



**SUSTAINABILITY REPORT 2017**

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# BOARD STATEMENT

We are pleased to present the inaugural annual Sustainability Report of Sevak Limited ("Sevak", the "Company", and together with its subsidiaries, the "Group") for our financial year ended 31 December 2017 ("FY2017"). This report is prepared in compliance with the requirements of Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rules 711A and 711B, and references the Global Reporting Initiative (GRI) Standards. This report highlights the key economic, environmental, social and governance (EESG) related initiatives carried throughout a 12-month period, from 1 January 2017 to 31 December 2017.

For this year's report, we are covering Sevak Limited (Head Office), Singapore Electric Vehicles Pte Ltd (SEV) and Affinity Group.

Sustainability is a part of the Group's wider strategy to create long-term value for all its stakeholders. As such, the key material EESG factors for the Group have been identified and cautiously reviewed by the management. The data and information provided have not been verified by an independent third party. We have relied on internal data monitoring and verification to ensure accuracy of data and information. The board of directors of the Group (the "Board") oversees the management and monitoring of these factors and takes them into consideration in the determination of the Group's strategic direction and policies.

We welcome feedback from our stakeholders with regards to our sustainability efforts as this enables us to consistently improve our policies, systems and results. Please send your comments and suggestions to [investor-relations@sevaklimited.com](mailto:investor-relations@sevaklimited.com)

26 December 2018

## CORPORATE PROFILE

On 15 July 1993, the Company was incorporated in Singapore under the name of Mediacom Technologies Pte Ltd. Subsequently, it was converted to a public limited company on 25 October 1999, accompanied by a change of name to MediaRing.com Ltd.

After a re-evaluation and restructuring of its business units, the Company has reinforced its focus on products and services in segments such as telecom value added services, high-end consumer mobility products as well as IT related professional and managed services. To reflect its service orientation and corporate culture, as it moves from "information to Innovation", focusing on "Services", it has changed its name to "Sevak Limited". "Sevak" is a Sanskrit word depicting "Service".

Since 1999, Sevak Limited is listed on the Main board of the Singapore Exchange Securities Trading Limited and operates under the ticker symbol SGX: Sevak.

The Company continues to focus on 3 verticals:

- Distribution of Operator Products and Services
- Information Communications and Technology (ICT) Distribution and managed services
- Mobile devices distribution & retail business

The Company has also embarked upon Battery Electric Vehicles fleet management services in Singapore since 2016.

In Indonesia, the Company mainly distributes mobile prepaid cards as authorized distributor of the well-established telecom operators in Indonesia namely PT Telekomunikasi Selular (Telkomsel), PT XL Axiata, PT Indosat and Smartfren ("Airtime business). The distribution is based on a network of more than 30,000 resellers, 150 dealers and sub-dealers, along with a network of large number of branch offices and sub-branch offices in Indonesia.

Based on partnerships with global players like IBM and HP, the Company provides both hardware infrastructure and business service integration for governments and corporate clients in Southeast Asia. The Company offers integrated one-stop ICT solutions ranging from consultancy to maintenance and disaster recovery services and also undertakes projects on Networking, Data Hosting, and Managed Service solutions. The Company is now focusing on services driven business and key innovative offerings aligned to IBM and HP strategy to improve margins via futuristic services based Offerings like Cloud, IOT, Server consolidation, Virtualization and other services relevant to a developed economy.

The Company is moving from "Information to Innovation" in the coming years and has started exploring new areas of opportunities in ICT and Electric Vehicles since 2016 onwards.

In a strategic move to focus on innovative technologies, the Company has embarked upon an innovation led business of battery electric vehicles (BEV) in Singapore.

# OUR APPROACH TO SUSTAINABILITY

## STAKEHOLDERS ENGAGEMENT

An important starting point in our sustainability journey is to identify our stakeholders and material aspects 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, customers, suppliers, employees, and regulators. 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.

Applying the guidance from GRI Standards, we have identified the following material EESG aspects:



## SUSTAINABILITY REPORTING PROCESS

*A summary of our sustainability reporting process is as set out above.*

No.	Stakeholders	Engagement Platforms	Frequency
1	Suppliers	Face-to-face meetings	
		- Coordination Meeting with branch manager or operation level	Daily
		- Review and action plan for monthly target	Monthly
		- Socialization product, program and new regulation	Quarterly
		- National Gathering, commitment next year target	Annually
		Vendor Assessment	Monthly
		- KPI target	1-3 years
		- Agreement renewal	
		Awarding & Reward	Annually
2	Customers	Face-to-face meetings	
		- CDMP (Coverage-Distribution-Marketing-Product)	Daily
		- Gathering Outlet	Occasionally
		Rebate Program (Target, Reward)	Monthly
		Social Media (WhatsApp/LINE)	Daily
		Marketing Hotline – Telemarketing	Daily
		SMS blast	Occasionally
		Brochure, Sticker	Occasionally
Exhibition	Occasionally		
		Bundling Product	Occasionally
3	Employees	Staff Appraisal	Annually
		Staff Bonding Sessions	
		- National Meeting	Annually
		- Cluster Gathering	Occasionally
		- Open Fasting on lebaran	Annually
		- Home leave transportation (EID)	Annually

No.	Stakeholders	Engagement Platforms	Frequency
		Whistle blowing policy updates	Annually
4	Bankers	Face-to-face meetings	Quarterly, update business
		Lunches	Quarterly, update business
		E-mails / Phone call	Daily basis in operational side
		Meetings	Quarterly, update business
5	Community	Sponsorship	Occasionally
		Donations	Occasionally
6	Media	Social Media	
		- Facebook - Instagram	Weekly Weekly

## MATERIALITY ASSESSMENT

Our sustainability process begins with the identification of relevant aspects. Relevant aspects are then prioritised to identify material factors which are subject to validation. The end result of this process is a list of material factors disclosed in the Sustainability Report. Process of which are as shown below:



The Group has conducted a materiality assessment during the year with the help of an external consultant.. Going forward, materiality review will be conducted every year, incorporating inputs gathered from stakeholders’ engagements.

In order to determine if an aspect is material, we assessed its potential impact on the economy, environment and society and its influence on the stakeholders. Applying the guidance from GRI, we have identified the following as our material aspects:



**TARGETS** Given that this is our inaugural report, we do not have sufficient performance data to form a trend for the purpose of setting quantitative targets. Qualitative targets are set out below and quantitative target will be included in FY218 report.



## ECONOMIC

### ECONOMIC PERFORMANCE

Sevak firmly believes that focusing on financial sustainability is critical. 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.

***The Group recorded a turnover of S\$351.0 million – an increase of 7.9% over revenue of corresponding year. Distribution of Operator products and services in Indonesia grew at 6.1% during FY 2017 against corresponding FY 2016. Revenue from ICT distribution and managed services has also grown at 15.9% during FY 2017 over corresponding FY 2016.***

For detailed financial results, please refer to the following sections in our Annual Report 2017:

- Operational and Financial Performance Review, pages 5 to 6
- Financial Statements, pages 39 to 136

### PROCUREMENT PRACTICE

98% of our purchases in SEV are sourced locally. For Indonesia, all purchases are also sourced locally.

### ANTI-CORRUPTION

Sevak do not tolerate any form of corruption. This has been made clear to all of our employees, our suppliers and our business partners. There were no incidents of corruption reported in FY2017. We will always ensure that there will be no incidents of corruption in the Group.

## SINGAPORE ELECTRIC VEHICLE

*Singapore Electric Vehicles Pte Ltd is a first commercial electric fleet company based in Singapore. Our aim is to revolutionize public mobility by introducing zero emission and environment friendly vehicles with popular ride-hailing services in Singapore.*

*Our experienced team has been serving the industry for over a decade; that has established a team filled of caring as well as sincerity. We are confident in exceeding customer demand and indeed, have a high awareness in the on-going changing marketing trend.*

*A state-of-the-art experience center has been set up at the Smart Innovation Centre in Singapore offering consumers a first-hand experience of clean mobility solutions for a greener planet.*

*Currently with a fleet size of 50 EVs and equal number of charging stations in Singapore, SEV is taking steps towards making its dream into reality. SEV has a full-fledged fleet management system to manage the fleet of EVs. The EVs are state of the art next generation EVs fitted with latest technology systems with features like lane departure warnings, forward collision warnings, pedestrian collision warning and many others. The vehicles are also fitted with a unique battery management system (BMS) to monitor the working condition of batteries in the process of charging and discharging.*

## ENVIRONMENTAL

### ENERGY

Sevak is fully aware of its responsibility for nurturing the environment and lessening negative environmental consequences at our worksites and the environment where we operate. We monitor our electricity consumption at our work places to ensure that we use our resources economically, meaningfully and responsibly.

In FY2017, our electricity consumption recorded 298,073.48 kwh.

### ENVIRONMENTAL COMPLIANCE

We engage a certified agent to manage our waste relating to mobile phones and computers in compliance to the rule Management Of Hazardous Wastes and Toxic (PP-No-101-Tahun-2014).

On top of this, there was no incidence of non-compliance with laws and regulations resulting in significant fines or sanctions in FY2017, and we endeavor to maintain this track record.



## SOCIAL

Every employee plays an essential role in our company. We achieve success by promoting a collaborative work environment in which everyone is committed to achieve our corporate goals based on open and honest communications while showing care and support for each other.

Our employees are the drivers of our business and we believe in creating a respectful, rewarding and safe working environment for our people. We support and respect the protection of internationally proclaimed human rights.

We respect human rights, support the elimination of all forms of forced and compulsory labour, especially child labour, and do not tolerate any discrimination in respect of employment and occupation.

The company provides competitive remuneration based on merit to all our employees. Our employees are not covered by collective bargaining agreements, but are given the right to exercise freedom of association.



**2017**  
**OPEN FASTING**



**OPEN FASTING**  
**2017**





# 2017

## NATIONAL MEETING

ECOPARK ANCOL JAKARTA

### **OCCUPATIONAL HEALTH AND SAFETY**

We are also committed to safeguarding our employees' health and safety against any potential workplace hazards. The focus on health and safety is important to the Group. It is not only a fundamental right for our workers to be able to work in a safe environment, but when our employees' wellness is attained, our productivity increases, and our best is given to our customers. By implementing job safety guidelines, we are committed to provide a hazard-free workplace to ensure the wellbeing of both our employees and environment.

We are proud to report that there have been no work place incidents for FY2017.

### **TRAININGS AND EDUCATION**

It is in the interest of the Company that career development programs are set for individual employees on an on-going basis based on their individual needs and goals. A total of 4 training programs with 13 hours have been provided to our employees in SEV in FY2017. In Indonesia, most of the trainings were done by Principal to our employee for new product knowledge, sales program and new regulation related with Principle's business at least once a week for about 1 hours attended by at least 20 staff. We will continue to provide trainings to our employees for their development annually.

## CUSTOMER PRIVACY

The Board is of the view that cyber security and data privacy are important in safeguarding both the Group's data and that of our customers, suppliers, business partners and employees. The Group takes measures to guard against cyber risks, protecting 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 personnel on a need-to-know basis.

## SOCIOECONOMIC COMPLIANCE

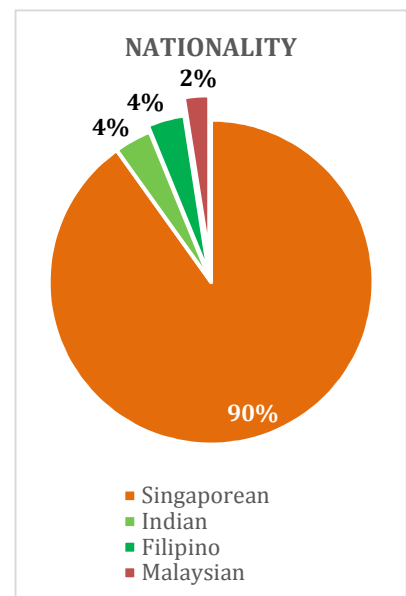
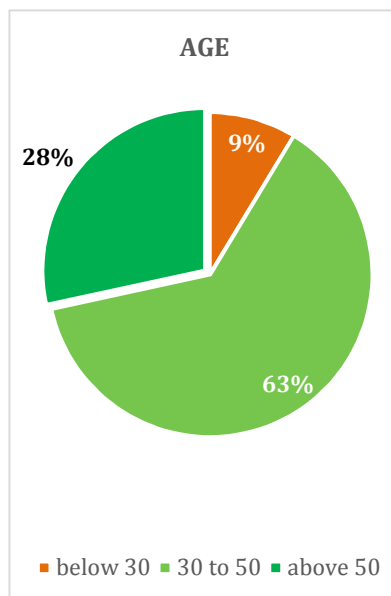
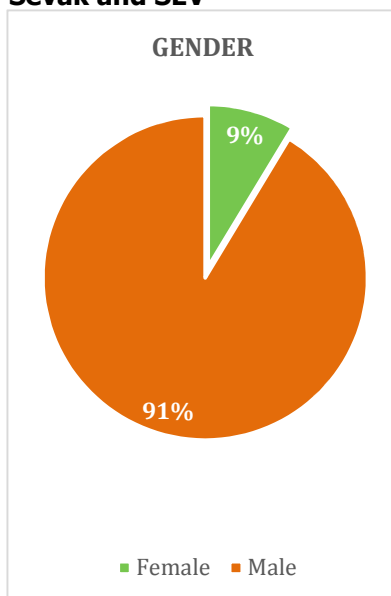
Sevak is proud to inform that it is in compliance, in all material aspects, with all social, economic, and environmental rules and regulations.

## DIVERSITY AND EQUAL OPPORTUNITY

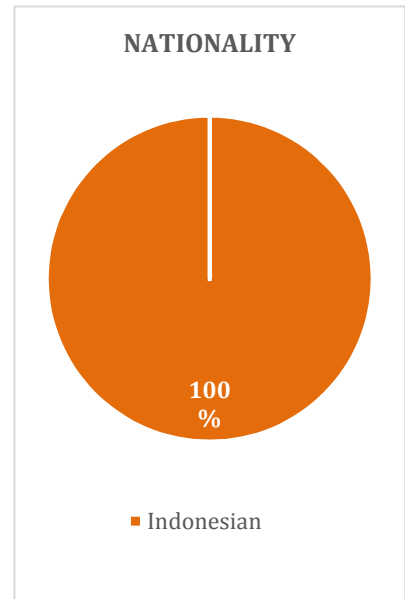
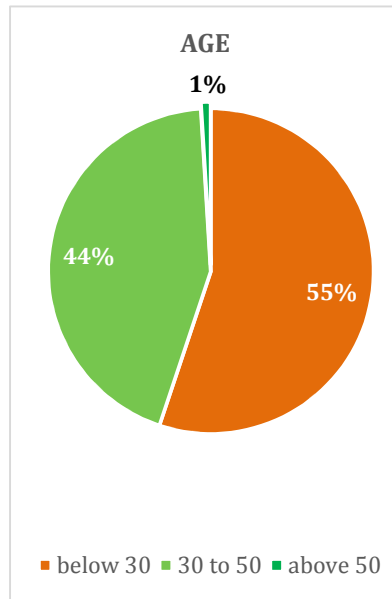
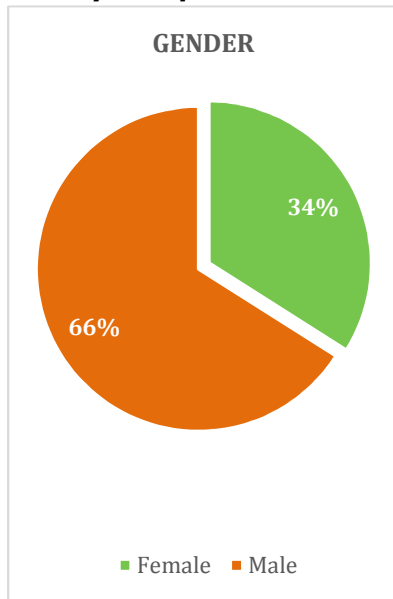
A diverse workforce is an asset in today's ever-changing global marketplace. We cultivate an inclusive culture where employees with wide-ranging backgrounds and qualities are highly motivated, engaged and connected. We do not discriminate one's race, age, gender, religion, ethnicity, disability or nationality and we aim to have zero record of discrimination.

Throughout the year, Sevak holds a range of activities to foster team-building as Town Hall Meetings, Breakfast Session, Yoga Session, Bowling Session, Yacht Party, Respect Month, Open Fasting, and Christmas Lunch. As at 31 December 2017, we had a workforce of 1,121 employees in Affinity Group, 72 employees in SEV and 9 employees in Sevak. Our 1,202 headcounts were distributed as follows:

### Sevak and SEV



## Affinity Group



## LOCAL COMMUNITY ENGAGEMENT

For the longest time, this isolated rural area, Kaliorang – East Kutai (Kalimantan Inland), had no access to cellular network. Sevak was the first to bring network access to the people living in this place enhancing the standard of living for those people. While the purpose is to give back to the society, we have also increased our sales by approx. 19% in that area.







Sevak embraces the philosophy of giving back to the community by encouraging proactive involvement in the Group's various corporate social responsibility (CSR) initiatives and environmental conservation programs. Contributing time and resources, Sevak is committed to aid the development and improvement of the society in which we live and work. In FY2017, the Group has made donations and sponsorships in their respective countries.



CORPORATE SOCIAL RESPONSIBILITY CLUSTER BANDA ACEH



DONATIONS FOR ORPHANS



# GOVERNANCE

## CORPORATE GOVERNANCE

The Board and the Management of Sevak are committed to the best practices in corporate governance to ensure sustainability of the Group's operations. We believe that our constant drive for corporate excellence will allow us to establish a more transparent, accountable and equitable system, thereby increasing the value of the Company and its value to our shareholders. Please refer to the Annual Report FY2017 pages 15 to 29 for details of the Group's Corporate Governance Report.

## RISK MANAGEMENT

The Board is committed to ensuring that the Group has an effective and practical enterprise risk management framework in place to safeguard Shareholders' interests, and the sustainability of the Group as well as provide a basis to make informed decisions having regard to the risk exposure and risk appetite of the Group. For detailed disclosure on our risk management, please refer to page 24 of our Annual Report FY2017.

## BUSINESS ETHICS

All of our staff are reminded of the importance of upholding the highest standards when it comes to business ethics. The Group regularly updates relevant staff with development in international and local regulations.

### *Whistle-blowing policy*

As approved by the Board, the Company has put in place a whistle-blowing policy which provide for the mechanisms by which the employees and other persons may, in confidence, raise concerns about possible improprieties in financial reporting or other matters. There were no reports of whistle-blowing received for the year.

## MEMBERSHIP

SAPE Associate

Singapore Indian Chamber of Commerce and Industry

Singapore Manufacturing Federation

Singapore Venture Capital & Private Equity Association

Singapore Cricket Club

Singapore Business Federation

## GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure	Reference / Description
<b>GRI 101: Foundation 2016</b>		
<b>GENERAL DISCLOSURE</b>		
<b>GRI 102: General Disclosures</b>	102-1	Name of organisation Sevak Limited
	102-2	Activities, brands, products and services Annual report (AR) page 1, <a href="http://www.sevaklimited.com/services.html">http://www.sevaklimited.com/services.html</a>
	102-3	Location of headquarters Singapore
	102-4	Location of operations AR pages 8 to 9
	102-5	Ownership and legal form AR pages 6 to 7
	102-6	Markets served AR pages 8 to 9
	102-7	Scale of the organisation AR pages 6 to 7
	102-8	Information on employees and other workers Sustainability report (SR) page 12
	102-9	Supply chain Our suppliers are primarily based out of Indonesia, Singapore, China where we are doing our business supplying us telecom operator products, our Electric Vehicles have been supplied to us in Singapore manufactured in China by BYD.
	102-10	Significant changes to the organisation and its supply chain None
	102-11	Precautionary Principle or approach Sevak supports the intent of the Precautionary Principle, but has not expressed a specific commitment
	102-12	External initiatives SR page 13
	102-13	Membership of associations SR page 14
	102-14	Statement from senior decision maker SR page 3
	102-16	Values, principles, standards and norms of behaviour SR page 14
	102-18	Governance structure SR page 14, AR pages 15 to 29
	102-40	List of stakeholder groups SR pages 5 to 6
	102-41	Collective bargaining agreements None
	102-42	Identifying and selecting stakeholders SR page 5
	102-43	Approach to stakeholder engagement SR pages 5 to 6
	102-44	Key topics and concerns raised To be reported in FY2018 report.
	102-45	Entities included in the consolidated financial statements AR pages 6 to 7
	102-46	Defining report content and topic boundaries SR page 3
	102-47	List of material topics SR page 6
	102-48	Restatement of information None
	102-49	Changes in reporting None
	102-50	Reporting period 1 January to 31 December 2018
	102-51	Date of most recent previous report Not applicable
	102-52	Reporting cycle Annually
	102-53	Contact point for questions about the report SR page 3
	102-54	Claims if reporting in accordance with the GRI Standards This report is with reference to the GRI Standards (Core option).
	102-55	GRI content index SR pages 16 to 17
102-56	External Assurance We may seek external assurance in the future.	
<b>MATERIAL TOPICS</b>		
<b>GRI 201: Economic performance</b>	201-1	Direct economic value generated and distributed SR page 7
	<b>GRI 204: Procurement Practices</b>	204-1

## GRI STANDARDS CONTENT INDEX

<b>GRI Standard</b>	<b>Disclosure</b>		<b>Reference / Description</b>
<b>GRI 205: Anti-corruption</b>	205-1	Operations assessed for risks related to corruption	SR page 7
<b>GRI 302: Energy</b>	302-1	Energy consumption within the organization	SR page 8
<b>GRI 307: Environmental compliance</b>	307-1	Non-compliance with environmental laws and regulations	SR page 8
<b>GRI 403: Occupational Health and Safety</b>	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	SR page 10
<b>GRI 404: Training and Education</b>	404-1	Average hours of training per year per employee	SR page 10
<b>GRI 405: Diversity and equal opportunity</b>	405-1	Diversity of governance bodies and employees	SR page 11 to 12
<b>GRI 413: Local Communities</b>	413-1	Operations with local community engagement, impact assessments, and development programs	SR page 13 to 14
<b>GRI 418: Customer Privacy</b>	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR page 12 to 13
<b>GRI 419: Socioeconomic Compliance</b>	419-1	Non-compliance with laws and regulations in the social and economic area	SR page 11