

KINGSMEN CREATIVES LTD

SUSTAINABILITY
REPORT

2019



CONTENTS

About Kingsmen	02
Message from CEO	04
About this Report	05
Our Approach to Sustainability	06
Our People	09
Our Community	12
Our Environment	13
Targets	14
GRI Index Table	15

ABOUT KINGSMEN

Established in 1976 and listed on 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. We operate in four main business segments:

EXHIBITIONS & EVENTS

Transforming shows through bespoke solutions

RETAIL & CORPORATE INTERIORS

Crafting sophisticated interiors that bring brands to life

THEMATIC & MUSEUMS

Delivering immersive moments through themed environments

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 conceptualization 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.

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

MESSAGE FROM CEO

Our sustainability strategy is deeply rooted in our company's adaption to continuous transformation. Over the past few years, we have continued to build the foundations that will help us deliver our sustainability objectives. As we operate in today's unpredictable environment, we recognize the increasing importance for responsible business practices, as societies around the world become more intertwined.

The spread of the Coronavirus in the first few months of 2020 have impacted the entire world and our lives in an unprecedented manner. Our focus is to protect the wellbeing of our colleagues, and ensuring the continuity of service for our clients. While we cannot fully anticipate the future resulting from seismic shifts to our way of life, this crisis will be a test of our resilience and agility to adapt and thrive in a post-pandemic world.

We view sustainability as a journey of continuous learning, adapting and improving. 2019 saw us identifying new opportunities to better our sustainability approach, integrating it throughout the services that we provide. Together with our partners, we sought to reduce our environmental footprint through innovative sustainable practices across our operations. At the core of our strategic priorities, is the focus on broadening and deepening the sustainable employability of our people. Efforts to upskill and develop them to be relevant and effective in this fast-changing economy is ongoing.

The global pandemic has heightened the awareness of the importance of technology and digital solutions in the way we work and services we offer. These coupled with a well-trained and knowledgeable team will enable our sustainable and innovative steps forward.

On behalf of the Board, I would like to thank every member of the Group for their tireless contribution and all stakeholders for their continued support and belief in us. The road ahead will be different, but I believe that we can rally together and emerge stronger and better.

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. 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 2019 (**FY2019**).

We have included the historical data for the previous year of FY2018 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 2019, 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:

01 We strive to be relevant in the marketplace & generate profits to benefit our stakeholders & the community at large.

02 We will create sustainable value for our stakeholders & are committed to aligning our long-term business strategies with their interests.

03 We will continue to refine our sustainability framework and drive performance improvements around our key material issues.


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 to fully integrate sustainability into our corporate DNA, we leverage on our stakeholder engagements and materiality assessment processes to identify sustainability risks and opportunities. We incorporate these issues into our business model and implement sustainable and responsible practices to mitigate them.

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 based on importance to our stakeholders and the sustainability impact to our business. For FY2019, the Management, Board of Directors and Sustainability Committee have signed off on the existing material factors:

Material Factors	Topics	Read more in our:
Economic Performance 	Economic Performance	Annual Report – Financial Statements, pages 40 – 131
Governance 	Governance	Annual Report - Corporate Governance, pages 25 – 39
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 through both formal and informal channels of communication 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.

We identify stakeholders as groups that have an impact, or potential to be impacted by our business. As part of the process, the Group has identified four key stakeholder groups below:



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)
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 • Team building activities
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

We are a learning organisation and have committed to nurturing an ecosystem that is built on mutual respect and trust. Embedded in our core values, we believe in helping our people from all backgrounds to build a rewarding career and achieve their full potential. We recognize that our success lies in them and strive to empower them to be game changers. Offering them opportunities to develop and grow, we believe that this holistic development is an investment in sustainable employability and the key to our continuous success. We value diversity and leveraging on the expertise of our people to build a competitive workforce. This includes prioritising talent attraction and retention, creating a safe working environment and investing in training and development.

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 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. In FY2019, we welcomed an additional scholar on board, bringing the total to eight.

In FY2019, we further revamped and streamlined the annual performance appraisal framework to develop a more comprehensive performance measurement for employees. The exercise emphasized the following objectives:

- Target setting through individual and measurable goals
- Framework for career development discussion
- Enhance employee's understanding of the Organisation's core values
- 360° feedback to identify development needs

This initiative seeks to promote a high-performance culture and strategically manage and develop a strong talent pool.

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

OUR PEOPLE



At Kingsmen, “Educating through Engagement” is a working and practicable maxim that places training right in the career path of our people. Training sessions are designed to enhance individual learning and build employee capability. The Kingsmen Academy continues to evolve its learning and development programmes offered to adapt to its strategic needs.

In FY2019, we stepped up efforts to offer training programmes that shape an innovative culture that can easily adapt in a continuously transforming business landscape. Together with professionals, the top management identifies the most important strategic needs for the business and translates these into relevant learning and development programmes.

TRAINING AND DEVELOPMENT – KINGSMEN ACADEMY

We promote and support employee development and organizational effectiveness by providing high-quality training programmes that are aligned with the strategic needs of our organisation. By investing across creative, technical and leadership skills, we provide our people with opportunities for professional and personal development, keeping them engaged with the industry. 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.

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

Through a structured leadership development framework, we develop skilled leadership competencies that create a strong foundation to become future leaders. Our annual regional conferences are aimed at accelerating the development of a strong regional talent pool across the Group. The conferences address change, culture, and thought leadership. These are opportunities for future leaders to sharpen their skills to be effective leaders in critical leadership positions.

In FY2019, 82 delegates attended the Group Leadership Conference, and 60 delegates went through the Group Managers Forum. This approach ensures that high-potential employees who are not yet in a leadership position are identified and nurtured.

EMPLOYEE ENGAGEMENT

An engaged and inspired workforce is essential to retaining the brightest talent that is essential to the works that we bring alive. We use formal and informal engagement sessions to ensure that an inclusive work environment is cultivated. To promote a culture of open communication, constant interaction is maintained between managers and their teams to monitor the well-being of employees. In FY2019, we invited employees from different functions and teams to attend a dialogue session series with the top management team to communicate and connect in a more intimate setting. These sessions motivate attendees to share their views and address any concerns they may have. The feedback gathered during the sessions help the leadership team formulate and identify effective culture drivers.

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 continue our commitment to ensuring the health & safety of all our employees and conduct our business in accordance with all workplace health and safety laws, standards, and codes of practice. 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

At Kingsmen, 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 focused on areas of education, design, and youth.

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

In FY2019, we continue to 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.



Across Asia, we also proactively promote public interest by supporting community growth and development through regional office efforts. Each Kingsmen office organizes its own community engagement programmes including extending pro bono services.

KINGSMEN BURSARY

Based on the dogma, "Charity starts from home", we launched the 'Kingsmen Bursary' in 2008 which aims to alleviate the financial burden faced by some of our employees in providing for their children's education.



OUR ENVIRONMENT

Our sustainability approach ensures that we 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 we do our part to minimise our environmental footprint while maximising 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 remote meetings and collaboration technologies to conduct meetings, reducing business travel.

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.

SUSTAINABLE DESIGN & WASTE MANAGEMENT

Our sustainable initiative is also extended to our rental service offerings that include 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. 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.

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.

In support of the global movement for environment protection, our work for L'Oréal Travel Retail Asia Pacific's booth at Tax Free World Association (TFWA) 2019 show showcased efforts of green exhibiting. Material and production details were re-examined to create sustainable design that could

be repurposed. Opting for modular structures and recycled materials, we kept wastage to a minimum. Greener application was selected in water-based paint and using glues and stickers as we move away from conventional build requiring staple and nails. This was recognized in World Exhibitions Stand Awards 2020 when the project clinched Silver for Best Sustainable Stand.

Our sustainable initiative is also boosted by our ongoing furniture rental schemes, allowing for reusability and adaptability. Please refer to our Green Policy for full details.

OTHER ENVIRONMENTAL INITIATIVES

Since FY2019, we have ceased mailing our physical copies for our annual report and will write to shareholders to explain that the same information is available on our website. Physical copies will be made available only upon request.

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.

Sustainable supply chain management drives organisational excellence. We have policies and procedures in place for the procurement process and stringent checks on vendor qualification and evaluation to reduce risk. We continue to reduce our environmental impact and encourage stakeholders such as suppliers and subcontractors to meet the same expectations. We will ensure that all new vendors will be screened, evaluated and selected in accordance to their conduct and performance on environmental factors.

TARGETS


DATA PRIVACY

Protection of personal data is of utmost importance for Kingsmen. In FY2019, we formulated a data policy that is applicable across the Group and it defines our corporate policy on the handling of personal data of our clients, customers, business partners, prospects, and job applicants. The Data Policy details the collection, use and/or disclosure of personal data is in compliance with the legislation, and is made available on our website.

SUMMARY

Our business is impacted by various environmental, social, and ethical issues, either directly or through the fast-evolving landscape. The commitment to innovation helps us to continue playing our role to manage and mitigate these evolving set of issues. We will continue to track our progress

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

PERFORMANCE TARGETS FOR FY2020	
<p>People</p> 	<ul style="list-style-type: none"> • Implement structured programmes for upgrading digital competency skills • Implement digital touchpoints for employee engagement
<p>Environment</p> 	<ul style="list-style-type: none"> • Review digital initiatives to promote environmental sustainability to meet current business needs
<p>Community</p> 	<p>Extend our Youth-focused community involvement throughout the Group</p>

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 12 – 15)
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 59)
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 12 – 15)
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 FY2018 to FY2019
102-11	Precautionary Principle or approach	Annual Report – Corporate Governance Report (pages 25 – 39)
102-12	External initiatives	Sustainability Report – Our Approach to Sustainability (pages 6 – 8)
102-13	Memberships of associations	Refer to our Kingsmen Website – Awards and Affiliations

GRI INDEX

GRI Standard	Disclosure	Page Reference/Information
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 25 – 39)
Governance		
102-18	Governance Structure	Annual Report – Corporate Governance Report (pages 25 – 39)
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 (page 8)
102-43	Approach to stakeholder engagement	Sustainability Report – Stakeholder Engagement (page 8); Annual Report – Corporate Governance Report, Communication with Shareholders, Principle 12 (pages 37 – 38)
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 91 – 101)
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 2019
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 Standard	Disclosure	Page Reference/Information
GRI 200: Economic Performance		
201-1	Direct economic value generated & distributed	Annual Report – Financials (pages 40 – 131)
202-2	Proportion of senior management hired from the local community at significant locations of operation	Annual Report – Board of Directors, Senior Management (pages 8 – 11)
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 (pages 9 – 11)
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 (pages 9 – 11)
404-1	Average hours of training per employee per year	Sustainability Report – Our People (pages 9 – 11)
404-2	Programs for upgrading employee skills	Sustainability Report – Our People (pages 9 – 11)
404-3	Percentage of employees receiving regular performance and career development reviews	Sustainability Report – Our People (pages 9 – 11)
413-1	Operations with local community engagement, impact assessments and development programs	Sustainability Report – Our Community (page 12)

Kingsmen Creatives Ltd

Co. Reg. No. 200210790Z

The Kingsmen Experience

22 Changi Business Park Central 2
Singapore 486032

Tel (65) 688 000 88

info@kingsmen-int.com
www.kingsmen-int.com



kingmen