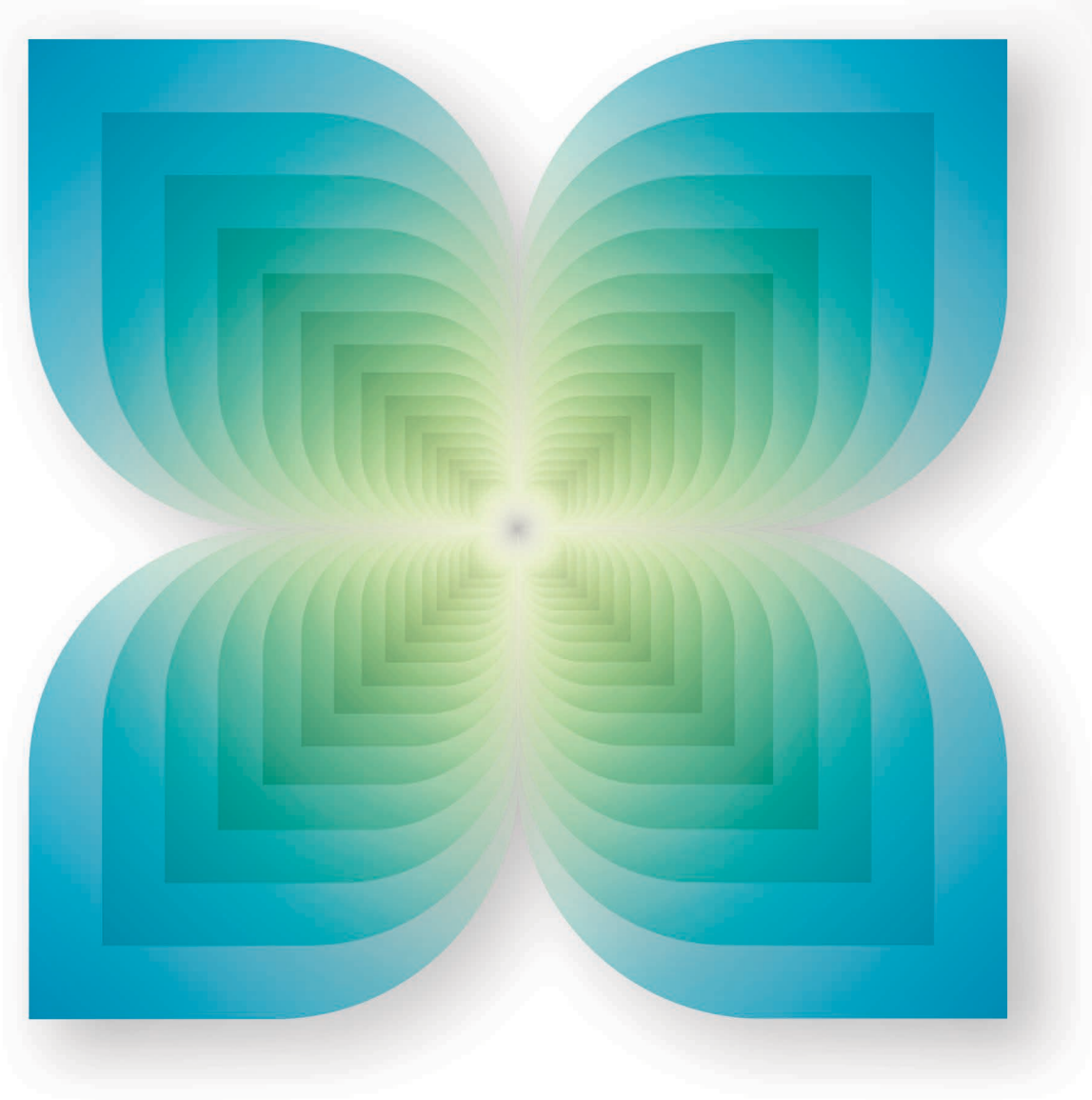




CASA HOLDINGS LIMITED



SUSTAINABILITY REPORT
2018

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ABOUT THIS REPORT

This is the inaugural Sustainability Report (“Report”) of Casa Holdings Limited (“The Group”). The Report addresses the Group’s distribution activities and data for the financial year from 1 October 2017 to 30 September 2018, as property development and construction activities were minimal. Our figures are represented in Singapore dollars.

Associated companies and joint venture activities were excluded as the operational controls are held by different management teams.

BOARD STATEMENT

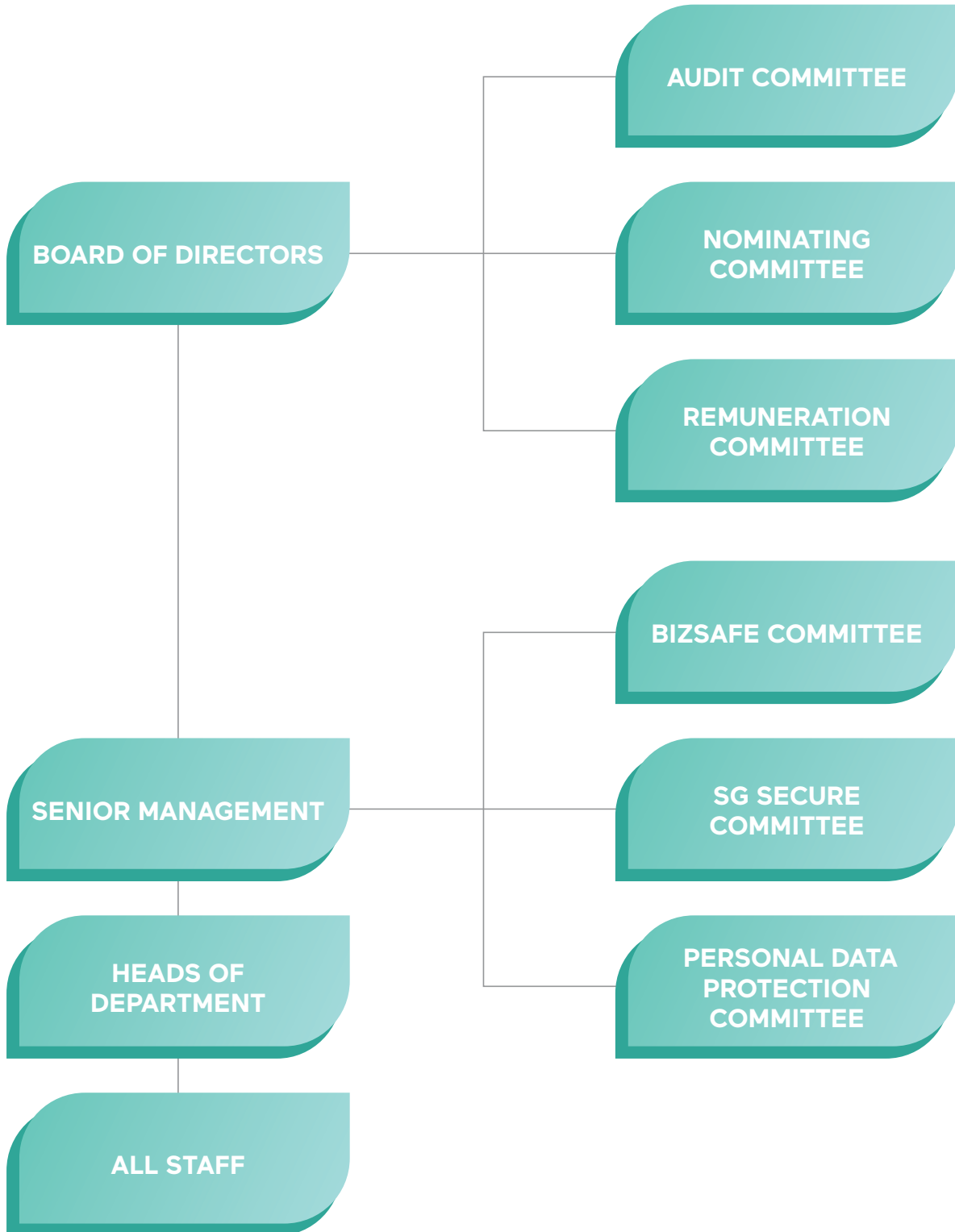
It is with pleasure that we present the Group’s inaugural Sustainability Report. This Report outlines the Group’s commitments towards delivering quality products and services in a responsible and sustainable ways.

We believe that incorporating environmental, social and governance factors as part of the Group’s strategic formulations are critical to our business and stakeholders.

We invite you to learn more about our journey of sustainability reporting and the steps we have taken to make us more resilient in the future, so as to continue to create sustainable and long-term growth for the Group and our stakeholders.

GOVERNANCE STRUCTURE

Sustainability governance is led by the Board of Directors and supported by all levels of the Group.



We are committed to high standards governance practices to protect the interests of the Group and our stakeholders. We will continue to strengthen our sustainability governance structure so as to create enduring value for the Group and our stakeholders.

STAKEHOLDER ENGAGEMENT

As we work on our sustainability efforts, we seek also to align our business interests with that of our stakeholders. We assessed the significance and impact of their interest on our business and identified six key stakeholder groups.

We believe that regular communication and greater stakeholder participation is the key to achieve healthy stakeholder relations. We have been engaging with our stakeholders to address key issues raised by providing timely information updates through appropriate channels.

Stakeholder	Topics of Concern	Method of engagement
Employees	<ul style="list-style-type: none"> - Employee engagement - Talent retention and attraction - Employee safety and well-being - Employee training 	<ul style="list-style-type: none"> - Regular staff meeting - Regular floor walks - Annual performance review with on-going process of communication between supervisor and employee throughout the year - Whistle-blowing policy
Shareholders	<ul style="list-style-type: none"> - Financial performance - Corporate governance - Sustainability efforts 	<ul style="list-style-type: none"> - Half-yearly financial results announcements - Annual General Meeting (AGM) - Public announcement Via SGXNET
Customers	<ul style="list-style-type: none"> - Customer satisfaction - Quality products and services - Available feedback platforms 	<ul style="list-style-type: none"> - Customer satisfaction survey - Product training - Product testing & certification - Casa's own websites - Casa's social media platforms e.g. Facebook - Feedback handling through email / phone calls - Roadshows
Suppliers	<ul style="list-style-type: none"> - Product quality assurance - Product pipeline - Supply chain management 	<ul style="list-style-type: none"> - Supplier visits / meetings - Suppliers selection - Thirty party certification
Community	<ul style="list-style-type: none"> - Clean and safe environment - Well-being of our community 	<ul style="list-style-type: none"> - Reduce consumption of resources and expand recycling initiatives - Employee community programmes and initiatives
Regulator	<ul style="list-style-type: none"> - Compliance 	<ul style="list-style-type: none"> - Government publication/ written communication - Code of conduct for employees

MATERIALITY ASSESSMENT

Based on a Group-wide materiality assessment, the following Environmental, Social and Governance (“ESG”) factors were identified to be material for the Group and are the focus of this Report.

SUSTAINABILITY CATEGORIES	MATERIAL FACTORS
Environmental	<ol style="list-style-type: none">1. Energy, Water and Waste Management2. Energy and Water Efficient Products
Social	<ol style="list-style-type: none">3. Diversity and Equal Opportunity4. Talent Attraction and Retention5. Training and Education6. Safe and Healthy Workplace7. Employee Engagement8. Engaging Our Suppliers9. Customer Satisfaction and Privacy10. Product Health Management
Governance	<ol style="list-style-type: none">11. Anti-corruption and Corporate Governance12. Risk Management

POLICIES, PRACTICES AND PERFORMANCE IN RELATION TO THE MATERIAL ESG TOPICS

ENVIRONMENTAL INITIATIVES

ENERGY, WATER CONSUMPTION AND WASTE MANAGEMENT

The Group is strongly committed to eco-friendly practices. We implement and encourage energy saving, water conserving and waste reduction measures in the workplace. Some of these initiatives include:

- Perform regular maintenance of machinery and equipment to improve productivity, prolong their useful life spans and minimise energy consumption
- All employees are reminded to switch off lighting, air conditioner and any electrical appliance when not in use
- Perform regular maintenance of water fittings to reduce risk of leakage
- Encourage employees to report to Admin Department in the event of any water leakage
- Awareness and education initiatives to encourage energy and water conservation and 3Rs – reduce, reuse and recycle
- Reduce paper usage through double-sided printing
- Reuse paper with single side printing
- Implement paperless initiatives e.g. e-invoice and e-statement to customers
- Paper that cannot be reused are sent to recycling plants
- Recycle used toner cartridges

ENERGY AND WATER EFFICIENT PRODUCTS

As part of our commitment to protecting the environment, we bring in products that are energy efficient.

While we ensure that refrigerators and laundry dryers meet the minimum requirements of NEA before they are allowed for sale in Singapore, we are conscientiously working with suppliers to increase the range of more energy efficient products such as refrigerators and laundry dryers for distribution at competitive prices. Conscious efforts are made by our sales team on promoting highly energy efficient products such as heat pump dryers which are labelled with the most “ticks” in energy saving grading by NEA.

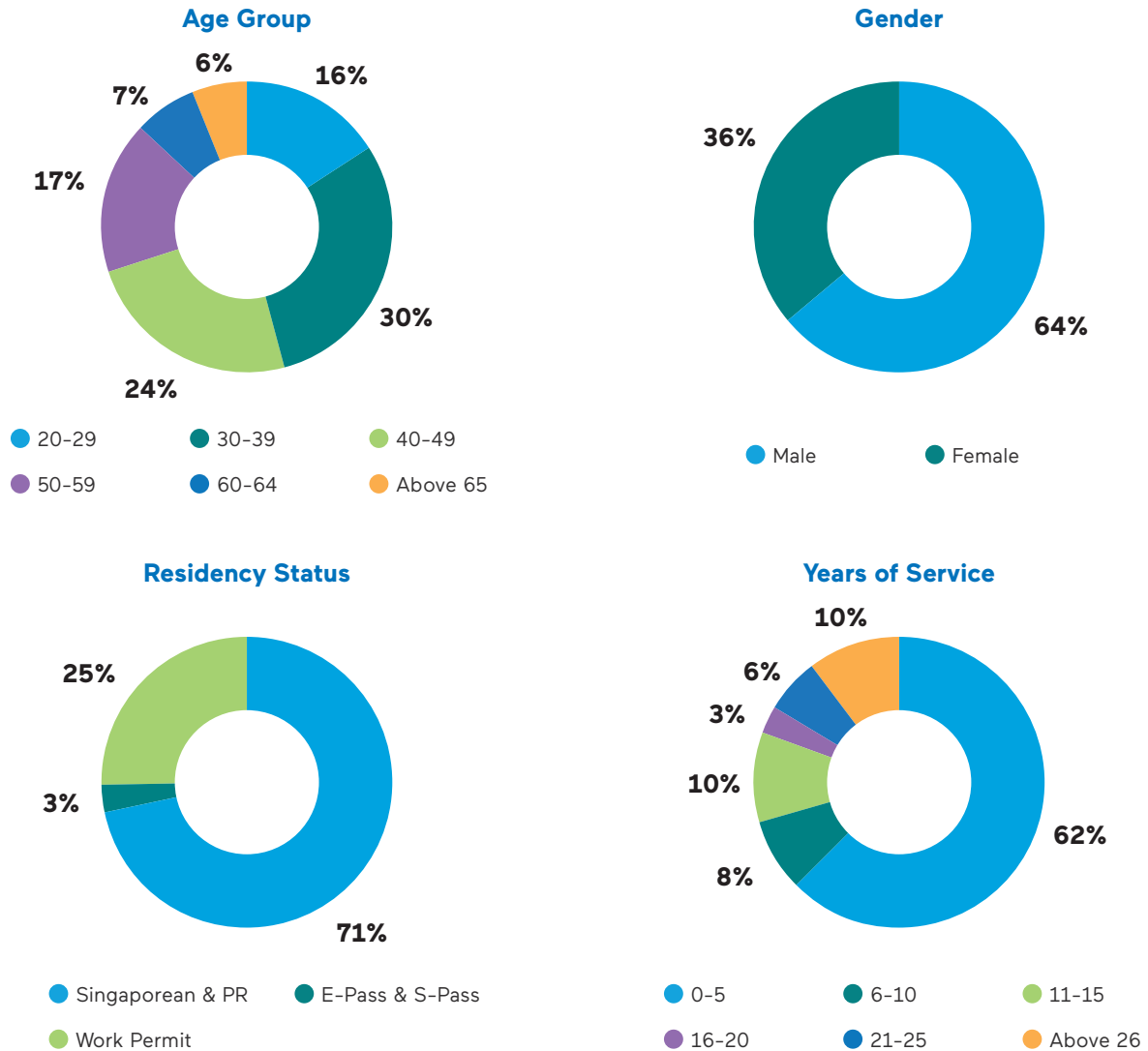
As for products which are listed to be water efficient by PUB before they can be brought in to Singapore for sales, we ensure that these products, namely faucets and washing machines, comply with at least the minimum requirements. In addition to that, we endeavour to bring more products which are of higher grading in terms of water efficiency.

POLICIES, PRACTICES AND PERFORMANCE IN RELATION TO THE MATERIAL ESG TOPICS

SOCIAL – OUR PEOPLE

Our employees are the key drivers in our pursuit to steer the Group towards a sustainable future.

As at 30 September 2018, the Group has 87 employees. We maintain a diverse workforce in terms of age and nationalities, with different skills and experiences. The profile of our employees as at 30 September 2018 is as follow:



DIVERSITY AND EQUAL OPPORTUNITY

As an employer, we treat all employees fairly, with respect and dignity, regardless of nationality, gender, race or religion.

Our hiring procedures are fair, merit-based and non-discriminative. We recruit and select employees based on skills, experience and ability to perform the job.

TALENT ATTRACTION AND RETENTION

We offer competitive remuneration and comprehensive benefit package. Annual review is conducted to ensure that our reward package remains competitive.

POLICIES, PRACTICES AND PERFORMANCE IN RELATION TO THE MATERIAL ESG TOPICS



TRAINING AND EDUCATION

To remain competitive in the market, we recognise the importance of continuous professional development of all our employees.

The Group encourage employees to upgrade their knowledge and skillset by providing various training and development programme to equip them with the right skills and technical know-how to perform their jobs more efficiently and effectively. On average, all our staff received about 390 hours of training in the 12 months.

SAFE AND HEALTHY WORKPLACE

Workplace safety is of top priority to the Group. Our approach to workplace safety is underpinned by legislative requirements and industry safety standards.

Being BizSafe Level 3 certified, we have established a Bizsafe Committee to oversee and monitor the establishment and maintenance of safety practices and policies of the Group.

We upskill our employees in area of workplace safety by sending them for related certified training in workplace safety and first aid.

We train our employees on fire safety hazard processes at the workplace by holding regular fire and emergency evacuation exercise.

Aside from promoting a safe workplace, the Group also organises complimentary health screening, health talk and healthy food distribution for our employee to encourage a fit and healthy workforce.

EMPLOYEE ENGAGEMENT

In order to build a stronger working relationship across all levels, the Group ensure that ready channels are available for employees to communicate with us.

We recognise the importance of discussions in clearing up misunderstandings and preserving harmonious relations. We have procedure in place for the handling of any employee's grievance.

As part of our effort to promote participation in social contribution initiatives, our employees took part in fundraising walk and made donations to special needs community. Not only did these initiatives make a difference to those in need, it also inculcates the culture of giving and creates a bonding event for our employees.

POLICIES, PRACTICES AND PERFORMANCE IN RELATION TO THE MATERIAL ESG TOPICS

SOCIAL – SUPPLY CHAIN MANAGEMENT

ENGAGING OUR SUPPLIERS

We visit and hold regular meetings with our suppliers to give feedback and take on their feedback and formulate action plans where possible to enhance the sustainability of our partnership.

Our major suppliers are selected based on track record and their ability to deliver quality products and services that adhere to our ESG practices.

CUSTOMERS SATISFACTION AND PRIVACY

Our future is dependent on our ability to maintain a strong customer relationship with our dealers and consumers. We strive to supply quality products and provide reliable services, both pre and after sales services to our customers.

Our after-sales service centre is staffed with trained customer service officers and technicians to assist customers who require after-sales service. Customers can also make inquiries through sales and marketing personnel and senior management.

The Group protects the privacy of our customers' information. Our Personal Data Protection Policy clearly states out approach to personal data management.

The privacy of our customers is of paramount importance. While we collect personal data in the furtherance of our business activities, we do not sell, rent or give away personal data of our customers to third parties for commercial purposes.

There were no instances on breaches of customer confidential information during the reporting period.



POLICIES, PRACTICES AND PERFORMANCE IN RELATION TO THE MATERIAL ESG TOPICS



PRODUCT HEALTH MANAGEMENT

Product safety is our utmost priority. To ensure that the Group remains at the forefront of quality assurance, we seek to conform to well-recognised industry standards and regulatory requirements.

We carry only home appliances that are in compliance with mandatory requirements prescribed by the respective agencies. Furthermore, we take customers' safety as a top priority; we act timely and responsibly when incidents are envisaged to happen in order to protect customers from unnecessary harm.

To protect the financial interest of the Group, in addition to holding our suppliers liable for product defects whenever practicable whereby costs associated with defective product are passed to suppliers to the extent possible. Furthermore, should there be cases of claims from customers pertaining to damage to properties owing to products defect, we are covered by product liability insurance.

POLICIES, PRACTICES AND PERFORMANCE IN RELATION TO THE MATERIAL ESG TOPICS

GOVERNANCE

ANTI-CORRUPTION AND CORPORATE GOVERNANCE

The Group is committed to ensuring and maintaining good corporate governance in order to safeguard the interest of our stakeholders.

We endeavour to strengthen the ethical environment and promote professional conduct within the Group. We have a Code of Conduct that is communicated to all employees. It provides detailed guidelines to ensure that employees' business conduct is consistent with ethical standards. The Policy also requires all employees to declare any direct or indirect interest in, or relationship with other businesses and organisations where potential conflicts of interest may arise.

Whistle Blowing Policy

A whistle blowing policy is in place to aid in the deterrence and reporting of corporate malpractice and misconducts. The policy provides the mechanisms where employees of the Group may, in good faith and in confidence, submit incident or concern about possible corporate malpractices and misconducts or other matters directly to the Chairman of Audit Committee.

Details of the whistle blowing policy have been made available to all employees. Through a well-defined procedure, all reported incident or concern will be duly and independently investigated and handled with appropriate measures. The Chairman of Audit Committee will ensure the confidentiality and anonymity of the employee reporting the incident or concern to the fullest extent reasonably practicable within the requirements of the law.

Due to confidentiality, the Chairman of Audit Committee shall table to the Audit Committee during its half yearly meetings only the number of reported cases. The full report will be submitted under Casa Employee Hand Book confidential cover to the Audit Committee. For serious reported incidents or concerns, the Chairman of Audit Committee shall submit its report under confidential cover to the Audit Committee via circulation or through a special Audit Committee meeting arranged as soon as possible.

The Audit Committee shall review the report, advise and authorise the Chairman of Audit Committee of an appropriate action to be taken against the investigated incident or concern. Where appropriate or required, we will file a formal report with the relevant government authorities for further investigation or action.

In FY2018, we are not aware of any incident or concern, confirmed or suspected.

Dealings in Securities

In line with Listing Rule 1207 (19) of the Listing Manual, the Company has in place a policy prohibiting dealings in the shares of the Company by Directors and Officers of the Company for the period of one month prior to the announcement of the Company's half yearly and yearly results as the case may be, and ending on the date of the announcement of the relevant results. Directors and Officers are discouraged from trading the Company's securities on short-term considerations and are expected to observe the insider trading laws at all times even when dealing in securities within permitted trading period.

For more details of the Group's corporate governance practices, please refer to Corporate Governance Report of the Annual Report 2018.

RISK MANAGEMENT

The Group has an Enterprise Risk Management Framework ("Framework") in place. The Framework has been reviewed by the Audit Committee and approved by the Board of Directors.

The Group conducts regular review of its business and operational activities to in order to identify significant areas of risks so that timely measures can be implemented to mitigate these risks.



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