

KINGSMEN CREATIVES LTD

Sustainability
Report 2018



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OUR PHILOSOPHY

VISION

Design-led, Quality and Service-Driven

MISSION

To maintain our position as one of the leaders
in Asia Pacific

To be an active global player and be recognized
as one of the elite marketing communication
houses globally

To provide exciting and fulfilling career
opportunities for all members through
continual expansion and continuous learning

Established in 1976 and listed on the Mainboard of the Singapore Exchange since 2003, Kingsmen is a leading communication design and production group with a strategic network of 21 offices and full service facilities across Asia Pacific, Middle East and The United States of America to serve our global clients today.

Our commitment to quality standards has gained worldwide recognition in the fields of design consultancy, project management and construction.

ABOUT KINGSMEN

We operate in four main business segments:

- **Exhibitions & Events**
Transforming shows through bespoke solutions
- **Thematic & Museums**
Delivering immersive moments through themed environments
- **Retail & Corporate Interiors**
Crafting sophisticated interiors that bring brands to life
- **Alternative Marketing**
Crafting unique brand experiences for engagement



Backed by a dedicated team of over 1,800 staff, our “One-Stop Shop” concept reflects a seamless workflow from sophisticated design capabilities, attention to design & production details, full warehousing facilities to service-oriented project management.

Helping brands to create and design meaningful experiences that go beyond the physical environment, we have a multidisciplinary team of creative designers from diverse cultures as well as experienced project teams. Supported by a combined manufacturing facility of over 1 million sqft with a full suite of services managed by an efficient team of skilled craftsmen, we are able to ensure both customer satisfaction and stringent quality control.

Kingsmen’s business culture is founded on creativity, quality, integrity and innovation. At Kingsmen, we take pride in delivering each project from conceptualisation to production and fulfilment, ensuring each possesses its own unique character. Our continuous growth with our valued clientele is a reflection of our good design, effective project management and customers’ satisfaction.

MESSAGE FROM GROUP CEO

Sustainability is a fundamental tenet in Kingsmen. It is a continuous journey of learning and improving, and we believe we have built the right foundations for a sustainable business – driven by business excellence and value creation for all our stakeholders.



In 2018, we continued our sustainability journey by reviewing of our business operations and focusing on areas important to Kingsmen and our stakeholders. We have been encouraged by the progress we have made, and endeavour to continue to seek opportunities at improving our sustainability efforts.

Today's business environment dictates that we have to be quick on our feet and adaptable to market changes. This can only be achieved if we have the right pillars in place. One such pillar is our talent pool. We therefore invest significantly in the development of our people to equip them with the necessary skills and knowledge needed for the future and our transformation journey ahead. We evaluated our training and development offerings and introduced new learning opportunities to support our future plans.

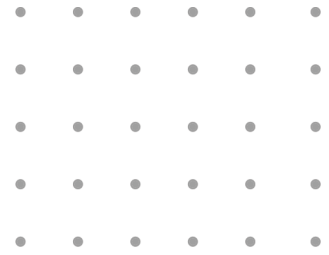
As part of the Group's effort to minimise our environmental footprint, we embarked on digitising our processes by building on our digital capabilities to better serve our customers and advocate best practices within the organisation.

We are confident that as we move forward we will build momentum and have identified possible areas for improvement.

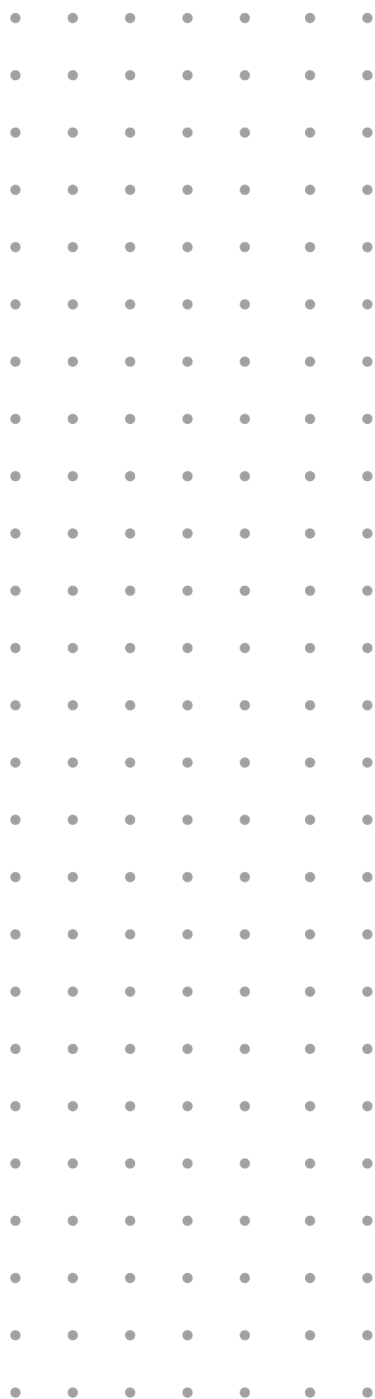
On behalf of the Board, I would like to take this opportunity to thank all members of Kingsmen for their concerted efforts and our partners and stakeholders for their steady support as we continue to do even better in the years to come.

Andrew Cheng
Group Chief Executive Officer

ABOUT THIS REPORT



This is a standalone Sustainability Report that covers the environmental and social aspects of our business operations and progress to date. Similar to FY2017, the report is produced in accordance to the Global Reporting Initiative’s (GRI) Sustainability Reporting Guidelines at Core level. The report is also prepared in accordance with SGX-ST Listing Rules (711A and 711B) – Sustainability Reporting.



With the support of top management, a sustainability reporting committee with representatives from different divisions was formed. A materiality assessment was conducted and the relevant information gathered. It covers the topics that have been deemed as material to Kingsmen’s key stakeholders.

Your feedback is welcome and you can reach us at info@kingsmen-int.com

REPORTING PERIOD & SCOPE

The report covers the performance of Kingsmen and its subsidiaries (the “Group”) from 1 January to 31 December 2018 (FY2018).

We have included the historical data for the previous year of FY2017 for comparison, where available. There has not been any restatement of figures for data disclosed in the previous year,

This report supplements Kingsmen’s Annual Report 2018, which can be found on our corporate website www.kingsmen-int.com. In accordance with our efforts to be more environmentally friendly, this report will only be made available online.

OUR APPROACH TO SUSTAINABILITY

Our sustainability strategy is driven by three key pillars of responsible business practice and aims to bring shared values and constantly challenge the way we work in order to achieve our business objectives:








Our vision is to become sustainably profitable, and we are prepared to constantly challenge the way we work in order to achieve this. Such thoughtful growth calls for the use of goals on sustainability that are rooted in our business ambitions.

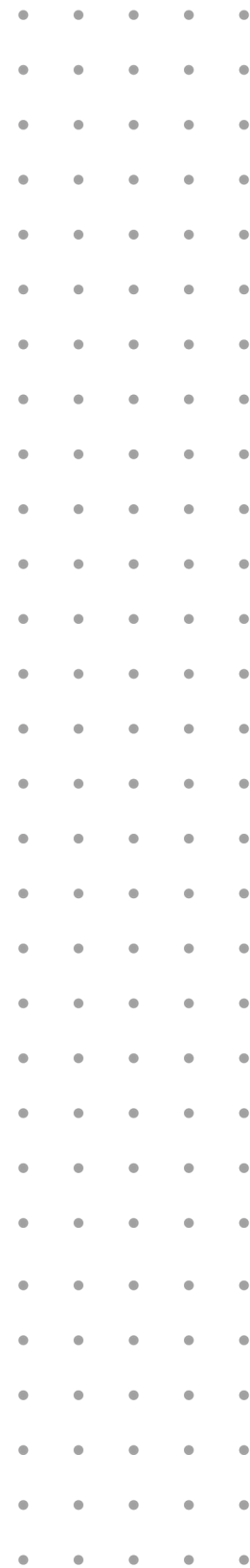
In line with our approach of integrating sustainability in our operations, we leverage on our stakeholder engagements and materiality assessment processes to identify sustainability risks and opportunities.

MATERIALITY

The key topics covered in this sustainability report are based on an in-depth materiality assessment that identifies material issues that reflect our significant economic, environmental and social impacts – on our performance as a business and influencing the decisions of stakeholders.

We review our selected material sustainability factors regularly. For FY2018, the Management, Board of Directors and Sustainability Committee have signed off on the existing material factors:

Material factors	Material topics	Read more in our:
Economic Performance 	Economic Performance	Statements of Comprehensive Income in our Financial Statements
Governance 	Governance	Annual Report - Corporate Governance
People 	Employee well-being Training & Education Talent Attraction & Retention Health & Safety	People section of our Sustainability Report, pages 9 - 11
Environment 	Waste & Resource Management	Environment section of our Sustainability Report, page 13
Community 	Community Involvement	Community section of our Sustainability Report, page 12



OUR APPROACH TO SUSTAINABILITY

STAKEHOLDER ENGAGEMENT

We connect regularly with our stakeholders across various communication platforms and maintain frequent dialogue with them. Through these initiatives, we gather their feedback, concerns and interests to help us to focus on aligning our sustainability strategy to generate long-term value and integrate sustainability initiatives into our daily business operations.

As our sustainability reporting journey progresses, we aim to develop a stakeholder strategy that encompasses our interactions and engagement activities with our key stakeholder groups.

Our four key stakeholder groups:



Customers



Suppliers & business partners







Employees



Shareholders

Communicating with our stakeholders:

Stakeholders	Forms of engagement
Customers 	<ul style="list-style-type: none"> • Ongoing progress meetings • After-sales service • Quarterly Electronic Direct Mailers (EDM) • Annual Group Newsletters
Suppliers & business partners 	<ul style="list-style-type: none"> • Annual Partners' Night • Supplier assessment • Regular engagement with suppliers through face-to-face meetings, emails and phone calls
Employees 	<ul style="list-style-type: none"> • Regular employee engagement • Bi-monthly newsletters • Training courses • Regular feedback sessions within teams • Annual appraisal performance session
Shareholders 	<ul style="list-style-type: none"> • Annual General Meeting • Investor Relations (IR) team ensures that all material announcements are posted in the IR section of the corporate website • End-of-year financial results briefings • Announcements published on SGXNET whenever required by the Listing Manual

OUR PEOPLE

People are the heart of the business at Kingsmen and we strongly believe in sustainable employability. We prioritise talent attraction and retention, providing a safe working environment, investing in training and creating a fun and motivating workplace for our people.

Our human resource Policies and Code of Conduct cover fair remuneration, benefits, health and safety, career development and training and are regularly reviewed by our management. The policies comply with the legal standards in the areas we operate in.

TALENT STRATEGY

We aim to build a sustainable leadership pipeline of talents that will be nurtured to be the future leaders of the organization. As part of our leadership renewal plans, we participate in the Singapore-Industry Scholarship (SgIS) – a partnership between the Government and Kingsmen to develop a strong core of Singaporeans to anchor strategic sectors which are critical for Singapore’s development. To date, Kingsmen has welcomed seven scholars on board where they will undergo two rigorous years of job training and career development.

In FY2018, we reviewed the annual performance appraisal framework to develop a more robust performance measurement for employees. The exercise emphasized targets setting, performance feedback and career development discussions. This initiative seeks to maximise employees’ full potential and enhance their career development prospects which would improve Kingsmen’s organisational performance as a whole.

We also specifically monitor competency requirements for strategically critical roles, and maintain a look out for high-potential internal candidates, providing them with development opportunities.



TRAINING AND DEVELOPMENT – KINGSMEN ACADEMY

We aspire to be a learning organisation with a culture of continuous learning to keep ahead of market trends and respond proactively to face the challenges of a dynamically changing landscape. All new Kingsmen employees undergo an onboarding programme, which exposes them to the culture of Kingsmen, a broad overview of the Company, and knowledge of their day-to-day job roles and responsibilities.



OUR PEOPLE



At Kingsmen, “Educating through Engagement” is a working and practicable maxim that places training right in the career path of our people. To build employee capability, we have the Kingsmen Academy which focuses on the development of our people to reach their fullest potential and provide them with a fulfilling career with the organisation. As part of the Kingsmen Academy, we have a total of 13 unique Kingsmen courses across 6 distinct categories – Sales & Marketing, Process Management, Service Differentiation, Leadership/Management, Legal Knowledge and Finance.

In FY2018, we reviewed our development and engagement curriculum to ensure that our employees are well-equipped with the necessary expertise to compete in the experiential and digital economy. Customising courses to suit our specialised industry, we have since rolled out courses regionally to provide accessibility to learning opportunities for our employees.

The training curriculum is guided by our strategy on employee development and consists of various programmes that range from core functional competencies to leadership capabilities and life skills. These include on-the-job training and coaching, and the mentorship programme which provides a unique opportunity for identified employees to engage and learn from senior management through casual engagement sessions.

LEADERSHIP DEVELOPMENT

Delivery of our business strategy requires skilled leadership. That is why we have developed a series of custom-made programmes, some of which have been developed in collaboration with an external partner. These programmes focus on expanding our leaders’ skillsets and fostering their leadership and management potential.

Our annual regional conferences are aimed at accelerating the development of a strong regional talent pool across the Group, and enhancing their abilities to execute and achieve transformation goals of the organisation. The conferences are opportunities for future leaders to interact with different regional offices to gain new experiences and perspectives.

TRAINING BEYOND THE CLASSROOM

Behind every successful organisation lies a great team that works seamlessly together. Throughout the year, Kingsmen offices conduct team building exercises to strengthen the bond among its teams.

EMPLOYEE ENGAGEMENT

We hold regular formal and informal engagement sessions to ensure that an inclusive work environment is cultivated. To promote a culture of open communications, constant interaction is maintained between managers and their teams to monitor the well-being of employees. In FY2018, we continued with the dialogue session series with the top management team to communicate and connect with senior managerial staff in more intimate settings. These sessions encourage attendees to share their views and address any concerns they may have. We have since extended these sessions to managers to align employees with the organisation's broad goals and strategy.

Our Sports & Recreation Committee also organizes various events to bring employees together outside of their daily work – from our annual Dinner and Dance to sports-related events, health talks and other special interest activities.

WORKPLACE HEALTH & SAFETY

We provide a safe work environment for our people and a workplace safety and health committee actively promotes awareness on occupational health and safety and raises the safety standards for employees.

The committee ensures that we comply with all regulatory requirements, conduct safety onsite inspections, fire safety plans, and enforces safety-related trainings of all operational staff.



OUR COMMUNITY

We believe we have a responsibility to improve the lives of those in the communities we operate in and focus on initiatives that will contribute where it matters and have a positive impact. Beyond corporate work, our community strategy is centred on supporting various social initiatives in the areas of art, youth and education.



Our focus on supporting youth empowerment is an extension of our motto of continuous learning that has become synonymous with Kingsmen. We hope to create opportunities for the marginalised youth through our support for the beneficiaries' community engagement work. We also participate in other community initiatives on selective basis, ensuring that it is aligned with our community engagement objective.

In FY2018, we continue to be partner with SHINE Children & Youth Services (formerly known as "Students Care Service") in giving back to the youth as a means of engaging our employees and contributing to the community. In partnering with SHINE, we strive to inspire youth to dream big. Partnering with social workers from SHINE, Kingsmen staff assist with the school-based programme which consists of activities designed to help students develop social and life skills. Kingsmen also sponsored the Outward Bound Singapore Programme for SHINE youth which aimed to build character in the long run. Apart from various engagement activities with the students, the Group also supports its events and activities with fundraising efforts and has raised more than \$350,000.

OUR ENVIRONMENT

As part of Kingsmen's sustainability practice, we embrace sustainability in ways that generate value for both our organization and our clients throughout the planning and execution phase of our projects. We understand that our business processes can have positive and negative environmental impacts and our goal is to provide services that wherever practical, minimizes the negative and maximises the positive longer-term impacts.

SUSTAINABLE WORKING ENVIRONMENT

We are a part of the global effort to sustain and better manage our resources and are constantly seeking ways to deliver more environmentally-friendly projects.

Some of our conservation initiatives include adopting environmentally-friendly practices into our processes, including all our offices and production plants to minimise the impact of our business operations on the environment. As part of our standard operating procedures, we also reduce energy and water consumption.

Kingsmen works continually to reduce our energy consumption and cost is monitored regularly to identify how the greatest energy savings can be achieved. Within offices, timers and temperature controls are set for air conditioners to avoid unnecessary energy consumption and regular maintenance is arranged to ensure that power is used efficiently. In the production plants, equipment is regularly maintained and upgraded to enhance electricity efficiency. Project scheduling at production plants ensure that equipment is operating at optimal efficiency to reduce unnecessary energy consumption.

To reduce our carbon footprint, the Group promotes video conferencing and collaboration technologies to conduct meetings, reducing non-essential flights.

LED lights have been installed and motion detectors in corridors ensure lights are switched off when not in use.

Our Green Committee champions environmentalism within the Group and employees are actively involved in fulfilling our Green philosophy, by engaging in green practices within our day-to-day operations, basically to practice the 3Rs – recycle, reuse and reduce. Our Hong Kong office embarked on a Plantation Enrichment Project 'Tree Care Day' to encourage staff to embark on sustainable efforts for the environment.

SUSTAINABLE DESIGN & WASTE MANAGEMENT

Our designers and project personnel advocate green design during the planning process and there is collaborative effort to seek ways to make projects more eco-friendly with the introduction of new innovative products and materials to minimize the amount of waste we generate. We also consider environmental impacts in our recommendations to clients and during procurement.

Our service offerings include the rental of more than 100 furniture types to reduce the material consumption at events. In addition, we also offer clients the option of recycling custom-built booth components to reduce waste and provide turnkey services for storage to refurbishment after each

show, extending the lifespan of the built materials. Modular systems such as Octanorm and Maxima are design solutions for booth structures which provide versatility and can be reused. Increasingly, we are exploring the extensive use of new technologies and materials to reduce waste and help our clients create unique experiences that create more value.

The Kingsmen Environmental Policy clearly specifies that our suppliers and partners are briefed on our waste management policy and on-site supervisors ensure compliance.




OTHER ENVIRONMENTAL INITIATIVES

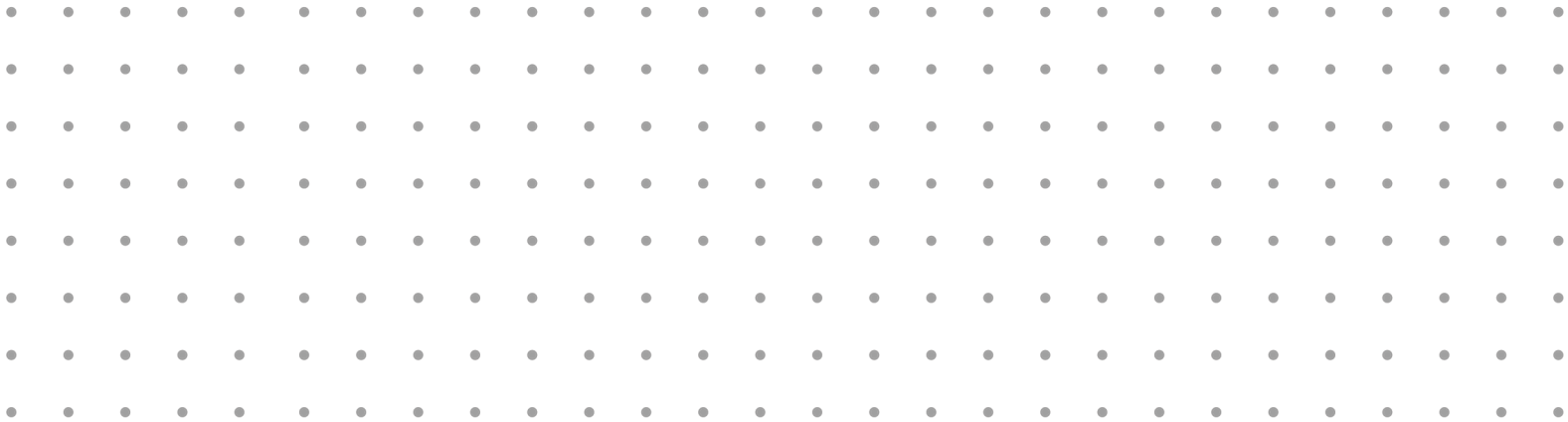
The Group promotes digitalisation in our internal and external business operations through a steady conversion to online applications in order to reduce paper consumption.

We acknowledge that change is necessary but it is a long-term ongoing process, as these are practices well entrenched in the industries we operate in, but we will continue to work with our business partners to raise their awareness and look to reduce our carbon footprint through innovative ways.

SUMMARY

We will continue to track our progress by and conduct responsible business practices, foster a highly engaged workforce, and develop best practices in regards to our environmental impacts. We are consistently enhancing our performance-monitoring processes and improving the type of data that we collect.

Performance Targets for FY2019	
People 	<ul style="list-style-type: none">• Review programmes within Kingsmen Academy to provide opportunities for staff to develop and grow• Improve overall employee well-being through steady improvements in engagement
Environment 	<ul style="list-style-type: none">• Undertake further initiatives to promote environmental sustainability to meet current business needs• Move towards electronic transmission of shareholder documents to reduce environmental footprint.
Community 	Extend our Youth-focused community involvement throughout the Group



GRI INDEX

GRI Standard	Disclosure	Page Reference/Information
GRI 102: General Disclosures		
Organisational profile		
102-1	Name of Organization	Kingsmen Creatives Ltd
102-2	Activities, brands, products, and services	Sustainability Report – About Kingsmen (page 2); Annual Report – Financial Highlights & Performance Review (pages 8-11)
102-3	Location of headquarters	Singapore
102-4	Location of Operations	14 countries: Singapore, Cambodia, Hong Kong, India, Indonesia, Japan, Malaysia, Myanmar, People's Republic of China, South Korea, Thailand, United Arab Emirates, United States of America, Vietnam
102-5	Ownership and legal form	Annual Report – Financials, Note 1 to the Financial Statements (page 55)
102-6	Markets served	Markets in Singapore, Bangkok, Beijing, Busan, Dubai, Hanoi, Ho Chi Minh, Hong Kong, Jakarta, Kuala Lumpur, Los Angeles, Macau, New Delhi, Osaka, Phnom Penh, Seoul, Shanghai, Shenzhen, Taipei, Tokyo, Yangon
102-7	Scale of the organization	Annual Report – Financial Highlights & Performance Review (pages 8-11)
102-8	Information on employees and other workers	The scope of the sustainability report only covers all employees in Kingsmen and its subsidiaries.
102-9	Supply Chain	Our supply chain integrates both in-house capabilities with best of breed expertise from external parties. These include sub-contractors and partners in the carpentry, metal works, mechanical and electrical, flooring, spray painting, lighting, air conditioning, painting, carpet, freight forwarding and travel sectors to deliver the optimal solution seamlessly.
102-10	Significant changes to the organization and its supply chain	No significant changes from FY2017 to FY2018
102-11	Precautionary Principle or approach	Annual Report – Corporate Governance Report (pages 21 – 35)
102-12	External initiatives	Sustainability Report – Our Approach to Sustainability (page 6)
102-13	Memberships of associations	Refer to our Kingsmen Website – Awards and Affiliations
Strategy		
102-14	Statement from senior decision maker	Sustainability Report – Message from Group CEO (page 4)
Ethics and Integrity		
102-16	Values, principles, standards and norms of behavior	Annual Report – Corporate Governance Report (pages 21 – 35)

GRI INDEX

GRI Standard	Disclosure	Page Reference/Information
Governance		
102-18	Governance Structure	Annual Report – Corporate Governance Report (pages 21 – 35)
Stakeholder Engagement		
102-40	List of stakeholder groups	Sustainability Report – Stakeholder Engagement (page 8)
102-41	Collective bargaining agreements	0% of workforce are participating in collective bargaining agreements.
102-42	Identifying and selecting stakeholders	Sustainability Report – Materiality. Stakeholder Engagement (pages 7 – 8)
102-43	Approach to stakeholder engagement	Sustainability Report – Stakeholder Engagement (page 8); Annual Report – Corporate Governance Report, Communication with Shareholders, Principle 15 (pages 33 – 34)
102-44	Key topics and concerns raised	Sustainability Report – Materiality (page 7)
Reporting Practice		
102-45	Entities included in the consolidated financial statements	Annual Report – Notes 17 – 19 to the Financial Statements (pages 86-95)
102-46	Defining report content and topic boundaries	Sustainability Report – About this Report (page 5)
102-47	List of Material Topics	Sustainability Report – Materiality (page 7)
102-48	Restatements of information	Not applicable
102-49	Changes in reporting	Not applicable
102-50	Reporting period	1 January – 31 December 2017
102-51	Date of most recent report	Not applicable
102-52	Reporting cycle	Annual
102-53	Contact point for questions regarding the report	Info@kingsmen-int.com
102-54	Claims of reporting in accordance with the GRI Standards	Sustainability Report – About this Report (page 5)
102-55	GRI Content Index	GRI Content Index
102-56	External Assurance	We have not sought external assurance for our current Sustainability Report.
GRI 200: Economic Performance		
201-1	Direct economic value generated & distributed	Annual Report – Financials (pages 36 – 124)
202-2	Proportion of senior management hired from the local community at significant locations of operation	Annual Report – Board of Directors, Senior Management (pages 4 – 7)

GRI Standard	Disclosure	Page Reference/Information
GRI 300: Environment		
301-2	Recycled input materials used	Sustainability Report – Our Environment (page 13)
-	Eco-Innovation	Sustainability Report – Our Environment (page 13)
GRI 400: Social		
401-2	Benefits to full term employees that are not provided to part-time or temporary employees	Sustainability Report – Our People (page 9)
402-1	Minimum notice periods regarding operational changes	In the event of termination, a minimum notice period of one to three months needs to be fulfilled, depending on the employee’s job grade. The minimum notice period for non-executives has been specified in the employee’s contract.
403-1	Worker representation in formal joint management – worker health & safety committees	Sustainability Report – Our People (page 9)
404-1	Average hours of training per employee per year	Sustainability Report – Our People (page 9)
404-2	Programs for upgrading employee skills	Sustainability Report – Our People (page 9)
404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Report – Our People (page 9)
413-1	Operations with local community engagement, impact assessments and development programs	Sustainability Report – Our Community (page 12)

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