



**K O D A**

SUSTAINABILITY REPORT 2022

## Contents

1 About the Report .....	3
1.1 CEO's Message .....	3
1.2 Corporate Profile .....	4
2 Sustainability at Koda .....	7
2.1 Scope .....	7
2.2 Boundary .....	7
2.3 Approach and Methodology .....	8
2.4 Sustainability Management Framework .....	8
2.5 Alignment with International Initiatives .....	8
2.6 Materiality .....	10
2.7 Stakeholder Engagement .....	11
2.8 Feedback .....	12
3 Environmental Sustainability .....	13
3.1 Our Approach, Performance and Targets .....	13
3.2 Carbon Footprint Reduction .....	14
3.3 Energy Consumption and Management .....	15
3.4 Waste Management .....	17
3.5 Water Conservation and Management .....	19
3.6 Process Sustainability .....	20
4 Employee Care .....	21
4.1 Our Approach, Performance and Targets .....	21
4.2 Employment Practices .....	22
4.3 Diversity and Inclusion .....	25
4.4 Employee Welfare .....	29
4.5 Safety and Health at Workplace .....	31
4.6 Employee Rights .....	33
5 Prioritising Customer Needs .....	34
5.1 Our Approach, Performance and Targets .....	34
5.2 Customer Feedback and Satisfaction .....	34
5.3 Product Quality and Safety .....	35
5.4 Data Safety and Privacy .....	35
6 Supplier Sustainability .....	36
6.1 Our Approach, Performance and Targets .....	36
6.2 Supplier Selection .....	36
6.3 Supplier Review .....	36
7 Government and Regulators .....	37
7.1 Our Approach, Performance and Targets .....	37
7.2 Regulatory Compliance Oversight .....	37
7.3 Financial Assistance .....	37
8 GRI Index .....	38

# 1 About the Report

## 1.1 CEO's Message

It gives me great pleasure to present our Sustainability Report for the financial year ended 30 June 2022 ("FY2022"). In our Sustainability Report, we highlight the progress and accomplishments of our organisation over the past year, with a particular emphasis on our commitment to collaborating with our valued stakeholders to build a sustainable business based on our resilience, adaptability, and innovation.

The Coronavirus Disease 2019 ("COVID-19") pandemic has accelerated the environmental sustainability trend and its integration with corporate social responsibility for the furniture industry. Supply chain sustainability has emerged again to call for more insight into the development of the related ecosystem, ranging from traceability of timbers, certification process, and waste management energy consumption to carbon emission reduction. It is a business imperative which drives us to develop socially responsible brands for our products.

We believe that in our industry, building a sustainable business is essential to our continued success and that we must be fully accountable for our impact on the environment, our customers, our employees, and our community, in addition to the financial performance of our Company.

Our ability to remain strong and financially stable relies heavily on our ability to produce sustainable results. This helps to clarify our commitment to the principles outlined in our Corporate Sustainability Policy. Our obligation to society is to incorporate sustainable practices into each step of our value chain. Not only must we meet the needs of our customers, employees, and the communities in which we operate, but also those of our environment and future generations. This report details how we have met our responsibilities with our critical stakeholders during FY2022 and beyond.

James Koh  
Executive Chairman and CEO

## 1.2 Corporate Profile

The sustainability report aims to give a clear, fair picture of Koda Ltd ("Koda" or the "Company") and its subsidiaries (the "Group"), to represent the interests of our prime stakeholders, and to pragmatically meet those interests. This report intends to contain in-depth and understandable information about the Company's sustainability strategy, critical concerns, and data following acknowledged worldwide standards. This sustainability report is produced to outline our dedication to sustainability and transparency.

### 1.2.1 Values and Mission

We believe it is our responsibility to manage the Group successfully on a sustainable long-term basis. We are committed to deliver greater value and returns to our shareholders, business partners and employees.

Our employees operate according to a set of core values that guide all aspects of our business. We recognise that cooperation, communication and trust are essential for us to collaborate to compete, and that care and concern through respect, patience, empathy and consideration are paramount, both between each other and among the communities in which we operate.

### 1.2.2 Governance

#### 1.2.2.1 Board Diversity

Board diversity characteristics in terms of gender, age, and board composition are key influences towards Company's sustainability practice. The board diversity of Koda is shown below.

Board Diversity	Unit	FY2021	FY2022 <sup>1</sup>
<b>Directorship Concentration</b>			
Board of Director Positions	Number of Headcount	10	7
<b>Type of Directorships</b>			
<b>Number</b>			
Executive Directorship	Number of Headcount	6	3
Independent Non-Executive Directorship	Number of Headcount	4	4
<b>Percentage (%)</b>			
Executive Directorship	Proportion	60.0%	42.9%
Independent Non-Executive Directorship	Proportion	40.0%	57.1%
<b>Gender Diversity</b>			
<b>Number</b>			
Male	Number of Headcount	9	6
Female	Number of Headcount	1	1
<b>Percentage (%)</b>			
Male	Proportion	90.0%	85.7%
Female	Proportion	10.0%	14.3%

<sup>1</sup> The figures for FY2021 includes the number of directors for Koda Ltd and its subsidiaries while the figures for FY2022 includes the directors for Koda Ltd only.

Board Diversity	Unit	FY2021	FY2022 <sup>1</sup>
<b>Age Diversity</b>			
< 30	Number of Persons	-	-
30 to 50	Number of Persons	3	1
> 50	Number of Persons	7	6
<b>Percentage (%)</b>			
< 30	Proportion	-	-
30 to 50	Proportion	30.0%	14.3%
> 50	Proportion	70.0%	85.7%

### 1.2.2.2 Corporate Sustainability Committee

All corporate governance and operational concerns pertaining to our business are the responsibility of our Board of Directors (the "**Board**"). The Corporate Sustainability Committee ("**CSC**"), which is led by our Executive Director and comprises other executive directors and the designated senior executives, provides support to the Board for corporate sustainability. CSC gives direction and endorsement for corporate sustainability issues, including community investment and environmental initiatives.

Our Corporate Sustainability Champion (the "**Champion**"), who is supported by CSC, actively creates awareness within the business through education and training. Our Champion engages businesses and functions jointly in identifying and managing Environmental, Social, and Governance ("**ESG**") aspects, and engaging sustainability stakeholders through the Corporate Sustainability Work Group ("**CSWG**"). Businesses and functions offer continuous assurance of data accuracy for sustainability reporting. In addition to the CSC, we plan to setup a cross-functional Sustainability Squad to oversee and manage Koda's sustainability agenda across the organisation.



<sup>1</sup> The figures for FY2021 includes the number of directors for Koda Ltd and its subsidiaries while the figures for FY2022 includes the directors for Koda Ltd only.

### 1.2.3 Awards and Accolades

#### Awards

Year	Award	Organisation
FY2021	Asia Pacific High Growth Companies 2021	<ul style="list-style-type: none"> <li>▪ Nikkei Asia</li> <li>▪ The Financial Times</li> <li>▪ Statista</li> </ul>
FY2022	Koda Ltd was named one of the Top 200 Under One Billion Companies in August 2022	<ul style="list-style-type: none"> <li>▪ Forbes Asia</li> </ul>

#### Associations

Company	Trade Associations	Expiry Date
Koda Ltd	Singapore Furniture Industries Council	30 June 2023
	Singapore Business Federation	31 December 2022
	Singapore Chinese Chamber of Commerce and Industry	31 December 2023
	Singapore Retailer Association	31 May 2024
	Singapore Manufacturing Federation	31 December 2022
Commune Lifestyle Pte Ltd	Singapore Retailers Association	30 September 2022
	Franchising and Licensing Association (Singapore)	31 December 2024
	Singapore Furniture Industries Council	30 June 2023
Koda Woodcraft Sdn Bhd	Malaysia Timber Industry Board	30 September 2025
	Johor Bahru Chinese Chamber of Commerce and Industry	Life Member
	Malaysia Furniture Council	31 December 2025
Jatat Furniture Industries Sdn Bhd	Malaysia Timber Industry Board	30 September 2027
	Malaysia Furniture Council	31 December 2022
Koda Saigon Company Ltd	Handicraft and Wood Industry Association ("HAWA")	30 December 2022
Commune (Dongguan) Trading Co. Ltd	Dongguan City Association of Enterprises with Foreign Investment	31 December 2023

## 2 Sustainability at Koda

### 2.1 Scope

The report covers the financial year 2022 ("**FY2022**") performance of our consolidated businesses, from 1 July 2021 to 30 June 2022. This report's content will be centred on the sustainability performance, initiatives, and activities under the direct control of the Group, including the Singapore offices and operations, our local supply chain, and any overseas activities.

The material issues and disclosures covered in this report have been chosen based on their importance within the Group's limits, the sustainability context, and stakeholder expectations. These considerations have allowed consistent comparison of our key performance indicators over time.

This sustainability report highlights the economic, environmental, social, and governance elements of our operations and developments while concentrating on the Group's sustainability policies and practises. This report seeks to give a high-level overview of our approach, goals, and targets, as well as a performance evaluation for our most key sustainability areas.

This report's information has been checked, reviewed, and explained for changes from one year to the next, and it is presented in a way that allows for meaningful comparison.

### 2.2 Boundary

Based on the pertinent material features of operations that are revealed in this report, this report covers our core businesses in our material operating boundaries in Singapore, Malaysia, Vietnam, and China. Our corporate governance and sustainability strategies are governed by the rules and regulations established at the group level.

Below is a list of the entities included in the scope of the study.

Country	Entity
Singapore	Koda Ltd
	Commune Lifestyle Pte Ltd
Malaysia	Koda Woodcraft Sdn Bhd
	Jatat Furniture Industries Sdn Bhd
	Commune Lifestyle Sdn Bhd
Vietnam	Koda Saigon Company Ltd
China	Commune (Dongguan) Trading Co Ltd
	Commune (Shanghai) Trading Co Ltd
	Commune (Chongqing) Trading Co Ltd

## 2.3 Approach and Methodology

This report has been prepared following the Global Reporting Initiative ("**GRI**") Standards Core option. We chose the GRI Standards as our reporting criteria because they provide strong guidance and a global benchmark for the disclosure of governance approach and environmental, social, and economic performance, as well as the impacts of organisations.

This report also takes into account the key elements of the report's content as outlined under the Singapore Exchange's ("**SGX**") "Comply or Explain" guidelines for sustainability reporting. We have presented our report to the best of our knowledge and in good faith. We utilised the sustainability data from FY2021 as the base year as part of our ongoing attempts to improve the quality of the data we provide. We will continue to improve our internal operations to enhance sustainability reporting. We did not seek any external assurance for this report.

## 2.4 Sustainability Management Framework

We have taken the initiative to establish our sustainability reporting framework. As the foundation for our stakeholder mapping and materiality evaluation, we conducted an analysis of our business and operation models. Within our sustainability context, we identified six necessary stakeholder groups, and their corresponding material challenges are shown in the Materiality section of this report.

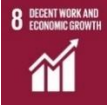



## 2.5 Alignment with International Initiatives

### 2.5.1 Sustainable Development Goals

The General Assembly, established in 1945 under the Charter of the United Nations ("**UN**"), holds a pivotal role as the United Nations' principal deliberative, policymaking, and representative entity. It brings together all 193 UN members to offer a singular forum for multilateral discussion of the full range of global issues covered by the Charter. Furthermore, it also plays a crucial part in the standard-setting and codification of international law processes.

The United Nations General Assembly adopted the 17 Sustainable Development Goals ("**SDGs**") on 25 September 2015 as part of a new sustainable development agenda intending to eradicate poverty, protect the environment and ensure everyone can enjoy prosperity. Each goal has specific objectives that must be met over the next 15 years. Even though the SDGs are primarily aimed at governments, they provide a significant opportunity for businesses to contribute to a more sustainable society. One of the guiding concepts for our environmental projects will be the SDGs. As we progress toward sustainability, we will continue to evaluate our alignment with the SDGs and, where possible, realign our internal objectives and sustainability strategy to address the targets more effectively and thoroughly.



SDGs	Relevant Targets to Our Businesses (Source: <a href="http://sustainabledevelopment.un.org">http://sustainabledevelopment.un.org</a> )	Our Participation
	8.8: Protect labour rights and promote safe and secure working environments for all workers, including migrant workers, in particular, women migrants, and those in precarious employment	We aim to achieve increasing employee satisfaction, retention and reduce lost-time injury rate.
	12.4: By 2020, achieve the environmentally sound management of chemicals and all wastes throughout their life cycle, in accordance with agreed international frameworks, and significantly reduce their release to air, water and soil in order to minimise their adverse impacts on human health and the environment	We aim to reduce packaging waste, engage suppliers through training sessions to educate them on social compliance and establish a seriousness of purpose through our actions.
	13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	We have our own internal procedures and environmental policies to cut back on fuel and electricity use. Staff training and the implementation of energy-efficient measures are part of our approach to mitigating climate change risk.
	15.1: By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.	There are increasing use of Forest Stewardship Council (“FSC”) and other forestry certified timbers for our products so that they come from environmentally responsible sources. In addition, the initiatives on using water based finishing lines for our production, recycling of packaging materials and installation of solar panels will contribute to efforts to reduce global warming as well as the development of opportunities for employment, better living conditions for farmers, and positive rural community engagement.

The below SDGs are relevant to our business, our various policies at group level. Such goals are also embedded in various initiatives carried out across the organisation.



## 2.5.2 United Nations Global Compact

The United Nations Global Compact ("**UNGC**") is a United Nations project that encourages businesses worldwide to implement sustainable and socially responsible policies and report on their progress. With ten principles in the areas of human rights, labour, the environment, and anti-corruption, the UNGC serves as a principle-based framework for businesses. Below are the references of our report to the ten principles of the UNGC.

Principle		Report Section
<b>Human Rights</b>		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	4.2.1, 4.6
Principle 2	Make sure that they are not complicit in human rights abuses.	4.2.1, 4.6
<b>Labour</b>		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining	4.2.1, 4.6
Principle 4	Elimination of all forms of forced and compulsory labour.	4.1, 4.2.1,
Principle 5	Effective abolition of child labour.	4.1, 4.2.1
Principle 6	Elimination of discrimination in respect of employment and occupation.	4.2.1, 4.6
<b>Environment</b>		
Principle 7	Businesses should support a precautionary approach to environmental challenges.	3.1
Principle 8	Undertake initiatives to promote greater environmental responsibility.	3.1
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.	3.1
<b>Anti-Corruption</b>		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	7.1

## 2.6 Materiality

We have frequent reviews, assessments, and feedback systems for ESG concerns. A notable component of this is our recurring "Risk Assessment" and "Control Self-Assessment" exercise, which involves identifying, evaluating and documenting material risks and associated internal controls. These material risks include ESG-relevant fraud and corruption, environmental, health and safety, and human capital concerns. In response to the evolving business and operational environment, we are continuously enhancing the sufficiency and efficacy of our Risk Assessment and Control Self-Assessment processes. In the future, we aim to appoint a risk management team to monitor ESG related risks including trade barriers in current markets and manage carbon tax rules.

### 2.6.1 Materiality Assessment Process

We identify and review the material issues that are most relevant and important to our stakeholders and us through routine stakeholder engagement. For external stakeholders, priority is given to matters critical to society. We then prioritise our sustainability efforts and report on issues most material to our business and stakeholders.

## 2.6.2 Material Topics

Based on the materiality assessment, following are the material issues we identified:

Material Topic	Key Performance Indicators	Significance
<b>Environmental Sustainability</b>	Carbon Footprint Reduction	The daily business activities of our staff are infused with our sustainability agenda for the environment and the next generation. We continue to strive for holistic improvement through the Company culture and practices. Furthermore, we also take measures to focus on vital objectives like reducing global warming, resource conservation, and resource recycling within the broad spectrum of sustainability. These sectors are essential to our customers' sustainable economic ecosystem, which is the foundation of our business.
	Energy Consumption and Management	
	Waste Management	
	Water Conservation and Management	
	Process Sustainability	
<b>Employee Care</b>	Employment Practices	A corporate culture that inspires and empowers our employees to reach their full potential both professionally and personally must be fostered, and this requires a professional and ethical work environment.
	Diversity and Inclusion	
	Employee Welfare	
	Safety and Health at Workplace	
	Employee Rights	
<b>Prioritising Customer Needs</b>	Customer Feedback and Satisfaction	Our commitments centre the quality and safety of our services and products for our customers. We will contribute to our customers' successful long-term development by upholding our quality and safety commitments.
	Product Quality and Safety	
	Data Safety and Privacy	
<b>Supplier Sustainability</b>	Supplier Selection	It is pivotal that our suppliers and partners share our values in areas such as the environment, human rights, labour practices, and corporate ethics in order to effectively and meaningfully implement our sustainability agenda. Such value alignment is critical in developing mutually beneficial relationships with suppliers and channel partners to boost both their and our competitiveness.
	Supplier Review	
<b>Government and Regulators</b>	Regulatory Compliance Oversight	Our Company is built on the principles of legal compliance and ethical behaviour. Strong corporate governance, transparent reporting, and open communication with all stakeholder groups help to establish and sustain such a culture.
	Financial Assistance	

## 2.7 Stakeholder Engagement

We believe that sustainability practice goes hand-in-hand with sound corporate management practice. We also acknowledge the importance of adapting our management approaches to the dynamics of the business and operating environment so that we can continuously assess our impacts, set sustainability objectives, and respond appropriately to fulfil the expectations of our stakeholders. Our ESG framework is based on our sustainability approach and comprises policies and measurement mechanisms to track the impacts of our businesses and operations.

The key to the success of our sustainability programme is regular and up-to-date communication about our policies and activities to all our stakeholders and the provision of appropriate feedback mechanisms to monitor and evaluate our performance and explore new possibilities stimulated by stakeholder responses. We regard our sustainability report as an important part of this integrative cycle of communication and evaluation. Our plan for sustainability governance oversight manages the whole sustainability context of stakeholder engagements.

Stakeholder	Management Approach	Initiatives	Outcome and Responses
<b>Future Generation</b>	Environmental Management System ("EMS"), Environmental policy, EMS guidelines, Waste Recycling/Management.	Internal Awareness and Education, Solar Panel installation	Solar energy, Energy Efficient Lighting (e.g., LED), Transition to renewable energy
<b>Employee</b>	Code of Conduct, Fair Employment Practices, Training and Career Development, Flexible Work Policy, Pension Scheme, WHS Framework, Performance Appraisal review	Staff Communication Sessions, Staff Feedback Process, Staff Exit Interviews, Her Program, Vision Spring Program	Work Life Balance Programs, Training Programs, Employee Benefits, Re-engagement
<b>Customer</b>	Customer Relationship Management System, Policies on Quality Assurance, Data Security for Customer Information, Privacy policy	Customer Feedback Process, Competitive Benchmarking Survey, Customer Data Protection Awareness and Education Program, Employee Wellbeing Partnership	Constantly Engaging the Customers on the Feedback, Employee Wellbeing
<b>Supplier</b>	Supplier Selection and Regular Review Process	Feedback and Communication with Suppliers through Supplier Performance Review	Supplier Engagement, Supplier Self-Assessment Programme
<b>Government and Regulators</b>	Whistle-Blowing Policies and Processes	Compliance Incident Log and Escalation Process	Compliance Escalation and Oversight by Governance Committees
<b>Community</b>	Selection of Community Initiatives in Alignment with Organisation Goals	Awards and Accolades, Corporate Rebranding	Internship Programs (Support Young Talents who are Disciplined, Creative and Innovative)

## 2.8 Feedback

We welcome and value your feedback on the content of this report and encourage you to contact us through the following channels:

- In writing to:  
Investor Relations  
Koda Ltd
- 18 Tagore Lane, Singapore 787477 via email to [sustainability@kodald.com](mailto:sustainability@kodald.com)

This report is provided in PDF format only and is available for download on the following page of our website: [www.kodaonline.com](http://www.kodaonline.com).

## 3 Environmental Sustainability

### 3.1 Our Approach, Performance and Targets

We are dedicated to upholding and expanding our Group's stringent environmental policies and standards. Acknowledging our obligation to protect the surroundings for the sake of future generations' health and well-being, we are constantly looking for new and creative ways to reduce the environmental impact of our products and services while maintaining the highest quality standards.

Our policy is to reduce our environmental impact throughout the value chain. To manage our environmental issues effectively, we apply the precautionary principle. Our furniture manufacturing operations are the dominant contributor to our material environmental impacts. As part of our analysis, we have identified carbon emissions, waste production, and energy and water consumption as our significant environmental impacts.

The primary areas where we have implemented procedures and performance metrics within our reporting scope to mitigate the environmental effects of our business and operational activities are listed in the following sections. Such performance metrics are defined throughout the individual companies, which collectively attempt to meet the Company's sustainability performance standards. The following are the environmental performance metrics and targets.

We have consistently worked to improve our resource consumption, reduce waste, increase energy efficiency, and cut emissions in order to address our impacts. Among our initiatives is attempting to promote environmental stewardship throughout our value chain, including our customers and suppliers. Under our environmental policy, we strive to reduce our environmental impact by redesigning processes, increasing recycling, and adopting eco-friendly alternatives whenever available. We aim to install sensors to monitor electricity consumption to ensure effective tracking.

The intensity of Green House Gas (“**GHG**”) emission, energy consumption, waste generated and water consumption are measured in tCO<sub>2</sub>e per US\$ million, MWh per US\$ million, Tonnes per US\$ million, Cubic Meters per US\$ million and Kilograms per US\$ million, respectively.

Our target is to reduce each of these intensities by 10% by FY2030 from the FY2022 level, and it is shown as follows:

Environmental Targets	Unit	FY2022 (Base Year)	FY2030 (Target Year)
GHG Emission - Total	tCO <sub>2</sub> e / US\$1,000,000	71.12	64.01
<b>Energy Consumption</b>			
Fuel Consumption - Total	Litre / US\$1,000,000	957.70	861.93
Electricity Consumption - Total	MWh / US\$1,000,000	95.39	85.85
<b>Waste Generated</b>			
Waste Generated - Total	Tonnes (t) / US\$1,000,000	15.94	14.34
<b>Water Consumption</b>			
Water Consumption - Total	Cubic Meters (m <sup>3</sup> ) / US\$1,000,000	1,116.56	1,004.90

### 3.2 Carbon Footprint Reduction

Electricity is the primary source of our GHG emissions. We understand that reducing operating costs, boosting brand awareness, developing a competitive advantage, and raising shareholder value can all be achieved through proper management and monitoring of carbon footprint. Our carbon footprint is calculated based on GHG emissions. GHG emissions, on the other hand, are an absolute measure of how much carbon dioxide equivalent ("**CO<sub>2</sub>e**") is emitted.

Our GHG emissions are primarily direct (Scope 1) and indirect (Scope 2). We exclude the GHG emissions produced by our suppliers (Scope 3). To discover prospects for reduction, we measure and monitor CO<sub>2</sub> emissions, the principal GHG gas emitted by our operations. Improving energy efficiency is still a crucial component of our efforts to reduce our carbon footprint. We aim to deploy carbon accounting solutions and processes to track our Scope 1, 2 and 3 emissions.

The following is our GHG emission profile for the current reporting year.

Total GHG Emissions:

GHG Emission	Unit	FY2022 <sup>2</sup>
Total GHG Emission	tCO <sub>2</sub> e	5,642.93
<b>GHG Scope-wise Emissions</b>		
GHG Scope 1	tCO <sub>2</sub> e	201.24
GHG Scope 2	tCO <sub>2</sub> e	5,441.69
<b>Percentage (%)</b>		
GHG Scope 1	Proportion	3.6%
GHG Scope 2	Proportion	96.4%
<b>Intensity</b>		
Total GHG Emission	tCO <sub>2</sub> e / US\$1,000,000	71.12
<b>GHG Scope-wise Intensity</b>		
GHG Scope 1	tCO <sub>2</sub> e / US\$1,000,000	2.54
GHG Scope 2	tCO <sub>2</sub> e / US\$1,000,000	68.59

<sup>2</sup> The GHG accounting calculation methodology has been updated from the previous year. From this year, GHG protocol is used for accounting of GHG emissions. During accounting of GHG emissions, GHG protocol Guidance and Reporting Standard has been followed. The emission factors used are taken from GHG Emission factor Hub, World Resource Institute Data Base and IGES emission factor list. As such, the FY2021 figures have not been disclosed in this Sustainability Report.

### 3.3 Energy Consumption and Management

Our manufacturing sites in Malaysia and Vietnam consume most of our total energy consumption. In our office, warehouse and store, electricity is used for lighting, air conditioning, and equipment operation. Apart from electricity, we also use petrol and diesel. Company vehicles run on petrol or diesel, while equipment runs primarily on diesel.

Total Fuel Consumption:

<b>Fuel Consumption</b>	<b>Unit</b>	<b>FY2022<sup>3</sup></b>
Total Fuel Consumption	Litre	75,983.62
<b>Consumption Type</b>		
<b>Total Consumption</b>		
Diesel	Litre	60,820.38
Petrol	Litre	15,163.24
<b>Percentage (%)</b>		
Diesel	Proportion	80.0%
Petrol	Proportion	20.0%
<b>Intensity</b>		
Total Fuel Consumption	Litre / US\$1,000,000	957.70
<b>Consumption Type</b>		
Diesel	Litre / US\$1,000,000	766.58
Petrol	Litre / US\$1,000,000	191.12

<sup>3</sup> The fuel consumption in this table was only collected from FY2022. As such, the FY2021 figures have not been disclosed in this Sustainability Report.

To reduce energy usage, our Vietnam factories are working with a renowned solar service business to install solar panels on the roofs of their plants. This is projected to cut our current energy obtained from public electricity utilities. Furthermore, the Group promotes the usage of energy-efficient lighting (e.g., LED). Energy consumption is measured in Megawatt Hours ("MWh"), and our profile is displayed as follows.

Total Electricity Consumption:

<b>Electricity Consumption</b>	<b>Unit</b>	<b>FY2021</b>	<b>FY2022</b>
Total Electricity Consumption	MWh	7,885.98	7,568.44
<b>Consumption Type</b>			
<b>Total Consumption</b>			
Electricity	MWh	7,885.98	7,568.44
<b>Percentage (%)</b>			
Electricity	Proportion	100.0%	100.0%
<b>Consumption Location</b>			
<b>Consumption</b>			
Inside Organisation	MWh	7,885.98	7,568.44
<b>Percentage (%)</b>			
Inside Organisation	Proportion	100.0%	100.0%
<b>Renewable Type</b>			
<b>Consumption</b>			
Non-Renewable	MWh	7,885.98	7,568.44
<b>Percentage (%)</b>			
Non-Renewable	Proportion	100.0%	100.0%
<b>Intensity</b>			
Total Electricity Consumption	MWh / US\$1,000,000	95.42	95.39
<b>Consumption Type</b>			
Electricity	MWh / US\$1,000,000	95.42	95.39
<b>Consumption Location</b>			
Inside Organisation	MWh / US\$1,000,000	95.42	95.39
<b>Renewable Type</b>			
Non-Renewable	MWh / US\$1,000,000	95.42	95.39

The reduction in total energy consumption in FY2022 is due to the shutdown of our Vietnam and Malaysia factories during the Coronavirus Disease 2019 ("COVID-19") pandemic.



### 3.4 Waste Management

Our policy is to reduce, reuse and recycle waste wherever possible. Waste is largely produced in our production plants and contains both hazardous and non-hazardous components. The former includes chemical waste like solvents, paints, inks, lacquers, tainted cotton rags, and chemical drums. Non-hazardous trash primarily consists of wood, packaging, and wastewater (after due processing).

Resource efficiency is one of the fundamental principles we employ from the product design stage. Our furniture is made to be as waste-free as possible. Our intelligent product design and structured production procedures enable us to use resources efficiently. We have established mechanisms for trash segregation, storage, recycling, and eventual disposal. We ensure that hazardous garbage is disposed of safely and as per the local legislation.

The amount of waste generated is measured in tonnes, and our profile is depicted below.

Total Waste Generated:

Waste Generated	Unit	FY2021	FY2022
Total Waste Generated	Tonnes	41,470.09 <sup>4</sup>	1,264.51
<b>Waste Type</b>			
Hazardous	Tonnes	25.13	25.99
Non-Hazardous waste	Tonnes	41,444.96	1,238.52
<b>Percentage (%)</b>			
Hazardous	Proportion	0.1%	2.1%
Non-Hazardous waste	Proportion	99.9%	97.9%
<b>Recyclable Type</b>			
Recyclable	Tonnes	41,444.96	769.59
Non-Recyclable	Tonnes	25.13	494.92
<b>Percentage (%)</b>			
Recyclable	Proportion	99.9%	60.9%
Non-Recyclable	Proportion	0.1%	39.1%
<b>Intensity</b>			
Total Waste Generated	Tonnes / US\$1,000,000	501.79 <sup>4</sup>	15.94
<b>Hazardous Type</b>			
Hazardous	Tonnes / US\$1,000,000	0.30	0.33
Non-Hazardous	Tonnes / US\$1,000,000	501.49 <sup>4</sup>	15.61
<b>Recyclable</b>			
Recyclable	Tonnes / US\$1,000,000	501.49 <sup>4</sup>	9.70
Non-Recyclable	Tonnes / US\$1,000,000	0.30	6.24

<sup>4</sup> The figure for FY2021 represents a total of waste generated and water disposed. The figure for FY2022 only consists of waste generated. Water disposed is presented in Section 3.5.

Waste Generated	Unit	FY2022 <sup>5</sup>
<b>Diverted Hazardous Waste</b>		
Sent for Recycle	Tonnes	9.59
Reused	Tonnes	-
Other Recovery	Tonnes	1.99
<b>Percentage (%)</b>		
Recyclable	Proportion	82.8%
Non-Recyclable	Proportion	-
Other Recovery	Proportion	17.2%
<b>Diverted Non-hazardous Waste</b>		
Sent for Recycle	Tonnes	638.00
Reused	Tonnes	-
Other Recovery	Tonnes	120.00
<b>Percentage (%)</b>		
Recyclable	Proportion	84.2%
Non-Recyclable	Proportion	-
Other Recovery	Proportion	15.8%
<b>Total Disposed Hazardous Waste</b>		
Incineration (with energy recovery)	Tonnes	-
Incineration (without energy recovery)	Tonnes	-
Landfilling	Tonnes	-
Any Other	Tonnes	14.40
<b>Percentage (%)</b>		
Incineration (with energy recovery)	Proportion	-
Incineration (without energy recovery)	Proportion	-
Landfilling	Proportion	-
Any Other	Proportion	100.0%
<b>Total Disposed Non- Hazardous Waste</b>		
Incineration (with energy recovery)	Tonnes	-
Incineration (without energy recovery)	Tonnes	-
Landfilling	Tonnes	480.52
Any Other	Tonnes	-
<b>Percentage (%)</b>		
Incineration (with energy recovery)	Proportion	-
Incineration (without energy recovery)	Proportion	-
Landfilling	Proportion	100.0%
Any Other	Proportion	-

<sup>5</sup> The waste information in this table was only collected from FY2022. As such, the FY2021 figures have not been disclosed in this Sustainability Report.

### 3.5 Water Conservation and Management

Our approach is to deploy water-saving and conservation techniques throughout our facilities. The majority of our water use is attributed to our production sites in Malaysia and Vietnam.

Every month, we thoroughly monitor our water usage and wastewater disposal. Our entire water supply is provided by public utilities. Water use is measured in cubic metres (“m3”), and our profile is presented below.

Total Water Consumption:

Water Consumption	Unit	FY2021	FY2022
Total Water Consumption	Cubic meter (m3)	92,360.50	88,587.10
<b>Source Type</b>			
<b>Consumption</b>			
Not classified	Cubic meter (m3)	92,360.50	88,587.10
<b>Percentage (%)</b>			
Not classified	Proportion	100.0%	100.0%
<b>Recyclable Type</b>			
<b>Consumption</b>			
Not classified	Cubic meter (m3)	92,360.50	88,587.10
<b>Percentage (%)</b>			
Not classified	Proportion	100.0%	100.0%
<b>Total Water Disposed</b>			
Water Disposed	Cubic meter (m3)	- <sup>6</sup>	76,722.80
<b>Intensity</b>			
Total Water consumption	Cubic Meter / US\$1,000,000	1,117.58	1,116.56
<b>Source Type</b>			
Not Classified	Cubic Meter / US\$1,000,000	1,117.58	1,116.56
<b>Recyclable Type</b>			
Not Classified	Cubic Meter / US\$1,000,000	1,117.58	1,116.56

The reduction in total water consumption in FY2022 is due to the shutdown of our Vietnam and Malaysia factories during the COVID-19 pandemic.

<sup>6</sup> The figure for FY2021 water disposed is presented in Section 3.4 where a combination of total waste generated and water disposed is reflected.

### 3.6 Process Sustainability

We are dedicated to achieving sustainability in every stage of production across our product line. To achieve a circular and sustainable process, we aim to achieve the following:

- To modernise the packaging of our products in the hopes of making the materials used in the packaging more readily recyclable
- To enhance our business circularity, we aim to track and minimise our internal rework rate to enhance efficiency
- To install clean technology to replace production energy consumption
- To integrate sustainable design principles to reduce product life cycle carbon footprint reduction and material yield
- To design secondary products which utilise production waste from primary products as raw materials
- To co-design products with customers on more sustainable processes/raw materials
- To design products to improve recyclability by using joining techniques that allow easy part separation
- To reduce production raw material waste through use of technology like nesting software
- To ensure that the procurement team is responsible for:
  - Collection of Material Safety Data Sheet (“**MSDS**”) for chemical material (e.g. fabric dyeing),
  - Reducing procurement of high toxicity materials (e.g. high lead content)
- To develop alternative raw materials list to manage risk of material scarcity
- To Identify new markets for highest producing waste products (e.g. scrap metal, wood chips, etc.)

The details of our use of packaging materials<sup>7</sup> are shared below.

Packaging Materials	Unit	FY2022
Total Packaging Materials	Tonnes	2,851.57
Non-Renewable Materials	Tonnes	3.57
Renewable Materials	Tonnes	2,848.00

<sup>7</sup> Packaging materials refers to carton boxes as this is the most significant packaging materials used.

## 4 Employee Care

### 4.1 Our Approach, Performance and Targets

People are our most significant asset and investing in their professional and personal well-being is essential to the longevity of our organisation. Our objective is to instil in our workers work habits that are consistent with our core principles and code of conduct. They are the basis around which we develop all of our business objectives and perform our daily operations.

We recognise that a motivated workforce will send a powerful and positive message to all of our key stakeholders, including our customers, suppliers, and community members. By attracting, cultivating, enabling, and rewarding our workers, we foster an environment where innovation and creativity can thrive, thereby enhancing our competitiveness. This dedication to our people fosters a corporate culture of enthusiasm, quality, excellence, and trust, which reflects our capacity to produce value for our stakeholders.

Our Human Resource ("HR") management concepts and policies have been developed and established on the basis of fair employment practises in order to attract, support, and retain a motivated workforce. Our human resources policies include compensation, benefits, health and safety, career development, and training as essential topics. These policies are presented to all employees via our extensive Employee Handbook, which is reviewed on a regular basis by our management. To ensure that management choices are as closely linked with the needs of our employees as possible, we seek constant feedback from them.

Our manufacturing facilities, Koda Saigon Company Ltd and Koda Woodcraft Sdn Bhd, underwent comprehensive social audits. The audits covered areas like Social Management System, worker protection, no-discrimination, decent working hours, occupational health and safety, no child labour, no precarious employment, no bonded labour, environmental protection and ethical business behaviour.

Our business operates in an environment that is racially, culturally, and geographically diverse. With this in mind, our HR policies are applied throughout the business pragmatically, taking into account the applicable laws and regulations as well as the local culture, norms, and sensitivity to racial diversity.

Employee turnover stood at 33.0% in FY2022. Our target is to reduce employee turnover by 10% to 29.7% by FY2030 from the FY2022 level.

The number of health and safety incidents was 20 in FY2022, which related to recordable injuries only. Our target is to reduce recordable injuries by 10% to 18 numbers by FY2030 from the FY2022 level. There have been no recordable work-related ill-health cases, high-consequences injuries and fatalities in FY2022. The Group endeavours to maintain this achievement in the future.

Performance targets by FY2030 are shown as follows.

Social Targets	Unit	FY2022 (Base Year)	FY2030 (Target Year)
<b>Turnover</b>			
Employee Turnover	%	33.0%	29.7%
<b>Health and Safety Incidents - Number of Cases</b>			
Recordable Injuries	Number of Cases	20	18
Recordable Work-Related Ill Health Cases	Number of Cases	-	-
High-Consequence Injuries	Number of Cases	-	-
Fatalities	Number of Cases	-	-

## 4.2 Employment Practices

Our employment procedures are geared at maximising the strength of our employees by giving equitable chances based on merit, and our extensive training and development programme assists our employees in developing their strengths. We evaluate the performance and growth of our personnel on a regular basis in order to effectively match their skills with job requirements. Our performance-based compensation plan guides and motivates our employees to maximise their performance in accordance with the Company's goals.

### 4.2.1 Employment Practices

We proactively pursue and adopt best practices in HR management. We have an established trade union ("**Union**") formed at our Koda Saigon factory under the 2nd Long An Industrial Zone Trade Union. The Union protects our employees' legitimate rights and interests.

Our Singapore HR practices are guided by the Singapore Tripartite Alliance for Fair and Progressive Employment Practices. The Singapore Tripartite Alliance comprises the Ministry of Manpower, Singapore National Employers Federation and National Trades Union Congress. The Tripartite Alliance has formulated guidelines on fair employment practices for adoption by Singapore employers, embracing the recruitment, training, treatment and reward of employees.

### 4.2.2 Communications

As our Group expands, it is essential that we communicate effectively across all of our organisations to ensure that the objectives of our employees remain aligned with those of the Company. We accomplish this through our customised communication sessions with specific employees in mind. Regular communication sessions are held with our managers. Agendas covered at these sessions are customised as appropriate to the target functional scope of the managers. For example, in weekly managers' meetings, operational agendas such as sales and marketing, shipping, production, procurement, warehousing and HR matters are discussed, while at our quarterly sessions, high-level topics, including strategic business directions, new products launches, new initiatives and key project reviews are deliberated among the management team.

### 4.2.3 Employee Feedback

We value the expertise of our employees in their respective areas of responsibility. Consequently, their feedback is essential to the enhancement of the organisation's overall management and operations. Through various established processes of employee engagement, such as employee objective setting, performance review, and exit interviews for resigning employees, we collect valuable feedback for the organisation's continuous improvement.

Additionally, there are other feedback channels for business- and function-specific topics, such as health and safety concerns and compliance difficulties. Such feedback is managed by the leaders and managers of their specific business and function domain. We have also established reporting and escalation channel should the feedback require the attention of higher management.

### 4.2.4 Career Development and Training

We recognise that consistent and ongoing education is critical to maintaining a competitive, skilled, productive and motivated workforce. Employee career development and performance management are established based on merits and contributing skill sets towards the organisation's objectives through objective settings and regular performance reviews. We continue to review and improve our career development and performance review process in light of the changing business and operating environment.

In consultation with the respective heads of department, the HR department prepares an annual training plan for the employees. Our training programme covers a variety of areas catering for employees with different job scopes and skill set requirements. Our core training curriculum and contents are developed based on well-established industry and international standards. In addition, specific training curriculums are developed based on the specific requirements of the specific businesses and functions. Training topics range from soft skills development in areas such as communications and leadership to technical programmes covering project management and office productivity tools. We aim to educate our employees on matters related to climate action, carbon accounting and carbon tax markets to enhance their knowledge on sustainability related issues.

Our training profile is shown as follows:

Training	Unit	FY2021	FY2022 <sup>8</sup>
Total Training Hours	Hours	8,123.25	2,479.00
Total Number of Employees (Full Year)	Number of Persons	3,222	2,951
Total Number of Employees (Year End)	Number of Persons	2,404	2,391
Average Training Hours per Employee	Hours / Person	2.52	1.04
<b>Average Training Hours</b>			
<b>Employment Position</b>			
Executive Directors	Hours / Person	-	-
Senior Management	Hours / Person	0.01	15.80
Manager	Hours / Person	18.13	8.13
Non-Manager	Hours / Person	1.66	0.83
<b>Gender</b>			
Male	Hours / Person	1.58	1.13
Female	Hours / Person	2.96	0.87

The reduction of training hours in FY2022 was due to the following reasons:

- Higher number of virtual trainings attended in FY2021 as a result of the COVID-19 Heightened Alert measures in Singapore; and
- Closure of retail shops in the region resulting in lesser trainings required for new dealers in FY2022.

The sustainability training profile is shown as follows:

Sustainability Training	Unit	FY2022
Total Training Hours	Hours	1,753.00
Total Number of Employees (Year End)	Number of Persons	2,391
Average Training Hours per Employee	Hours / Person	0.73
<b>Employment Position</b>		
Executive Directors	Hours / Person	18.86
Senior Management	Hours / Person	5.90
Manager	Hours / Person	7.96
Non-Manager	Hours / Person	0.51
<b>Gender</b>		
Male	Hours / Person	0.95
Female	Hours / Person	0.35

<sup>8</sup> For FY2022, the calculation methodology has been updated. The total number of employees represents the number of employees as at year end (i.e. 30 June 2022). The year end numbers have been taken as the base for calculation.



### 4.3 Diversity and Inclusion

The Group is dedicated to creating a rich culture, a diverse workforce, and a healthy work environment where every employee is treated fairly, respected and given the opportunity to contribute to the Company's success and improve business performance while also reaching their full potential as individuals.

Koda recognises that the diverse set of experiences and viewpoints that result from such diversity fosters innovation and corporate success. Diversity management stimulates creativity, productivity, responsiveness, competitiveness, and value creation for our shareholders.

The Group is committed to:

- Establish a setting where the distinctive qualities and contributions of each team member are valued and acknowledged.
- Create a work atmosphere that fosters the dignity and respect of all employees.
- Recruit and retain a talented and diverse workforce that best represents the talent available in the areas where our assets and employees are situated.
- Make certain that the appropriate selection criteria are applied when employing new employees, including board members, based on various backgrounds, skills, and perspectives. No discrimination, either explicit or implicit, shall be found in job descriptions, advertisements, application forms, or contracts.
- Ensure that applicants and workers from all backgrounds are encouraged to apply and have a fair chance to be considered for all open positions.
- Offer universal access to secure, inclusive, and accessible premises that allow everyone to partake and work to their full capacity.
- Adhere to laws against discrimination and promote equal opportunity.
- Disciplinary action against any form of intimidation, bullying, victimisation, vilification, or harassment.
- Provide merit-based training, development, and advancement opportunities to all employees.
- Encourage anyone who believes they have been discriminated against to voice their concerns so that we can take appropriate action.
- Encourage staff to treat everyone with respect and dignity.
- Evaluate all of our hiring practices and policies regularly to ensure ongoing fairness.

The Board of Directors and senior management of Koda wholeheartedly endorse its equality and diversity policy, and the same is communicated to all employees and staff. To guarantee that equality and diversity are consistently promoted at work, our policy is examined and reviewed every year. Any violation of this diversity policy can be reported to the management team immediately. Anyone who breaches the diversity policy may face disciplinary action, including dismissal.

Our business thrives on diversity. As such, we leverage a host of strengths and skills that can only come from a diverse workforce embracing employees from various ethnic groups, religions, ages and gender. In addition to the human capital we manage under our payroll internally, we also engage external contracted companies as our outsourced vendors, which provide outsourced personnel, such as certain production workers and security guards who work within our premises. Although we supervise these people, they are employed by contracted companies and are not included in our head count. We do not employ other types of non-contract workers.

We expect that all the contracted companies we work with will share our core principles of HR management practices. In our vendor selection process, we take into consideration of their HR management practices as one of the key selection and performance criteria. We regularly review the performance of our vendors based on these criteria as a key basis to determine whether to continue to engage the vendors with their services.

We have put in place processes and performance metrics across our operational boundaries in our reporting scope to improve the employee engagement of our business and operational activities. Such performance metrics are established across the respective entities, which collectively strive towards our sustainability performance targets for the Company. The performance metrics and targets for employment parameters are shown in section 4.1.

Our workforce diversity, employment position and employment status are shown as follows.

Employment Position	Unit	FY2021	FY2022 <sup>9</sup>
Total Number of Employees (Full Year)	Number of Persons	3,222	2,948
Total Number of Employees (Year End)	Number of Persons	2,404	2,388
Turnover	Number of Persons	33.0%	33.0% <sup>10</sup>

Employment Position – Total:

Particulars	Unit	FY2021	FY2022
<b>Number of Employee</b>			
Senior Management	Number of Persons	21	10
Manager	Number of Persons	76	48
Non-Manager	Number of Persons	3,125	2,330
<b>Percentage (%)</b>			
Senior Management	Proportion	0.7%	0.4%
Manager	Proportion	2.4%	2.0%
Non-Manager	Proportion	96.9%	97.6%

<sup>9</sup> For FY2022, the calculation methodology has been updated where year end numbers have been taken as the base for calculation. The total number of employees represents the number of employees excluding Executive Directors as at year end (i.e. 30 June 2022). Refer to Section 1.2.2.1 Board Diversity for details on Board of Directors.

<sup>10</sup> For FY2022, the calculation methodology has been updated where turnover is calculated using the number of resigned employees divided by total number of employees as at year end.

Employment Position [Senior Management]:

Particulars	Unit	FY2021	FY2022
<b>Gender</b>			
Male	Number of Persons	17	9
Female	Number of Persons	4	1
Other	Number of Persons	-	-
<b>Percentage (%)</b>			
Male	Proportion	81.0%	90.0%
Female	Proportion	19.0%	10.0%
Other	Proportion	-	-
<b>Age Group</b>			
< 30	Number of Persons	4	-
30 to 50	Number of Persons	10	6
> 50	Number of Persons	7	4
<b>Percentage (%)</b>			
< 30	Proportion	19.0%	-
30 to 50	Proportion	47.7%	60.0%
> 50	Proportion	33.3%	40.0%

Employment Position [Manager]:

Particulars	Unit	FY2021	FY2022
<b>Gender</b>			
Male	Number of Persons	44	20
Female	Number of Persons	32	28
<b>Percentage (%)</b>			
Male	Proportion	57.9%	41.7%
Female	Proportion	42.1%	58.3%
<b>Age Group</b>			
< 30	Number of Persons	1	-
30 to 50	Number of Persons	60	45
> 50	Number of Persons	15	3
<b>Percentage (%)</b>			
< 30	Proportion	1.3%	-
30 to 50	Proportion	79.0%	93.8%
> 50	Proportion	19.7%	6.2%

Employment Position [Non-Manager]:

Particulars	Unit	FY2021	FY2022
<b>Gender</b>			
Male	Number of Persons	2,083	1,491
Female	Number of Persons	1,042	839
<b>Percentage (%)</b>			
Male	Proportion	66.7%	64.0%
Female	Proportion	33.3%	36.0%
<b>Age Group</b>			
< 30	Number of Persons	1,115	804
30 to 50	Number of Persons	1,828	1,395
> 50	Number of Persons	182	131
<b>Percentage (%)</b>			
< 30	Proportion	35.7%	34.5%
30 to 50	Proportion	58.5%	59.9%
> 50	Proportion	5.8%	5.6%

Employment Status [Resigned Employees]:

Particulars	Unit	FY2021	FY2022
<b>Gender</b>			
Male	Number of Persons	584	508
Female	Number of Persons	234	280
<b>Percentage (%)</b>			
Male	Proportion	71.4%	64.5%
Female	Proportion	28.6%	35.5%
<b>Age Group</b>			
< 30	Number of Persons	325	376
30 to 50	Number of Persons	445	388
> 50	Number of Persons	48	24
<b>Percentage (%)</b>			
< 30	Proportion	39.7%	47.7%
30 to 50	Proportion	54.4%	49.2%
> 50	Proportion	5.9%	3.1%

## Employment Status [New Hires]:

Particulars	Unit	FY2021	FY2022
<b>Gender</b>			
Male	Number of Persons	403	341
Female	Number of Persons	303	210
<b>Percentage (%)</b>			
Male	Proportion	57.1%	61.9%
Female	Proportion	42.9%	38.1%
<b>Age Group</b>			
< 30	Number of Persons	327	290
30 to 50	Number of Persons	360	253
> 50	Number of Persons	19	8
<b>Percentage (%)</b>			
< 30	Proportion	46.3%	52.6%
30 to 50	Proportion	51.0%	45.9%
> 50	Proportion	2.7%	1.5%

## 4.4 Employee Welfare

Every non-managerial employee in Singapore is covered by the Employment Act, which outlines fundamental employment terms and working conditions, including contract requirements, compensation, hours of work, overtime, rest days, and annual leave entitlement. In addition to the benefits outlined in the Employment Act, we provide our full-time employees with additional benefits. These benefits include paternity leave and compassionate leave, as examples.

### Vision Spring Programme

As part of our employee welfare initiative, we organised the Vision Spring Programme, a free spectacle distribution drive at the Vietnam factory for all workers. As part of the programme, almost 250 spectacles were provided to the workers. The program benefited male and female workers, especially first-time spectacle wearers.

### HER Programme

In October 2018, we conducted a Health Needs Assessment to assess our factory workers' knowledge about reproductive health. In 2019, twelve training and refreshment sessions were conducted to inform workers about health, hygiene and exercise. These training sessions focused on topics like nutrition and exercise at the workplace, personal and menstrual hygiene, family planning, child care, breast cancer and HIV Aids. Additionally, skill enhancement trainings were also conducted for the workers. Refresher sessions will be conducted in the coming year, 2023.

The HER Programme proved very useful for the company's workers and management. The management found a reduction in workers' absenteeism. The factory management found a 10% decrease in sick leave rate compared to the previous year. Similarly, this program helped to improve the health and hygiene of workers. Some of the significant changes are as follows:

- Improve knowledge and practices about breast cancer.
- Improved menstrual hygiene practice.
- Improved pre-natal and post-natal care knowledge, particularly exclusive breastfeeding in 6 months, antenatal and post-natal check-ups.
- Improved nutrition knowledge resulted in increased consumption of Vitamin A-rich foods and iron-rich foods.

#### 4.4.1 Work-Life Balance

Through fostering the talents of our employees and providing them with equal opportunities to excel are the primary drivers for our Company. We recognise that the happiness and satisfaction of our employees are essential to the success and sustainability of our business and performance. Our employees are our most valuable asset, and we know that we need to take care of their well-being as a whole for them to reach their full potential.

To enable our employees to strike a work-life balance, we aim to create an environment that allows them to achieve harmony in their personal and professional lives. We achieve this through the adoption of a flexible approach to work arrangements and offering programmes to support their health and wellness.

Due to the competitiveness of our workforce and business, we are aware that the workplace may, at times, be stressful. To support our employees in their pursuit of excellence, we have a number of programmes and initiatives designed to provide a balance between work and play and to foster an environment and culture of mutual support. In addition, we also organise team-building activities across our operations. We celebrate local festival events together with our staff. On the Company's social calendar, the Koda annual dinner continues to be a significant occasion.

#### 4.4.2 Retirement and Healthcare

There are various local laws and regulations regarding employee pensions and healthcare in the various geographic areas where our Group has its presence. These laws and rules are followed by our HR management procedures. In Singapore, we participate in the Central Provident Fund (“**CPF**”) personal savings scheme, which helps employees fund their retirement, home ownership, healthcare and education. Under this scheme, the Company makes employer contributions to these accounts according to rates stipulated in the CPF Act. In addition to CPF contributions, we provide comprehensive medical coverage for all employees.

## 4.5 Safety and Health at Workplace

We are committed to Workplace Safety and Health ("**WSH**") and take every precaution to prevent occupational injuries among employees. We believe that optimum work conditions not only make our employees safer but also boost morale. As an essential requirement, we are in compliance with the Ministry of Manpower's Workplace Safety and Health Act. These well-recognised standards provide us with the frameworks to manage risks associated with safety and health in our workplace. At our factories, we have established a health and safety committee which includes representatives of workers and management to oversee the implementation of relevant policies and ensure they are in place. We have appointed qualified Safety and Health Officers in our factories to ensure the relevant policies are complied with and to report recommendations to the safety committees.

The Company's safety objectives are:

- To avoid loss of life, injury to persons and damage to property
- To instil and maintain a safety culture in all our employees
- To achieve its objectives, the Company manages risk and safety proactively and systematically by adopting good workplace safety management practices and shall continue to seek improvement to safety performance
- Safety is everyone's responsibility. Everyone has a duty to protect customers, the public, contractors and fellow workers.

Potential safety and health hazards in our factories include improper use of machinery and tools, movement of heavy items, wood dust and chemical fumes from spraying operations. We require our employees to use suitable personal protective equipment ("**PPE**") to ensure their own safety as well as of their colleagues. We ensure that our employees have access to the right PPE, such as facemasks, respiratory masks, safety glasses and safety gloves.

All machines used are regularly serviced and checked against a prescribed schedule to ensure good working order. To ensure legal compliance, our facilities conduct a wide range of periodic tests and evaluations that cover audiometric test, drinking water test, local exhaust ventilation, chemical exposure monitoring, chemical health risk assessment and noise risk assessment.

Wood dust is a common health hazard in furniture manufacturing. Our facilities are fitted with dust collector systems and local exhaust ventilation mechanisms to remove dust from the air. We have implemented operating procedures to ensure chemical and paint spraying are conducted in a secure environment.

### 4.5.1 COVID-19 Response

In view of the COVID-19 pandemic outbreak, which has affected the health and well-being of society and people around the world, the Group has undertaken social distancing and prevention measures in compliance with local guidelines. These include applying COVID-19-specific standard operating procedures such as mask-wearing, daily temperature checks and hand sanitisation practices, regular sterilisation of the factory environment, limiting outstation visitors, and registration of visitors/suppliers. In addition, the Group has arranged vaccination for our employees at our factory.

Our employees' health and safety incidents profile are shown as follows.

<b>Employee Health and Safety</b>	<b>Unit</b>	<b>FY2021</b>	<b>FY2022</b>
<b><i>Number of Health and Safety Incidents - Cases</i></b>			
Recordable Injuries	Number of Cases	30	20
Recordable Work-Related Ill Health Cases	Number of Cases	-	-
High-Consequence Injuries	Number of Cases	-	-
Fatalities	Number of Cases	-	-
<b><i>Percentage (%)</i></b>			
Recordable Injuries	Proportion	100.0%	100.0%
Recordable Work-Related Ill Health Cases	Proportion	-	-
High-Consequence Injuries	Proportion	-	-
Fatalities	Proportion	-	-
<b><i>Number of Health and Safety Incidents - Persons</i></b>			
Recordable Injuries	Number of Persons	30	20
Recordable Work-Related Ill Health Cases	Number of Persons	-	-
High-Consequence Injuries	Number of Persons	-	-
Fatalities	Number of Persons	-	-
<b><i>Percentage (%)</i></b>			
Recordable Injuries	Proportion	100.0%	100.0%
Recordable Work-Related Ill Health Cases	Proportion	-	-
High-Consequence Injuries	Proportion	-	-
Fatalities	Proportion	-	-



## 4.6 Employee Rights

Respecting and protecting basic human rights is fundamental to all our operations and deeply ingrained in our Code of Conduct, which applies to all employees. Labour rights, the prohibition of discrimination and harassment, protection of privacy, the prohibition of forced and child labour, and workplace health and safety are all strictly observed within the work environment and discrimination and harassment of any kind are not tolerated at our Group. We also respect our employees' rights to freedom of association as well as their membership of trade unions and other professional bodies.

The Group is committed to maintaining a high level of compliance with accounting, financial reporting, internal controls, corporate governance, and auditing standards, as well as any corresponding legislation. Any employee is free to express concerns about potential or actual irregularities for good governance, according to corporate policy.

Our profiles for local and foreign employees, union members, collective bargaining, and pension coverage are presented below.

Employee Profile	Unit	FY2021	FY2022
Total Number of Employees (Year End)	Number of Persons	2,404	2,391
<b>Number of Employees (Location-wise)</b>			
Local	Number of Persons	2,868	2,139
Foreign	Number of Persons	354	252
<b>Percentage (%)</b>			
Local	Proportion	89.0%	89.5%
Foreign	Proportion	11.0%	10.5%
<b>Number of Employees (Union Member-wise)</b>			
Union Member	Number of Persons	2,526	1,946
Not Union Member	Number of Persons	696	445
<b>Percentage (%)</b>			
Union Member	Proportion	78.4%	81.4%
Not Union Member	Proportion	21.6%	18.6%
<b>Number of Employees (Collective Bargaining-wise)</b>			
Collective Bargaining	Number of Persons	2,526	1,946
Not Collective Bargaining	Number of Persons	696	445
<b>Percentage (%)</b>			
Collective Bargaining	Proportion	78.4%	81.4%
Not Collective Bargaining	Proportion	21.6%	18.6%

## 5 Prioritising Customer Needs

### 5.1 Our Approach, Performance and Targets

Customer satisfaction has always been the focus of our corporate endeavours, and we have always placed a premium on high-quality products, the best possible level of customer service, and product safety. With trust comes customer retention. In addition to consistently working to raise the quality and safety of our goods and services, we place the utmost focus on providing our personnel with excellent customer service training.

For every connection with a customer, we strive to be transparent, communicate frequently, and provide timely feedback. We value data privacy as much as we do on the product service and support. We have procedures and controls in place to protect confidential and sensitive client data, such as contracts.

Koda prioritises providing great customer experiences and always puts the needs of our customers first. Businesses have been impacted globally because of the COVID-19 outbreak. Even in such times, we kept regular contact with our clients through electronic communications to suit their demands, including providing updates on the current product progress and estimated delivery dates.

To ensure we expand our reach and provide the best products and services to our clients we aim to achieve the following:

- To expand our business development efforts to sustainability focused markets.
- To educate our customers on sustainability in marketing materials / collaterals.
- To educate key customers on usage of Forest Stewardship Council (“**FSC**”) or Programme for the Endorsement of Forest Certification (“**PEFC**”) timber in marketing activities.
- To explore alternative programmes in marketing activities to customers.

### 5.2 Customer Feedback and Satisfaction

We listen to our customers and value their feedback. We collect client feedback through a variety of ways, including our website, customer surveys, and customer service representatives.

The Group's overseas customers perform regular audits, including ESG issues, to verify our production processes are in conformity with industry standards and are sustainable. This has proven to be an excellent method of engaging our clients.

### 5.3 Product Quality and Safety

We place a high priority on the dependability and quality of our products. We constantly put our client's health and safety first. To create aesthetically pleasing furniture, we exclusively utilise materials and wood of the finest quality. The originality, complexity, and beauty of our furniture designs are evident. Our key competency continues to be product design. We have developed a sizable amount of in-house design talent over the years in order to concentrate on product development and maintain design relevancy. Every piece of furniture we manufacture bears the mark of our steadfast dedication to quality. Every Koda product, from conception to completion, is made in accordance with the highest standards. Moreover, extensive checks are performed at all stages to ensure superior product quality. We employ rigorous quality assurance and control procedures in our factories to remove any flaws in the production process. Each piece of furniture that leaves our facilities is of exceptional quality thanks to the expertise of highly trained artisans. We have implemented several crucial quality assurance procedures and standards to guarantee adherence to laws and international norms, as well as the safety of our customers' purchases. For example, we make certain that our furniture and upholstery materials have the essential fire safety information label. Ultimately, we hope to completely eradicate product safety accidents and build a "Safety First" culture through employee training and quality control.

### 5.4 Data Safety and Privacy

Keeping our clients' data secure and private is extremely important to us. We have procedures and controls to handle and communicate sensitive and confidential client information such as contracts, customer orders, and service delivery orders. Our information security procedures guarantee that a degree of confidentiality is maintained when managing our client's data. In terms of protecting personal information, we strictly abide by all national, state, and municipal laws as well as internal policies.

## 6 Supplier Sustainability

### 6.1 Our Approach, Performance and Targets

We depend on our supply chain for the raw materials required to make our products. Our strategy is to actively engage in the construction of a trustworthy and sustainable supply chain. Our supply chain includes raw material providers, mostly wood, components, fabric, and paint supplies. We advocate for local procurement whenever possible. To ensure we have a sustainable supply chain we aim to achieve the following:

- To regularly scan of local vendors for locally manufactured materials to reduce scope 3 transportation costs.
- To ensure new suppliers are audited before onboarding and existing suppliers are audited bi-annually.
- To educate our suppliers on sustainability in marketing materials / collaterals.

### 6.2 Supplier Selection

As part of our goal to achieve sustainability throughout our value chain, we expand the use of responsible business practices by our partners and suppliers. The majority of our timbers are acquired from sustainable sources, with the most prominent being FSC or PEFC certified. To be approved as a Koda supplier, they must achieve our specified criteria for social and environmental norms.

Through our supplier selection process, we carefully choose our major suppliers. We take into account factors like pricing competitiveness, product and service quality, and financial stability when choosing our primary suppliers. Furthermore, we analyse the overall sustainability practises implemented by our suppliers. The total evaluation, which takes a balanced perspective of all selection criteria, forms the basis of our final choice about supplier selection. The following is our supplier screening profile.

Supplier Screening	Unit	FY2021	FY2022 <sup>11</sup>
<b>Number of Suppliers</b>			
Satisfied Sustainability Criteria	Number of Suppliers	52	4
Not Satisfied Sustainability Criteria	Number of Suppliers	8	7
<b>Percentage (%)</b>			
Satisfied Sustainability Criteria	Proportion	86.7%	36.4%
Not Satisfied Sustainability Criteria	Proportion	13.3%	63.6%

### 6.3 Supplier Review

We evaluate the performance of our important suppliers regularly to determine whether to continue working with them. We consult with our key suppliers as part of the key supplier review process to share expectations and solicit input. Through pragmatic and continual development in our connection with our major suppliers, this review process assures alignment of our key suppliers' services and goods to our business goals and sustainability objectives.

<sup>11</sup> For FY2022, the calculation methodology has been updated where the figures represent new suppliers onboarded in FY2022. The figures for FY2021 represent the total number of key suppliers.

## 7 Government and Regulators

### 7.1 Our Approach, Performance and Targets

As a Singapore Exchange ("**SGX**") listed business, we adhere to the highest levels of corporate governance as required by the listing regulations. We completely adhere to all applicable rules and regulations. Furthermore, we follow both national and international best practices. Our corporate governance structure addresses ethics and compliance through a Code of Conduct and action rules that all officers and employees must follow. Every new employee is introduced to our Code of Conduct, as well as our rules on ethics and compliance, including anti-corruption measures.

There are communication mechanisms in place, such as a whistle-blowing policy and a Board escalation procedure, to allow all workers and anyone involved in corporate operations to raise allegations of unethical behaviour. Whistle-blowing is the confidential revelation of any problem discovered in the workplace relative to perceived wrongdoing by an individual. Questioning and reporting dishonesty, fraud, or wrongdoing would prevent crimes or misbehaviour. Employees are encouraged to send any complaints/findings or knowledge connected to perceived wrongdoing by their HOD/DH or peers to [whistle-blowing@kodald.com](mailto:whistle-blowing@kodald.com). There have been no incidents of corruption during the year.

Furthermore, to ensure that complaints can be submitted secretly or anonymously, employee complainants can submit their complaints in a sealed envelope labelled "Private and Confidential." The records relating to a complaint and any related investigations, if any, shall belong to the Company and shall be kept by the Company in accordance with relevant laws and the Company's document retention rules. The records must be safeguarded to maintain their confidentiality and, if applicable, to protect the complainant's identity.

### 7.2 Regulatory Compliance Oversight

We have a designated officer who keeps track of instances involving ethical and compliance problems and raises them to management as needed. Our whistle-blowing policy intends to promote the honest reporting of potential corporate wrongdoings or other issues, such as suspected fraud, corruption, dishonest business practices, etc., with the assurance that any workers who disclose such issues will be handled properly and won't face retaliation. All whistle-blowing reports are examined by the Audit Committee and the Company's Board of Directors to guarantee impartial inquiry and proper follow-up.

### 7.3 Financial Assistance

The government's financial aid mostly relates to the work support plan and rental rebates granted by the government in response to the COVID-19 outbreak. Additionally, it contains government funding for specific initiatives the Group has been working on. The following financial support is detailed for FY2022:

Financial Support	Unit	FY2021	FY2022
Financial assistance received from government	US\$	905,524	703,228

## 8 GRI Index

GRI Reference		Disclosure	Reference <sup>12</sup>
<b>General Standard Disclosure</b>			
Organisation Profile	102-1	Name of the organisation	SR Section 1
	102-2	Activities, brands, products, and services	AR Page 4
	102-3	Location of headquarters	AR Page 146
	102-4	Location of operations	AR Page 6
	102-5	Ownership and legal form	AR Page 146
	102-6	Markets served	AR Page 7
	102-7	Scale of the organisation	AR Pages 13-15
	102-8	Information on employees and other workers	SR Section 4.3
	102-9	Supply chain	SR Section 6
	102-10	Significant changes to the organisation and its supply chain	No significant changes
	102-11	Precautionary Principle or approach	SR Section 1.2.2, 2.6, 2.5, 2.7, 3.1, 4.1, 5.1, 6.1, 7.1, 7.1
	102-12	External initiatives	SR Section 1.2.3
	102-13	Membership of associations	SR Section 1.2.3
Strategy	102-14	Statement from senior decision-maker	SR Section 1.1
Ethics and Integrity	102-16	Values, principles, standards, and norms of behaviour	AR Pages 23-75 (Corporate Governance Report), SR Section 1.2.1
Governance	102-18	Governance structure	AR Pages 23-75 (Corporate Governance Report), SR Section 1.2.2
Stakeholder Engagement	102-40	List of stakeholder groups	SR Section 2.7
	102-41	Collective bargaining agreements	SR Section 4.6
	102-42	Identifying and selecting stakeholders	SR Section 2.7
	102-43	Approach to stakeholder engagement	SR Section 2.7
	102-44	Key topics and concerns raised	SR Section 2.6.2
Reporting Practice	102-45	Entities included in the consolidated financial statements	AR Page 125
	102-46	Defining report content and topic boundaries	SR Section 2.1, 2.2, 2.3
	102-47	List of material topics	SR Section 2.6.2
	102-48	Restatements of information	SR Section 2
	102-49	Changes in reporting	SR Section 2
	102-50	Reporting period	SR Section 2.1, 2.2
	102-51	Date of most recent report	SR Section 2.1, 2.2
	102-52	Reporting cycle	SR Section 2.1, 2.2
	102-53	Contact point for questions regarding the report	SR Section 2.8
	102-54	Claims of reporting in accordance with the GRI Standards	SR Section 2.3
102-55	GRI content index	SR Section 9	
102-56	External assurance	SR Section 2.3	
Management Approach	103-1	Explanation of the material topic and its Boundary	SR Section 2.6
	103-2	The management approach and its components	SR Section 2.4
	103-3	Evaluation of the management approach	SR Section 2
<b>Economic</b>			
Economic Performance	201-1	Direct economic value generated and distributed	AR Pages 13-15
	201-2	Financial implications and other risks and opportunities due to climate change	SR Section 2.6, 2.7
	201-3	Defined benefit plan obligations and other retirement plans	SR Section 4.2.2
	201-4	Financial assistance received from government	SR Section 7.3
Anti-corruption	205-1	Operations assessed for risks related to corruption	SR Section 2.6, 2.7
	205-2	Communication and training about anti-corruption policies and procedures	SR Section 7.1
	205-3	Confirmed incidents of corruption and actions taken	SR Section 7.1
Anti-competitive Behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	SR Section 7.1
<b>Environment</b>			
Material	301-1	Material used by weight or volume	SR Section 3.6
Energy	302-1	Energy consumption within the organisation	SR Section 3.3
	302-3	Energy intensity	SR Section 3.3
	302-4	Reduction of energy consumption	SR Section 3.3

<sup>12</sup> AR = Annual Report, SR = Sustainability Report (i.e., this report).

GRI Reference		Disclosure	Reference <sup>12</sup>
Water	303-1	Interaction with water as shared resource	SR section 3.5
	303-2	Management of water discharged -related impacts	SR section 3.5
	303-3	Water withdrawal	SR section 3.5
	303-5	Water consumption	SR section 3.5
Emissions	305-1	Direct (Scope 1) GHG emissions	SR Section 3.2
	305-2	Energy indirect (Scope 2) GHG emissions	SR Section 3.2
	305-3	Other indirect (Scope 3) GHG emissions	SR Section 3.2
	305-4	GHG emissions intensity	SR Section 3.2
	305-5	Reduction of GHG emissions	SR Section 3.2
Waste	306-1	Waste generation and significant waste related impacts	SR Section 3.4
	306-2	Management of significant waste related impacts	SR Section 3.4
	306-3	Waste generated	SR Section 3.4
	306-4	Waste diverted from disposal	SR Section 3.4
	306-5	Waste directed to disposal	SR Section 3.4
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	SR Section 7.1,7.2
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	SR Section 6.3
<b>Social</b>			
Employment	401-1	New employee hires and employee turnover	SR Section 4.3
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	SR Section 4.4
	401-3	Parental leave	SR Section 4.1, 4.2.1,4.2.4
Labour/ Management Relations	402-1	Minimum notice periods regarding operational changes	SR Section 4.2
Occupational Health and Safety	403-1	Workers representation in formal joint management worker health and safety committees	SR Section 4.5
Training and Education	404-1	Average hours of training per year per employee	SR Section 4.2.4
	404-2	Programs for upgrading employee skills and transition assistance programs	SR Section 4.2.4
	404-3	Percentage of employees receiving regular performance and career development reviews	SR Section 4.2.1, 4.2.4
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	SR Section 4.2.3
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	SR Section 7.1
Human Rights Assessment	412-2	Employee training on human rights policies or procedures	SR Section 4.2.1, 4.6, 7.1
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	SR Section 6
Public Policy	415-1	Political contributions	SR Section 7.3
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	SR Section 5.3
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	SR Section 5
Marketing and Labelling	417-2	Incidents of non-compliance concerning product and service information and labelling	SR Section 5
	417-3	Incidents of non-compliance concerning marketing communications	SR Section 5
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	SR Section 5,7
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	SR Section 7

**K O D A<sup>TM</sup> LTD**

Company Registration No.: 198001299R

18 Tagore Lane, Singapore 787477

T: +65 6282 9882

F: +65 6451 9842

E: [koda@kodald.com](mailto:koda@kodald.com)

W: [www.kodaonline.com](http://www.kodaonline.com)