

SUSTAINABILITY REPORT FY2021

OTS HOLDINGS LIMITED

Contents

	Page
Board statement	1 - 2
Our business	3
Reporting framework	3
Reporting period and scope	4
Feedback	4
Stakeholder engagement	4 - 5
Policy, practice and performance reporting	5 - 6
Material factors	6 - 14
Target setting	14
Supporting the UN Sustainable Development Goals	15 - 16
Supporting the TCFD	16
GRI content index	17 - 20

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1. Board statement

We affirm our commitment to sustainability with the publication of our inaugural sustainability report ("**Report**"). In this Report, we provide insights into the way we do business, while highlighting our environmental, social, governance ("**ESG**") factors, economic performance and customer experience (collectively as "**Sustainability Factors**").

Whilst mindful of our overall profit-oriented objective, we are committed to strike a balance between growth, profit, governance, environment, the development of our people and well-being of our communities to secure a long-term future for the Group. This commitment is reflected in our sustainable business strategy and the material Sustainability Factors shown in this Report.

A sustainability policy ("**SR Policy**") covering our sustainability strategies, reporting structure, materiality assessment and processes in identifying and monitoring material Sustainability Factors has been put in place and serves as a point of reference in the conduct of our sustainability reporting. Under this SR Policy, we will continue to monitor, review and update our material Sustainability Factors from time to time, taking into account the feedback that we receive from our engagement with our stakeholders, and organisational and external developments.

We are committed to support the United Nations' Sustainable Development Goals ("**SDGs**" or "**Global Goals**") and work closely with stakeholders in our value chain on our material Sustainability Factors and towards relevant SDGs[1] as follows:



Reporting priority

●●● High ●● Medium ● Low

[1] Each of our material Sustainability Factors is mapped to the relevant SDG icon(s), where applicable, in the overview above.

A summary of our key sustainability performance in FY2021 is as follows:

Sustainability pillar	Performance indicator	Sustainability performance
		FY2021
Customer experience	House brand portfolio	6 house brands
	Market standards adopted	Relevant market standards [2] have been adopted in our operations
Economic	Employee benefits expense paid to employees	S$7.39 million
	Tax paid to governments	S$0.33 million
	Reinvestment via retained earnings	S$1.99 million
	Dividends paid to shareholders[3]	S$1.52 million
Environmental	Total Greenhouse Gas ("**GHG**") emissions (tonnes CO_2e)	1,768
	GHG emissions intensity (tonnes CO_2e/revenue S$'000)	0.046
	Water consumption intensity[4] (m^3/revenue S$'000)	1.00
	Effluent intensity (m^3/revenue S$'000)	0.56
	Percentage of used cooking oil generated from operations that is properly disposed	100%
Social	Number of food safety incidents [5] which results in regulatory non-compliance and penalty to the Reporting Entities	0
	Number of incidents of non-compliance concerning product labelling[6]	0
	Number of incidents of unlawful discrimination[7] against employees	0
	Number of workplace fatalities	0
	Number of high-consequence work-related injuries[8]	0
	Number of recordable work-related injuries	7
	Number of recordable work-related ill health cases	0
	Average training hours per employee	4.2 hours
	Turnover rate	26%
Governance	Number of incidents of serious offence[9]	0

The outbreak of Coronavirus disease 2019 ("**COVID-19**" or "**Pandemic**") poses challenges and disruptions to our operations. We closely monitor the developments in the industry and have taken prudent measures in executing our strategy to minimise the impact of the Pandemic. Leveraging our brands' strength and product innovation, we are focused on increasing both market share and expanding into new geographical markets.

We have detailed our responses to the impact of COVID-19 in the relevant sections of this Report.

[2] The market standards or certifications adopted by the Group include FSSC 22000 Food Safety System certification, Singapore Food Agency ("**SFA**") grade "A" and Halal certificate.
[3] Dividend paid to shareholders includes the interim dividend paid in respect of the reporting financial year and preceding financial year.
[4] Water is mainly consumed by our production facilities in Singapore.
[5] A food safety incident is defined as an incident whereby customers are affected from consuming a Reporting Entity's products due to product contamination caused by foreign object, foodborne pathogen, allergen or chemical agents.
[6] An incident of non-compliance with regulations concerning product labelling is defined as an incident whereby the relevant authority has commenced investigation and resulted in penalties to a Reporting Entity.
[7] Unlawful discrimination refers to an incident of employee discrimination whereby the relevant authority has commenced investigation and resulted in a penalty to a Reporting Entity.
[8] High-consequence work-related injuries refer to injuries from which the worker cannot recover or cannot recover fully to pre-injury health status within 6 months.
[9] A serious offence is defined as one that involves fraud or dishonesty amounting to not less than S$100,000 and punishable by imprisonment for a term of not less than 2 years which is being or has been committed against a Reporting Entity by its officers or employees.

2. Our business

We are principally involved in the manufacturing and distribution of chilled, frozen, dried and shelf-stable meat products targeting both halal and non-halal consumers.



Traders, distributors, manufacturers of raw materials such as raw meats, food ingredients and packaging materials

- Manufacturing of food products in our production facilities
- Sale of food products to customers in various geographical markets.

Sale of food products via the following key business segments:

- Major supermarkets ("**Modern Trade**");
- Convenience stores, provision shops and wholesalers ("**General Trade**");
- Hotels, restaurants, hawker centres, food courts, food and beverages stores, and caterers ("**Food Services**"); and
- E-commerce platforms, export markets and other income ("**Others**").

3. Reporting framework

This Report has been prepared in accordance with the Global Reporting Initiative ("**GRI**") Standards: Core option and published pursuant to 711A and 711B of the Listing Manual Section B: Rules of Catalist ("**Catalist Rules**") of the Singapore Exchange Securities Trading Limited ("**SGX-ST**") with references to the guidance set out in SGX-ST's sustainability reporting guide under Practice Note 7F of the Catalist Rules. We have chosen to report using the GRI Standards: Core option as it is an internationally recognised reporting standard that covers a comprehensive range of sustainability disclosures.

As part of our continual efforts to align our sustainability reporting with relevant market standards, we have mapped our sustainability efforts to the 2030 Agenda for Sustainable Development which is adopted by all United Nations Member States in 2015 ("**UN Sustainability Agenda**"). The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDGs, which form an urgent call for action by all countries - developed and developing - in a global partnership. We have incorporated the SDGs, where appropriate, as a supporting framework to shape and guide our sustainability strategy.

Our climate-related disclosures are guided by the recommendations of Task Force on Climate-related Financial Disclosures ("**TCFD**").

While we have not sought external assurance for this sustainability report, we relied on internal data monitoring and verification to ensure its accuracy. We will work towards external assurance for our future sustainability reports.

4. Reporting period and scope

This Report is applicable for OTS Holdings Limited and its subsidiaries (the "**Group**")'s financial year ended 30 June 2021 ("**FY2021**" or "**Reporting Period**"). A sustainability report will be published annually in accordance with our SR Policy.

This Report covers the key operating entities within the Group based in Singapore and Malaysia which contributed approximately 95% of the total revenue for the Reporting Period ("**Reporting Entities**" or each a "**Reporting Entity**" singularly).

5. Feedback

We welcome feedback from all stakeholders on this Report. You may send related questions, comments, suggestions or feedback via email address: enquiry@ots-holdings.com.

6. Stakeholder engagement

Through an internal stakeholder mapping exercise, we have identified key stakeholders which we prioritise our engagements with. These stakeholders include entities or individuals that can reasonably be expected to be significantly affected by our activities, products or services and whose actions can reasonably be expected to affect our ability to implement our strategies to achieve our objectives.

Our efforts on sustainability are focused on creating sustainable value for our key stakeholders, which comprise communities, customers, employees, regulators, shareholders and suppliers. Key stakeholders are identified for each material Sustainability Factor identified.

We actively engage our key stakeholders through the following channels:

S/N	Stakeholder	Engagement channel	Frequency of engagement	Key concerns raised
1	Communities	Annual sustainability report	Ongoing	▪ Corporate social responsibility ▪ Environmental initiatives
2	Customers	▪ Advertisements ▪ Customer feedback ▪ Email queries ▪ Hotline ▪ Marketing or promotional activities ▪ Social media platforms ▪ Digital commerce channels set up by food exhibition organisers	Regularly	▪ Food quality and safety ▪ Customer service standards
3	Employees	▪ Emails ▪ Staff meetings	Daily	▪ Career development and training ▪ Job security ▪ Remuneration ▪ Equal employment opportunities ▪ Occupational health and safety
		Networking sessions	When required	
4	Regulators	Consultations and briefings organised by key regulatory bodies such as Singapore Stock Exchange, Singapore Food Agency ("**SFA**"), National Environment Agency ("**NEA**"), Ministry of Manpower ("**MOM**") and other relevant government agencies/ bodies	When required	▪ Corporate governance ▪ Food safety and hygiene ▪ Occupational health and safety ▪ Environmental compliance

S/N	Stakeholder	Engagement channel	Frequency of engagement	Key concerns raised
5	Shareholders	Annual report	Annually	▪ Sustainable business performance ▪ Market valuation ▪ Dividend payment ▪ Corporate governance ▪ Environmental initiatives
		Annual general meeting	Annually	
		Results announcements	Half-yearly	
		Corporate announcements/ press release	When required	
6	Suppliers	▪ Email communications ▪ Face-to-face meetings ▪ Phone calls	Regularly	Order volatility

Through the above channels, we seek to understand the views of our key stakeholders, communicate effectively with them and respond to their concerns.

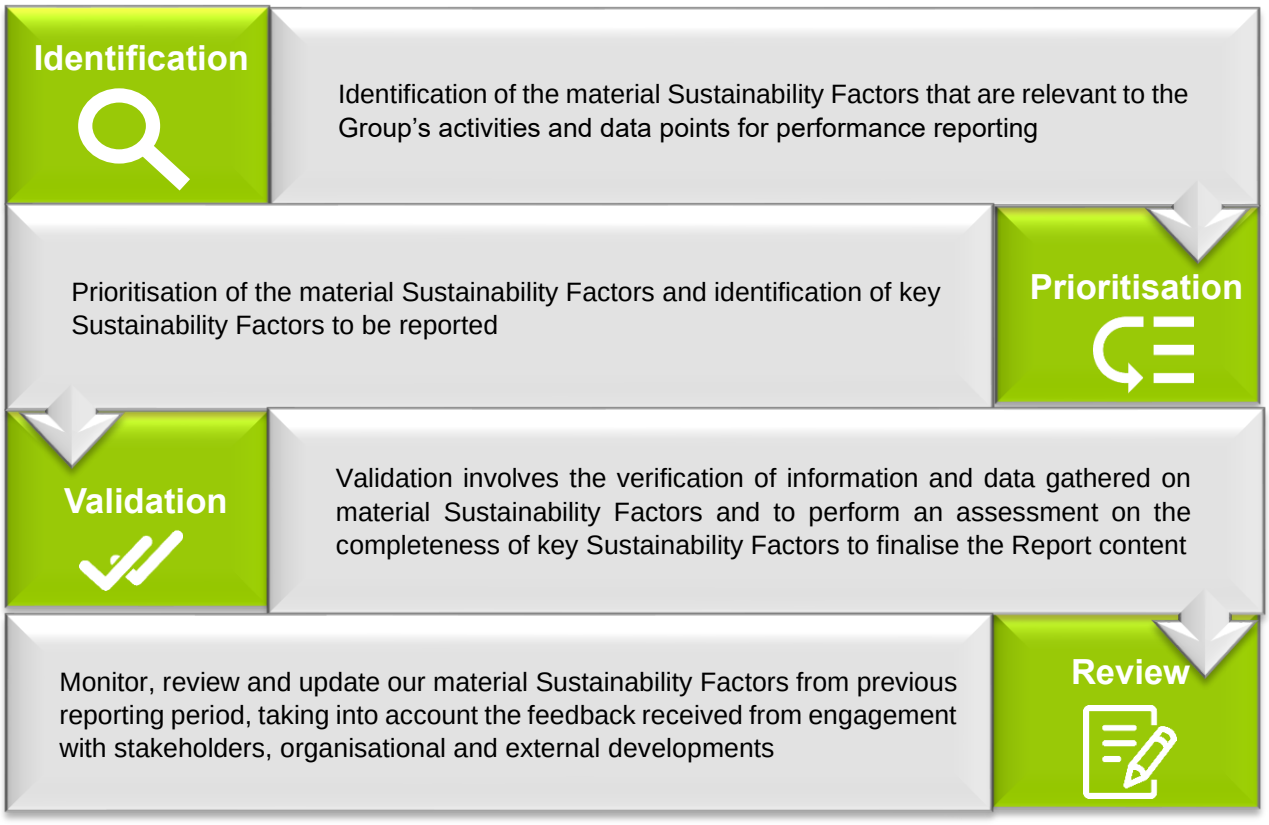
7. Policy, practice and performance reporting

7.1 Reporting structure

The Board of Directors ("**Board**") advises and supervises the development of our sustainability strategy and performance targets. Our sustainability strategy is spearheaded by the Sustainability Committee ("**SC**") which is led by our Executive Director. The SC includes senior management executives and key managers from various functions and is tasked to develop the sustainability strategy, perform materiality assessment, consider stakeholders' priorities, set goals and targets, as well as collect, verify, monitor and report performance data for this Report.

7.2 Sustainability reporting processes

Under our SR policy, our sustainability process begins with the identification of relevant factors. Relevant factors are then prioritised as material Sustainability Factors which are then validated. The end result of this process is a list of material Sustainability Factors disclosed in this Report. Processes involved are as shown in the chart below:



7.3 Materiality assessment

Under our SR Policy, each Sustainability Factor is assigned a reporting priority that determines the actions required as illustrated in the table below:

Reporting priority	Description	Criteria
●●●	High	Factors with high reporting priority are reported on in detail.
●●	Medium	Factors with medium reporting priority are considered for inclusion in the Report. They may not be included in this Report if not material.
●	Low	Factors with low reporting priority may be reported to fulfil regulatory or other reporting requirements. They are not included in this Report if not material.

The reporting priority is supported by a material factor matrix which considers the level of concern to stakeholders ("**Stakeholders' Concern**") and significance of our impacts on the economy, environment and society ("**Business Impact**").

7.4 Performance tracking and reporting

We track the progress of our material Sustainability Factors by identifying the relevant data points, measuring and monitoring them. In addition, we set performance targets that are aligned with our strategy to ensure that we remain focused in our path to sustainability. We shall consistently enhance our performance-monitoring processes and improve our data capturing systems.

8. Material factors

In 2021, a materiality assessment was conducted by the SC to understand the concerns and expectations of our stakeholders. Through the materiality assessment, factors material to the sustainability of our business were identified and their reporting priority level assigned. In this Report, we have also reported our progress in managing these factors and set related targets to improve our sustainability performance.

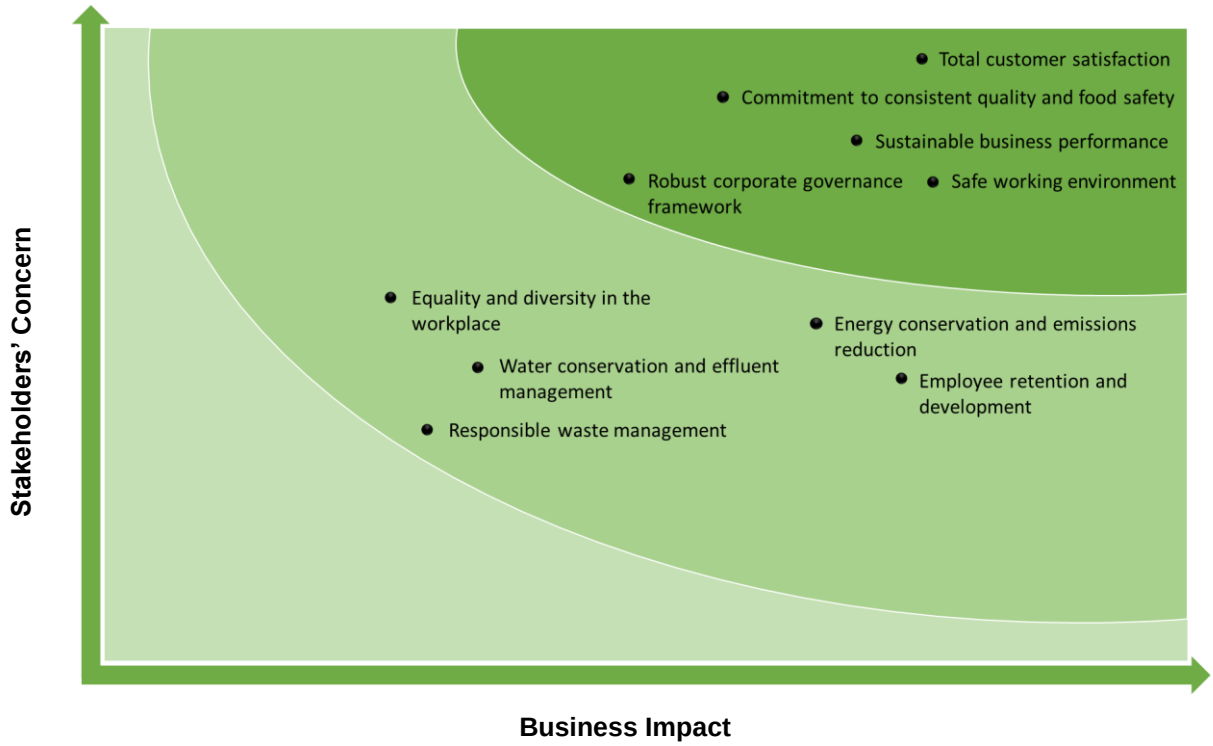
Presented below are a list of material Sustainability Factors and material factor matrix applicable to the Group:

List of material Sustainability Factors

S/N	Material Sustainability Factor	SDG	Key stakeholder	Reporting priority
Customer experience				
1	Total customer satisfaction	Decent work and economic growth	Customers	●●●
Economic				
2	Sustainable business performance	Decent work and economic growth	▪ Employees ▪ Regulators ▪ Shareholders	●●●
Environmental				
3	Energy conservation and emissions reduction	Affordable and clean energy	▪ Communities ▪ Shareholders	●●
4	Water conservation and effluent management	Clean water and sanitation	▪ Communities ▪ Shareholders	●●
5	Responsible waste management	Responsible consumption and production	▪ Communities ▪ Shareholders	●●

S/N	Material Sustainability Factor	SDG	Key stakeholder	Reporting priority
Social				
6	Commitment to consistent quality and food safety	Peace, justice and strong institutions	▪ Customers ▪ Suppliers	●●●
7	Safe working environment	Good health and well-being	Employees	●●●
8	Equality and diversity in the workplace	Reduced inequalities	Employees	●●
9	Employee retention and development	Quality education	Employees	●●
Governance				
10	Robust corporate governance framework	Peace, justice and strong institutions	▪ Shareholders ▪ Regulators	●●●

Material factor matrix



Legend for Reporting Priority

High Medium Low

We will update the material Sustainability Factors on an annual basis to reflect changes in business operations, environment, stakeholders' feedback and sustainability trends. Details of Sustainability Factors are presented as follows:

8.1 Total customer satisfaction

We are committed to building and retaining a loyal customer base for long-term sustainability by maximising customer's experience through the following:

Multi-brand and multi-product portfolio

With an established track record of over 27 years in the industry, we have grown in scale and possess the production capabilities to offer diverse products under our 6 house brands, comprising "Golden Bridge", "Kelly's", "GoldenLion", "Orchid", "El-Dina" and "Kizmiq". Our extensive product portfolio includes sausages, hams, meat floss, luncheon meats, halal products and a variety of seasonal meat products during festive periods such as Chinese New Year and Christmas.

Product innovation and adopt technological solutions

We have an in-house research and development team that focuses on creating new product concepts and recipes to cater to market trends and consumers' diverse and evolving tastes. We are currently in the midst of developing our own plant-based food products, such as plant-based canned luncheon meat, to cater to a growing demand for plant-based food products and environmental consciousness. We also continuously explore and adopt technological solutions such as having an enterprise resource planning ("**ERP**") system in place to enhance our productivity and efficiency in manufacturing processes.

Adoption of market standards

We adopt market standards in our operations to ensure quality and safety in our products. Compliance with the standards and continual certifications are subject to audits or reviews by the relevant agencies and bodies. The market standards adopted or certifications achieved by us are as follows:

Standard/ certification	Focus of relevant standard/ certification
FSSC 22000 Food Safety System Certification	Ensure that our production facilities have robust food safety management systems in place
SFA grade "A"	Manage food hygiene in our operations and ensure our operations comply with food safety standards
Halal certificate	Ensure that our operations comply with Islamic dietary requirements

You may refer to section 8.6 for details on the food quality and safety management practices.

Proactively gather customer feedback for improvements and to develop strategies

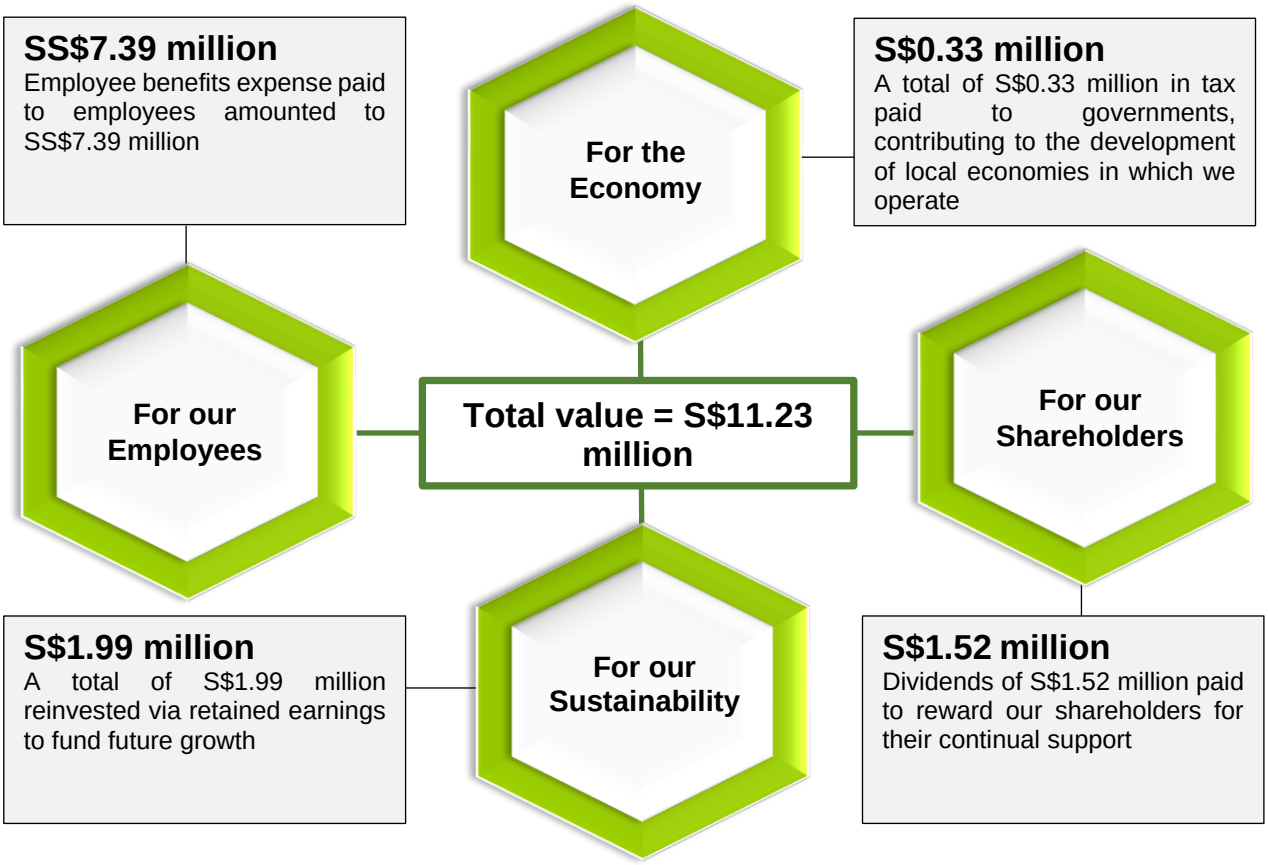
We strongly encourage our customers to provide their feedback on our products and services via various touchpoints such as social media, website, email and phone calls. Customer feedback is analysed to gather valuable insights into current and future customer requirements and preference. Insights gathered are discussed during management meetings to drive product and service improvements, enhance operational level and provide inputs for strategies. Customer feedback is also recorded on customer complaint forms and corrective actions are taken to resolve customer complaints timely.

Maintain presence and proximity to our customers

Over the years, we have built an established sales and distribution network and our brands have been widely marketed and sold in major supermarkets, convenience stores, provision shops, hotels and restaurants in Singapore and Malaysia. We also export our products to more than 25 countries through distributors.

8.2 Sustainable business performance

We believe in creating long-term economic values for our stakeholders through relevant and meaningful ways. In line with this commitment, the value we created in FY2021 is distributed as follows to achieve a more sustainable future:



Further details of our economic performance can be found in the financial contents and audited financial statements of our annual report for FY2021 (the "**Annual Report**").

8.3 Energy conservation and emissions reduction

We are committed to responsible usage of energy resources and emissions reduction through enhancing our energy usage efficiency.

To run our operations, we rely mainly on the following energy sources:
- Liquefied petroleum gas ("**LPG**") for operating cooking equipment;
- Diesel for boiler and motor vehicles; and
- Electricity for machinery and equipment, refrigeration, lighting, cooling and office work.

Key statistics on our energy consumption and GHG emissions during the Reporting Period are as follows:

Performance indicator	Unit of measurement	FY2021
Energy consumption		
LPG consumption	kg	8,450
LPG consumption intensity	kg/revenue S$'000	0.22
Diesel consumption	litre	230,000
Diesel consumption intensity	litre/revenue S$'000	5.97
Electricity consumption	kWh	2,739,861
Electricity consumption intensity	kWh/revenue S$'000	71.15
GHG emissions		
Direct GHG emissions (Scope 1)[10]	tonnes CO_2e	650
Indirect GHG emissions (Scope 2)[11]	tonnes CO_2e	1,117
Total GHG emissions	tonnes CO_2e	1,768
GHG emissions intensity	tonnes CO_2e/revenue S$'000	0.046

Our key electricity conservation initiatives are as follows:
- Track and review spending on energy consumption regularly to control usage and corrective actions are taken when there are unusual consumption patterns;
- Turn off lights, fans and aircon when they are not in use;
- Switch to energy-efficient LED lighting whenever possible;
- Install light sensors in toilets and switch to appliances with limit switch where possible to reduce electricity consumption;
- Develop plant-based food products as an alternative to meat-based products for our customers to reduce GHG emissions and impact of climate change; and
- Reuse hot water produced by our retort machine to feed the boiler in generating steam for our production. Such an arrangement reduces the amount of energy required to heat up water for the boiler.

8.4 Water conservation and effluent management

We are committed to responsible usage of water resources through enhancing our water consumption efficiency.

We rely on water resources primarily for washing and cleaning during the production process and as an ingredient in our products. Water consumption trends are regularly tracked, analysed and corrective actions are taken when unusual consumption patterns are observed. We also reuse hot water produced by our retort machine to feed the boiler in generating steam for our production.

Effluent is mainly generated from washing and cleaning during the production process. Measures taken to manage effluent include setting up a grease interceptor for filtration purpose before it is released into the waterways and engaging accredited laboratories to inspect the content of effluent periodically.

[10] GHG emissions from consumption of LPG and diesel (Scope 1) are calculated based on the Greenhouse Gas (GHG) Emissions Measurement and Reporting Guidelines published by the NEA.

[11] GHG emissions from electricity purchased (Scope 2) are calculated based on the average emissions factors published by the Energy Market Authority for Singapore operations and Institute for Global Environmental Strategies for our Malaysia operations.

Key statistics on water consumption and effluent generated during the Reporting Period are as follows:

Performance indicator	Unit of measurement	FY2021
Water consumption	m^3	38,459
Water consumption intensity	m^3/revenue S$'000	1.00
Effluent generated	m^3	21,537
Effluent intensity	m^3/revenue S$'000	0.56

8.5 Responsible waste management

We believe that responsible waste management can help to preserve the environment in which we operate. Accordingly, we are committed to improving the management of waste generated in operations.

Key waste generated from our operations is non-hazardous and it includes:
- General waste (such as food waste and used cooking oil); and
- Packaging material (such as cans, labels and stickers, carton boxes and plastic packaging or bags).

We have in place various initiatives to minimise waste generated in operations. Such initiatives include:
- Monitoring waste generated through regular tracking of production variances and follow-up on significant variances to determine root causes and corrective actions; and
- Ensuring used cooking oil generated in our operations is collected by licensed waste collectors for proper disposal. During the Reporting Period, 100% of used cooking oil generated in operations is handled by licensed waste collectors.

We are also aware of the environmental impacts arising from packaging materials used in our operations. To reduce the impact of the packaging materials on our environment, we procure FSC-certified carton boxes made of materials from verified sustainable sources. In addition, we will gradually switch to aluminium cans instead of tin cans as the recycling of aluminium is more energy efficient.

8.6 Committed to consistent quality and food safety

We are committed to deliver the best to our customers by providing quality and safe products for long-term business sustainability. We adopt stringent food quality and safety management practices throughout our entire business process.

Quality and safe products

We uphold high standards in food safety, starting from the selection of quality raw materials from our suppliers to quality management in our operations. Key measures taken on quality control are as follows:
- Performing assessment for existing and new suppliers regularly to ensure that our ingredients are obtained from competent and reliable suppliers;
- A set of food safety management system procedures is in place to ensure compliance with food hygiene and safety standards and prevent contamination of food products by food safety hazards such as wooden, glass and plastic items;
- The quality control team ensures that the policies and procedures in place are adequate and effective and conduct regular checks on quality of raw materials and finished products;
- Training programmes on food safety procedures and refresher, good manufacturing practices, allergen controls and Halal concepts are in place for our employees;
- Monitoring temperature at cold rooms to ensure food products are stored at appropriate temperatures; and
- Engaging an accredited third-party laboratory to carry out independent tests to ensure that food products produced are safe for human consumption.

During the Reporting Period, there was no food safety incident which resulted in regulatory non-compliance and penalty to the Reporting Entities.

Product labelling and communication

Under our commitment to ensure that our products are safe and fit for consumption, we adopt practices to ensure that our product labels reflect accurate and complete product information. To help our customers make informed purchase decisions, we include information such as ingredients, allergen declaration, nutritional values, recommended storage conditions and sourcing of product on our product labels. We ensure that our product labels comply with relevant product labelling regulations and guidelines such as

the Food Regulations and Sale of Food Act and guidelines set by SFA and Food Regulations 1985 of Malaysia.

As we continue to ensure good product quality, we keep abreast of customers' demands and preferences and explore ways to enhance the quality or improve the ingredient content of products. During the Reporting Period, there was no incident of non-compliance with regulations concerning product labelling.

8.7 Safe working environment

The health and safety of our employees are of great importance to us and we are committed to creating a workplace that allows employees to perform and develop in a safe and healthy environment. We believe that a safe working environment helps to build loyalty amongst our employees and support the sustainability of the Group. Our Singapore-based entities are bizSAFE 3 certified by the Workplace Safety and Health Council. Such certifications recognise our continuous efforts to embed safety in our operations.

During the Reporting Period, we recorded zero workplace fatalities, zero high-consequence work-related injuries, 7 recordable work-related injuries and zero work-related ill health cases. The recordable work-related injuries are mainly associated with moving and falling from heights and road accident. Lessons from the work-related injuries are shared across business units to prevent recurrence and we will continuously work towards formulating preventive actions to reduce both the occurrence and severity of workplace accidents.

Key measures adopted to manage health and safety in the workplace environment are as follows:

- A set of occupational health and safety procedures is in place;
- An emergency response plan is in place for fire safety;
- Safety committee is in place and safety committee meetings are conducted regularly to discuss about findings on workplace hazards and corrective actions;
- Monthly safety inspections are conducted against inspection checklist guidelines and follow-up actions are taken;
- Safety audits are performed regularly to identify good practices and evaluate the compliance with legal and applicable requirements;
- New employees are briefed on safety procedures during orientation;
- Employees are provided with adequate workplace safety and health training; and
- Workplace accidents are tracked and monitored regularly and corrective action procedures set up are followed through.

In view of the Pandemic, we implemented the following measures to minimise the risk of COVID-19 spread within the Reporting Entities and promote a safe working environment for our employees:

- A safe management measures policy is in place;
- Conduct periodic checks and record non-compliance with the safe management measures and actions taken on an inspection checklist;
- Provide employees with the option to work from home;
- Stagger start times and allow flexible workplace hours;
- Install hand sanitisers at all human traffic stoppage points within the workplace;
- Step up cleaning of workplace premises;
- Provision of personal protective equipment and face masks;
- Social distancing measures are in place;
- Adhere to evacuation and follow-up plan when an employee is unwell or is a suspected COVID-19 case;
- A COVID-19 notice board is in place to keep employees updated about new advisories; and
- Provision of COVID-19 Antigen Rapid Test ("**ART**") test kits and conduct ART swab test training.

We will continue to eliminate hazards and reduce occupational health and safety risks and provide a safe, healthy and secure work environment in the workplace.

Social distancing measures during ART test



COVID-19 notice board

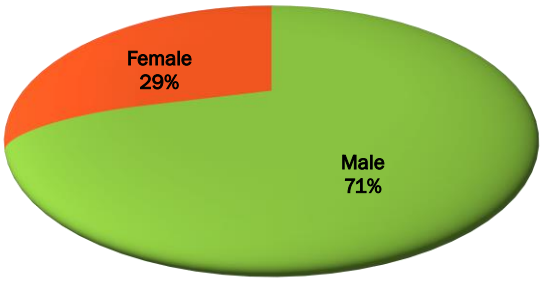


8.8 Equality and diversity in the workplace

We aim to provide a work environment for employees that fosters fairness, equality and respect for social and cultural diversity, regardless of their gender, age and educational background. Therefore, we are committed to the goals of diversity and equal opportunity in employment. As at 30 June 2021, 163 employees in the Group are based in Singapore and Malaysia. During the Reporting Period, we maintain zero incident of unlawful discrimination against employees.

On gender diversity, the percentage of female to total number of employees is 29%. Due to the nature of our business, our workforce consists of male employees predominantly. We will continuously move towards a more balanced gender ratio. We also view diversity at the board level an essential element in supporting sustainable development and have female representation of two out of five Directors (or 40%) on the Board, with one being the Executive Director and the other being an Independent Director.

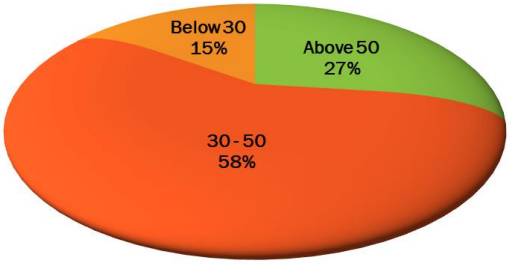
Gender diversity (full time employees)



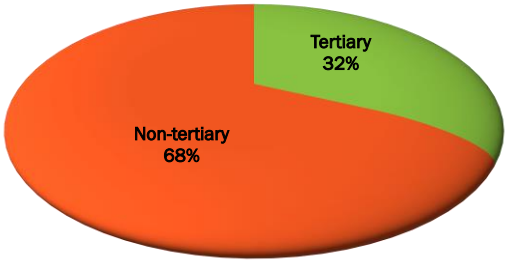
In relation to age diversity, matured workers are valued for their experience, knowledge and skill. As at 30 June 2021, 27% of the workforce is above 50 years old.

On diversity in educational background, we seek to create an inclusive environment for employees from different educational background. Due to the nature of our business, our workforce is predominantly non-tertiary educated and such employees contribute to 68% of our total workforce as at 30 June 2021. We invest continuously in our employees through the provision of training programmes.

Age diversity (full-time employees)



Educational diversity (full-time employees)



8.9 Employee retention and development

We place a high priority on talent retention and competency development of our employees as we believe that well-trained employees are vital to the long-term success of our business.

During the Reporting Period, we conducted a total of 688 hours of training for our employees. These training programmes mainly focus on learning and development, and familiarising our employees with job requirements including Halal Foundation training, trainings on food safety, workplace safety and cyber security awareness. Our employees received an average of 4.2 hours of training per employee.

As at 30 June 2021, our turnover rate is 26% and we will continue to work towards reducing our turnover rate.

In line with our commitment to build loyalty amongst our employees and show appreciation to their dedication to the Group, we implement initiatives such as provision of three free meals during the Pandemic. To better protect our employees amidst the Pandemic, we provided Temporary Living Quarters on our premises for our Malaysian employees based in Singapore during the lockdown in Malaysia.

8.10 Robust corporate governance framework

We are committed to high standards of corporate governance as it is integral in ensuring sustainability of our business as well as safeguarding shareholders' interest and maximising long-term shareholder value.

We have implemented a whistle-blowing policy which aims to provide an avenue for employees and external parties to raise concerns about misconduct or improprieties in the Group, and at the same time assure them that they will be protected from victimisation for whistle-blowing in good faith. Details of the whistle-blowing policy are disseminated to the employees of the Group and are available on our corporate website. We also require our employees to acknowledge on the Employee Handbook and adhere to the standard of conduct and integrity stipulated in the Employee Handbook.

During the Reporting Period, there was no whistle-blowing and corruption incidents raised.

You may refer to the Corporate Governance Report of the Annual Report for details on our corporate governance practices.

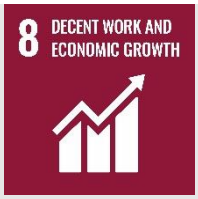
9. Target setting

For our Sustainability Factors identified, we have set targets for FY2022 as follows:

S/N	Sustainability Factor	Target for FY2022
Customer experience		
1	Total customer satisfaction	▪ Adhere to market standards in operations ▪ Maintain or improve house brand portfolio
Economic		
2	Sustainable business performance	Improve or maintain total economic value created subject to market conditions
Environmental		
3	Energy conservation and emissions reduction	Maintain or reduce GHG emissions intensity
4	Water conservation and effluent management	▪ Maintain or reduce water consumption intensity ▪ Maintain or reduce effluent intensity
5	Responsible waste management	Maintain the proportion of used cooking oil generated from operations that is properly disposed
Social		
6	Commitment to consistent quality and food safety	▪ Maintain zero food safety incident and no regulatory non-compliance and penalty by the Reporting Entities ▪ Maintain zero incident of non-compliance concerning product labelling
7	Safe working environment	Reduce the number of workplace accidents and work-related ill health cases
8	Equality and diversity in the workplace	Maintain zero incident of unlawful discrimination against employees
9	Employee retention and development	Maintain or improve training hours for employees
Governance		
10	Robust corporate governance framework	Maintain zero whistle-blowing incidents

10. Supporting the UN Sustainable Development Goals

The 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 SDGs, which form an urgent call for action by all countries – developed and developing – in a global partnership. We believe that everyone plays an important role in advancing sustainable development and in order to align our business objectives with the SDGs, we have identified a number of SDGs which we can contribute to through our business practices, products and services. The SDGs that we focus on and the related Sustainability Factors are as follows:

SDG		Our effort
	Ensure healthy lives and promote well-being for all at all ages	<u>Section 8.7 Safe working environment</u> We implement measures such as safety checks, safety training and job safety guidelines and procedures to provide a hazard-free workplace for our employees and ensure the well-being of both our employees and the working environment.
	Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	<u>Section 8.9 Employee retention and development</u> We offer our employees extensive on-the-job training and opportunities to attend internal and external workshops as we believe in creating a rewarding working environment for our employees.
	Ensure availability and sustainable management of water and sanitation for all	<u>Section 8.4 Water conservation and effluent management</u> We implement checks and measures to reduce water wastage and manage the quality of effluent generated from our business operations, which in turn help us to work towards achieving sustainable management and efficient use of natural resources.
	Ensure access to affordable, reliable, sustainable, and modern energy for all	<u>Section 8.3 Energy conservation and emissions reduction</u> We constantly monitor and implement measures to improve our energy efficiency.
	Promote sustained, inclusive and sustainble economic growth, ful and productive employment and decent work for all	<u>Section 8.1 Total customer satisfaction</u> We place heavy emphasis on customer satisfaction as we understand that a high level of customer satisfaction is essential to the continued success of our business. This also helps to contribute to economic growth as well as the protection and creation of jobs. <u>Section 8.2 Sustainable business performance</u> We contribute to economic growth through creating long-term value for our stakeholders.
	Reduce inequality within and among countries	<u>Section 8.8 Equality and diversity in the workplace</u> We ensure equal opportunity for all regardless of gender and age as well as educational background by establishing various human resource related policies to facilitate this goal.

SDG		Our effort
	Ensure sustainable consumption and production patterns	<u>Section 8.5 Responsible waste management</u> We implement measures and initiatives to help prevent and reduce waste that is generated from our business operations.
	Promote peaceful and inclusive socieities for sustainable development, provide access to justice for all and build effective accountable and inclusive instititutions at all levels	<u>Section 8.6 Commitment to consistent quality and food safety</u> We adopt stringent food quality and safety management practices throughout our entire business process to maintain the continued success of our business and promote effective and accountable institutions. <u>Section 8.10 Robust corporate governance framework</u> We are committed to high standards of corporate governance as we believe that a high standard of corporate governance is integral in ensuring sustainability of our businesses as well as safeguarding shareholders' interests and maximising long-term shareholder's value. We maintain zero tolerance towards any form of corruption including bribery through measures such as our whistle blowing policy.

11. Supporting the TCFD

We are committed to support the recommendations by the TCFD and have voluntarily disclosed some of our climate-related financial disclosures in the following key areas as recommended by the TCFD:

Key area	Our approach
Governance	The Board oversees the management and monitoring of the Sustainability Factors and considers climate-related issues in determining the Group's strategic directions and policies. Our sustainability strategy is developed and directed by the Group's SC in consultation with the Board. The Group's SC, which includes senior management executives and key managers from various functions, is led by the Executive Director. The responsibilities of the Sustainability Committee include considering climate-related issues in the development of sustainability strategy, target setting, as well as collection, monitoring and reporting of performance data.
Strategy Risk management	We are setting up an enterprise risk management framework in which climate-related risks and opportunities will be covered. We may perform scenario analysis, in line with the recommendations, using commonly used market standards in the future.
Metrics and targets	We track, measure and report on our environmental performance, including energy, water and waste management and disclose related metrics in our sustainability reports. Monitoring and reporting these metrics help us in identifying areas with material climate-related risks and enabling us to be more targeted in our efforts. To support the climate change agenda, we disclose our Scope 1 and Scope 2 GHG emissions in our sustainability reports and set climate-related targets such as those related to GHG emissions, water and energy consumption and waste management.

12. GRI content index

GRI standard & disclosure title		Section reference	Page
Organisational profile			
102-1	Name of the organisation	▪ Sustainability Report 2021 ("**SR 21**") > Cover page ▪ SR 21 > Reporting period and scope	- 4 of SR 21
102-2	Activities, brands, products, and services	▪ SR 21 > Our business ▪ SR 21 > Material factors > Total customer satisfaction ▪ Annual Report 2021 ("**AR 21**") > Corporate profile ▪ AR 21 > Our brands ▪ AR 21 > Notes to the financial statements > Financial information by operating segments ▪ AR 21 > Notes to the financial statements > Investment in subsidiaries	3 of SR 21 8 of SR 21 1 - 3 of AR 21 4 of AR 21 65 - 68 of AR 21 78 of AR 21
102-3	Location of headquarters	▪ AR 21 > Notes to the financial statements > General ▪ AR 21 > Corporate information	52 - 53 of AR 21 -
102-4	Location of operations	▪ SR 21 > Reporting period and scope ▪ SR 21 > Material factors > Total customer satisfaction ▪ AR 21 > Notes to the financial statements > Financial information by operating segments ▪ AR 21 > Notes to the financial statements > Investment in subsidiaries	4 of SR 21 8 of SR 21 65 - 68 of AR 21 78 of AR 21
102-5	Ownership and legal form	▪ AR 21 > Corporate structure ▪ AR 21 > Notes to the financial statements > General ▪ AR 21 > Notes to the financial statements > Investment in subsidiaries ▪ AR 21 > Statistics of shareholdings	16 of AR 21 52 - 53 of AR 21 78 of AR 21 96 - 97 of AR 21
102-6	Markets served	▪ SR 21 > Our business ▪ SR 21 > Material factors > Total customer satisfaction ▪ AR 21 > Notes to the financial statements > Financial information by operating segments	3 of SR 21 8 of SR 21 65 - 68 of AR 21
102-7	Scale of the organisation	▪ SR 21 > Our business ▪ SR 21 > Material factors > Sustainable business performance ▪ SR 21 > Material factors > Equality and diversity in the workplace ▪ AR 21 > Corporate profile ▪ AR 21 > Financial highlights ▪ AR 21 > Financial review ▪ AR 21 > Consolidated statement of profit or loss and other comprehensive income ▪ AR 21 > Statements of financial position ▪ AR 21 > Notes to the financial statements > Financial information by operating segments	3 of SR 21 9 of SR 21 13 of SR 21 1 - 3 of AR 21 6 of AR 21 9 - 11 of AR 21 48 of AR 21 49 of AR 21 65 - 68 of AR 21

GRI standard & disclosure title		Section reference	Page
Organisational profile			
102-8	Information on employees and other workers	SR 21 > Material factors > Equality and diversity in the workplace	13 of SR 21
102-9	Supply chain	SR 21 > Our business	3 of SR 21
102-10	Significant changes to the organisation and its supply chain	There was no significant change to the organisation and its supply chain during the Reporting Period	-
102-11	Precautionary Principle or approach	None	-
102-12	External initiatives	▪ SR 21 > Supporting the UN Sustainable Development Goals ▪ SR21 > Supporting the TCFD	15 - 16 of SR 21 16 of SR 21
102-13	Membership of associations	None	-
Strategy			
102-14	Statement from senior decision-maker	• SR 21 > Board Statement ▪ AR 21 > Chairman's letter to shareholders ▪ AR 21 > Message from Managing Director	1 - 2 of SR 21 7 of AR 21 8 of AR 21
Ethics and integrity			
102-16	Values, principles, standards, and norms of behaviour	▪ SR 21 > Material factors > Robust corporate governance framework ▪ AR 21 > Corporate Governance Report	14 of SR 21 17 - 38 of AR 21
Governance			
102-18	Governance structure	▪ SR 21 > Policy, practice and performance reporting > Reporting structure ▪ SR 21 > Material factors > Robust corporate governance framework ▪ AR 21 > Corporate Governance Report	5 of SR 21 14 of SR 21 17 - 38 of AR 21
Stakeholder Engagement			
102-40	List of stakeholder groups	SR 21 > Stakeholder engagement	4 - 5 of SR 21
102-41	Collective bargaining agreements	None of our employees are covered by collective bargaining agreements	-
102-42	Identifying and selecting stakeholders	SR 21 > Stakeholder engagement	4 - 5 of SR 21
102-43	Approach to stakeholder engagement	SR 21 > Stakeholder engagement	4 - 5 of SR 21
102-44	Key topics and concerns raised	SR 21 > Stakeholder engagement	4 - 5 of SR 21
Reporting practice			
102-45	Entities included in the consolidated financial statements	AR 21 > Notes to the financial statements > Investment in subsidiaries	78 of AR 21
102-46	Defining report content and topic Boundaries	SR 21 > Policy, practice and performance reporting > Sustainability reporting processes	5 of SR 21
102-47	List of material topics	SR 21 > Material factors	6 - 14 of SR 21
102-48	Restatements of information	Not applicable as this is our maiden sustainability report	-
102-49	Changes in reporting	Not applicable as this is our maiden sustainability report	-
102-50	Reporting period	SR 21 > Reporting period and scope	4 of SR 21

GRI standard & disclosure title		Section reference	Page
Reporting practice			
102-51	Date of most recent report	Not applicable as this is our maiden sustainability report	-
102-52	Reporting cycle	SR 21 > Reporting period and scope	4 of SR 21
102-53	Contact point for questions regarding the report	SR 21 > Feedback	4 of SR 21
102-54	Claims of reporting in accordance with the GRI Standards	▪ SR 21 > Reporting framework ▪ SR 21 > GRI content index	3 of SR 21 17 - 20 of SR 21
102-55	GRI content index	SR 21 > GRI content index	17 - 20 of SR 21
102-56	External assurance	SR 21 > Reporting framework	3 of SR 21
Management approach			
103-1	Explanation of the material topic and its Boundary	SR 21 > Material factors	6 - 14 of SR 21
103-2	The management approach and its components	▪ SR 21 > Board Statement ▪ SR 21 > Policy, practice and performance reporting ▪ SR 21 > Material factors	1 - 2 of SR 21 5 - 6 of SR 21 6 - 14 of SR 21
103-3	Evaluation of the management approach	SR 21 > Material factors	6 - 14 of SR 21
Category: Economic			
201-1	Direct economic value generated and distributed	▪ SR 21 > Material factors > Sustainable business performance ▪ AR 21 > Financial highlights ▪ AR 21 > Financial review ▪ AR 21 > Consolidated statement of profit or loss and other comprehensive income ▪ AR 21 > Statements of financial position	9 of SR 21 6 of AR 21 9 - 11 of AR 21 48 of AR 21 49 of AR 21
205-3	Confirmed incidents of corruption and actions taken	SR 21 > Material factors > Robust corporate governance framework	14 of SR 21
Category: Environmental			
302-1	Energy consumption within the organisation	SR 21 > Material factors > Energy conservation and emissions reduction	10 of SR 21
302-3	Energy intensity	SR 21 > Material factors > Energy conservation and emissions reduction	10 of SR 21
303-4	Water discharge	SR 21 > Material factors > Water conservation and effluent management	10 - 11 of SR 21
303-5	Water consumption	SR 21 > Material factors > Water conservation and effluent management	10 - 11 of SR 21
305-1	Direct (Scope 1) GHG emissions	SR 21 > Material factors > Energy conservation and emissions reduction	10 of SR 21
305-2	Energy indirect (Scope 2) GHG emissions	SR 21 > Material factors > Energy conservation and emissions reduction	10 of SR 21
305-4	GHG emissions intensity	SR 21 > Material factors > Energy conservation and emissions reduction	10 of SR 21
306-1	Waste generation and significant waste-related impacts	SR 21 > Material factors > Responsible waste management	11 of SR 21
306-2	Management of significant waste-related impacts	SR 21 > Material factors > Responsible waste management	11 of SR 21

GRI standard & disclosure title		Section reference	Page
Category: Social			
401-1	New employee hires and employee turnover	SR 21 > Material factors > Employee retention and development	13 of SR 21
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR 21 > Material factors > Employee retention and development	13 of SR 21
403-9	Work-related injuries	SR 21 > Material factors > Safe working environment	12 of SR 21
403-10	Work-related ill health	SR 21 > Material factors > Safe working environment	12 of SR 21
404-1	Average hours of training per year per employee	SR 21 > Material factors > Employee retention and development	13 of SR 21
404-2	Programs for upgrading employee skills and transition assistance programs	SR 21 > Material factors > Employee retention and development	13 of SR 21
405-1	Diversity of governance bodies and employees	SR 21 > Material factors > Equality and diversity in the workplace	13 of SR 21
406-1	Incidents of discrimination and corrective actions taken	SR 21 > Material factors > Equality and diversity in the workplace	13 of SR 21
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	SR 21 > Material factors > Committed to consistent quality and food safety	11 - 12 of SR 21
417-2	Incidents of non-compliance concerning product and service information and labelling	SR 21 > Material factors > Committed to consistent quality and food safety	11 - 12 of SR 21