



J L O G O H O L D I N G S L I M I T E D

聚利寶控股有限公司

*(incorporated in the Cayman Islands with limited liability)*

Stock Code: 8527

ENVIRONMENTAL,  
SOCIAL AND  
GOVERNANCE  
REPORT  
2018

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

We have come a long way since our first outlet in Kuala Lumpur, Malaysia in 2003. In the 15 years of operation, we understood that a successful business is not just about reasonably priced products and services, but also practices that look into environmental and social responsibilities.

We identified the material aspects of which the Group considered important to stakeholders and the aspects were evaluated for its potential impact on the environment and society, its influence on the stakeholders and impact on the Group's operations, taking into consideration changing business landscape and emerging trends.

Boards increasingly seek to "futureproof" companies from sometimes qualitative environmental and social risks. To do this effectively requires the integrated reporting of qualitative business drivers, including Environmental, Social and Governance ("ESG") aspects, together with traditional elements of corporate and financial reporting. There is no single solution – one set of metrics or a single framework – that will satisfy all businesses. We will be incorporating a 3I approach to govern our ESG aspects; Identify, Implement and Improve. We must be sensitive and stay alert on our surrounding issues, to identify opportunities and solutions. Efforts and resources will then be better put in places to execute and implement our plans. And to ensure continued success and responsibilities, we have to review and improve every effort.

While the bottom line is considered the true definition of success for many organizations, we sincerely believe that the ultimate measure of success is our ability to serve our customers (both externally and internally), contribute to our community and protect our environment as the need to foster a culture of the values of ESG is always important.

Looking ahead, we view this as a board-level priority, and it should form an integral part of our governance approach to create long-term success and bring long-term value to our stakeholders. We will continue to refine our ESG disclosure based on market standards and the evolving informational needs of our stakeholders.

## ABOUT THIS REPORT

The ESG Report is prepared pursuant to the Environmental, Social and Governance Reporting Guide (the "ESG Reporting Guide") as set out in Rule 17.103 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited (the "HKEX").

This ESG report presents the sustainability performance of the Group for its Singapore and Malaysia operations for the period 1 January 2018 to 31 December 2018. All data and information reported are with respect to the timeframe above unless stated otherwise. Our data is reported in good faith and to the best of our knowledge.

This report aims to disclose our ESG performance against the issues that are considered most material to our Group's stakeholders and this includes shareholders, suppliers, customers, management and employees. The objective of this report is to inform our stakeholders of the initiatives and strategies related to sustainability that we are currently embarking on.

With reference to the definition stated in the ESG Reporting Guide, the format of our ESG Report classified those aspects and key performance indicators ("KPIs"), which are considered to be material and relevant to our Group's operations, into four separate sections: The Environment, Employment and Labour Practices, Operating Practices and The Community.

We welcome feedback as it enables continual improvement in the Group's sustainability policies, processes and performance. Please send your comments and suggestions to [askus@jlogoholdings.com](mailto:askus@jlogoholdings.com).

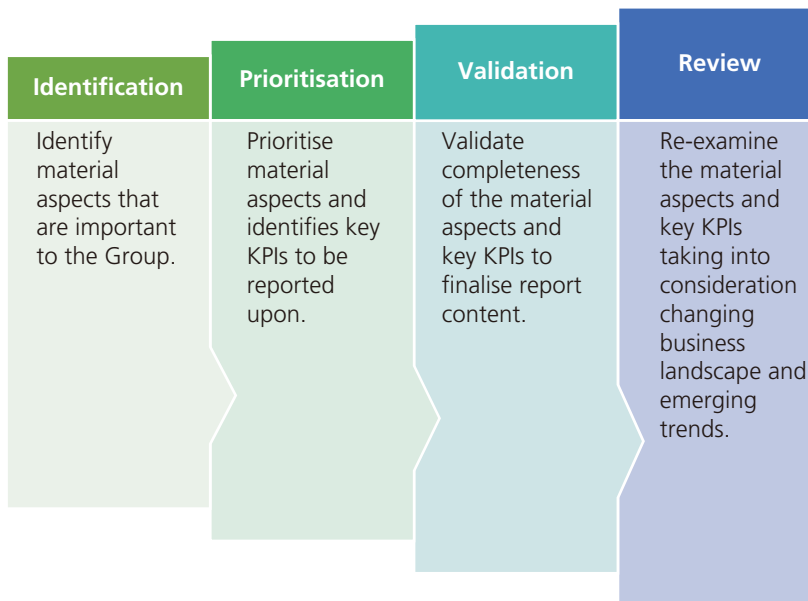
# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## STAKEHOLDERS ENGAGEMENT

Management of the Group conducted a materiality assessment to identify the relevant ESG aspects of which the Group considered important to our stakeholders. Our stakeholders includes shareholders, suppliers, customers, management and employees.

The material aspects were evaluated for its potential impact on the environment and society, its influence on the stakeholders and impact on the Group's operations.

The Group adopts a four-step process to define the material aspects:



## THE ENVIRONMENT

The Group is committed to adhere to all necessary regulations as we acknowledge the importance on caring for the impact that the business activities have on the environment. We aim to minimise the environmental impacts and did not violate any environmental protection laws or regulations in Singapore and Malaysia, nor was the Group subjected to any legal cases or significant fines and non-monetary sanctions against any companies of the Group.

### A1: Emissions

The Group does not generate major hazardous emissions and waste in its operations of restaurants and bakeries. As such, data on emissions and waste generated was not monitored or collected.

However, there was non-hazardous waste generated which was mainly waste from the kitchens, such as food waste, grease trap waste and used cooking oil which was properly segregated and collected by authorised waste collectors.

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## A2: Use of Resources

Restaurants and cafes tend to be resource-intensive due to their high volume consumption within a relatively small space and long operating hours. The Group is taking progressive steps in resource optimization to improve our environmental performance and minimise our environmental impact.

### *Energy*

The Group recognises the importance of properly managing and regulating energy consumption so as to keep operational costs low and help to reduce the impact on the environment. An assessment of our operating procedures was initiated to identify energy saving opportunities in all our outlets. Light switches and other equipment were labelled with zoning and operating schedules to facilitate our electricity consumption to be more precise and effective. Where available or applicable, we have also replaced our conventional lightings options to light-emitting diodes (“LED”). We have also worked with food suppliers to increase the frequency of delivery in order to facilitate our goal of reducing storage reliance on chillers and freezers. All water boilers and heater were switched off after operating hours as compared to our previous practice of keeping them on for 24 hours. Induction stoves were also introduced to replace traditional high-energy consumption hot plate stoves.

### *Water*

We monitor our water consumption continuously and implement water saving measures at all our outlets. Kitchens were also encouraged and instructed to allow more lead-time for thawing food without water. There were no issues with the water supply as the water sources are directly supplied from the respective government agencies.

### *Raw Material – Ingredients*

In addition to strategic conservation to energy and water, we are also taking steps to minimise negative environmental impacts from our operations by offering sustainable food options for our customers. When selecting our food products, we worked with reputable suppliers with proper and valid government issued licenses.

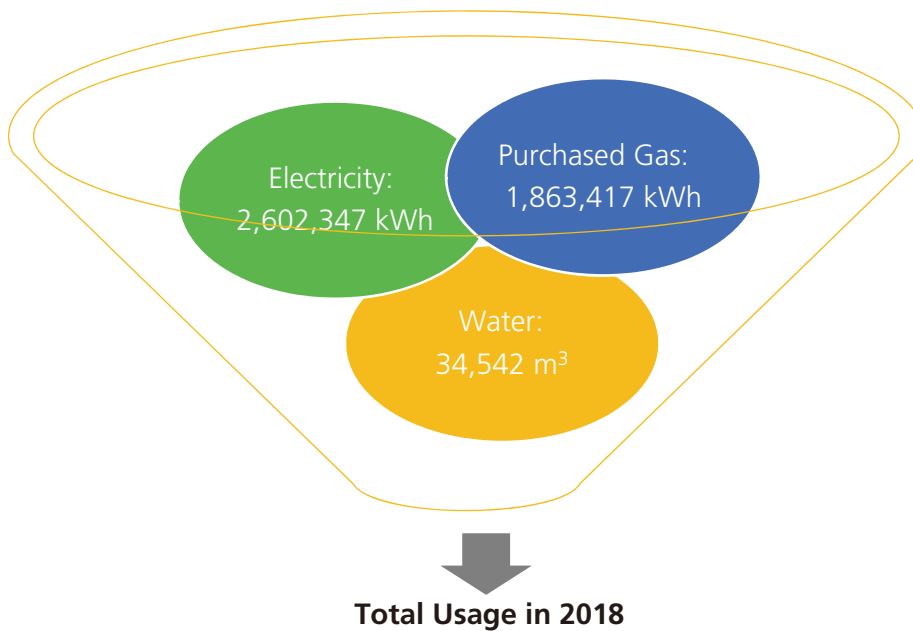
We constantly look into optimizing ingredient use in support our menus. Menu items and their recipes are formulated with the concept of “Single Ingredient, Multiple Usage” policy. We have also engaged in bulk ordering and sharing of ingredients among all restaurants to better cost and usage efficiency. We have also increased delivery frequency with smaller quantity to optimize freshness and reduce wastages.

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## Packaging Material

The Group does not have any manufacturing facilities and does not consume significant amount of packaging materials in our operations. Packaging material used in our operations are take-away disposable containers, cutleries and carriers. The Group did not collect or monitor any data for the year.

The Group has consumed the following amount of energy and resources for our operations in Singapore and Malaysia for the year as follows:



## A3: Environment and Natural Resources

In addition to better manage waste, the Group complies with relevant environmental laws and regulations to properly preserve the natural environment by implementing the following measures:

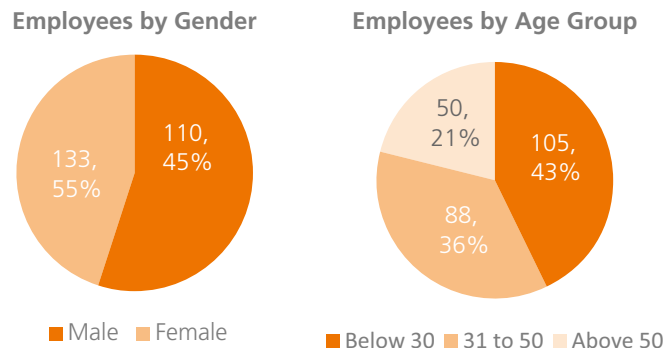
- Sourcing of food items and raw materials from environmentally friendly suppliers
- Minimise carbon footprint on the environment by advocating the usage of reusable produce bag and reducing the usage of plastic bags
- Minimise the usage of disposable paper products such as paper cups

# ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

## EMPLOYMENT AND LABOUR PRACTICES

### B1: Employment

As at 31 December 2018, the Group has 243 full-time employees under its employment in Singapore and Malaysia who fall under the following categories:



We value each and every employee as they are our most valuable asset. The employees collectively form the pillars that support the Group's operations. We recognise their expertise and contributions and strive to provide a conducive working environment that emphasises the enrichment and empowerment of every individual. Employees are given ample opportunities to expand their competencies and optimise work operations of the Group.

The Group has a recruitment policy in place upholds equal opportunities for everyone, diversity and anti-discrimination. The Group complies with the applicable manpower laws and regulations from Singapore (Manpower Act) and Malaysia (Employment Act and Labour Laws) such as compensation and dismissal, recruitment and promotion, working hours, rest periods, and other benefits and welfare which are stated in the employment letters to be understood by all employees.

### B2: Health and Safety

The Group has set an objective which is to raise health and safety standards in the workplace so as to achieve zero or minimal cases of reportable serious work-related injuries. The Group is committed to provide a safe working environment for its employees to safeguard the health and safety of all employees, which it believes will greatly enhance morale and satisfaction leading to higher productivity. There were zero serious work-related injuries during the year. There were 3 minor cases of work-related injuries for the Singapore operations during the year.

The Group does not have a comprehensive health and safety policy in place for the Group. As such, it is of a paramount importance that it be drafted in the following financial year. However, the Group purchases adequate insurances for all employees to protect them in the event of any work-related accidents or injuries. All employees are also sent for periodic medical check-ups so as to detect any illnesses and to promote health and well-being.

We will be forming a team for Care and Communicate ("C&C"). C&C is responsible for providing training to our employees, conducting workplace safety assessments, reviewing operational procedures, identifying possible risks and implementing corrective action plans.

Regular communication with employees are to be initiated so as to understand their needs as well as to strengthen their sense of belonging in the Group. Engagement channels may include meetings with senior management, quarterly office meetings, employee satisfaction focus group and quarterly letter from management.



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## **B3: Development and Training**

Other than government mandated hygiene courses for restaurant staffs, we also initiated several occasional quality assurance course, basic wine certification and also relevant subject seminars for back office personnel. We believe that a team of dedicated employees is vital to the Group's growth and expansion. We also believe that career progression should coincide with personal growth. The Group supports the individual goals of each team member to enhance their professional development and career progression.

Based on the diverse operational needs and aspirations of our employees, the Group is developing guidelines for training and development which would include various learning and development programs to unleash their potential both within and outside workplace. Training and development programs for different levels of staff include:

- Managerial and soft skills – developing leadership and operational management skills
- Operational and technical knowledge – enhancing operational efficiency and quality
- Health and Safety – ensuring staff safety and minimizing occupational injuries
- Compliance and Group policy awareness – refreshing knowledge and requirement of laws and Group's policies

We will look into specific training and team-building activities, based on the unique nature of each brand and operation. Effectiveness of the training is assessed on a timely basis and adjusted according to operational needs. These trainings will enhance the productivity of each employee which will indirectly benefit the Group.

## **B4: Labour Standards**

The Group is firmly against the hiring of any child labour and forced labour and has not noted any cases of such hires in the Group during the year. There is strict adherence to government manpower regulations in the recruitment and hiring of both full-time and part-time staff.

Each applicant for the position being recruited is expected to provide true and accurate personal data during the interviews. Upon their first day at work, the new staff is required to provide a copy of their Identity Documents to be verified by the Human Resource Department.

## **OPERATING PRACTICES**

### **B5: Supply Chain**

The Group believes that quality begins from the source and in our context that will be our food suppliers. We believe in developing strong partnerships and communication with our suppliers and a good relationship is a vital part of business success. We put in line programs like implementing proactive supplier evaluation and daily ordering policy, so as to ensure we get the freshest quality produce possible.

There is a back-up supplier for each item purchased so as to ensure an undisrupted supply chain and to set a benchmark for cost and quality checks.

For the Malaysia operations (Bakeries), all items procured are from Halal-certified suppliers which meet the necessary dietary requirements and guidelines.

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The Group maintains a good relationship with suppliers by engaging them with the following actions:

- Regular chat with suppliers' representatives.
- Prompt payment.
- Avoid last minute orders whenever possible, which can cause significant stress in business and put a strain on the relationship with suppliers.
- Address any issues of concern in relationships as they arise.
- Return damaged or faulty goods promptly, with supporting documentation.

## **B6: Product Responsibility**

With an aim to maintain good quality of food and service, the Group ensures that the food ingredients are safe, fresh and of quality upon delivery, in storage and during processing.

We strictly adhere to government guidelines and policies to ensure all outlet staffs (service and kitchen) are scheduled for attending relevant food handling course of which the costs are borne by the Group. These courses ranges from basic food handling programs to more comprehensive and advance food quality assurance.

We recognise that negative customer reviews will affect the Group's reputation as a whole. Therefore, we ensure there is no false advertising of our products and customers are welcome to contact or email us as our marketing team is always interested in hearing from all customers.

Any customer complaints are thoroughly investigated and root causes are identified and acted upon accordingly. All personal information relating to the customer will be kept strictly confidential. There were no material complaints or claims nor any investigation with respect to food hygiene by any government authorities during the year.

## **B7: Anti-Corruption**

The Group has established zero tolerance for instances of corruption or bribery. All employees and other persons representing the Group are prohibited from offering, accepting, paying or authorizing any bribes or any form of corruption in any business interaction that involves the Group, government officials, our customers, or employees.

We will be implementing an Anti-Corruption Policy and Guidelines (Anti-Corruption Guidelines) so as to set a high standard that is to be observed across our operations. Anti-corruption training will be made compulsory for all employees. Reviews and assessments will be conducted from time to time to monitor compliance with the program.

The Anti-Corruption Guidelines will also outline the roles and responsibilities of employees to ensure compliance. The Human Resource Department (until further notice) is responsible for implementing processes and controls to reduce the risk of corruption and ensure compliance with the Group standards, as well as all relevant local laws and regulations.

The Group complied with the relevant laws and regulations relating to bribery, extortion, fraud and money laundering that have an impact on the Group and there were zero cases of anti-corruption during the year.





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## THE COMMUNITY

### **B8: Community Investment**

The Group believes strongly in creating a positive community impact by giving back to the society. We are constantly looking into opportunities to work or participate with relevant organizations in the area of Employment Opportunity and Environmental Awareness programs.

#### *Employment Opportunity*

Adopting the Singapore Yellow Ribbon Project movement, we have been working with Highpoint Halfway House Community Services in providing job opportunities in the area of kitchen cooks and chefs. This collaborated effort provides a chance for ex-offenders to be trained in culinary skills so that these individuals could once again be re-joined into the society. For just a short 3 months initiated project started in December 2018, we will be welcoming 4 promising cooks and chefs to join the team coming this March 2019.

We have also work with the Movement for the Intellectually Disabled of Singapore (MINDS) to provide work opportunity for handicapped personnel. The company had welcomed individuals with autism and those with impaired hearing to be trained as front line service staffs. Since this initiative started in January 2018, we have worked with 4 such individuals so far and will welcome more individuals into our operations. It is also through numerous customers' feedback that we had learnt that the social acceptance is very positive and customers welcome the idea that business entities like ourselves should open up more opportunities for such individuals as part of our efforts to give back to the community.

#### *Environmental Awareness*

With the saying of "no individual is too small to make an impact", the Group has also started to look into environmental protection to be part of our effort in creating a positive impact in the community.

We kick started the effort to replace and reduce our plastic consumption through progressively changing our take-away packaging to paper-based products. Come May 2019, we will be implementing the "Sip No Suck" no straw program throughout our establishments to take another steps into further reducing plastic consumption. This program is in line with Sustainability Development Goal 12 – Responsible Consumption & Production adopted by the United Nations as part of the 2030 Agenda for Sustainability Development in 2015. This Goal aims to ensure sustainable consumption and production patterns.

Efforts also came in the form of alteration to menu to address food source concern. We have been progressively reducing and phasing out food items like shark fins and fishes that do not come from farming.