



# ARION ENTERTAINMENT SINGAPORE LIMITED

(Incorporated in the Republic of Singapore)

(Company Registration Number: 199407135Z)

# Sustainability Report

# Content Page

- About This Report ..... 2
- Board Statement ..... 3
- Corporate Profile ..... 4
- Group Structure ..... 5
- Board of Directors ..... 6
- Corporate Information ..... 7
- Stakeholder Engagement ..... 8
- Materiality ..... 9
- Anti-Corruption ..... 10
- Energy ..... 11
- Non-Discrimination ..... 12
- Local Communities ..... 13
- Customer Privacy ..... 15
- GRI Content Index ..... 16

# ABOUT THIS REPORT

Arion Entertainment Singapore Limited (the “Company” and together with its subsidiary corporations, the “Group” or “we” or “us” or “our”), commits our sustainability efforts through our inaugural 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 2017 to 31 March 2018 (“FY2018”) across one of the Company’s subsidiary corporation, Inovatif Media Asia Sdn Bhd (“Inovatif”) as it is the sole operating entity for the Group in FY2018. Within this Report, we will be discussing the Group’s achievements and performance towards Environmental, Social and Governance (“ESG”) issues displayed through Inovatif.

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

We have not sought external assurance for the Sustainability Report for FY2018.

## ***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

With the ever changing conditions for a business, the Group is aware and is constantly steadying ourselves to continue to face myriads of challenges along the road to our future growth. As we reflect on the operations and environment of FY2018, we look forward to continue developing the Group to embrace future challenges.

We would like to thank our shareholders and business partners as we present our inaugural Sustainability Report, communicating to our stakeholders on the sustainability strategy and how they will aid in our ESG performance.

## Sustainability Governance

The Board took into consideration the various sustainability issues into its strategic formulation and has tasked the responsibility in monitoring and overseeing of the Group's sustainability efforts to the senior management of the various subsidiary corporations. The Board continues to oversee the management on the monitoring of material ESG factors and the selection of the ESG factors for this Report.

## Sustainability Factors

As we continue to monitor and evaluate performance of the Group, we consistently identify and keep track of our performance with regard to the material ESG factors and ensure that they remain relevant. In this Report, we aim to present the progress we made relating to the ESG factors, the monitoring and the methods and ways used to engage our stakeholders in a bid to make a positive impact in the factors identified.

# 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 publishing business in Malaysia. We divested our electric vehicles charging solutions business on 25 January 2017.

## 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.

Panpac Media Malaysia Group was then a leading niche publishers of several magazines and periodicals since 1995. All the companies in the Panpac Media Malaysia Group have remained dormant and subsequently struck off after operations were transferred to Inovatif.

Currently, Inovatif publishes the following magazines:

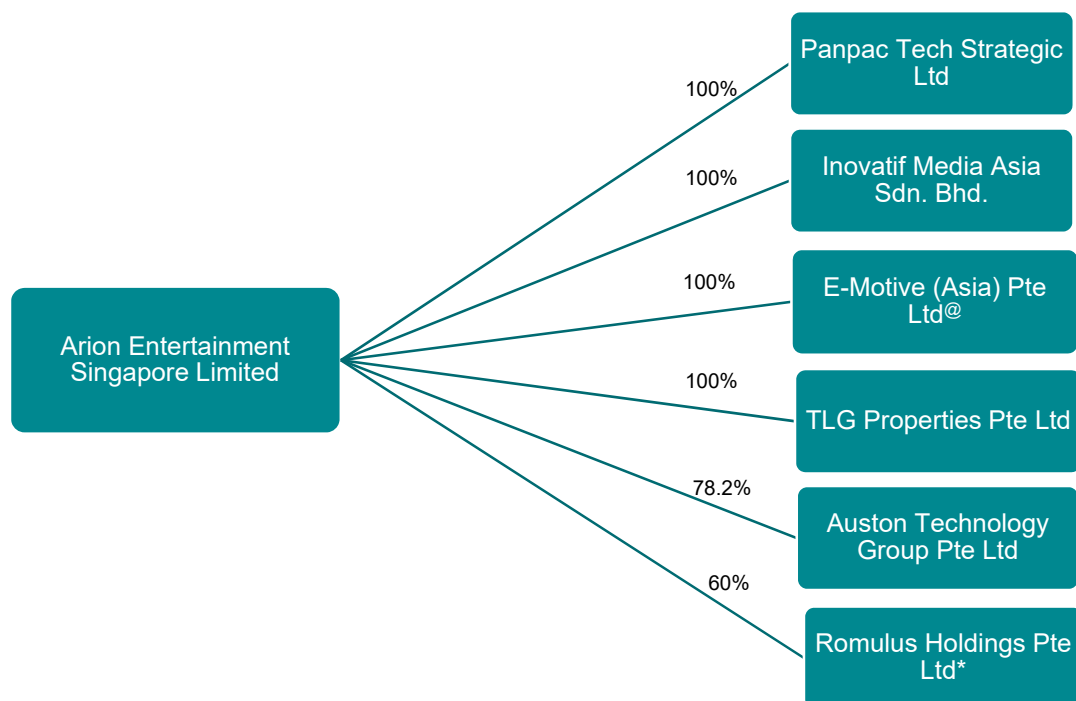
- a) Smart Investor – business and investment magazine
- b) Calibre - a business/lifestyle magazine for Public Mutual group
- c) Feng – a Chinese language business/lifestyle magazine for Public Mutual group

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 provided contract publishing service to Pertubuhan Arkitek Malaysia (PAM) for the Architecture Malaysia journal from 2007 to 2011 and work on ad-hoc architecture/design coffee table books.

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 2018

@ Struck off from the Register of Companies in January 2019

\* Struck off from the Register of Companies in February 2019

During the FY2018, there were some disposals of the Group's subsidiary corporations as follows:

S/N	Subsidiary Corporations	Previous Shareholdings	Struck off Date
1.	MOB Holdings Pte Ltd	100%	June 2017
2.	Lifestyle Magazines Publishing Pte Ltd	100%	June 2017
3.	Smartinvestor Pte Ltd	100%	June 2017
4.	Lexicon F&B Pte Ltd	100%	July 2017
5.	Panpac Marketing & Circulation Pte Ltd	100%	November 2017
6.	TLG Specialist Magazines Pte Ltd	100%	November 2017
7.	AES Business Ventures Pte Ltd	100%	February 2018

# 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 FY2018 are as follows:

## BOARD OF DIRECTORS

Ng Kai Man  
(Executive Director)

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

Roy Ling Chung Yee <sup>(1)</sup>  
(Independent Director and Chairman of the Remuneration Committee)

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

Lee Keng Mun  
(Independent Director)

## AUDIT COMMITTEE

Chou Kong Seng

Roy Ling Chung Yee

Kesavan Nair

## REMUNERATION COMMITTEE

Roy Ling Chung Yee (Chairman)

Lee Keng Mun

Kesavan Nair

## NOMINATING COMMITTEE

Kesavan Nair (Chairman)

Lee Keng Mun

Tai Kok Chuan <sup>(2)</sup>

(1) Prof. Roy Ling Chung Yee has retired and did not seek re-election at the AGM held on 31 July 2018.

(2) Mr Tai Kok Chuan ceased as an Independent Non-Executive Director on 6 March 2018

# CORPORATE INFORMATION

## Training and updates for the Board

Newly appointed Directors will be briefed by the Executive Director on the Directors' duties and obligations, as well as the Group's organization structure, business and governance practices.

The Directors receives updates on regulatory changes and Companies Act from the Company Secretary and accounting standards from the independent auditors. The Executive Director also updates the Board at each Board meeting on business and strategic developments and also highlights the salient issues as well as the risk management considerations for the Group.

## Supply chain management

We aim to build a responsible and sustainable supply chain by extending the application of responsible business practices to our local partners and suppliers. As a publisher, we engage suppliers which have been ISO 14001:2015 certified to assist us in publishing and printing services. By selecting an ISO 14001:2015 certified company, it ensures that we are engaging an organization that had proven to improve their environmental performance through more efficient use of resources and reduction of waste, gaining a competitive advantage and the trust of stakeholder. With the website of Smart Investor, we are also looking at alternatives of traditional publishing, reducing paper waste whilst expanding our outreach.

## Memberships of Associations and permits

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



# STAKEHOLDER ENGAGEMENT

Stakeholder	Key Concerns	Engagement Activities	Expectations and Actions
<b>Supplier</b>	Communication Quality Eco-friendly	Regular meetings Supplier Assessment Feedback	We aim 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	We aim 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	We aim 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	We aim 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	We aim to continue to obtain reader's feedback and translate their demographics and concerns to better content for further outreach.
<b>Government and Regulators</b>	Compliances Regulatory and industry standards and guidelines	Consultations and briefing organised by key regulatory bodies Advice and information received from professionals such as lawyer, external auditor and Company's sponsor	We aim to comply to governmental policies and regulations to achieve compliance to all relevant regulations.

# MATERIALITY

We have considered the economic, environmental and social impacts various ESG factors where the Group have managed to create an impact to our various stakeholders. Together with the inputs gathered from our stakeholder engagement process, we have identified and prioritised the following factors to provide our stakeholders with better clarity on our operations with considerations to the factors below.

Type	Factor
Governance	<p><b>1. ANTI-CORRUPTION</b></p>
Environmental	 <p><b>2. Energy</b></p>
Social	 <p><b>3. Non-discrimination</b></p> <p><b>4. Local Communities</b></p>
Governance	<p><b>5. CUSTOMER PRIVACY</b></p>

# ANTI CORRUPTION

The Board of Directors and the Group recognises the significance of sound corporate governance in ensuring greater transparency, protecting the interests of its shareholders as well as strengthening investors' confidence in its management and financial reporting. It is committed to maintaining a high standard of corporate governance within the Group based on which its operations, businesses and strategies are directed and controlled.

We prohibit any form of corruption practices within our Group as it has strong negative impact and must be eliminated to build a sustainable, inclusive and transparent society. Anti-corruption efforts taken by the Company includes regular updates and training provided to the Board which includes updates on regulations and Companies Act. Additionally, updates to the Board on the strategic developments also allow the Board to keep abreast of the latest developments and potential risks arising.

Conflict of interests, if applicable, are required to be declared on an ad-hoc basis. With guidance provided to the employees and the Board through communication about conflict of interest, it allows employees to make such declaration where interests and conflicts arises. Additionally, the Company has in place whistle-blowing policies and arrangements by which staff may, in confidence, raise concerns about possible improprieties in matters of financial reporting or other matters, acting as a deterrence to any potential corruption.

During FY2018, we are proud to mention that there were zero cases of corruption and there were no whistle blowing reports received.

## **Target for subsequent reporting:**

With the strong corporate governance and anti-corruption culture established, our Group intend to continue its efforts in maintaining its zero incidence of corruptions. We would also continue to ensure all anti-corruption information are consistently communicated to our employees, management and the Board and establish anti-corruption policy such as conflict of interest.

# ENERGY

With the daily operations of Inovatif requiring various type of energy consumption, we are consistently looking at alternatives for and increasing in our sustainability efforts. During FY2018, the amount of energy consumed were as below:

Type	Units
Water	195m3
Electricity	30,106kwh

Understanding that reducing energy usage would allow the Group to obtain both costs savings and be more environmentally friendly, the Company has reduced the electricity consumption by switching to energy efficient LED light bulbs and energy saving air-conditioners. The office has also been renovated to a more efficient and energy saving design as we lowered the ceiling of the office and partitioned certain areas in office, minimising space to be air conditioned and be more energy efficient since November 2017. This resulted in a year-on-year reduction on usage of electricity of 6,072.5kwh as well as a saving of RM 12,145 for the calendar year of 2018. In addition, the Group is constantly looking for energy saving alternatives in a bid to create an environmental friendly workplace and promote such a culture to our employees.

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

Our Group intend to continue our efforts in reducing the amount of energy consumed through our operational activities. We would continue to look for alternatives and explore initiatives which assist in contributing to our sustainability efforts as well as long term reduction of energy costs.

# NON-DISCRIMINATION

We are committed to the goals of diversity and equal opportunity in employment. We aim to provide a work environment for employees that foster fairness, equity and respect for social and cultural diversity, regardless of their age, sex, marital status, sexual orientation, disability, race, nationality, ethnic, national origin or religion.

Currently, the Group employees comprises 11 staff with 3 management level staff and 2 executive staff. With regards to gender composition, 55% of our total workforce is made up of female employees whilst the percentage of female managers is approximately 67% of total managers providing a clear signal that gender inequality is not present in the Group.

To promote equal opportunity, the Group has a comprehensive Human Resource Policy to ensure employees are selected based on merit and competency. We also perform annual staff assessment to share information with all levels of staff and align business goals and objectives with employees. Additionally, with the flat structure of reporting cultivated by the Group, we ensure that two-way communication is always available to all our employees and any complaints could be raised to the Human Resource Department for further actions and discussions.

During FY2018, we are proud to mention that there were zero incidents of discrimination recorded by the Group.

## **Target for subsequent reporting:**

Our Group intends to continue to promote our non-discrimination culture, ensuring that regardless of gender, social or cultural diversity, all employees in the Company are treated fairly and ensured to have equal chances in all aspects of work. We would also target to maintain our record of zero incidents of discriminations.

## LOCAL COMMUNITIES

As a publishing company, Inovatif publishes 3 in-house publications, mainly Smart Investor, a business and investment magazine, Calibre, a business/lifestyle magazine for Public Mutual group and Feng, a business/lifestyle read in Chinese for Public Mutual group.

Through the editorial content in the various publications, Inovatif promotes awareness about local communities to our readers. The content ranges from business, investing, health and wellness, cultures, arts to family relationship and Inovatif always strive to incorporate local culture and society relevance into these contents. Inovatif hopes that the publications which are available to the public would provide valuable knowledge and insight on specific topics whilst we seek to establish ourselves as a source of entertainment and knowledge.

With the publication of the following magazines, we have an estimated readership as follow:

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	-	16,000	400
<b>Total Readers</b>	<b>53,800</b>	<b>80,000</b>	<b>20,000</b>

In other forms of outreach, our Smart Investor magazine has over the years been supporting events and conferences that promote the business and financial industry in Malaysia with events organized by Financial Planning Association of Malaysia (FPAM), Federation of Investment Managers Malaysia (FiMM), Malaysia Investor Relations Association (MIRA) and many other events that promote business and financial well-being awareness.

In addition, Inovatif has also organized conferences and events that promote investments and financial planning to create awareness on the importance of investment and financial knowledge to the public.

Some of the events previously organized by Smart Investor magazine are as follow:

- 1) Malaysia's Private Pension and Healthcare: Opportunities and Collaborative Strategies Conference 2010 and 2011. This event aided the implementation of some policy changes by the government as follows:
  - a) Keynote speaker, Employees Provident Fund (EPF) chief executive officer Tan Sri Azlan Zainol announced the EPF fund proposes that the retirement age to be raised to 60 as the retirement period was one of the contributing factors which resulted in insufficient retirement savings. A new law for the increase in retirement age, Minimum Retirement Age 2012 was passed soon after the event.
  - b) The event also helped to highlight the need for more retirement funds, and thus expedite the launch of Private Retirement Scheme (PRS) in Malaysia in July 2012.

- 2) Understanding Investment and Financial planning – Talk on Gold, Derivatives and other alternative investments 2016; and Smart Investment Talk Series - 2014, 2015.

We have also been supporting and helping out in events that promote business and financial literacy throughout the years as follow:

- 1) Smart Investor magazine has been a strong supporter for events and conferences that promotes business and financial literacy in Malaysia. In 2018, Smart Investor has worked with and supported events like Financial Planning Symposium 2018, an event organised by financial planning associations in Malaysia; Investor Relation Awards 2018 by the Malaysia Investor Relations Association (MIRA), as well as Federation of Investment Managers Malaysia (FiMM) Annual Convention 2018.
- 2) Smart Investor is also the co-organiser for the annual Morningstar Malaysia Award, the latest being the 2018 Morningstar Malaysia Award. Morningstar Inc., is an international independent investment research worldwide, where the Award recognises unit trust funds performances.

**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 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

The importance of customer privacy and ensuring that confidential information are 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 are kept in secure infrastructure or are password protected and only the authorised personnel of the Company has access to such information.

During FY2018, there were no substantiated complaints received about breaches of customer privacy, 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:**

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	Annual Report, Pg 2
	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 5,12
	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 13-14
	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 4
	<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, this is our first report
	102-49 Changes in reporting	N/A, this is our first report
	102-50 Reporting period	Pg 2
102-51 Date of most recent report	N/A, this is our first report	
102-52 Reporting cycle	Pg 2	
102-53 Contact point for questions regarding the report	Pg 2	

## GRI CONTENT INDEX (Cont'd)

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 16-17
	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	Pg 11
	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 – 14
	103-2 The management approach and its components	Pg 13 – 14
	103-3 Evaluation of the management approach	Pg 13 – 14
GRI 413: Local Communities	413-1 Operations with local community engagement, impact assessments, and development programs	Pg 13 – 14
	413-2 Operations with significant actual and potential negative impacts on local communities	Pg 13 – 14
<b>Customer Privacy</b>		
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundaries	Pg 15
	103-2 The management approach and its components	Pg 15
	103-3 Evaluation of the management approach	Pg 15
GRI 418: Customer Privacy	413- Substantiated complaints concerning breaches of customer privacy and losses of customer data	Pg 15

**ARION ENTERTAINMENT SINGAPORE LIMITED**

**3 Bishan Place #06-03/07**

**CPF Bishan Building**

**Singapore 579838**

**Tel : +65 6292 0300**

**Fax : +65 6293 3674**

**Registration No. 199407135Z**