considered when developing products for customers and they include design and material choice. In line with the focus on packaging optimisation, our ValueClub Exclusive ("VCE") house brand products adopt reusable packaging to minimise waste materials generated from disposal.



We are continuously looking for packaging options that are both cost efficient and have minimal impact on the environment.

Reuse and recycle used IT and related products

To be efficient in reusing and recycling used IT and related products, pre-owned IT and related products can be traded in or consigned to our PIT.Money outlets. Our PIT Money outlets also carry affordable used, demo and refurbished products.



SUSTAINABILITY REPORT

Move towards a paperless working environment

We constantly enhance our operating systems to move towards a paperless working environment. One such enhancement involves the deployment of an online portal for our purchasing process whereby only electronic version of purchasing related documents such as purchase orders and payment advices are issued.

Other measures taken to reduce paper consumption include the following:

- For the pick-up option that allows our customers to order online and pick up their purchases in store, customer could use an electronic version of authorisation letter to nominate a third party to collect goods ordered on their behalf;
- At all Challenger retail outlets, digital displays are used to communicate promotional messages, reducing printed storage and ink consumption; and
- Switching from printed product manuals to online manuals and videos for Valore and VCE products.

Target for FY2020	Performance in FY2020	Target for FY2021
Reduce the amount of waste generated	We adopt various initiatives to minimise the amount of waste generated	Initiate various initiatives to achieve waste minimisation and efficient material use

8.4 Equality and diversity in the workplace

We are committed to provide a work environment for employees that fosters fairness, equity and respect for social and cultural diversity. The total number of full-time employees in our Group as at 31 December 2020 is 284 (FY2019: 317).

On gender diversity, we view diversity in the Board level as an essential element in supporting sustainable development and in relation to the gender diversity with one female representation in the Board of Directors. The percentage of female to total full-time employees and managers are 35% (FY2019: 37%) and 38% (FY2019: 39%) respectively as at 31 December 2020.

On age diversity, matured workers are valued for their experience, knowledge and skills. As at 31 December 2020, 27% (FY2019: 24%) of the workforce is at least 40 years old.

To promote equal opportunity, we established various related human resource practices as follows:

- A human resource policy is in place to select employees based on merit and competency; and
- Staff recruitment advertisements do not state age, race, gender or religion preferences as requirement.

Target for FY2020	Performance in FY2020	Target for FY2021
Move towards a more balanced gender and age diversity ratio	No material changes in our diversity ratios between FY2019 and FY2020	<ul style="list-style-type: none"> • Ratio of female employees and managers over total employees and managers should not fall below 30% • Ratio of employees with age 40 and above over total employees should not fall below 15% or exceed 50%

SUSTAINABILITY REPORT

8.5 Commitment to product quality and customer safety

We take potential risk to the health and safety of customers seriously as electrical products could pose a risk to health and safety of customers when sub-standard products are sold and used.

We have a strict procurement policy that requires our procurement team to work closely with suppliers to ensure strict compliance. Key measures taken on this front are as follows:

- New suppliers are evaluated in accordance with the procurement policy whilst existing key suppliers are regularly assessed by respective work teams based on established criteria;
- Safety checks on products are performed by the quality control team when received. Samples selected for safety checks undergo stringent functionality checks and reliability testing;
- For products that fail the safety checks, further checks are performed internally upon supplier's repair or rectification; and
- Feedback is constantly furnished by the procurement team to suppliers to make improvements. A supplier that does not improve will be disqualified.

We also ensure that products covered under the Consumer Protection (Safety Requirements) Registration Scheme (CPS Scheme) are certified with the applicable SAFETY mark before they are put on sale.

During the Reporting Period, there is no reported incident of substandard products resulting in electrical accidents (FY2019: zero incident).

To fulfil our commitment towards ensuring the safety of our customers during the Pandemic, we have stepped up the following precautionary measures at our retail outlets:

- Daily temperature checks for our employees;
- Provision of hand sanitisers and temperature screening for our customers;
- Thorough and extensive disinfection for all surfaces regularly; and
- Safe distancing measures such as encouraging our customers to maintain safe distance when queueing to pay for their purchases.

Target for FY2020	Performance in FY2020	Target for FY2021
Maintain zero incident of substandard products resulting in electrical accidents to our customers	No reported incident of substandard products resulting in electrical accidents to our customers	Maintain zero incident of substandard products resulting in electrical accidents to our customers

8.6 Commitment to customer privacy

To stay connected with our customers, we have built a customer membership program for our retail and online businesses. To effectively operate this program and execute activities such as product launches, membership savings, discounts and other benefits, we collect personal data from our members. Data privacy of members is thus of paramount importance to us and we are committed to protect customers' privacy and personal data.

In Singapore, we abide by the PDPA, which comprises various rules governing collection, use, disclosure and care of personal. In line with our commitment to customer privacy and ensure the compliance with the PDPA, a Personal Data Protection Committee is set up and regular meetings are held to discuss emerging issues and regulation updates.

SUSTAINABILITY REPORT

In addition, a personal data protection policy (“Privacy Policy”) has been implemented under the supervision of the Personal Data Protection Policy Committee. The Privacy Policy specifies defined procedures on the collection, usage and disclosure of personal data. Our employees are granted access to the Privacy Policy and mandatory trainings related to handling of personal data are conducted for them.

To further protect our members’ privacy, they are encouraged to scan the unique QR code on their ValueClub app or key in login ID at the point of payment to identify themselves as members in order to enjoy member’s privileges. This avoids the need for our members to present personally identifiable information such as an identity card number in public area.

During the Reporting Period, there is no reported incident concerning breaches of customer privacy and loss of customer data (FY2019: zero incident).

Target for FY2020	Performance in FY2020	Target for FY2021
Maintain zero incident of data breach	No reported incident concerning breaches of customer privacy	Maintain zero incident of data breach

8.7 Employee development and well-being

We place a high priority on the competency development and well-being of our employees as we believe that well trained employees are vital to the long-term success of our business.

In order to provide employees with a clear, forward-looking career path and ensure that employee well-being at the workplace is taken care of, we have introduced the following initiatives:

Systematic and comprehensive training programs

Given the nature of our business in the retail industry, retail employees play a vital role in contributing to the success of our business as they interact first-hand with customers and are also responsible for maintaining the physical appearance of our stores through handling displays and arranging inventories.

To equip our retail employees with the right capabilities, we have implemented various training programs ranging from soft skills training to product knowledge courses. Such programs also motivate them to maintain a high level of performance. During the Reporting Period, our full-time employees received an average of 4.7 hours (FY2019: 2.0 hours) of training per full-time employee per year. The increase in training hours per full time employee is mainly due to an increase in virtual training sessions conducted for full-time employees during the Pandemic.

Well-performing part-timers are selected to undergo further training programs that enable them to undertake a more significant role in the retail outlets, such as conducting training for other part-time employees. During the Reporting Period, part-timers received an average of 2.1 hours (FY2019: 2.5 hours) of training per part-time employee per year. The slight decrease in training hours is mainly due to lesser in-person training sessions, the more common mode of training for part timers, conducted for part-timers during the Pandemic.

Robust performance appraisal system

Staff assessment serves as a platform to evaluate the performance of the employees and to discuss areas for improvement. It also encourages employees to take self-initiated enrichment actions to improve their current skillsets, which in turn helps to value-add to our business. In FY2020, 100% (FY2019: 100%) of our full-time employees received regular performance and career development reviews.

SUSTAINABILITY REPORT

The retail operations are labour intensive requiring the services of a large number of part-time employees. In order to identify and duly recognise part-time employees who exhibit a high level of performance and enthusiasm, all part-time employees are evaluated based on their performance. In FY2020, 100% (FY2019: 100%) of our part-time employees received regular performance and career development reviews.

Safeguarding employee well-being during the Pandemic

As employees are our key assets in ensuring the sustainability of our business, we have implemented the following measures to protect our employees during the Pandemic:

- Daily temperature-taking using face-recognition temperature scanner to clock in temperature;
- Provision of readily available masks and hand sanitisers to both retail and back office employees;
- Staggered reporting time;
- Safe measures audit at our retail outlets and back office conducted by the store managers and head of departments ("HOD") in accordance with a checklist. The audit results are submitted via our staff app with supporting images; and
- Placement of posters at various areas to raise awareness and educate employees on safety precautions.

Target for FY2020	Performance in FY2020	Target for FY2021
Continuously identify opportunities to upskill workforce	<ul style="list-style-type: none"> • There is an increase in the average hours of training per full-time employee and a decrease in the average hours of training per part-time employee. • The percentage of full-time and part-time employees who have received regular performance and career development reviews are maintained at 100%. 	<ul style="list-style-type: none"> • Maintain or increase the average hours of training per employee per year • Maintain or improve percentage of employees who received regular performance and career development reviews

SUSTAINABILITY REPORT

8.8 Robust corporate governance framework

We are committed to high standards of corporate governance and believe a high standard of corporate governance is integral in ensuring sustainability of our business as well as safeguarding shareholders’ interests and maximising long-term shareholder’s value.

We have implemented a whistle blowing policy to provide a mechanism for employees to raise concerns through accessible confidential disclosure channels about possible improprieties in matters of financial reporting and others. During the Reporting Period, there is zero reported incident of serious offence² (FY2019: zero incident).

We have put in place a risk management framework. We regularly assess and review our business and operational environment to better identify and manage emerging and strategic sustainability risks.

The overall SGTI score assessed by National University of Singapore Business School is 73 for year 2020 (FY2019: 63).

Refer to the Corporate Governance Report of the Annual Report for details for our corporate governance practices.







Target for FY2020	Performance in FY2020	Target for FY2021
<ul style="list-style-type: none"> Maintain zero incident of serious offence to be reported Improve or maintain our SGTI score 	<ul style="list-style-type: none"> No reported incident of serious offence SGTI score assessed by National University of Singapore Business School is 73 	<ul style="list-style-type: none"> Maintain zero incident of serious offence to be reported Improve or maintain our SGTI score

9. SUPPORTING THE UN SUSTAINABLE DEVELOPMENT GOALS

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (“SDGs”), which form an urgent call for action by all countries – developed and developing – in a global partnership. We believe that everyone plays an important part in advancing sustainable development and in order to align our business objectives with the SDGs, we have identified a number of SDGs which we can contribute to through our business practices, products and services. The SDGs that we focus on and the related Sustainability Factors are as follows:

² A serious offence is defined as one that involves fraud or dishonesty amounting to not less than \$100,000 and punishable by imprisonment for a term of not less than 2 years which is being or has been committed against the company by officers or employees of the company.

SUSTAINABILITY REPORT

	SDG	Our effort
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<u>Section 8.7 Employee development and well-being</u> We invest in training and development of our people to enhance our business competencies as well as overall productivity.
	Ensure access to affordable, reliable, sustainable and modern energy for all	<u>Section 8.2 Energy conservation</u> We conserve electricity through high-efficiency lighting which in turn, helps to promote the efficient use of energy.
	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all	<u>Section 8.1 Sustainable business performance</u> We contribute to economic growth through creating long-term economic value for our shareholders.
	Reduce inequality within and among countries	<u>Section 8.4 Equality and diversity in the workplace</u> We ensure equal opportunity for all regardless of gender, age, nationality, ethnicity, or educational background.
	Ensure sustainable consumption and production patterns	<u>Section 8.3 Optimal waste management</u> We contribute to the reduction of waste generation through recycling, reusing and reducing.
	Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels	<u>Section 8.5 Commitment to product quality and customer safety</u> We ensure that our products meet the necessary safety standards. <u>Section 8.6 Commitment to customer privacy</u> We maintain commercially reasonable physical, electronic and procedural safeguards to protect personal data in accordance with the requirements of relevant data protection legislations. <u>Section 8.8 Robust corporate governance framework</u> We maintain a high standard of corporate governance framework to safeguard our shareholders' interest and maximise long-term shareholder value.

SUSTAINABILITY REPORT

APPENDIX 1 SUSTAINABILITY TRENDS

S/N	Performance indicator	Sustainability performance		
		FY20	FY19	FY18
Sustainable business performance				
1	Revenue	\$270.8 million	\$329.6 million	\$320.2 million
2	Profit net of tax	\$23.3 million	\$17.7 million	\$19.6 million
3	Dividend	2.7 cents	1.5 cents	3.1 cents
Energy conservation				
4	Energy consumption rate	6.8 kWh	9.0 kWh	8.6 kWh
Optimal waste management				
5	Initiatives to achieve waste minimisation	<ul style="list-style-type: none"> · Adopt reusable packaging design for house brand products · Reuse and recycle used IT and related products · Move towards a paperless working environment 		
Equality and diversity in the workplace				
6	Ratio of female over total full-time employees	35%	37%	38%
7	Ratio of female over total managers	38%	39%	39%
8	Ratio of employees who are at least 40 years old over total employees	27%	24%	23%
Commitment to product quality and customer safety				
9	Number of incidents of substandard products resulting in electrical accidents	0	0	0

SUSTAINABILITY REPORT

S/N	Performance indicator	Sustainability performance		
		FY20	FY19	FY18
Commitment to customer privacy				
10	Number of reported incidents concerning breaches of customer privacy and losses of customer data	0	0	0
Employee development and well-being				
11	Average annual training hours per full-time employee	4.7 hours	2.0 hours	NA ³
12	Average annual training hours per part-time employee	2.1 hours	2.5 hours	NA ³
13	Percentage of full-time employees who have received regular performance and career development reviews	100%	100%	NA ³
14	Percentage of part-time employees who have received regular performance and career development reviews	100%	100%	NA ³
Robust corporate governance framework				
15	Number of incident of serious offence	0	0	0
16	SGTI score	73 points	63 points	64 points

³ No comparative data provided due to newly disclosed performance indicator.

SUSTAINABILITY REPORT

APPENDIX 2 GRI CONTENT INDEX

GRI standard & disclosure title		Section reference	Page
Organisational profile			
102-1	Name of the organisation	Cover page	-
102-2	Activities, brands, products, and services	<ul style="list-style-type: none"> • Sustainability Report > Our Business • Financial Statements > Notes to the Financial Statements > Investments in Subsidiaries 	16 97 – 99
102-3	Location of headquarters	Corporate Information	12
102-4	Location of operations	<ul style="list-style-type: none"> • Retail Footprint • Corporate Information 	06 – 07 12
102-5	Ownership and legal form	<ul style="list-style-type: none"> • Group Structure • Financial Statements > Notes to the Financial Statements > General • Statistics of Shareholdings 	03 70 – 71 121 – 122
102-6	Markets served	Retail Footprint	06 – 07
102-7	Scale of the organisation	<ul style="list-style-type: none"> • Group 5-Year Financial Highlights • Group Operations Review • Sustainability Report > Material Factors > Sustainable Business Performance • Sustainability Report > Material Factors > Equality and Diversity in the Workplace • Financial Statements > Consolidated Statement of Profit or Loss and Other Comprehensive Income • Financial Statements > Statements of Financial Position 	08 09 – 11 21 23 65 66
102-8	Information on employees and other workers	Sustainability Report > Material Factors > Equality and Diversity in the Workplace	23
102-9	Supply chain	Sustainability Report > Our Business	16
102-10	Significant changes to the organisation and its supply chain	There were no significant changes to the organisation and its supply chain during the Reporting Period	-
102-11	Precautionary Principle or approach	None	-
102-12	External initiatives	Sustainability Report > Supporting the UN Sustainable Development Goals	27 – 28
102-13	Membership of associations	None	-

SUSTAINABILITY REPORT

GRI standard & disclosure title		Section reference	Page
Strategy			
102-14	Statement from senior decision-maker	Sustainability Report > Board Statement	13 – 15
Ethics and integrity			
102-16	Values, principles, standards, and norms of behaviour	<ul style="list-style-type: none"> • Sustainability Report > Material Factors > Robust Corporate Governance Framework • Corporate Governance Report 	27 35 – 56
Governance			
102-18	Governance structure	<ul style="list-style-type: none"> • Sustainability Report > Policy, Practice and Performance Reporting > Reporting Structure • Corporate Governance Report 	18 35 – 56
Stakeholder engagement			
102-40	List of stakeholder groups	Sustainability Report > Stakeholder Engagement	17
102-41	Collective bargaining agreements	None of our employees are covered by collective bargaining agreements	–
102-42	Identifying and selecting stakeholders	Sustainability Report > Stakeholder Engagement	17
102-43	Approach to stakeholder engagement	Sustainability Report > Stakeholder Engagement	17
102-44	Key topics and concerns raised	Sustainability Report > Stakeholder Engagement	17
Reporting practice			
102-45	Entities included in the consolidated financial statements	<ul style="list-style-type: none"> • Group Structure • Financial Statements > Notes to the Financial Statements > Investments in Subsidiaries 	03 97 – 99
102-46	Defining report content and topic Boundaries	Sustainability Report > Policy, Practice and Performance Reporting > Sustainability Reporting Processes	18
102-47	List of material topics	Sustainability Report > Material Factors	19 – 27
102-48	Restatements of information	None	–

SUSTAINABILITY REPORT

GRI standard & disclosure title		Section reference	Page
102-49	Changes in reporting	None	-
102-50	Reporting period	Sustainability Report > Reporting Period and Scope	16
102-51	Date of most recent report	Sustainability Report FY2019	-
102-52	Reporting cycle	Sustainability Report > Reporting Period and Scope	16
102-53	Contact point for questions regarding the report	Sustainability Report > Feedback	17
102-54	Claims of reporting in accordance with the GRI Standards	<ul style="list-style-type: none"> • Sustainability Report > Reporting Framework • Sustainability Report > GRI Content Index 	16 31 – 34
102-55	GRI content index	Sustainability Report > GRI Content Index	31 – 34
102-56	External assurance	We may seek external assurance in the future	-
Management approach			
103-1	Explanation of the material topic and its Boundary	Sustainability Report > Material Factors	19 – 27
103-2	The management approach and its components	<ul style="list-style-type: none"> • Sustainability Report > Board Statement • Sustainability Report > Policy, Practice and Performance Reporting • Sustainability Report > Material Factors 	13 – 15 18 – 19 19 – 27
103-3	Evaluation of the management approach	Sustainability Report > Material Factors	19 – 27

SUSTAINABILITY REPORT

GRI standard & disclosure title		Section reference	Page
Category: Economic			
201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> • Group 5-Year Financial Highlights • Group Operations Review • Sustainability Report > Material Factors > Sustainable Business Performance • Financial Statements > Consolidated Statement of Profit or Loss and Other Comprehensive Income • Financial Statements > Statements of Financial Position 	08 09 – 11 21 65 66
Category: Environmental			
302-1	Energy consumption within the organisation	Sustainability Report > Material Factors > Energy Conservation	21 – 22
306-2	Waste by type and disposal method	Sustainability Report > Material Factors > Optimal Waste Management	22 – 23
Category: Social			
404-1	Average hours of training per year per employee	Sustainability Report > Material Factors > Employee Development and Well-being	25 – 26
404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability Report > Material Factors > Employee Development and Well-being	25 – 26
404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Report > Material Factors > Employee Development and Well-being	25 – 26
405-1	Diversity of governance bodies and employees	Sustainability Report > Material Factors > Equality and Diversity in the Workplace	23
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Sustainability Report > Material Factors > Commitment to Product Quality and Customer Safety	24
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Sustainability Report > Material Factors > Commitment to Customer Privacy	24 – 25