



JLOGO HOLDINGS LIMITED

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

2019

ENVIRONMENTAL, SOCIAL AND GOVERNANCE REPORT

At JLogo Holdings Limited (the “**Company**”) and its subsidiaries (the “**Group**”), we believe success and sustainability go together. We are committed to acting responsibly, and holding ourselves accountable for doing business the right way across each of our brands. Environmental and social responsibilities have always been part of our considerations and operations since we have been in the market back in 2002.

As we step into the second year as a listed entity, the collective efforts in such areas and responsibilities has become more important. In our first year, we reported augmented efforts into our reports, and also laid out certain visions and plans to be involved in the coming years to adopt and to establish in our governance on these areas. Only through our executions and reviews have we learnt that there are more to be done.

We continue to evaluate our 3I approach to govern our ESG aspects; Identify, Implement and Improve. We will be expanding the reporting group as more areas needs to be properly structured, tracked and be evaluated. Our first 2 years of efforts were mainly from operations in Singapore. In the coming work years, more effort will include those from Malaysia as well. The expansion in the team is to ensure that efforts and resources will then be better put in places to execute and monitor our objectives.

We are also exhausting our effort to change the format of our next ESG reporting. This exercise is to ensure that the report can more clearly and accurately depicts our efforts but yet continue to adhere closely to the required reporting guides.

As with all areas of our business, we are constantly looking for new ways to evolve our sustainability initiatives. As we continue to grow our three brands, we will keep strengthening our efforts and supporting the people, places and communities that touch our business, every day.

On behalf of all of us at the Group, thank you for supporting us as we continue working towards our sustainability goals.

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 Appendix 20 and Rule 17.103 of the Rules Governing the Listing of Securities on GEM of the Stock Exchange of Hong Kong Limited.

This ESG report presents the sustainability performance of the Group for its Singapore and Malaysia operations for the period 1 January 2019 to 31 December 2019. 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.

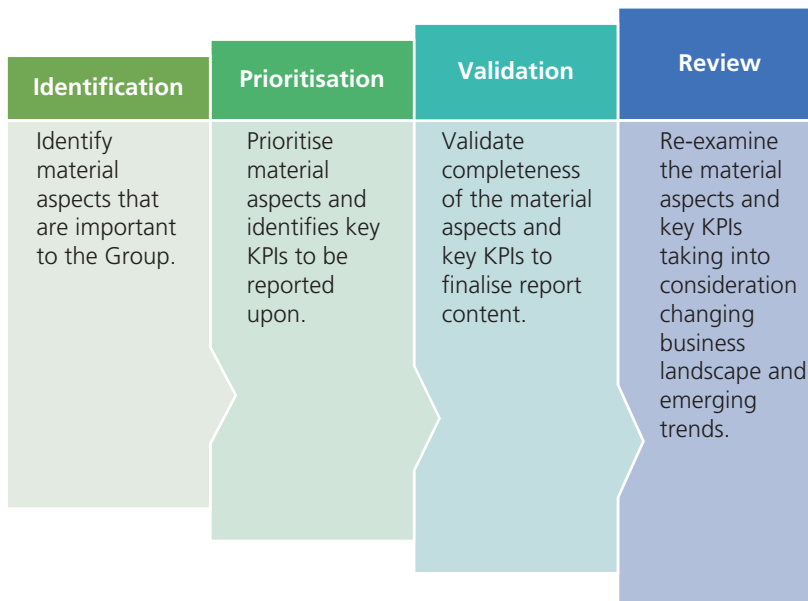
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STAKEHOLDERS ENGAGEMENT

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 for the year ended 31 December 2019.

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.

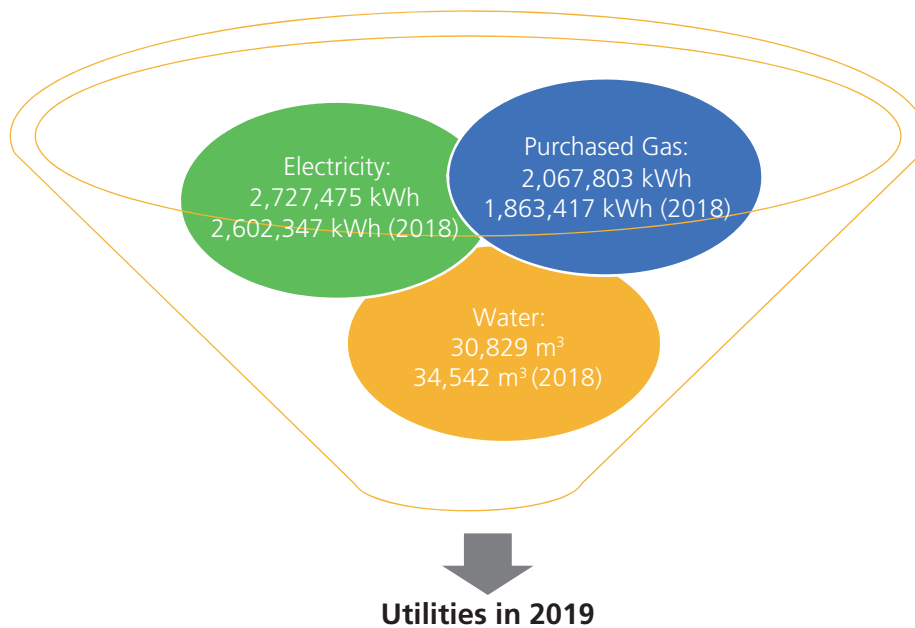
We constantly look into optimizing ingredient use in support our menus. Menu items and their recipes are formulated with the concept of “Single Ingredient, Multiple Usage” policy. We have also engaged in bulk ordering and sharing of ingredients among all restaurants to better cost and usage efficiency. 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 ended 31 December 2019.

The Group has consumed the following amount of energy and resources for our operations in Singapore and Malaysia for the year ended 31 December 2019 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:

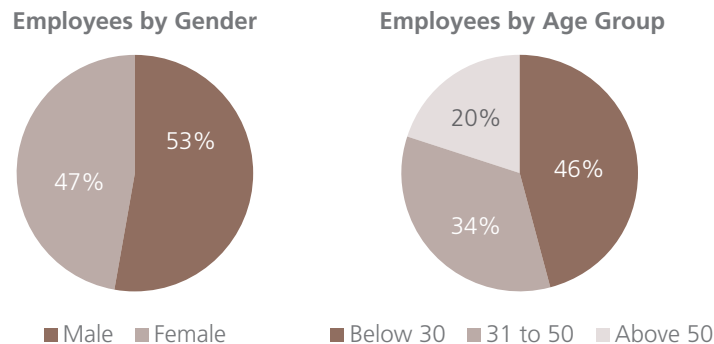
- Sourcing of food items and raw materials from environmentally friendly suppliers
- Minimise carbon footprint on the environment by advocating the usage of reusable produce bag and reducing the usage of plastic bags
- Minimise the usage of disposable paper products such as paper cups

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EMPLOYMENT AND LABOUR PRACTICES

B1: Employment

As at 31 December 2019, the Group has 305 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

For the year ended 31 December 2019, the company had already signed up and embark on the a highly recommender safety program that the government had initiated, The BizSafe certification. We have registered to be certified to BizSafe level 3 which will well prepare us to a central kitchen capacity. Courses and audits will begin with effect from April 2020 onwards and the whole process was projected to run in a 6 months duration time frame.

The Group continues to raise health and safety standards in the workplace so as to achieve zero or minimal cases of reportable serious work-related injuries. We are 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. Compare with 0 serious work-related injuries during the year ended 31 December 2018 and 3 minor cases of work-related injuries for the Singapore operations, this year we are proud to announce there were 0 cases across the board.

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.

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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.

The Group was not aware of any non-compliance with relevant laws and regulations that had significant impact on the Group in providing a safe and healthy work environment during the year ended 31 December 2019.

B3: Development and Training

On top of the 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 kicked started a healthy lifestyle team building activity through public running events. Staffs were encourage to train and participate in such public runs to promote healthy lifestyle through regular exercises and running. All participation are funded by the company. We will continue to recruit more and also include other activities in view of team cohesion and welfare purpose.

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 ended 31 December 2019. 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 of the company. During the year ended 31 December 2019, the Group was not aware of any non-compliance with relevant laws and regulations related to recruitment of child labour or forced labour practices.

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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 artisanal bakery operations in Malaysia, all items procured are from Halal-certified suppliers which meet the necessary dietary requirements and guidelines.

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

- Regular communication 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 and the Group was not aware of any non-compliance with relevant laws and regulations regarding product responsibility during the year ended 31 December 2019.

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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.

An Anti-Corruption Policy and Guidelines (Anti-Corruption Guidelines) was proposed the previous term but was put on hold due to resources allocation. This financial year we are looking into setting up with at least a skeleton structure to both have an initiative and also a framework for us to build upon. We continue to believe the presence of a structured policy is essential 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 regarding corruption practice during the year ended 31 December 2019.

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

Last year we adopted the Singapore Yellow Ribbon Project movement, we took on a project with Highpoint Halfway House Community Services in providing job opportunities in the area of kitchen cooks and chefs. Highpoint Halfway House Community works closely with the government to offer ex-offenders a second chance back into the society through skills training and job arrangement. Our initial collaboration was to have 4 ex-offenders to join us, but due to high demand from the industry, we were eventually assigned 2. Till date, both candidates are still very much involved with our daily operations in the kitchen, with 1 candidate chooses to stay with us after his program completion in Oct 2019.

Our effort with the Movement for the Intellectually Disabled of Singapore (MINDS) to provide work opportunity for handicapped personnel continues into our 4th year. 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.

Environmental Awareness

We kick started 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. Even with the nature that many of over beverages require straws, till date, we have managed to reduce the usage by 14%.