



KLW HOLDINGS LIMITED

SUSTAINABILITY REPORT 2019



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Singapore 339407

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ORGANIZATIONAL PROFILE

KLW Holdings Limited (“KLW”, the “Company”, and together with its subsidiaries, the “Group”) was incorporated in Singapore in 1995 and listed on the Catalist Board (formerly “SESDAQ”) of the Singapore Exchange Securities Trading Limited (“SGX-ST”) since 1998.

KLW is an investment holdings company with two core businesses, namely: (1) Door manufacturing & distribution and (2) Property investments & developments.

Door Manufacturing and Distribution

Over the years, KLW Group has built a name in the manufacturing and distribution of high quality doors such as timber doors, fire doors, engineered doors, customized doors and others. We have been supplying our products to well-known quality home improvement DIY chain-stores, door distributors and development projects in Asia, Europe and USA.



Our door business operates in the following bases:

Malaysia

Manufacturing Operations:

PLO 34, Kawasan Perindustrian Simpang Renggam,
86200 Simpang Renggam, Johor, Malaysia

PLO 32, Kawasan Perindustrian Simpang Renggam,
86200 Simpang Renggam, Johor, Malaysia

China

Manufacturing Operations:

中国广东省东莞市洪梅镇洪厚路尧均段
Yao Jun Section, Hong Hou Road, Hongmei Town,
Dongguan City, Guangdong, China. Post code: 523160

Singapore

Project Management and Installation:

39 Kaki Bukit Industrial Terrace
Singapore 416119

Property Investment and Property Development

KLW Group began its foray in property business in 2014 with the aim to diversify its business and capture new opportunities available. The strategy employed is to focus on developing this business segment in our diversification effort to augment our business through development properties for capital returns.



↳ Lincoln Square Carlton, Australia
29-31 Lincoln Square South, Carlton, Melbourne, Australia

This is a property situated in the vicinity of the renowned Melbourne University. Its proximity to Melbourne's CBD area has rendered it suitable for various types of re-development. The Property is freehold and has a built-up area of approximately 3,745 square metres sitting on land area of approximately 906 square metres.

The Group has obtained the planning permit from Melbourne City Council on 20 April 2019 for partial demolition and buildings and works including the construction of a multi storey development for use as dwellings and retail.



↳ South Jakarta, Indonesia
Jalan RA. Kartini No. 18, Jakarta, Indonesia

The land is located in a prime district of South Jakarta which is surrounded with well-developed infrastructure and future MRT track and depot. In addition, it is complimented by existing amenities such as shopping mall, international school and affluent neighbourhood. The Group has completed the acquisition of the land with an aggregate area of approximately 7,919 square metres and the focus is to achieve potential upside through development of the land.

ABOUT THIS REPORT

BOARD STATEMENT

We are pleased to present the annual Sustainability Report of KLW for our financial year ended 31 March 2019 (“FY2019”).

Recognising the importance of sustainability, the Board of Directors (“**Board**”) leads the sustainability efforts of the Company. The Board has considered sustainability issues as part of its strategic formulation, determined the material economic, environmental, social and governance (“**EESG**”) factors relevant to its business and overseen the management and monitoring of these material factors.

In defining our reporting content, we have applied the Global Reporting Initiative (“**GRI**”) Standards by considering the Group’s activities, impact and substantive expectations and interests of its stakeholders. For reporting quality, we observed the principles of balance, comparability, accuracy, timeliness, clarity and reliability.

The EESG data and information provided in this report have been derived from internal data monitoring and verification to ensure accuracy.

REPORTING PERIOD, SCOPE AND FRAMEWORK

This report is prepared in compliance with the requirements of Rules 711A and 711B of the Singapore Exchange Securities Trading Limited (“**SGX-ST**”) Listing Manual Section B: Rules of Catalist (“**Catalist Rules**”), and references the phased approach as described in Practice Note 7F: Sustainability Reporting Guide as specified in the Catalist Rules and the GRI Standards, Core option. We have chosen to report using the GRI Standards because it is an internationally recognised sustainability reporting framework that covers a comprehensive range of sustainability disclosures. Moreover, the structured framework promotes reporting a full and balanced picture of KLW’s material matters and the management of its impact.

Corresponding to the standard’s emphasis on materiality, the report highlights the EESG related initiatives carried out throughout the 12-month period, from 1 April 2018 to 31 March 2019. For this year’s report, we have included our operations in China and focuses on the Group’s Door Business.

This report supplements the Company's Annual Report for FY2019 which is available online via SGXNET. Detailed section and page references in line with the GRI Standards can be found in the GRI Standards Content Index Section.

FEEDBACK

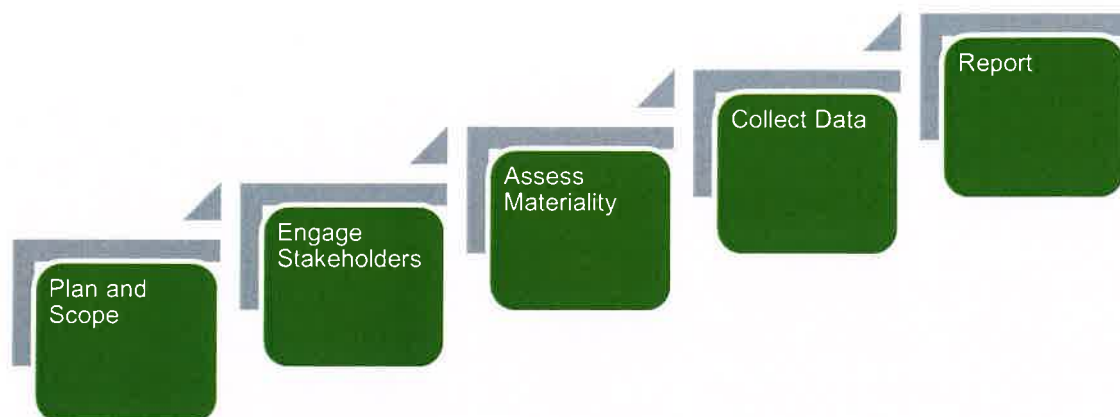
We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to improve our policies, systems and results. Please send your feedback to enquiries@klw.com.sg.

To conserve the environment, no hard copy of this Report is printed. We have uploaded a digital copy on our website at www.klw.com.sg.

31 August 2019




SUSTAINABILITY APPROACH





OUR SUSTAINABILITY APPROACH



STAKEHOLDER ENGAGEMENT

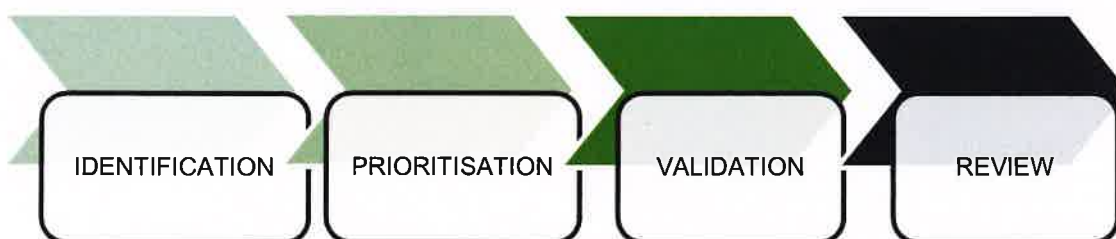
An important starting point in our sustainability journey is to identify our stakeholders and the material factors relevant to our business. The interests and requirements of key stakeholders are also taken into account when formulating corporate strategies. These key stakeholders include, but are not limited to board of directors, employees, customers, suppliers, investors, local government and local communities. We adopt both formal and informal channels of communication to understand the needs of key stakeholders, and incorporate these into our corporate strategies to achieve mutually beneficial relationships. The following sets out our engagement platforms with our stakeholders:

No.	Stakeholders	Engagement Platforms	Frequency	Topics Discussed
1	BOARD OF DIRECTORS 	Board Meetings Board Papers Board lunches	Quarterly	Financial performance, policies and strategies and annual budgets
2	EMPLOYEES 	Staff Appraisal Staff bonding sessions & whistle blowing policy Employee Sustainability Report Feedback Form	As and when, and annually As and when	Employee compensation and benefits, personal developments. No reports received for whistle blowing for FY2019 Feedback on content, style, format of Sustainability Report
3	CUSTOMERS 	Face-to-face meetings Email feedback Customer satisfaction questionnaire	As and when, and annually	Product quality level, punctuality of shipment and timely submission of quotation

No.	Stakeholders	Engagement Platforms	Frequency	Topics Discussed
4	SUPPLIERS AND SERVICE PROVIDERS 	Face-to-face meeting Vendor Assessment	As and when	Delivery performance and Quality performance
5	INVESTORS/ SHAREHOLDERS 	Annual General / Extraordinary General Meeting Annual Report Company's website	As and when, and annually	Financial performance and strategic planning
6	LOCAL GOVERNMENT 	Regular reporting Inspections E-mail / Circulars Survey	Annually	Regulatory and compliance matters
7	LOCAL COMMUNITIES 	Sponsorship for local town council	As and when	Donation for local union activities

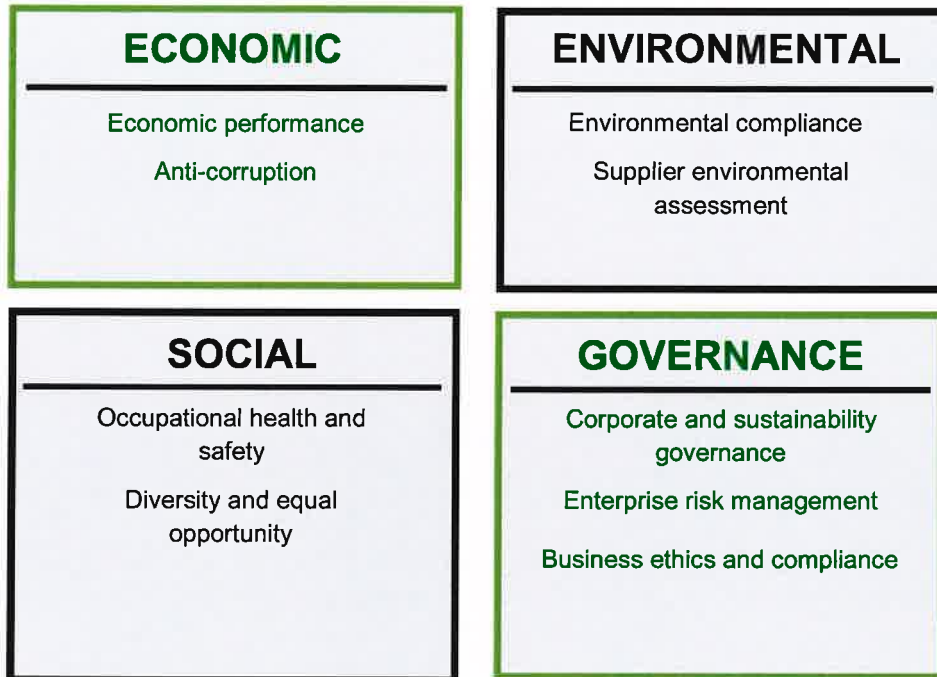
MATERIALITY ASSESSMENT

Our sustainability process begins with the identification of relevant factors. Next, the relevant factors are then prioritised to identify material factors which are subject to validation by our Board. The end result of this process is a list of material factors to be disclosed in the Sustainability Report. The process described is shown below:



We conducted a materiality assessment during FY2019 with the help of an external consultant and incorporated inputs from the stakeholder engagements. A materiality review will then be conducted every year. To determine if a factor is material, we assessed its potential impact on the economy, environment, society and the influence on the stakeholders. Factors were identified and prioritised through internal workshops, peer reviews and social impact assessments at site level. Based on the materiality assessment and feedback from our stakeholders, we have identified and retained the same EESG factors which are material to the Group in FY2018.

Applying the guidance from GRI, we have identified the following material factors:



ECONOMIC

ECONOMIC PERFORMANCE

KLW firmly believes that focusing on financial sustainability is critical and we are fully committed to the highest standards of corporate governance. The Company's basic principle is that long-term profitability and shareholder value is ensured by taking into account the interests of stakeholders, such as shareholders, employees, suppliers and society as a whole. KLW will remain cautious with regards to market conditions and will continue to be vigilant in managing costs and improving operational efficiencies.

Gross profit more than doubled to S\$5.09 million in FY2019 from S\$2.17 million in FY2018 as the decline in cost of sales outpaced the slide in revenue.

Revenue

For the financial year ended 31 March 2019 ("FY2019"), revenue slipped 9% to S\$30.30 million from S\$33.31 million in the previous year ("FY2018") as export sales for the Doors business declined across all geographical markets. There were no revenue contributions from the Property business in FY2019 as the Group's current two projects, in Melbourne and Jakarta, have yet to be developed.

Cost of Sales

With the lower revenue, cost of sales decreased 19% to S\$25.20 million in FY2019 from S\$31.13 million in FY2018. Lower back charges from project installations and a reversal of provision of S\$0.40 million for stock obsolescence also contributed to the lower cost of sales.

Gross Profit

Gross profit more than doubled to S\$5.09 million in FY2019 from S\$2.17 million in FY2018 as the decline in cost of sales outpaced the slide in revenue. This resulted in a higher gross margin of 17%, compared to 7% in the previous year. Specifically, the margin improvement was due to higher yield in raw materials usage, lower back-charges from project installations, and a reversal of provision for stock obsolescence.

For detailed financial results, please refer to the following sections in our Annual Report 2019:

- Financial and Operational Review, pages 8 to 9
- Financial Statements, pages 41 to 47

ANTI-CORRUPTION

At KLW, we do not tolerate any form of corruption. This has been made clear to all of our employees, our suppliers and our business partners. A dedicated whistleblowing communication channel to the Audit Committee Chairman using email is made available to anyone who wants to report any anti-business ethics issue on a confidential basis. Any report of corruption is escalated to the attention of senior management.

There have been no reported incidents of corruption during FY2019 (FY2018: Nil).

Our goal is to maintain zero incidents of corruption in the upcoming years. We will regularly review policies on whistleblowing and anti-corruption.

ENVIRONMENTAL

Earth Day 2019



ENVIRONMENTAL COMPLIANCE

Regular activities including inspection and testing were performed in KLW to ensure compliance with environmental and safety regulation. Throughout FY2019, the following activities took place and were monitored by our external service providers:

KLW Malaysia plant environmental monitoring:

Activity / Date	Details / Regulation
Baseline Medical Surveillance for spray workers 22-May-18	Result medical surveillance show the workers didn't get affected by the exposure to the xylene & diisocyanate
Initial Noise Exposure Monitoring 31-May-18	The maximum exposure for workers monitored not exceeding 115 dB (A) at any time.
Environmental Noise Monitoring 1-June-18	The noise level monitored during day & night were within the DOE Guideline limits of 70.0 dB (A) & 60.0 dB (A)
Environmental Air Monitoring 26-June-18	The concentration of total suspended particulate were within Malaysia Recommended Environmental Air Quality Guideline limits of 260 mg/m ³ . Sulfur Dioxide & Nitrogen Dioxide were within Malaysia Recommended Environmental Air Quality Guideline limits of 0.04 ppm & 0.17 ppm respectively.
Additional Personal Chemical Exposure Monitoring 5-July-18	Airborne concentrations monitored below permissible exposure limits (PEL) except parameter Formaldehyde
Stack Emission Monitoring for Spray Booth No 3 & 4 5-July-18	Total particulate matter for spray booth no 3 & no 4 complied with Malaysian Environmental Quality (Clean Air) Regulations 2014, limits of 150 mg/m ³ . The non-methane volatile organic compound for both spray booth complied with regulation, limits of 20 mg/m ³ for concentration of halogenated hydrocarbons & limits of 150 mg/m ³ for concentration of non halogenated hydrocarbons.
Annual Examination and Testing Report of Local Exhaust Ventilation (LEV) 10-Aug-18	The average face velocities, capture velocities & transport velocities within ACGIH recommended range values. LEV system for spray booth 3 & spray booth 4 were satisfactory but LEV performance for Dust Collector 1, 2, 3 & 4 not so satisfactory.
Stack Emission Monitoring At Dust Collector No. 3 & 4 13-Aug-18	The total particulate matter for dust collector 1, 2, 3 & 4 complied with Malaysian Environmental Quality (Clean Air) Regulations 2014, limits of 150 mg/m ³ .
Sewage Monitoring 15-Aug-18	Sample results show the sewage complied with Malaysia Environmental Quality Act 1974 (2nd Schedule), Environmental Quality (Sewage) Regulations 2009, Standard B Limits
Effluent Monitoring 15-Aug-18	Sample results show the sewage complied with Malaysia Environmental Quality Act 1974, Environmental Quality (Industrial Effluent) Regulations 2009, Standard B Limits.

KLW China plant environmental monitoring

Activity / Date	Details / Regulation
Domestic Sewage Monitoring 8-July-19	Sample results show the sewage complied with industrial requirements (DB-44/26-2001) in terms of suspended matter, chemical oxygen demand, oil content and PH value.
Organic Waste Gas 8-July-19	Paint gas emission levels meeting the Volatile Organic Compound Emission Standard (DB 44/814-2010).
Dust exhaust monitoring 8-July-19	Dust exhaust from sheet metal foaming and trimming process meeting the air pollutant emission limits of 120 mg/m
Kitchen fume exhaust control 8-July-19	Kitchen fume exhaust emission levels (0.9 mg/m ³ .) meeting catering industrial standards of 2 mg/m ³ .
Environmental Noise Monitoring 8-July-19	The noise level monitored during day & night were within the stipulated Guideline limits of 65 dB (A) & 55 dB (A)
Domestic Sewage Monitoring 15-May-18	Sample results show the sewage complied with industrial requirements (DB-44/26-2001) in terms of suspended matter, chemical oxygen demand, oil content and PH value.
Organic Waste Gas 15-May-18	Paint gas emission levels meeting the Volatile Organic Compound Emission Standard (DB 44/814-2010).
Dust exhaust monitoring 15-May-18	Dust exhaust from sheet metal foaming and trimming process meeting the air pollutant emission limits of 120 mg/m ³ .
Kitchen fume exhaust control 15-May-18	Kitchen fume exhaust emission levels (0.9 mg/m ³ .) meeting catering industrial standards of 2 mg/m ³ .
Environmental Noise Monitoring 15-May-18	The noise level monitored during day & night were within the stipulated Guideline limits of 65 dB (A) & 55 dB (A)
Formaldehyde (gas emission) from particle board 30-Nov-18	The emission level of formaldehyde was within healthy levels E1<9 as certified by China National Accreditation Service (CNAS) FOR Conformity Assessment
Domestic Sewage Monitoring 2-Jan-19	Sample results show the sewage complied with industrial requirements (DB-44/26-2001) in terms of suspended matter, chemical oxygen demand, oil content and PH value
Organic Waste Gas 2-Jan-19	Paint gas emission levels meeting the Volatile Organic Compound Emission Standard (DB 44/814-2010).
Dust exhaust monitoring 2-Jan-19	Dust exhaust from sheet metal foaming and trimming process meeting the air pollutant emission limits of 120 mg/m ³ .
Kitchen fume exhaust control 2-Jan-19	Kitchen fume exhaust emission levels (0.9 mg/m ³ .) meeting catering industrial standards of 2 mg/m ³ .
Environmental Noise Monitoring 2-Jan-19	The noise level monitored during day & night were within the stipulated Guideline limits of 65 dB (A) & 55 dB (A)

There were no significant non-compliance with environmental laws or regulations for both KLW Malaysia and China operations in FY2019 (FY2018: Nil). We aim to maintain zero incidents of non-compliance in the upcoming years.

SUPPLIER ENVIRONMENTAL ASSESSMENT

KLW will continue to reduce its environmental impact and to encourage its stakeholders, such as suppliers and trading partners, to meet the same expectations. The Group also performs annual supplier assessment on their vendors to verify that they are providing high quality and green products. We have established our Forest Stewardship Council (“FSC”) policy regarding FSC Chain of Custody for central office and multiple sites. Our Procurement Manager is responsible for purchasing of raw materials, for verifying the validity and scope of the supplier’s FSC certificate and for verifying purchase documents. KLW purchased FSC Certified MDF, particleboard, wooden timber, veneer and FSC controlled wooden timber and veneer for its FSC production.

6 new suppliers were screened in FY2019 (FY2018: 2) to communicate environmental requirements to suppliers that are providing products and services to the Company. For KLW China plant, 18 new suppliers were screened in FY2019 and as FY2019 is the first year during which the Company had begun its data gathering, there were no records of suppliers’ screening for FY2018 for comparison. Through this process, we emphasize the Company’s requirements and policy as follows:

QUALITY AND ENVIRONMENTAL POLICY

KLW WOOD PRODUCTS (M) SDN BHD is committed to be:

K Key to Exceed Customer Satisfaction,

L Lead to promote environmental & product quality by reducing consumption of natural resources, prevent pollution and comply with legal and other requirements. KLW also ensure that all our products meet with customer environmental hazardous substances requirements through continual improvement of QMS and EMS,

W Whistleblower and always adhere to stakeholders' advice.

Since we started screening our suppliers in 2015, as of FY2019 a total of 49 suppliers (100% of the screened suppliers and 37% of our total suppliers) have passed our assessment (FY2018: 43). For KLW China plant, there were only two suppliers who signed on the environmental policy.

Our plants are ISO9001 and ISO14001 certified.

ISO 9001 Certification for KWL China Plant



ISO 14001 Certification for KWL China Plant



ISO 9001 Certification for KWL Malaysia Plant



ISO 14001 Certification for KWL Malaysia Plant



Our products do not possess any materials which may qualify it as hazardous waste and zero (FY2018: Nil) environmental hazards have been reported or known.

We will continue the supplier assessment on a yearly basis and ensure that the suppliers are selected carefully in the upcoming years, taking into consideration their adherence with environmental requirements.

LOCAL PURCHASES

Most of our accessories are sourced locally. Our local purchases include accessories such as abrasive, cutter, glass, glue, hardware, oil, packaging, paint, tools, bearing, belt, motor and spare parts. We target to continue the current procurement practice.

China

95%

(FY2018: 95%) of our accessories purchased in the past 6 months were sourced locally

Malaysia

99%

(FY2018: 88%) of our accessories purchased in the past 6 months were sourced locally

MEMBERSHIP



MTIB
LEMBAGA PERINDUSTRIAN KAYU MALAYSIA
PERAKUAN PENDAFTARAN



MTC
MALAYSIAN TIMBER COUNCIL




FSC
www.fsc.org

MIX
Wood from
responsible sources

FSC® C010777

JADUAL PERTAMA
(Kaedah B)

NOMBOR RESI: 4403



MTIB
LEMBAGA PERINDUSTRIAN KAYU MALAYSIA
PERAKUAN PENDAFTARAN

INI ADALAH UNTUK MEMPERAKUI BAHAWA: **KLW WOOD PRODUCTS (M) SDN BHD**

dan: **PILO 32, STUPANG BERDUAH**

INDUSTRIAL ESTATE, 86200 SEREMANG, NEGERI SEMBILAN, JOHOR

telah didaftarkan sebagai:


Jenis Pendaftaran	Nombor Pendaftaran	Jenis Keluaran Kayu Diulaskan
Pengeksport	2/8 - 30/12/2014	← (MAMPU) (MAMPU)
Pembekal	2/8 - 26/12/2014	← (MAMPU) (MAMPU)
Pemproses Kayu		
Pemeringkat		

di bawah sekatan 14 Akta Lembaga Perindustrian Kayu Malaysia (Pendaftaran) 1981 dan mengikut Kaedah-Kaedah Perindustrian Kayu (Pendaftaran) 1981 bagi tempoh: 2019 tahun bertukar kepada syarat-syarat dan sekatan-sekatan yang terkandung di dalam atau dalam perjanjian bersama-sama perakuan ini dan Kaedah-Kaedah Perindustrian Kayu (Pendaftaran) 1981.


Fee yang telah dibayar: **RM1400.00**

Nombor resi: **04. NO. 000967**

Berterikh pada: **2014** hb. **JUH** no. **13**



MD YUSOFF SAMAL
Ketua Pendaftar (MAMPU) dan MAMPU,
Lembaga Perindustrian Kayu Malaysia,
Jabatan Perindustrian Malaysia.



MALAYSIAN WOOD MOULDING & JOINERY COUNCIL
Majlis Kayu Mould & Tonggala Malaysia 马来西亚木材加工工业协会
108, 11th Floor, Tower 1, Mount PERDA, 8 Jalan Pahlawan, Cheras, 56000 Kuala Lumpur, Malaysia.
Tel: 03-9087 7900 Fax: 03-9084 4125 Email: mwmjc@perda.com

CERTIFICATE OF MEMBERSHIP
2019 – 2020

KLW WOOD PRODUCTS (M) SDN BHD


Is registered as an ASSOCIATE MEMBER of the

MALAYSIAN WOOD MOULDING & JOINERY COUNCIL
(MWMJC)

Since **APRIL 2013**

The Subscription Fee has been paid and Membership is valid until **22 APRIL 2020**

Membership No : **ASC/0413/365**
Official Receipt No : **3949**
Total Amount : **RM 525.00**
Date Paid : **16 APRIL 2019**



For **CHAIRMAN**
MWMJC

Copy to: Ketua Perintah LPM
U/iz. Bahagian Penerimaan & Pengeluaran
LPEA NO. MAUCAT (2019)

SOCIAL

OCCUPATIONAL HEALTH AND SAFETY

We are committed to safeguarding our employees' health and safety against any potential workplace hazards. The focus on health and safety is important for KLW to achieve outstanding performance. It is a fundamental right for our workers to be able to work in a safe environment. By doing so, not only does our employees attain wellness, our productivity also increases, and the best are delivered to our customers. From implementing job safety guidelines and procedures to conduct rigorous safety trainings, we are committed to provide a hazard-free workplace to ensure the well-being of both our employees and the environment.

KLW employs a variety of measures to ensure the health and safety of all our staff. Throughout the year, we conduct the following training to our employees:

KLW Malaysia

- Procedure Disposed Schedule Waste (Glue)
- HR training on employees' benefits
- HR, Safety & Health and Quality for new workers
- Safety and Health training for emergency event and safety, fire drill, accident reporting and investigation procedure, safety shoes
- Quality Assurance Training on handling Equipment Water Level, MC Meter Delmhorst, Testo, & Glass Meter, Handling AQL - Tolerance Defact Glass, introduction Process Door (Full Board Grooving, FD30, Cramping Engineered, HF), fire door briefing
- Production training on carton box usage, PPE/Housekeeping/Safety Shoes/Safety Machine/ Yellow Line/ Forklift, First Piece, Safety, Pallet Truck, Rest Time
- Warehouse training on stocktake procedure, workflow briefing,

KLW China

- Employee's roles and responsibilities in safety
- Employee Manual and Rules
- Annual Safety Production Standards
- Occupational Hazard Manual
- Use of personal labour protection equipment
- Handling of waste pipe procedure
- Job descriptions and responsibilities
- Company organisational structure
- Introduction of ISO 9001 and ISO14001 and their requirements
- Fire operations and emergency handling procedures
- Prevention of work injuries
- Equipment maintenance and operations instructions
- Corrective action control procedures
- Fire drill exercise
- Documents and records management

On a monthly basis, Key Performance Indicators on Safety and Health were reported and tabulated by the Health and Safety Officer. These reports track and monitor the injuries and accidents on site. There were 17 accident cases in FY2019 (FY2018: Nil) arising during our operations. In all 17 cases, the workers sustained minor injuries and the cases were accordingly reported to Jabatan Keselamatan dan Kesihatan Pekerjaan Negeri Johor (“JKKP”) @ Department of Safety & Health. It is noted that the accidents involved newly employed workers who were not familiar with the operations and safety measures within the plant. Following each accident, the management evaluated the situation and sought to implement corrective action to mitigate recurrence of such accidents. Health and Safety Officer will verify the implementation and effectiveness of such corrective action. There was one accident case in our China plant.

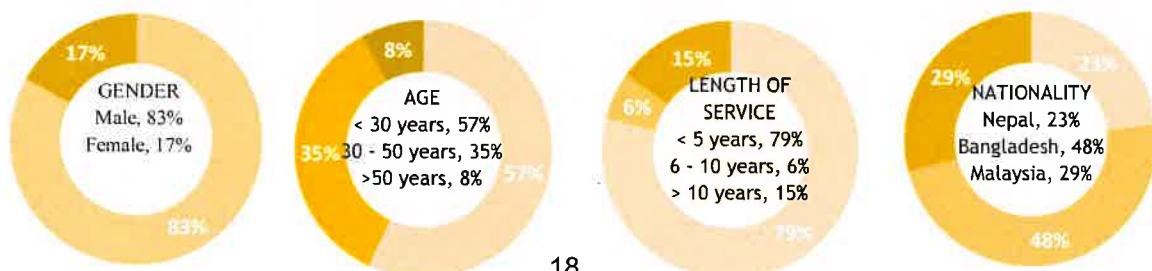
We will continue to stress workplace safety at all times and aim for an accident frequency rate of zero as well as zero cases of work-related fatalities in the upcoming years.

DIVERSITY AND EQUAL OPPORTUNITY

KLW does not discriminate according to their race, age, gender, religion, ethnicity, facial attractiveness, physical impairments, sexual preference, political viewpoints or nationality. As of 31 March 2019, we have a total of 328 employees in the Malaysia plant (FY2018: 335) and 223 employees in the China plant (FY2018: 308). We value diversity at every level and provide equal opportunities regardless of gender. During the year, there have been no cases concerning any discrimination or unfair employment practices. We will continue to uphold the principle of equal opportunities and respect the rights of our people.

The Group considers its employees the most valuable asset and offers them fair and competitive remuneration packages. Discretionary incentives are granted to eligible employees based on the performance of the Group and contribution of individual employees. Contributions to retirement benefit schemes are offered as part of the remuneration package. Remuneration policies and packages are reviewed regularly to ensure that compensation and benefits are in line with the market, thus helping the recruitment and retention of talents.

Malaysia





Throughout the year, our Human Resource department has organized events for the Company and proposed performance awards to boost morale. These celebrations has allowed everyone a chance to take a break from work and serves as a platform for them to bond with each other. In FY2019, 6 employees were awarded as Best Performance in our Malaysia Plant. Best Performance are given to the 6 employees who have not taken Sick Leave, Accident Leave, Absent, No Pay Leave, No Pay Holiday Leave, Time-off, Early out and have been punctual.

To demonstrate KLW's commitment and drive to promote cohesiveness and inclusiveness within the workplace, the following activities were held in our Malaysia plant:





Kuih Raya - Deepavali 2018
held on 5 November 2018 for all KLWM
Staff and Workers to celebrate Hindu
festival of lights celebrated every year



Annual Dinner 2018
held on 28 December 2018 for all KLWM and
KLWJ Staff and Workers to celebrate and have
fun among staffs with co-workers





In our China plant, the Company had provided birthday gifts, Chinese New Year red packets and Women's Day gifts to the employees . KLW China plant also organised activities like Company annual Dinner and Dance and lucky draw.

Women's Day gifts



Company annual Dinner and Dance and lucky draw



GOVERNANCE

CORPORATE AND SUSTAINABILITY GOVERNANCE

At KLW, we believe that strong governance is the key to a sustainable business. Throughout FY2019, we continue to comply with the Code of Corporate Governance. Please refer to the Annual Report pages 14 to 32 on the details of the SGX Code of Corporate Governance.

It is a continual challenge to successfully manage the environmental and social issues. KLW has incorporated this into its business model and implemented sustainable and responsible practices throughout the Company. Our products and services meet relevant safety and environmental requirements demanded by our customers and the regulatory bodies.

KLW pays strict attention to enforce good labour practices in all our operations. The Company provides various training opportunities for continued employee development and this is reflected in the quality and delivery of our products and services. We value our relationships with our clients and the wider community in which we operate and these relationships have helped us through the challenging times in the past. KLW strongly believes that in the long run, these efforts will have a positive impact on our economic performance.

Going forward, we will continue to comply with the Code of Corporate Governance and meet all requirements that are expected of us by our stakeholders.

ENTERPRISE RISK MANAGEMENT (“ERM”)

ERM is an integral part of good corporate governance as well as resource management. KLW has a thorough and comprehensive ERM framework to identify and manage its risks and exposures in an integrated, systematic and consistent manner. For detailed disclosure on ERM, please refer to our Annual Report, page 27.

We will regularly review the ERM policies to ensure all relevant risks are identified, communicated and addressed timely.

BUSINESS ETHICS AND COMPLIANCE

In respect of hiring personnel, we take any possibility of conflict of interest into serious consideration. Our code of conduct clearly spells out KLW's expectations from our staff and consequences if any of the rules are violated or standards are not met. In addition, we also have clear and fair grievance procedures.

All of our staff are reminded of the importance of upholding the highest standards when it comes to business ethics. We have posters and memos reminding everyone on the importance of ethics clearly displayed in public areas so that employees from all level are fully aware that compliance with rules and regulations is a key part of running a responsible business.

The Company regularly updates relevant staff with development in international and local regulations. KLW complied fully, in all material aspects, with all environmental rules and regulations, anti-competitive behaviour laws and all requirements on health and safety.

Cyber security and data privacy are important not just for compliance, but in safeguarding both our data and that of our customers. KLW takes measures to guard against cyber risks and protecting the confidential information for both our internal and external stakeholders. This also applies to our employment process where the privacy of all applicants is safeguarded and access to personal data is restricted to authorised persons on a need-to-know basis.

For the financial year ended 31 March 2019, there were no (FY2018: Nil) significant fines or non-monetary sanctions for non-compliance with laws and regulations.

Our target is to ensure all allegations received are promptly addressed and to maintain zero incidents of non-compliance in the upcoming years.

GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure	Reference / Description	
GRI 101: Foundation 2016			
GENERAL DISCLOSURE			
GRI 102: General Disclosures	102-1	Name of organisation	KLW Holdings Limited
	102-2	Activities, brands, products and services	Sustainability Report (SR): Organizational Profile, pages 2 to 3
	102-3	Location of headquarters	SR: Table of Contents, page 1
	102-4	Location of operations	AR: pages 2 to 3
	102-5	Ownership and legal form	AR: Statistics of shareholdings, page 127
	102-6	Markets served	SR: Organizational Profile, pages 2 to 3
	102-7	Scale of the organisation	AR: Chairman's Statement and operational review, pages 5 to 9; SR: Diversity and Equal Opportunity, page 18
	102-8	Information on employees and other workers	SR: Diversity and Equal Opportunity, pages 18 to 21
	102-9	Supply chain	SR: Supplier Environmental Assessment, pages 14 to 15
	102-10	Significant changes to the organisation and its supply chain	None.
	102-11	Precautionary Principle or approach	KLW supports the intent of the Precautionary Principle, but has not expressed a specific commitment.
	102-12	External initiatives	SR: Sustainability Approach, page 7
	102-13	Membership of associations	SR: Membership, page 16
	102-14	Statement from senior decision maker	SR: Board Statement, page 4
	102-16	Values, principles, standards and norms of behaviour	SR: Governance, pages 22 to 23
	102-18	Governance structure	SR: Governance, page 22
	102-40	List of stakeholder groups	SR: Sustainability Approach, pages 6 to 7
	102-41	Collective bargaining agreements	There is an agreement between KLW Wood Products (M) Sdn Bhd and Timber Employee Union. During FY2019, 17% of KLW Wood Products (M) Sdn Bhd employees are covered by the Timber Employee Union.
	102-42	Identifying and selecting stakeholders	SR: Sustainability Approach, pages 6 to 7
	102-43	Approach to stakeholder engagement	SR: Sustainability Approach, pages 6 to 7
	102-44	Key topics and concerns raised	SR: Sustainability Approach, pages 6 to 7
102-45	Entities included in the consolidated financial statements	AR: pages 79 to 81	

GRI Standard	Disclosure		Reference / Description
GRI 101: Foundation 2016			
GENERAL DISCLOSURE			
GRI 102: General Disclosures	102-46	Defining report content and topic boundaries	SR: About this Report, page 4
	102-47	List of material topics	SR: Sustainability Approach, page 8
	102-48	Restatement of information	None
	102-49	Changes in reporting	None
	102-50	Reporting period	SR: About this Report, page 4
	102-51	Date of most recent previous report	31 December 2018
	102-52	Reporting cycle	Annually
	102-53	Contact point for questions about the report	SR: About this Report, page 5
	102-54	Claims if reporting in accordance with the GRI Standards	SR: About this Report, page 4
102-55	GRI content index	SR: GRI Standards Content Index, pages 24 to 25	
102-56	External Assurance	We may seek external assurance in the future.	
MATERIAL TOPICS			
GRI 201: Economic performance	201-1	Direct economic value generated and distributed	SR: Economic, pages 9 to 10
GRI 205 Anti- corruption	205-1	Operations assessed for risks related to corruption	SR: Anti-corruption, page 10
GRI 307: Environmental compliance	307-1	Non-compliance with environmental laws and regulations	SR: Environmental Compliance, pages 11 to 13
GRI 308: Supplier environmental assessment	308-1	New suppliers that were screened using environmental criteria	SR: Supplier Environmental Assessment, pages 14 to 15
GRI 403: Occupational health and safety	403-2	Types of injury and rates of injury, occupational diseases, lost	SR: Occupational Health and Safety, pages 17 to 18
GRI 405: Diversity and equal opportunity	405-1	Diversity of governance bodies and employees	SR: Diversity and Equal Opportunity, 18 to 21