



# ARION ENTERTAINMENT SINGAPORE LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration Number: 199407135Z)

# Sustainability Report 2019

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# ABOUT THIS REPORT

Arion Entertainment Singapore Limited (the “Company” and together with its subsidiary corporations, the “Group” or “we” or “us” or “our”), hereby presents our second sustainability report (the “Report” or “Sustainability Report”), prepared on a ‘comply or explain’ basis in accordance with Rule 711B and Practice Note 7F of Listing Manual Section B: Rules of the Catalist of the Singapore Exchange Securities Trading Limited (“SGX-ST”) and in accordance with the Global Reporting Initiative (“GRI”) Standards (2016) – Core Option. This Report covers data and information for the financial year from 1 April 2018 to 31 March 2019 (“FY2019”) and would continue to cover one of the Company’s subsidiary corporations, Inovatif Media Asia Sdn Bhd (“Inovatif”) as it is the sole operating entity of the Group in FY2019. Throughout the report, we will discuss the Group’s efforts and performance on Environmental, Social and Governance (“ESG”) factors.

The GRI reporting framework was adopted for its robust regime and we have looked into using the principles of stakeholder inclusiveness, sustainability context, materiality and completeness to put together our second sustainability report. And for its quality, we have applied the GRI principles of accuracy, balance, clarity, comparability, reliability and timeliness. We have also included the GRI Content Index, which summarises information in our Report.

We have not sought external assurance for the Sustainability Report for FY2019.

## ***Report Contact and Feedback***

We welcome your feedback and for any queries or suggestions in relation to this Sustainability Report, you could reach us at: <http://www.egl.com.sg/contact-us.html>

# BOARD STATEMENT

## Sustainability Strategy

The Board remains committed to build on the efforts in sustainability and progress made by the Group in the previous year. Looking back at FY2019, we were successful in finding various ways to reduce our operational expenses amidst the challenging conditions for our industry. As we move forward, we strive to continuously increase transparency and encourage efficiency. As we progress in sustainability reporting, we plan to provide stakeholders a more comprehensive picture of how we operate and bring into sight the risks and opportunities which can be better managed for future returns.

We are pleased to present our second Sustainability Report to further elaborate on our sustainability strategy and the progress made with regards to ESG factors and would like to take the opportunity to thank our stakeholders for making this report possible.

## Sustainability Governance

The Board maintained the responsibility of incorporating sustainability issues into its strategic formulation as well as the monitoring and selection of material ESG factors identified in the Sustainability Report. The senior management continues to manage the sustainability performance of the Company's subsidiaries and provide timely updates to the Board.

## Sustainability Factors

In this Sustainability Report, the material ESG factors selected previously continue to be identified as the factors which are relevant to the Group and we would be discussing the progress and impacts of these factors in greater detail.

# CORPORATE PROFILE

## Mission

To build shareholder value by focusing our efforts and resources into areas with high growth potential.

## Key Objectives

Diversify revenue and earnings stream through various platforms.

Continuously review the performance of the publishing operations as part of the Group's effort to rationalise the publishing operation and improve profitability.

## About us

Arion Entertainment Singapore Limited ("AES") was incorporated in 1994 as Panpac Media Group Limited and listed on the Singapore Stock Exchange's SESDAQ in 1997. Formerly known as Elektromotive Group Limited (LEX: SP), we are an investment holding company with business activities in Malaysia which is involved in the sale and publishing of magazines and periodicals and events management.

## About Inovatif Media Asia Sdn Bhd (Inovatif)

A wholly-owned subsidiary of AES, Inovatif Media Asia Sdn Bhd was incorporated in 2002 to take over the operations of all the magazines under Panpac Media Malaysia Group.

Currently, Inovatif publishes the following magazines:

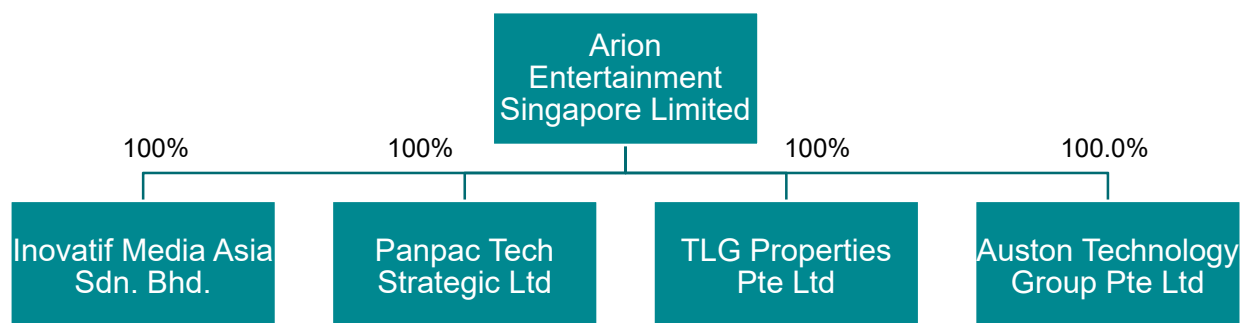
- a) Smart Investor – business and investment magazine
- b) Calibre - a business/lifestyle magazine for Public Mutual group
- c) Feng – a Chinese language business/lifestyle magazine for Public Mutual group

Besides publishing proprietary titles, Inovatif also provides contract publishing service. Currently Inovatif is the contract publisher for 4E Journal, a financial magazine circulated to members of Financial Planning Association of Malaysia ("FPAM").

Inovatif has been working with financial organisations including FPAM as media partners to their events and also organised events with their clients for the benefit of the public.



# GROUP STRUCTURE



As AT 31 MARCH 2019

During FY 2019, the Group's dormant subsidiary corporations were struck off as follows:

S/N	Subsidiary Corporations	Previous Shareholdings	Struck off Date
1.	E-Motive (Asia) Pte Ltd	100%	January 2019
2.	Romulus Holdings Pte Ltd*	60%	February 2019

# BOARD OF DIRECTORS

Our Group is headed by an effective Board which sets goals, reviews and advises on overall strategies and directions, oversees the effectiveness of the management and assumes responsibilities for overall corporate governance of our Group to ensure the Group's strategies are in the best interests of the Company and its stakeholders. Details of our Board members and respective committees for FY2019 are as follows:

## BOARD OF DIRECTORS

Ng Kai Man  
(Executive Director)

Chou Kong Seng  
(Independent Director and Chairman of the Audit Committee)

Kesavan Nair  
(Independent Director and Chairman of the Nominating Committee)

Lee Keng Mun  
(Independent Director and Chairman of the Remuneration Committee)

## AUDIT COMMITTEE

Chou Kong Seng

Kesavan Nair

Lee Keng Mun

## REMUNERATION COMMITTEE

Lee Keng Mun

Kesavan Nair

Chou Kong Seng

## NOMINATING COMMITTEE

Kesavan Nair (Chairman)

Lee Keng Mun

Chou Kong Seng

# CORPORATE INFORMATION

## Training and updates for the Board

In FY2019, the Company did not appoint any new directors.

The Directors receive updates on regulatory changes and Companies Act from the Company Secretary and accounting standards from the independent auditors. The Executive Director keeps the Board updated on the major operational and strategic developments, outlines the outstanding issues and discusses the risk management of the Company at each Board meeting.

## Supply chain management

As we continue our efforts in maintaining a sustainable supply chain, we continued to build our working relationship with responsible business partners identified by the Company. We continue to ensure that our suppliers have been ISO 14001:2015 certified which demonstrates our commitment to sustainability by utilising suppliers which are accredited for efficient use of resources and positive environmental performance. Memberships of associations and permits

Company	Type of Membership/Permits/Certifications
Inovatif Media Asia Sdn. Bhd Publications: Feng, Calibre and Smart Investor	Printing and publishing deeds



# STAKEHOLDER ENGAGEMENT

Stakeholder	Concerns	How we engage	Expectations and Actions
<b>Supplier</b>	Communication Quality Eco-friendly	Supplier Assessment Feedback	To comply with internal purchasing procedures and ensure that consistent communication with suppliers to ensure efficiency, quality and retention of environment friendly suppliers.
<b>Customers</b>	Outreach Value Confidentiality of personal data	Brochures distribution Formal meeting Feedback from sales agents and customers Establishment of data protection policy to safeguard customer personal data	To expand our outreach and continue to provide exemplary services to our customers through communication and analysis while safeguarding the personal data of our customers.
<b>Employees</b>	Opportunities Fairness	Communication sessions Yearly staff evaluations	To provide constant communication to our employees and ensure fair and non-discriminatory practices at our workplace
<b>Shareholders</b>	Company Growth Transparency	Annual Meetings with shareholders Websites Announcements on SGX	To convey timely, full and credible information to shareholders through announcements and create long term value and economic growth.
<b>Readers</b>	Good Content Accessibility	Feedback from readers Roadshows Information analysis and surveys	To continue to obtain reader's feedback and translate their demographics and concerns to better content for further outreach.
<b>Government and Regulators</b>	Compliance with regulatory and industry standards and guidelines	Consultations and briefing organised by key regulatory bodies Advice and information received from professionals such as Company's sponsor	We aim to comply to governmental policies and regulations to achieve compliance to all relevant regulations.

# MATERIALITY

In the second Sustainability Report, we would continue to elaborate on the ESG factors identified in the previous Sustainability Report. The Group, after taking into consideration the viability of environmental, governance and social impacts through our operations, believes that these factors are still relevant to the Group and provide a platform for us to continue and progress in our sustainability journey.

Environmental	Governance	Social
<p data-bbox="199 616 287 649">Energy</p> 	<p data-bbox="603 622 778 656">Anti-Corruption</p> 	<p data-bbox="1011 622 1230 656">Non-Discrimination</p> 
	<p data-bbox="603 1010 810 1043">Customer Privacy</p> 	<p data-bbox="1011 1016 1230 1050">Local Communities</p> 

# ANTI CORRUPTION

The Group prohibits all forms of corruption and bribery. The Group requires all employees to strictly abide by professional ethics and eliminate any corruption and bribery. We would like to reaffirm our strong stance that we have zero tolerance towards unethical acts in totality.

The Group's Company Secretary updates the Board on regulations and Companies Act regularly to the Board. Additionally, the Group's Executive Director and senior management updates the Board on the strategic developments such that the Board is able to keep abreast of the latest developments and potential risks arising.

Employees have to declare conflict of interests on an ad-hoc basis, if applicable. Additionally, with the whistle blowing channel established, whistle-blowers can report verbally or in writing to the senior management of the Group for any suspected misconduct (including corruption, bribery, extortion, fraud and money laundering) with full details and supporting evidence. The management will conduct investigations against any suspicious or illegal behavior to protect the Group's interests and the whistleblowers.

During FY2019, we are pleased to announce that there were zero cases of corruption and we did not receive any whistle blowing reports.

## **Target for subsequent reporting:**

With the strong corporate governance and anti-corruption culture established, our Group will continue to target zero cases of corruption. We would also check on the policy and procedures regularly to ensure that it is in line with the requirements set in place by regulating authorities and update it if necessary.

## ENERGY

As the world becomes increasingly informed about energy consumption and its negative impact on the environment, our operations constantly keep a lookout on improvements where we could incorporate into our daily operations to attain the goal of carbon reduction and be more energy efficient. Meanwhile, the Company managed to decrease our usage on a year-on-year basis, reducing our water usage in FY2019 by 10.8% as compared to financial year ended 31 March 2018 (“FY2018”). Our electricity usage increased slightly, from 30,106kwh to 30,224kwh, a modest increase of 0.4%. The Group's consumption for the period under review is presented below:

Type	Units (FY2018)	Units (FY2019)
Water	195m <sup>3</sup>	174m <sup>3</sup>
Electricity	30,106kwh	30,224kwh

The Company continues to utilise energy-efficient fittings and products with Green labels. Additionally, the Group recognises that reducing carbon emissions in our daily operations has a positive effect on climate change. All employees stringently complied with the Group's policy of saving energy to ensure power is turned off when electrical appliances are not in use.

### **Target for subsequent reporting:**

As part of our strategy, we strive to continue to explore for different opportunities which may allow us to reduce our consumption of electricity or water, bringing us cost savings as well as reducing our carbon footprint.

## NON-DISCRIMINATION

We value the importance of diversity among our workforce. Hence, we hire from a mixture of different genders, race, nationality, religion and age groups, to enhance creativity and innovation and provide for a balanced demographic to contribute to an ideal diversity in the organisation's culture.

The Group's workforce remains constant at 11 staff with 6 female and 5 male staff. 8 of the staff are located at Malaysia while 3 of the staff are stationed in Singapore. With regards to gender composition, the percentage of female employees and female managers remain the same as compared to FY 2018.

As part of our commitment to developing talent, we strive to create an open and trusting work environment characterised by equal opportunity, as well as a diverse, inclusive, collaborative and learning culture. We also perform annual staff assessment to give supervisors and managers an opportunity to recognise employees' hard work, dedication and commitment. We ensure that two-way communication is always available to all our employees to align business goals and objectives with employees. Any feedback could be raised to the Human Resource Department for further actions and discussions. Through meetings can also be a great time to discuss any additional support or training employees need to accomplish the goals.

During FY2019, we are proud to mention that there were zero incidents of discrimination recorded by the Group.

### **Target for subsequent reporting:**

We provide equal opportunities to all employees without discrimination. We believe that promoting a fair workplace environment will build the employees' respect and loyalty towards the company. We will continue to maintain our non-discrimination workplace culture and strive to maintain zero incidents of discrimination in the upcoming year.

## LOCAL COMMUNITIES

As we continue to be active in the editorial industry through our various publications, Inovatif continues to promote awareness about local communities to our readers. While the topic coverage of our magazines remains consistent, covering areas such as business, investing, health and wellness, cultures, arts to family relationship, we continuously attempt to add local content to our publications.

The Group maintains our aim to deliver and produce contents which have positive social impacts. We always make an effort to vet through our sources before we publish them, to ensure zero false information in all of our publications. We are also always trying to generate positive value to our readers by including, as well as researching and testing out improvement solutions that we provide in our publications, be it financial or lifestyle related.

Collaborating with local authorities provides a host of economic benefits such as job creation. During FY 2019, we have organised the Malaysian Morningstar Awards 2019. This year, we continue to be the media partner that promotes the local finance and investment industry such as Malaysian Industrial Relation Awards 2019, and Financial Planning Symposium 2019, FSMOne Recommended Unit Trust Awards 2019 as well as supporting other related business events and seminars. We also seek to create long-term economic benefits for our communities through recruitment of local talent and development of local suppliers, supporting a reliable local supply network to drive economic growth. When organising and planning events for our clients, we maintain our outreach to local community through constant lookouts for local talents in delivering services to our clients.

With the publication of the following magazines, our outreach remains relatively constant and the statistics published previously could be used as a reference. Please refer to the table below for more information:

Locations in Malaysia	Smart Investor	Calibre	Feng
East Malaysia (Sabah & Sarawak)	8,070	9,600	3,000
East Coast (Terengganu, Kelantan, Pahang)	-	5,600	1,000
Northern Region (Perak, Kedah, Perlis, Penang)	6,456	18,400	5,000
Southern Region (Johor, Melaka, N.Sembilan)	6,456	14,400	3,600
Central Region (Kuala Lumpur / Selangor)	32,818	30,400	7,000
Others	-	1,600	400
Total Readers	53,800	80,000	20,000

### Target for subsequent reporting:

Our Group would continue our emphasis to contribute to the people closest to us, our employees, consumers and their relevant communities. With the editorial content we publish and the events which we plan, organise and support as media partners, we aim to continue to deliver and produce content which have positive social impacts and to extend our influence to more people in Malaysia.

# Customer Privacy

We respect customer privacy and are committed to protecting customer data.

The importance of customer privacy and ensuring that confidential information is secure are one of the focuses of the Company. The Company only collects essential information from the relevant subscribers, readers and customers and uses the information solely for the Company's purpose. All our employees are expected to be compliant to the Personal Data Protection Act of Malaysia and we ensure that no external parties have access to the information collected by the Company. All information is kept in secure infrastructure or are password protected and only the authorised personnel of the Company has access to such information.

In FY2019, we are pleased to inform that there were no cases of substantiated complaints received about breaches of customer privacy and no complaints received from outside parties and regulatory bodies. There were also no identified leaks, thefts, or losses of customer data.

## **Target for subsequent reporting:**

We will continue to work towards zero complaints and our Group intends to continue targeting to maintain our record of zero incidents of discriminations. Understanding the importance and emphasis on customer privacy, we are looking to establish policies and procedures for measures in safeguarding the customer information held by the Company.

# GRI CONTENT INDEX

GRI Standard	Disclosure	Page Reference and Reasons for Omission, if applicable
<b>GENERAL DISCLOSURE</b>		
GRI 102: General Disclosures 2016	<b>Organisational Profile</b>	
	102-1 Name of the organisation	Cover Page
	102-2 Activities, brands, products, and services	Pg 4
	102-3 Location of headquarters	Pg 17
	102-4 Location of operations	Pg 4
	102-5 Ownership and legal form	Pg 4, 5
	102-6 Markets served	Pg 4
	102-7 Scale of the organisation	Pg 12
	102-8 Information on employees and other workers	Pg 12
	102-9 Supply chain	Pg 7
	102-10 Significant changes to the organisation and its supply chain	Pg 5,7
	102-11 Precautionary principle or approach	Pg 2
	102-12 External initiatives	Pg 13
	102-13 Membership of associations	Pg 7
	<b>Strategy</b>	
	102-14 Statement from senior decision maker	Pg 3
	<b>Ethics and Integrity</b>	
	102-16 Values, principles, standards, and norms of behaviour	Pg 2, 8
	<b>Governance</b>	
	102-18 Governance structure	Pg 6
	<b>Stakeholder Engagement</b>	
	102-40 List of stakeholder groups	Pg 8
	102-41 Collective bargaining agreements	N.A
	102-42 Identifying and selecting stakeholders	Pg 8
	102-43 Approach to stakeholder engagement	Pg 8
	102-44 Key topics and concerns raised	Pg 8
	<b>Reporting Practice</b>	
	102-45 Entities included in the consolidated financial statements	Annual Report
	102-46 Defining report content and topic boundaries	Pg 2
	102-47 List of material topics	Pg 9
	102-48 Restatements of information	N.A
	102-49 Changes in reporting	N.A
	102-50 Reporting period	Pg 2
	102-51 Date of most recent report	15 March 2019
102-52 Reporting cycle	Pg 2	
102-53 Contact point for questions regarding the report	Pg 2	



# GRI CONTENT INDEX

GRI Standard	Disclosure	Page Reference and Reasons for Omission, if applicable
	<b>Reporting Practice (Cont'd)</b>	
	102-54 Claims of reporting in accordance with the GRI Standards	Pg 2
	102-55 GRI content index	Pg 15-16
	102-56 External assurance	Pg 2
<b>MATERIAL TOPICS</b>		
<b>Anti-corruption</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	Pg 10
	103-2 The management approach and its components	Pg 10
	103-3 Evaluation of the management approach	Pg 10
GRI 205: Anti-corruption	205-1 Operations assessed for risks related to corruption	Pg 10
	205-2 Communication and training about anti-corruption policies and procedures	Pg 10
	205-3 Confirmed incidents of corruption and actions taken	Pg 10
<b>Energy</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	Pg 11
	103-2 The management approach and its components	Pg 11
	103-3 Evaluation of the management approach	Pg 11
GRI 302: Energy	302-1 Energy consumption within the organization	Pg 11
	302-2 Energy consumption outside of the organization	N.A
	302-3 Energy intensity	Pg 11
	302-4 Reduction of energy consumption	Pg 11
	302-5 Reductions in energy requirements of products and services	Pg 11
<b>Non-Discrimination</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	Pg 12
	103-2 The management approach and its components	Pg 12
	103-3 Evaluation of the management approach	Pg 12
GRI 406: Non-Discrimination	406-1 Incidents of discrimination and corrective actions taken	Pg 12
<b>Local Communities</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	Pg 13
	103-2 The management approach and its components	Pg 13
	103-3 Evaluation of the management approach	Pg 13
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	Pg 13
	413-2 Operations with significant actual and potential negative impacts on local communities	Pg 13
<b>Customer Privacy</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	Pg 14
	103-2 The management approach and its components	Pg 14
	103-3 Evaluation of the management approach	Pg 14
GRI 418: Customer Privacy	413- Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pg 14

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