SUSTAINABILITY REPORT

Financial Year ended

31 January 2019

CAMSING HEALTHCARE

1. Introduction

1.1 Reporting framework

Camsing Healthcare Limited ("Camsing Healthcare" or the "Company"), and together with its subsidiaries, the "Group") is delighted to present our annual Sustainability Report ("Report") for the financial year ("FY") 2019. This Report has been prepared in accordance with the Global Reporting Initiative ("GRI") Standards: Core option and Singapore Exchange Securities Trading Limited ("SGX-ST") listing rules 711A and 711B. We have chosen to report using the GRI Standards: Core option as it is an internationally recognised reporting framework.

We have applied the GRI's principles for defining report content by considering our activities, economic, environmental and social impacts and substantive expectations and interests of our stakeholders. For reporting content, we have adhered to a total of four principles, including completeness, materiality, stakeholder inclusiveness and sustainability context. For reporting quality, we have followed the principles of accuracy, balance, clarity, comparability, reliability and timeliness.

1.2 Reporting period and coverage

This Report details our environmental, social, governance[1] ("ESG") and economic performance over the financial year ended 31 January 2019 ("Reporting Period") and covers all business divisions of Nature's Farm Pte Ltd ("Nature's Farm").

1.3 Contact

We are fully committed to listening to our stakeholders and welcome any feedback on our sustainability performance or any aspect of our Report. Please write to email account: enquiry.camsing@naturesfarm.com

2. Sustainability Board Statement

In view of the long lapse of time amounting to more than 2.5 years and the disruptions engendered by changes in the board composition and the management team, coupled with the adverse effect brought about by the Coronavirus disease 2019 ("COVID-19" or "Pandemic"), the Management and the Board of Directors ('Board") have exercised significant and best judgements by taking a prudent and pragmatic approach with a reasonable dose of commercial reality and efficacy in preparing this Report.

We firmly believe that sustainability is integral to achieve long term commercial success. As we continue on our sustainability journey, we are committed to conduct our business in a responsible manner. We acknowledge our role in minimising the environmental and social impact from our operations. In line with our commitment to sustainability, the Board having considered sustainability issues as part of its strategic formulation, determined the material ESG factors and economic performance (collectively as "Sustainability Factors") and overseen their management.

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

You may refer to section 6 for details for our policy, practice and performance reporting.

[1] You may refer to the Corporate Governance Report in our 2019 Annual Report for details for our corporate governance practices.

3. About Camsing Healthcare

The Company was incorporated in Singapore on 19 December 1979 and is listed on the Mainboard of the Singapore Exchange Securities Trading Limited (stock code: BAC). The current principal activities of the Group are the distribution and retailing of health supplements and foods in Singapore.

Nature's Farm Pte Ltd ("Nature's Farm") was incorporated in 1982 and has established itself as a trusted and recognised name in quality imported health supplements, honey, and health foods. Today we operate 13 retail stores across major shopping malls in Singapore and is also accessible to consumers 24/7 via our e-store and presence in major e-commerce platforms such as Shopee, Qoo10 and Lazada.

In keeping with our brand's commitment of curating the best quality health supplements from international leading health supplements and health foods manufacturers, we continue to maintain a strong focus in the area of new product development, working with only Good Manufacturing Practice ("GMP") certified manufacturers, such as Wakunaga Kyolic®, Dr. Ohhira's®, Twinlap®, Norwegian Fish Oil®, NOW®, Bluebonnet® in ensuring only supplements and health foods manufactured to the highest quality are presented in our retail platforms.

3.1 Membership of associations

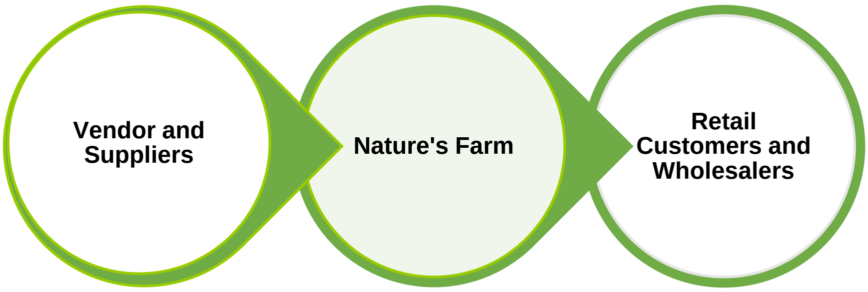
- Health Sciences Authority ("HSA")
- Singapore Business Federation

3.2 Supply chain

Sustainability is a business strategy to help us conduct business the right way. Therefore, we endeavour to embed sustainability across our value chain where we operate as well as where we sell our products.

As at 31 January 2019, we have a pool of 59 active suppliers covering Singapore, United States of America, New Zealand, Taiwan, Japan, Germany, Norway, France, Italy, Hong Kong and Korea. In the future, we aim to embed sustainability measures into our value chain and integrate environmental factors where possible.

We have a simple supply chain structure consisting of three main parties as shown below:



3.3 Our core values

<u>Quality with value</u>
To be a modern health supplement and health food brand, catering to a large consumer market with our reasonable prices, yet never compromising on the quality delivered.

<u>Passion and commitment</u>
To have a fiery passion in health and wellness, our heart lies in delighting customers with quality products and services to help them achieve optimum health for themselves and their loved ones.

<u>Integrity and respect</u>
To always make it a point to treat each and every individual, both within and outside the organisation, with utmost respect and dignity.

Lasting relationships
To take our relationships with our customers and business associates one step further, establishing mutual trust, understanding and a familiarity that keeps us close at heart – for now and the future.

3.4 Our mission

It is our mission to deliver only the highest quality dietary health supplements and health foods at the best value to our customers. We will remain committed in our focus as specialty health supplements and health foods retailer, distributor, and wholesaler by bridging lasting customer relationships with commendable customer service and by providing superiorly safe products.

We make it a point to remain loyal and true to the core values that have built us the foundation of where we stand today. Along our journey, our goal has been to inculcate a set of firm values that will act as guiding principles in the way we operate, communicate and build relationships.

We take pride in what we do, and that is precisely why our customers continue patronising us.

4. Awards and Recognition

Superbrands® status 2018

5. Stakeholder Engagement

We consider stakeholder engagement essential to understand the impact of our business. We are committed to identify factors most important to our stakeholders and address their concerns while formulating our business strategies and policies.

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

The table below showcases our stakeholder engagement mechanisms:

Stakeholder	Mode of engagement	Frequency of engagement	Key concern raised
Shareholders	Direct engagement between the Company and its investors to promote transparency of information on the Company's performances and operations	▪ Annual general meeting ▪ Extraordinary general meeting ▪ Ad-hoc meetings	Economic performance

Stakeholder	Mode of engagement	Frequency of engagement	Key concern raised
Suppliers	Emails/ teleconference calls to follow-up on order-related queries/issues, new products and resolve product quality issues	▪ Purchase order submission (monthly) ▪ Request for quotation (as required) ▪ Product enquiry (as required) ▪ Product feedback/complaint (as required) ▪ Yearly supplier evaluation (annual)	Order volatility
Customers	▪ Front line team members ▪ Customer feedback forms (in- store) ▪ Customer service hotline/emails to improve the customers' shopping experience	We will revert to the customers within 24 hours either by phone or email	▪ Product quality and reliability ▪ Sustainable packaging
Regulators	▪ Enquiry forms (to HSA for product classification before sale) ▪ Application forms/ renewal of licenses (wholesaler and importer)/ declaration letters/ other relevant documents required by regulators ▪ Email communications ▪ Phone conversation via call centre/hotline ▪ HSA routine audits (to ensure non-conformance matters have been resolved)	▪ For new applications, as and when the new requirements arise or initiated by the Management ▪ For renewals (annual), email notification will be sent out by the relevant authority two months before license expiry ▪ For other enquiries/ ad-hoc matters, direct emails/ phone calls will be made whenever necessary	Corporate governance
Management	Open-minded and approachable management	▪ Monthly management meetings ▪ Ad-hoc meetings requested by particular department heads to address urgent matters/issues	▪ Economic performance ▪ Training and education ▪ Occupational health and safety
Employees	Direct communication between employees and management to provide feedback related to particular issues/situations	▪ Weekly Area Managers meetings ▪ Monthly meetings of all shop in-charge ▪ Regular staff meetings in the shop with designated Area Manager ▪ Company team building sessions	▪ Career development ▪ Remuneration ▪ Training and education ▪ Occupational health and safety

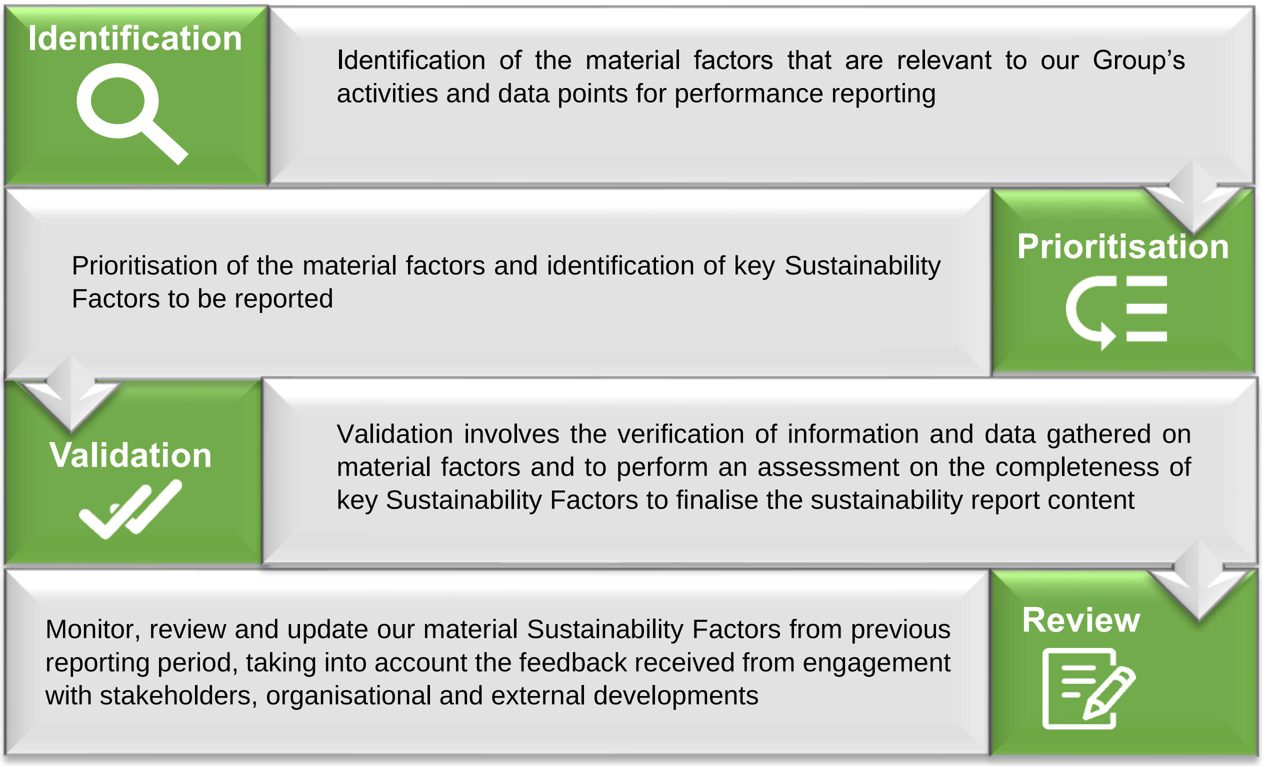
6. Policy, Practice and Performance Reporting

6.1 Reporting structure

Sustainability is ingrained at various levels in our organisation. We have set up a committee responsible for overseeing our sustainability targets ("Committee"). This Committee is led by our Chief Operating Officer and consists of the Finance and Administration Manager, Human Resources and Administration Executive, Sales and Product Senior Manager, and Assistant Purchasing Manager as its members. They ensure the alignment of our business objectives with our sustainability targets and further hold the responsibility to communicate our sustainability progress to the Board.

6.2 Sustainability reporting processes

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



6.3 Materiality assessment

The content of our Report has been shaped by the key material Sustainability Factors identified in our materiality assessment process. To determine our material factors, we undertook a process of identification, prioritisation, and validation with our senior management.

We first conducted a thorough peer benchmarking exercise to list the Sustainability Factors reported by them in their sustainability reports. We further prioritised the key material Sustainability Factors by their importance to our stakeholders and the environment, social and governance impact created by our business. The selected Sustainability Factors were then endorsed by the senior management and the Board.

6.4 Performance tracking and reporting

We track the progress of our material Sustainability Factors by identifying the relevant data points, monitoring and measuring 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.

7. Material Sustainability Factors

Presented below are a list of material Sustainability Factors applicable to our Group:

S/N	Category	Sustainability Factor	List of indicators	Key stakeholder
1	Economic	Economic performance	GRI 201-1: Direct economic value generated and distributed	▪ Regulators ▪ Shareholders
2	▪ Environment ▪ Social	Product quality and supplier environmental assessment	▪ GRI 308-1: New suppliers that were screened using environmental criteria ▪ GRI 416-2: Incidents of non-compliance concerning health and safety impacts of products and services	▪ Customers ▪ Suppliers
3	Environmental	Waste management	GRI 308-2: Management of significant waste related impacts	Customers
4	Social	Training and Education	GRI 404-1: Average hours of training per year per employee	▪ Management ▪ Employees
5	Social	Occupational Health and Safety	GRI 403-2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	▪ Management ▪ Employees

7.1 Economic performance

Why is this a material issue?
Measuring our economic and financial performance is important to evaluate our business and ensure we are on track to achieve our financial goals. We strive to continuously enhance our financial performance and create long-term value for our investors and stakeholders.

Our approach to managing
We will continue to preserve and intensify our efforts in optimising our business operations amidst this challenging time as well as coming up business plans so as to turn around the business and create better shareholders' value.

More information on our financial performance is disclosed in our Annual Report 2019 available online.

Target for FY2019	Performance in FY2019	Target for FY2020
Enhance our financial performance and create long-term value for our investors and stakeholders.	We recorded a lower loss before tax of S$6.6 million for FY2019 as compared to the profit before tax of S$0.1 million in FY2018 due to decrease in local retail revenue, wholesale revenue and other income. In addition, the Group's profitability also affected by the increase in administrative and other operating expenses and financial costs.	Improve or maintain our financial performance subject to market conditions

7.2 Product quality and supplier environmental assessment

<u>Why is this a material issue?</u>
As a local healthcare retailer, which specialises in dietary supplements, we place our utmost priority on customer safety and recognise that we can minimise environmental impacts that occur during each stage of our health products' life cycle. Accordingly, we ensure that the products we sell are sourced from GMP certified manufacturing plants and comply with the local regulatory requirements.

We review all our new suppliers and work closely with them to establish or bring in the products that can meet our quality requirements and the criteria of environmentally friendly materials such as organic, non-genetically modified organisms, vegetarian-friendly and gluten-free. Currently, most of our products are free of preservatives and artificial components to safeguard our consumer's health and safety.

The environmental criteria used for screening new suppliers are as below:

- Design capabilities for reducing consumption of material and energy;
- Environmental related certificates and policies; and
- Pollution reduction capabilities.

<u>Our approach to managing</u>
As the health products come with a recommended shelf life, we adopt First-In and First-Out ("FIFO") practice to minimise product write-off and wastage.

While working with suppliers, we conduct regular vendor evaluation. We also follow-up with them for necessary changes to ensure better product management and workflow in the future.

Nature's Farm has been awarded the Superbrands® for the year 2018 by Singapore's choice. This recognition helps to strengthen our brand position, adds prestige, and reassures our consumers and suppliers that they are buying the best brand in its category.

During the Reporting Period, there is no reported food safety incident due to the consumption of our products[2].

Target for FY2019	Performance in FY2019	Target for FY2020
41% of new suppliers screened using environmental criteria	Owing to the disruptions brought about by the changes in board composition and management team during the Reporting Period, we were unable to provide data on new suppliers that were screened using environmental criteria. As a result, we adopted reported food safety incident as the data point in relations to product quality. There is no reported food safety incident due to consumption of our products during the Reporting Period.	Maintain zero food safety incident due to the consumption of our products

7.3 Waste management

We are committed to manage and minimise the impact of our retail operations on the environment through reducing waste generated from the sale of products.

In an effort to reduce our environmental footprint, we offer customers non-woven reusable carrier bags at our retail stores for greater reusability and sustainability. During the Reporting Period, approximately 93%[2] of carrier bags issued to customers are non-woven bags.

[2] No comparative data is available as this is a newly disclosed Sustainability Factor added in this Report.

Target for FY2019	Performance in FY2019	Target for FY2020
-[3]	Approximately 93% of carrier bags issued to customers are non-woven bags.	Minimise the amount of waste generated in operations

7.4 Training and education

Why is this a material issue?
We recognise that our employees are instrumental in the success and growth of our Group. We, therefore, invest in providing training and development opportunities to enable them to provide the highest quality service to our customers. We will continue to help our employees to be more competitive towards productivity and sales.

As one of the leading providers of nutrition and health supplements, it is our responsibility to help our customers or potential customers receive proper as well as accurate information. We, therefore, train our employees on how to advise customers about their supplementary requirements according to their body needs. We aim to transform our sales staff into nutrition advisor. By helping them learn about the product content and origin, we want them to develop a deeper understanding of the products. Our goal is to complement the products we sell with advice from well-equipped and trained retail nutrition advisors.

Our approach to managing
We conduct in-house training of our products to all retail employees from frontlines to Area Managers. This training is conducted by our qualified Nutritionists. It aims to help new employees fully understand the purpose, usage and health benefits of our products.

All our new employees are required to attend a three-day product skills and knowledge workshop. We have set a minimum standard of understanding that all employees need to achieve for completing the workshop. We also provide training to existing employees in the form of refresher courses once per month. This provides a goodopportunity for discussion between Nutritionists and Area managers. When a new product is introduced, suppliers and Nutritionists join forces to conduct new products skills training to all retail employees.

Our Nutritionists team also allocates time each morning to ensure new employees practice correct pronunciation of the products. They also conduct shops visits to check on the performance of our new employees. Performance feedback and review from Shop Manager or Area Manager are also key to monitoring our employee performance.

The distribution of the average training hours per employee by gender and employment category are as follows:

Training hour[4]	FY2019	FY2018
Average training hours per employee	8.0	7.7
Average training hours by gender		
Male	8.0	14.0
Female	8.0	7.1
Average training hours by employee category		
Area manager	14.0	14.0
Shop in-charge	8.0	4.2
Sales person	8.0	10.0

[3] Not applicable as this is a newly disclosed Sustainability Factor added in this Report.
[4] The above numbers are exclusive of office employees.

Target for FY2019	Performance in FY2019	Target for FY2020
Average 12 hours of training per employee	The average training hours per employee is below 12 hours. However, we recorded an average 8 hours of training per employee, which is an improvement over the previous financial year. We will continuously work towards providing more hours of training to our employees	Maintain or improve training hours for employees

7.5 Occupational health and safety

Why is this a material issue?
At Camsing Healthcare, the well-being and safety of our employees is one of our top concerns. We are committed to providing them with a safe and healthy work environment. Our management team consistently educates our employees about proper workplace safety procedures, practices, and behaviour to prevent any potential injuries and illness.

Our approach to managing
We ensure that all our employees across different operations are aware of the Workplace Safety and Health Act and we aim to provide continuous education for our employees on related matters.

In our warehouses, the Warehouse Assistant Supervisor regularly conducts briefing about road safety, loading, and unloading safety procedures to our drivers. The Warehouse Assistant Supervisor also conducts sessions for our warehouse personnel regarding safety practices while handling, lifting, and transferring products.

New employees are required to attend a one-week onboarding training conducted by the Shop Manager. The onboarding training includes a Safety and Health module. Once an employee is assigned to a particular shop, the respective Shop Manager conducts briefing on daily operations. Our Marketing and Operations Personnel, who frequently travel to the shops to support our sales team, are also aware of the safety measures to be adopted while working outside office premises.

All employees are covered with insurance benefits such as Group Hospitalisation, Work Injury Compensation Act, Personal Accident and Personal Accident with Reimbursement. As part of management initiative, non-job related accidents are also covered under Personal Accident with Reimbursement, irrespective of the location of the incident.

Health products are given to employees at almost no cost to help them improve their health and job performance.

As part of company initiative, employees with zero sick leave receive a quarterly monetary incentive.

Key statistics on workplace injuries are as follows:

	FY2019	FY2018
Work-related injuries reported to the Ministry of Manpower	-	1
Occupational disease rate	-	-
Number of work-related fatalities	-	-

Target for FY2019	Performance in FY2019	Target for FY2020
To be able to achieve a zero-injury rate	Zero work-related injury reported to the Ministry of Manpower	To be able to achieve a zero-injury rate

8. GRI content index

GRI standard & disclosure title		Section reference	Page
Organisational profile			
102-1	Name of the organisation	Sustainability Report 2019 ("SR 19") > Introduction > Reporting Framework	1
102-2	Activities, brands, products, and services	▪ SR 19 > About Camsing Healthcare ▪ Annual Report 2019 ("AR 19") > Corporate Profile ▪ AR 19 > Nature's Farm Pte Ltd ▪ AR 19 > Directors' Statement and Financial Statements > Notes to the Financial Statements > Investment in Subsidiaries	2 - 3 - 1 of AR 19 80 - 83 of AR 19
102-3	Location of headquarters	▪ SR 19 > About Camsing Healthcare ▪ AR 19 > Corporate Information ▪ AR 19 > Directors' Statement and Financial Statements > Notes to the Financial Statements > General Information	2 - 3 2 of AR 19 50 of AR 19
102-4	Location of operations	▪ SR 19 > About Camsing Healthcare ▪ AR 19 > Directors' Statement and Financial Statements > Notes to the Financial Statements > Segment Information	2 - 3 102 - 103 of AR 19
102-5	Ownership and legal form	▪ AR 19 > Directors' Statement and Financial Statements > Notes to the Financial Statements > General Information ▪ AR 19 > Directors' Statement and Financial Statements > Notes to the Financial Statements > Investment in subsidiaries ▪ AR 19 > Analysis of Shareholdings	50 of AR 19 80 - 83 of AR 19 108 - 109 of AR 19
102-6	Markets served	▪ SR 19 > About Camsing Healthcare ▪ AR 19 > Corporate Profile	2 - 3 -
102-7	Scale of the organisation	▪ SR 19 > About Camsing Healthcare ▪ SR 19 > Material Sustainability Factors > Economic Performance ▪ AR 19 > Executive Director's Statement and Review ▪ AR 19 > Group Financial Highlights ▪ AR 19 > Directors' Statement and Financial Statements > Statements of Financial Position ▪ AR 19 > Directors' Statement and Financial Statements > Consolidated Statement of Profit or Loss and other Comprehensive Income	2 - 3 6 4 - 6 of AR 19 7 - 8 of AR 19 41 - 42 of AR 19 43 - 44 of AR 19
102-8	Information on employees and other workers	SR 19 > Material Sustainability Factors > Training and Education	8 - 9

GRI standard & disclosure title		Section reference	Page
Organisational profile			
102-9	Supply chain	SR 19 > About Camsing Healthcare > Supply Chain	2
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	None	-
102-13	Membership of associations	SR 19 > About Camsing Healthcare > Membership of Associations	2
Strategy			
102-14	Statement from senior decision-maker	SR 19 > Sustainability Board Statement	1
Ethics and integrity			
102-16	Values, principles, standards, and norms of behaviour	▪ SR 19 > About Camsing Healthcare > Our Core Values ▪ SR 19 > About Camsing Healthcare > Our Mission ▪ AR 19 > Corporate Governance Report	2 - 3 3 9 - 26 of AR 19
Governance			
102-18	Governance structure	▪ SR 19 > Policy, Practice, and Performance Reporting > Reporting Structure ▪ AR 19 > Corporate Governance Report	5 9 - 26 of AR 19
Stakeholder Engagement			
102-40	List of stakeholder groups	SR 19 > Stakeholder Engagement	3 - 4
102-41	Collective bargaining agreements	None of our employees are covered by collective bargaining agreements	-
102-42	Identifying and selecting stakeholders	SR 19 > Stakeholder Engagement	3 - 4
102-43	Approach to stakeholder engagement	SR 19 > Stakeholder Engagement	3 - 4
102-44	Key topics and concerns raised	SR 19 > Stakeholder Engagement	3 - 4
Reporting practice			
102-45	Entities included in the consolidated financial statements	AR 19 > Directors' Statement and Financial Statements > Notes to the Financial Statements > Investment in subsidiaries	80 - 83 of AR 19
102-46	Defining report content and topic Boundaries	SR 19 > Policy, Practice, and Performance Reporting > Sustainability Reporting Processes	5
102-47	List of material topics	SR 19 > Material Sustainability Factors	6 - 9
102-48	Restatements of information	None	-
102-49	Changes in reporting	Sustainability factor added: ▪ SR 19 > Material Sustainability Factor > Waste Management	7 - 8
102-50	Reporting period	SR 19 > Introduction > Reporting Period and Coverage	1
102-51	Date of most recent report	Sustainability Report 2018	-

GRI standard & disclosure title		Section reference	Page
Reporting practice			
102-52	Reporting cycle	SR 19 > Introduction > Reporting Period and Coverage	1
102-53	Contact point for questions regarding the report	SR 19 > Introduction > Contact	1
102-54	Claims of reporting in accordance with the GRI Standards	▪ SR 19 > Introduction > Reporting Framework ▪ SR 19 > GRI Content Index	1 10 – 12
102-55	GRI content index	SR 19 > GRI Content Index	10 – 12
102-56	External assurance	We may seek external assurance in the future	-
Management approach			
103-1	Explanation of the material topic and its Boundary	SR 19 > Material Sustainability Factors	6 – 9
103-2	The management approach and its components	▪ SR 19 > Sustainability Board Statement ▪ SR 19 > Policy, Practice and Performance Reporting ▪ SR 19 > Material Sustainability Factors	1 5 - 6 6 – 9
103-3	Evaluation of the management approach	SR 19 > Material Sustainability Factors	6 – 9
Category: Economic			
201-1	Direct economic value generated and distributed	▪ SR 19 > Material Factors > Economic Performance ▪ AR 19 > Executive Director's Statement and Review ▪ AR 19 > Group Financial Highlights ▪ AR 19 > Statements of Financial Position ▪ AR 19 > Consolidated Statement of Profit or Loss and Other Comprehensive Income	6 4 - 6 of AR 19 7 - 8 of AR 19 41 - 42 of AR 19 43 - 44 of AR 19
Category: Environmental			
306-2	Management of significant waste related impacts	SR 19 > Material Sustainability Factors > Waste Management	7 - 8
Category: Social			
403-9	Work-related injuries	SR 19 > Material Sustainability Factors > Occupational Health and Safety	9
404-1	Average hours of training per year per employee	SR 19 > Material Sustainability Factors > Training and Education	8 - 9
404-2	Programs for upgrading employee skills and transition assistance programs	SR 19 > Material Sustainability Factors > Training and Education	8 - 9
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	SR 2019 > Material Sustainability Factors > Product quality and supplier environmental assessment	7