

SUSTAINABILITY REPORT

1. Board statement

We affirm our commitment to sustainability with the publication of our 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, “**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 reporting 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 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 SDGs¹ as follows:



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

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A summary of our key sustainability performance in FY2022 is as follows:

Sustainability pillar	Performance indicator	Sustainability performance	
		FY2022	FY2021
Customer experience	House brand portfolio	7 house brands	6 house brands
	Market standards adopted	Relevant market standards ² have been adopted in our operations	Relevant market standards ² have been adopted in our operations
Economic	Employee benefits expense paid to employees	S\$7.67 million	S\$7.39 million
	Tax paid to governments	S\$0.70 million	S\$0.33 million
	(Withdrawal from)/Reinvestment via retained earnings	(S\$0.28) million	S\$1.99 million
	Dividends paid to shareholders	S\$1.50 million	S\$1.52 million
Environmental	Total Greenhouse Gas ("GHG") emissions (tonnes CO ₂ e)	1,614	1,768
	GHG emissions intensity (tonnes CO ₂ e/revenue S\$'000)	0.047	0.046
	Water consumption intensity ³ (m ³ /revenue S\$'000)	1.06	1.00
	Effluent intensity (m ³ /revenue S\$'000)	0.60	0.56
	Percentage of used cooking oil generated from operations that is properly disposed	100%	100%
Social	Number of food safety incidents ⁴ which results in regulatory non-compliance and penalty to the Reporting Entities	0	0
	Number of incidents of non-compliance concerning product labelling ⁵	0	0
	Number of workplace fatalities	0	0
	Number of high-consequence work-related injuries ⁶	0	0
	Number of recordable work-related injuries	3	7
	Number of recordable work-related ill health cases	0	0
	Number of incidents of unlawful discrimination ⁷ against employees	0	0
	Average training hours per employee	9.3 hours	4.2 hours
	Turnover rate	35%	26%
Governance	Number of incidents reported through whistle-blowing channel ("Whistle-blowing Incidents")	0	0

We delivered a positive set of performance for the full year, despite being affected by a number of external factors, including political, macroeconomic and market headwinds. We believe that our strategy of diversifying our brand and product portfolio will continue to resonate with consumers and enable us to expand our customer base in existing and new markets. Moving ahead, we are confident that the strength of our established brands and operational excellence will put us in a strong position as we implement our business strategy progressively.

² The market standards adopted or certifications attained by the Group include FSSC 22000 Food Safety System certification, Singapore Food Agency ("SFA") grade "A" and Halal certificate.

³ Water is mainly consumed by our production facilities in Singapore.

⁴ 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.

⁵ 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.

⁶ 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.

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.

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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.



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**”) and 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 also 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.

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4. Reporting period and scope

This Report is applicable for the financial year ended 30 June 2022 (“**FY2022**” or “**Reporting Period**”) for OTS Holdings Limited and its subsidiaries (the “**Group**”). 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% (FY2021:95%) of the total revenue for the Reporting Period (“**Reporting Entities**” or each a “**Reporting Entity**”).

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 identified key stakeholder groups which we prioritise our engagements with. These include entities or individuals that have an interest that is affected or could be affected by our activities.

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	<ul style="list-style-type: none"> Corporate social responsibility Environmental initiatives
2	Customers	<ul style="list-style-type: none"> Advertisements Customer feedback Email queries Hotline Marketing or promotional activities Social media platforms Digital commerce channels set up by food exhibition organisers 	Regularly	<ul style="list-style-type: none"> Food quality and safety Customer service standards
3	Employees	<ul style="list-style-type: none"> Emails Staff meetings 	Daily	<ul style="list-style-type: none"> Career development and training
		Townhall meetings	Half-yearly	<ul style="list-style-type: none"> Job security Remuneration
		Networking sessions	When required	<ul style="list-style-type: none"> Equal employment opportunities Occupational health and safety

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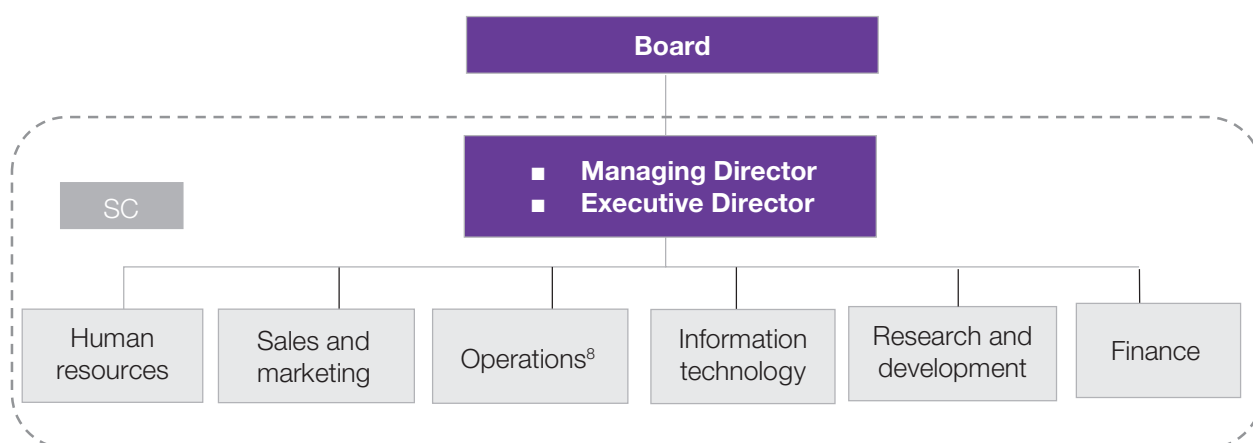
S/N	Stakeholder	Engagement channel	Frequency of engagement	Key concerns raised
4	Regulators	Consultations and briefings organised by key regulatory bodies such as Singapore Stock Exchange, Singapore Food Agency (" SFA "), National Environment Agency (" NEA "), Ministry of Manpower (" MOM "), Islamic Religious Council of Singapore (" MUIS "), Building and Construction Authority (" BCA ") and other relevant government agencies/bodies	When required	<ul style="list-style-type: none"> Corporate governance Food safety and hygiene Occupational health and safety Environmental compliance
5	Shareholders	Annual report Annual general meeting Results announcements Corporate announcements/press release	Annually Annually Half-yearly When required	<ul style="list-style-type: none"> Sustainable business performance Market valuation Dividend payment Corporate governance Environmental initiatives
6	Suppliers	<ul style="list-style-type: none"> 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 Managing Director and 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.

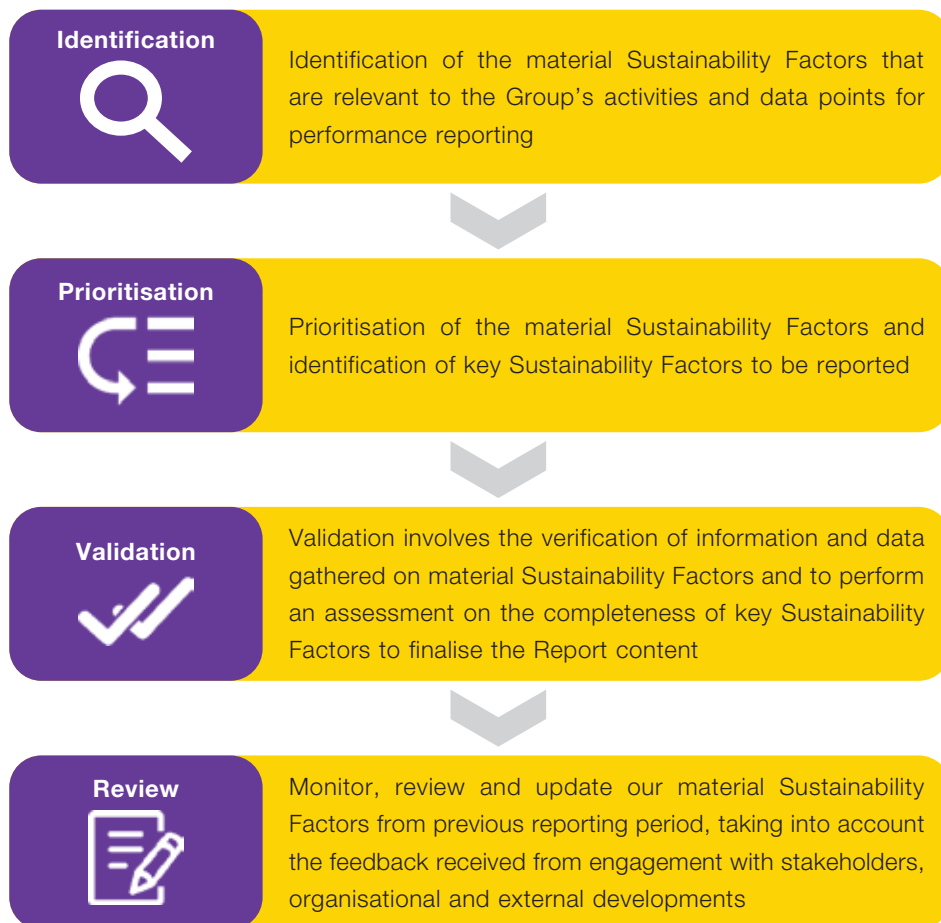


⁸ Operations include procurement, warehouse and shipping, production, quality assurance, engineering, facility, occupational health, safety and security functions.

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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

The materiality assessment considers the likelihood of the occurrence of potential negative and positive impacts ("**Likelihood of Impact**") and significance of impacts on the economy, environment, people and their human rights, which in turn can indicate its contribution to sustainable development ("**Significance of 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.

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8. Material factors

In FY2022, 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 is a list of material Sustainability Factors applicable to the Group:

List of material Sustainability Factors

S/N	Material Sustainability Factor	SDG	Key stakeholder
General disclosure			
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 Shareholder
4	Water conservation effluent management	Clean water and sanitation	Communities Regulators Shareholders
5	Responsible waste management	Responsible consumption and production	Communities Shareholders Regulators
Social			
6	Commitment to consistent quality and food safety	Decent work and economic growth	Customers Regulators 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
10	Ongoing community engagement	Sustainable cities and communities	Communities
Governance			
11	Robust corporate governance framework	Peace, justice and strong institutions	Regulators Shareholders

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:

The material factor matrix, which was disclosed in the sustainability report for FY2021, was not disclosed in this report to be aligned with the latest requirements.

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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:

Our brand portfolio



Multi-brand and multi-product portfolio

With an established track record of 29 years in the industry, we have grown in scale and possess the production capabilities to offer diverse products under our 7 house brands (FY2021: 6 house brands), comprising “Golden Bridge”, “Kelly’s”, “GoldenLion”, “Orchid”, “El-Dina”, “Kizmiq” and “ANEW”. 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, evolving tastes. In FY2022, we launched “ANEW”, a 100% plant-based, ready-to-eat brand that aims to deliver quality, nutrition and convenience to meet growing demand for plant-based food products and environmental consciousness. The first product line-up from ANEW consists of three luncheon meat products that are inspired by the Group's popular luncheon meat products.



Our plant-based, ready-to-eat luncheon “meat” line

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.

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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

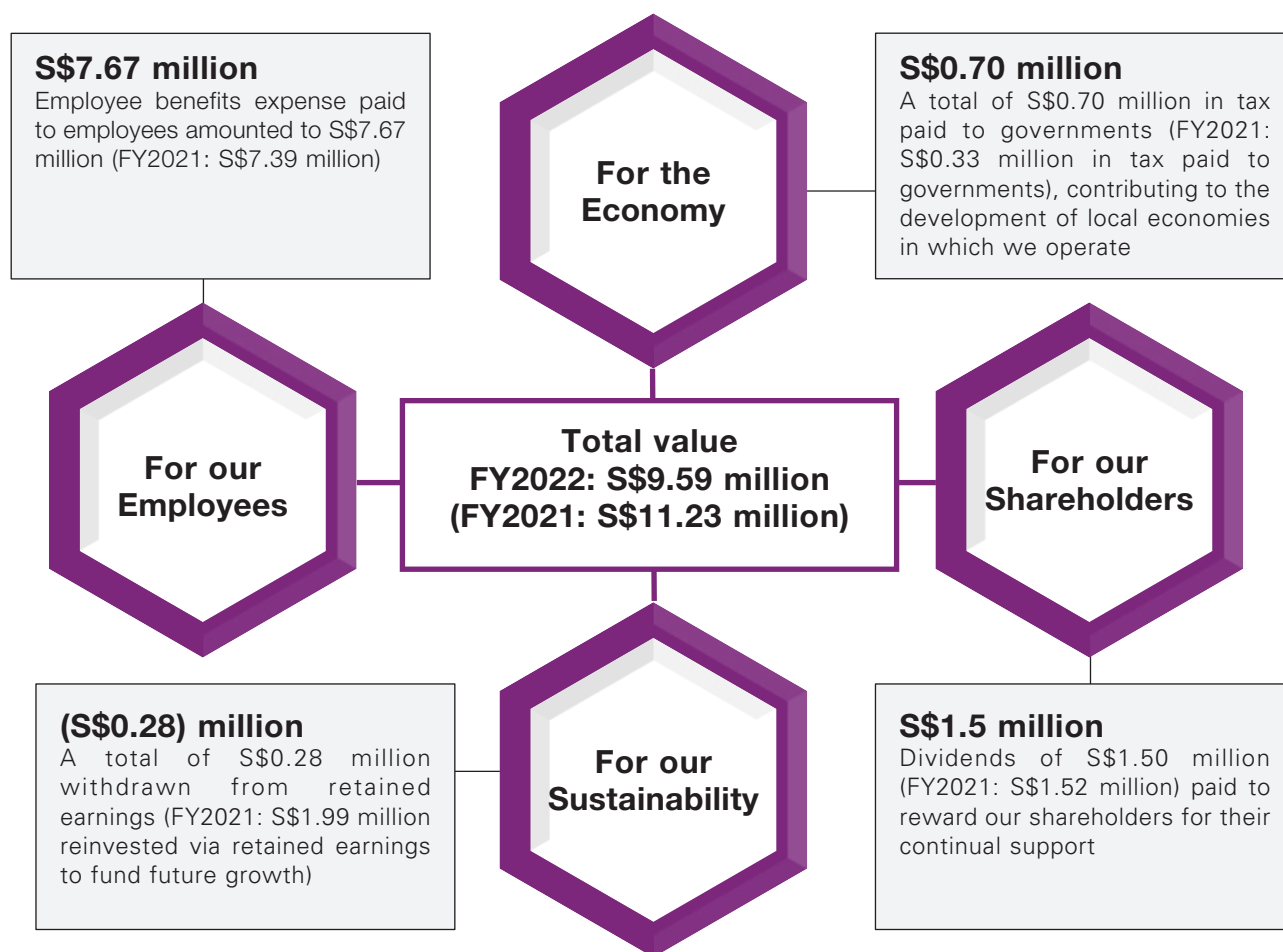
Over the years, we have built an established sales and distribution network and our brands have been widely marketed and sold in major supermarkets, convenience stores, provision shops, hotels and restaurants in Singapore and Malaysia. We also export our products to more than 25 countries through distributors.

Target for FY2022	Performance in FY2022	Target for FY2023
<ul style="list-style-type: none"> Adhere to market standards in operations Maintain or improve house brand portfolio 	<ul style="list-style-type: none"> Adhered to market standards in operations Launched 'ANEW', a 100% plant-based, ready-to-eat brand that aims to deliver quality, nutrition and convenience to consumers 	<ul style="list-style-type: none"> Adhere to market standards in operations Maintain or improve house brand portfolio

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8.2 Sustainable business performance

We believe in creating long-term values for our stakeholders through relevant and meaningful ways. In line with this commitment, the value we created in FY2022 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 FY2022 (the "Annual Report").

Target for FY2022	Performance in FY2022	Target for FY2023
Improve or maintain total value created subject to market conditions	Decrease in total value created in FY2022 due to lower financial performance in comparison with FY2021	Improve or maintain total value created subject to market conditions

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.

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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	FY2022	FY2021
Energy consumption			
LPG consumption	kg	8,000	8,450
LPG consumption intensity	kg/revenue S\$'000	0.23	0.22
Diesel consumption	litre	203,881	230,000
Diesel consumption intensity	litre/revenue S\$'000	5.97	5.97
Electricity consumption	kWh	2,527,181	2,739,861
Electricity consumption intensity	kWh/revenue S\$'000	74.03	71.15
GHG emissions			
Direct GHG emissions (Scope 1) ⁹	tonnes CO ₂ e	578	650
Indirect GHG emissions (Scope 2) ¹⁰	tonnes CO ₂ e	1,036	1,117
Total GHG emissions	tonnes CO ₂ e	1,614	1,768
GHG emissions intensity	tonnes CO ₂ e/revenue S\$'000	0.047	0.046

Our key energy 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.

Target for FY2022	Performance in FY2022	Target for FY2023
Maintain or reduce GHG emissions intensity	No material changes in GHG emissions intensity	Maintain or reduce GHG emissions intensity

⁹ 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.

¹⁰ 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.

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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.

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

Performance indicator	Unit of measurement	FY2022	FY2021
Water consumption	m ³	36,318	38,459
Water consumption intensity	m ³ /revenue S\$'000	1.06	1.00
Effluent generated	m ³	20,338	21,537
Effluent intensity	m ³ /revenue S\$'000	0.60	0.56

Target for FY2022	Performance in FY2022	Target for FY2023
<ul style="list-style-type: none"> Maintain or reduce water consumption intensity Maintain or reduce effluent intensity 	<ul style="list-style-type: none"> No material changes in water consumption intensity No material changes in effluent intensity 	<ul style="list-style-type: none"> Maintain or reduce water consumption intensity Maintain or reduce effluent intensity

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 (FY2021: 100%).

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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.

Target for FY2022	Performance in FY2022	Target for FY2023
Maintain the proportion of used cooking oil generated from operations that is properly disposed	Maintained 100% of used cooking oil generated in operations being handled by licensed waste collectors	Maintain the proportion of used cooking oil generated from operations that is properly disposed

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 (FY2021: zero).

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.

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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 (FY2021: zero).

Target for FY2022	Performance in FY2022	Target for FY2023
<ul style="list-style-type: none"> 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 	<ul style="list-style-type: none"> Maintained zero food safety incident which resulted in regulatory non-compliance and penalty to the Reporting Entities Maintained zero incident of non-compliance with regulations concerning product labelling 	<ul style="list-style-type: none"> 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

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 (FY2021: zero) workplace fatalities, zero (FY2021: zero) high-consequence work-related injuries, 3 (FY2021: 7) recordable work-related injuries and zero (FY2021: zero) work-related ill health cases. The recordable work-related injuries are mainly associated with slips and trips and strenuous movements. 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.

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To protect our employees and minimise the risk of transmission of COVID-19, we adhere to the guidelines and measures passed by the local COVID-19 laws and regulations. These measures include provision of hand sanitisers at high frequency touch points such as lifts and clocking in machine, and daily sanitising and cleaning of common areas.

Target for FY2022	Performance in FY2022	Target for FY2023
Reduce the number of workplace accidents and work-related ill health cases	Decrease in number of recordable work-related injuries	Reduce the number of workplace accidents and work-related ill health cases

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 2022, 177 full-time and part-time employees in the Group are based in Singapore and Malaysia (FY2021: 164 full-time and part-time employees). During the Reporting Period, we maintain zero (FY2021: zero) incident of unlawful discrimination against employees.

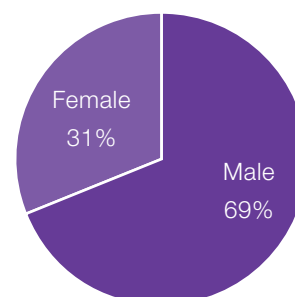
The breakdown of the number of employees by employment type is as follows:

Employment type	Number of employees		Percentage	
	FY2022	FY2021	FY2022	FY2021
Full-time	174	163	98%	99%
Part-time ¹¹	3	1	2%	1%
Total	177	164	100%	100%

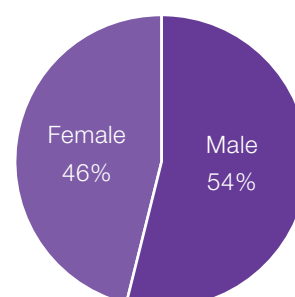
The number of part-time employees is considered to be not material given that the Group is not reliant on part-time employees to support its operations and long-term sustainability.

On gender diversity, the percentage of female to total number of employees is 31% (FY2021: 29%) and about 46% (FY2021: 37%) of managers are females as at 30 June 2022. 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 two (FY2021: two) female Directors out of five (FY2021: five) Directors or 40% (FY2021: 40%) female representation on the Board, with one being the Executive Director and the other being an Independent Director.

**Gender diversity
(full time employees)**



Gender diversity (managers)



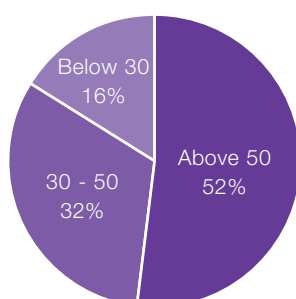
¹¹ Part-time employees are not included for consideration of gender diversity, age diversity, educational diversity, average training hours and turnover rate.

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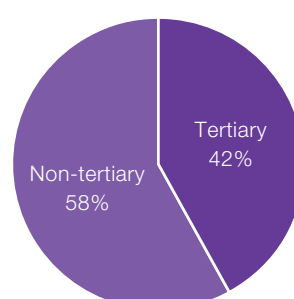
In relation to age diversity, matured workers are valued for their experience, knowledge and skill. As at 30 June 2022, 52% of the workforce is above 50 years old (FY2021: 27%).

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 58% of our total workforce as at 30 June 2022 (FY2021: 68%). We invest continuously in our employees through the provision of training programmes.

Age diversity (full-time employees)



Educational diversity (full-time employees)



Target for FY2022	Performance in FY2022	Target for FY2023
Maintain zero incident of unlawful discrimination against employees	Maintained zero reported incident of complaint on unlawful discrimination against employees	Maintain zero incident of unlawful discrimination against 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 1,611 hours of training for our employees (FY2021: 688 hours). 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 9.3 hours of training per employee (FY2021: 4.2 hours). The increase in the average training hours per employee is due to enhanced external training conducted for employees in FY2022, and less training conducted in FY2021 due to COVID-19 restrictions.

As at 30 June 2022, our turnover rate is 35% (FY2021: 26%) and we will continue to work towards reducing our turnover rate. The increase in turnover rate is mainly attributable to a high turnover of employees who left the Group to pursue better career opportunities.

Target for FY2022	Performance in FY2022	Target for FY2023
Maintain or improve training hours for employees	Increase in average training hours per employee	Maintain or improve training hours for employees

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8.10 Ongoing community engagement

We recognise that the long-term success of our business is closely related to the health and prosperity of the communities that we operate in. Accordingly, we strive to constantly contribute to the community.

During Chinese New Year in 2022, we partnered with YoRipe, a Singapore-based smart cooking app, to raise funds for the Singapore Children's Society. Collectively, a total of S\$10,000 was raised through public donors and direct donations by us. This event also coincided with Singapore Children's Society's celebration of 70 years of bringing hope and smiles to their beneficiaries.



Mandai tree planting event

In June 2022, 40 of our staff members participated in a tree planting event at the Singapore Zoo in celebration of the launch of "ANEW". A total of 20 trees were planted during the event.

Target for FY2022	Performance in FY2022	Target for FY2023
Not applicable ¹²	Initiated community campaign to help the communities	Initiate various campaigns to help the community

8.11 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.

¹² As this is a newly disclosed Sustainability Factor added in this report.

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During the Reporting Period, there was no whistle-blowing incident¹³ and serious offence¹⁴ (including corruption) raised (FY2021: none).

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

Target for FY2022	Performance in FY2022	Target for FY2023
Maintain zero whistle-blowing incidents	Maintained zero whistle-blowing incidents	Maintain zero incident of whistle-blowing incidents and serious offence

9. 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
	<p>Ensure healthy lives and promote well-being for all at all ages</p> <p><u>Section 8.7 Safe working environment</u></p> <p>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.</p>
	<p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p> <p><u>Section 8.9 Employee retention and development</u></p> <p>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.</p>
	<p>Ensure availability and sustainable management of water and sanitation for all</p> <p><u>Section 8.4 Water conservation and effluent management</u></p> <p>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.</p>

¹³ A whistle-blowing incident refers to a verified major concern of major wrongdoing within the Group relating to unlawful conduct, financial malpractice or dangers to the public and environment that has taken place.

¹⁴ A serious offence is defined as one that involves fraud or dishonesty and is being or has been committed against the Company by its officers or employees. Such serious offence is punishable by imprisonment for a term of not less than 2 years and the value of the property obtained or likely to be obtained from the commission of the offence amounts to not less than S\$100,000.

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	SDG	Our effort
	<p>Ensure access to affordable, reliable, sustainable, and modern energy for all</p>	<p><u>Section 8.3 Energy conservation and emissions reduction</u> We constantly monitor and implement measures to improve our energy efficiency.</p>
	<p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p><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.</p> <p><u>Section 8.2 Sustainable business performance</u> We contribute to economic growth through creating long-term value for our stakeholders.</p>
	<p>Reduce inequality within and among countries</p>	<p><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.</p>
	<p>Make cities and human settlements inclusive, safe, resilient and sustainable</p>	<p><u>Section 8.10 Ongoing community engagement</u> We initiate various campaigns to give back to the community we operate in and promote sustainable communities.</p>
	<p>Ensure sustainable consumption and production patterns</p>	<p><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.</p>
	<p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective accountable and inclusive institutions at all levels</p>	<p><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.</p> <p><u>Section 8.11 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.</p> <p>We maintain zero tolerance towards any form of corruption including bribery through measures such as our whistle-blowing policy.</p>

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10. 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	<p>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.</p> <p>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.</p>
Strategy	<p>Climate-related risks were identified by the Group during its enterprise risk management ("ERM") exercise. The key climate-related risks are weather disruption, changes in policy and regulations and increased cost of raw materials.</p> <p>We plan to conduct climate-related scenario analysis consistent with the recommendations of TCFD, wherever possible, using commonly agreed sector/subsector scenarios and time horizons.</p>
Risk management	
Metrics and targets	<p>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.</p> <p>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.</p>

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11. GRI content index

GRI standard & disclosure title		Section reference	Page
Organisational profile			
102-1	Name of the organisation	Sustainability Report > Reporting period and scope	20
102-2	Activities, brands, products, and services	<ul style="list-style-type: none"> Corporate profile Our brands Sustainability Report > Our business Sustainability Report > Material factors > Total customer satisfaction Notes to the financial statements > Financial information by operating segments Notes to the financial statements > Investment in subsidiaries 	01 – 03 04 19 24 – 25 98 – 102 112 – 113
102-3	Location of headquarters	<ul style="list-style-type: none"> Notes to the financial statements > General Corporate information 	84 – 85 Back cover
102-4	Location of operations	<ul style="list-style-type: none"> Sustainability Report > Reporting period and scope Sustainability Report > Material factors > Total customer satisfaction Notes to the financial statements > Financial information by operating segments Notes to the financial statements > Investment in subsidiaries 	20 24 – 25 98 – 102 112 – 113
102-5	Ownership and legal form	<ul style="list-style-type: none"> Corporate structure Notes to the financial statements > General Notes to the financial statements > Investment in subsidiaries Statistics of shareholdings 	16 84 – 85 112 – 113 131 – 132
102-6	Markets served	<ul style="list-style-type: none"> Sustainability Report > Our business Sustainability Report > Material factors > Total customer satisfaction Notes to the financial statements > Financial information by operating segments 	19 24 – 25 98 – 102

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GRI standard & disclosure title		Section reference	Page
102-7	Scale of the organisation	▪ Corporate profile	01 – 03
		▪ Financial highlights	06
		▪ Financial review	09 – 11
		▪ Sustainability Report > Our business	19
		▪ Sustainability Report > Material factors > Sustainable business performance	26
		▪ Sustainability Report > Material factors > Equality and diversity in the workplace	31 – 32
		▪ Consolidated statement of profit or loss and other comprehensive income	80
		▪ Statements of financial position	81
		▪ Notes to the financial statements > Financial information by operating segments	98 – 102
102-8	Information on employees and other workers	Sustainability Report > Material factors > Equality and diversity in the workplace	31 – 32
102-9	Supply chain	Sustainability Report > Our business	19
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	▪ Sustainability Report > Supporting the UN Sustainable Development Goals	34 – 35
		▪ Sustainability Report > Supporting the TCFD	36
102-13	Membership of associations	None	–
Strategy			
102-14	Statement from senior decision-maker	▪ Chairman’s letter to shareholders	07
		▪ Message from Managing Director	08
		▪ Sustainability Report > Board Statement	17 – 18
Ethics and integrity			
102-16	Values, principles, standards, and norms of behaviour	▪ Sustainability Report > Material factors > Robust corporate governance framework	33 – 34
		▪ Corporate Governance Report	42 – 70

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GRI standard & disclosure title		Section reference	Page
Governance			
102-18	Governance structure	<ul style="list-style-type: none"> Sustainability Report > Policy, practice and performance reporting > Reporting structure Sustainability Report > Material factors > Robust corporate governance framework Corporate Governance Report 	21 33 – 34 42 – 70
Stakeholder Engagement			
102-40	List of stakeholder groups	Sustainability Report > Stakeholder engagement	20 – 21
102-41	Collective bargaining agreements	None of our employees are covered by collective bargaining agreements	–
102-42	Identifying and selecting stakeholders	Sustainability Report > Stakeholder engagement	20 – 21
102-43	Approach to stakeholder engagement	Sustainability Report > Stakeholder engagement	20 – 21
102-44	Key topics and concerns raised	Sustainability Report > Stakeholder engagement	20 – 21
Reporting practice			
102-45	Entities included in the consolidated financial statements	Notes to the financial statements > Investment in subsidiaries	112 – 113
102-46	Defining report content and topic Boundaries	Sustainability Report > Policy, practice and performance reporting > Sustainability reporting processes	22
102-47	List of material topics	Sustainability Report > Material factors	23 – 34
102-48	Restatements of information	None	–
102-49	Changes in reporting	Sustainability Factor added: <ul style="list-style-type: none"> Sustainability Report > Material factors > Ongoing community engagement 	33
102-50	Reporting period	Sustainability Report > Reporting period and scope	20
102-51	Date of most recent report	Sustainability Report FY2021	–
102-52	Reporting cycle	Sustainability Report > Reporting period and scope	20
102-53	Contact point for questions regarding the report	Sustainability Report > Feedback	20

SUSTAINABILITY REPORT

GRI standard & disclosure title		Section reference	Page
102-54	Claims of reporting in accordance with the GRI Standards	<ul style="list-style-type: none"> Sustainability Report > Reporting framework Sustainability Report > GRI content index 	19 37 – 41
102-55	GRI content index	Sustainability Report > GRI content index	37 – 41
102-56	External assurance	Sustainability Report > Reporting framework	19
Management approach			
103-1	Explanation of the material topic and its Boundary	Sustainability Report > Material factors	23 – 34
103-2	The management approach and its components	<ul style="list-style-type: none"> Sustainability Report > Board Statement Sustainability Report > Policy, practice and performance reporting Sustainability Report > Material factors 	17 – 18 21 – 22 23 – 34
103-3	Evaluation of the management approach	Sustainability Report > Material factors	23 – 34
Category: Economic			
201-1	Direct economic value generated and distributed	<ul style="list-style-type: none"> Financial highlights Financial review Sustainability Report > Material factors > Sustainable business performance Consolidated statement of profit or loss and other comprehensive income Statements of financial position 	06 09 – 11 26 80 81
205-3	Confirmed incidents of corruption and actions taken	Sustainability Report > Material factors > Robust corporate governance framework	33 – 34
Category: Environmental			
302-1	Energy consumption within the organisation	Sustainability Report > Material factors > Energy conservation and emissions reduction	26 – 27
302-3	Energy intensity	Sustainability Report > Material factors > Energy conservation and emissions reduction	26 – 27
303-4	Water discharge	Sustainability Report > Material factors > Water conservation and effluent management	28
303-5	Water consumption	Sustainability Report > Material factors > Water conservation and effluent management	28
305-1	Direct (Scope 1) GHG emissions	Sustainability Report > Material factors > Energy conservation and emissions reduction	26 – 27

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GRI standard & disclosure title		Section reference	Page
305-2	Energy indirect (Scope 2) GHG emissions	Sustainability Report > Material factors > Energy conservation and emissions reduction	26 – 27
305-4	GHG emissions intensity	Sustainability Report > Material factors > Energy conservation and emissions reduction	26 – 27
306-1	Waste generation and significant waste-related impacts	Sustainability Report > Material factors > Responsible waste management	28 – 29
306-2	Management of significant waste-related impacts	Sustainability Report > Material factors > Responsible waste management	28 – 29
Category: Social			
401-1	New employee hires and employee turnover	Sustainability Report > Material factors > Employee retention and development	32
403-9	Work-related injuries	Sustainability Report > Material factors > Safe working environment	30 – 31
403-10	Work-related ill health	Sustainability Report > Material factors > Safe working environment	30 – 31
404-1	Average hours of training per year per employee	Sustainability Report > Material factors > Employee retention and development	32
404-2	Programs for upgrading employee skills and transition assistance programs	Sustainability Report > Material factors > Employee retention and development	32
405-1	Diversity of governance bodies and employees	Sustainability Report > Material factors > Equality and diversity in the workplace	31 – 32
406-1	Incidents of discrimination and corrective actions taken	Sustainability Report > Material factors > Equality and diversity in the workplace	31 – 32
413-1	Operations with local community engagement, impact assessments, and development programs	Sustainability Report > Material factors > Ongoing community engagement	33
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Sustainability Report > Material factors > Committed to consistent quality and food safety	29 – 30
417-2	Incidents of non-compliance concerning product and service information and labelling	Sustainability Report > Material factors > Committed to consistent quality and food safety	29 – 30