



SUSTAINABILITY REPORT 2023

SAKAE HOLDINGS LTD.

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01 BOARD'S STATEMENT

The Board of Directors (the "Board") is pleased to present the Sustainability Report ("Report") for Sakae Holdings Ltd. and its subsidiaries ("Sakae", or "the Group") for the financial year ended 30 June 2023. Sakae believes that sustainable growth strategies and practices are important for our business.

The Board has overseen the development of this Report with the support of the management team. This involved a materiality assessment on the key Environmental, Social and Governance factors ("ESG factors") that are important to Sakae's business, developing performance indicators and targets, and ensuring that they are managed and monitored for their risks and opportunities on our future growth.

This Report provides Sakae's various stakeholders with insights into our business operations and our sustainability efforts and initiatives. Guided by our sustainability reporting policy ("SR policy"), the management team has conducted a review of our material ESG factors for the year. We believe the following factors, improving customer satisfaction, ensuring food safety, hygiene and quality, training and development of our people, safe and inclusive workplace, recruitment and retention, occupational health and safety, local communities engagement / corporate social responsibility, energy and water conservation and anti-corruption, remain relevant and critical to the long-term sustainability of our business. We will continue to monitor and review our sustainability efforts periodically. As we progress along our sustainability journey, we aim to incorporate sustainability initiatives in our business processes to enhance our reporting capabilities.

The past few years have been challenging and a test of resilience as businesses overcome the challenges brought about by the unprecedented Covid-19 pandemic. With the lifting of most Covid-19 restrictions following the reopening of borders from April 2022, the food and beverage industry is finally witnessing more economic activities and higher customer traffic. Just as the food & beverage services sector is seeing an increase in sales volume with the stabilizing Covid-19 situation, more inherent challenges arise, such as manpower shortage, supply chain disruption, rising cost of raw materials and logistics as well as other cost pressures brought about by inflation and uncertainty in constantly changing geopolitical situation. Despite the challenges, the Group will continue to adopt a cautious outlook as we manage the business operations with sustainable growth.

Despite these challenges, we will work towards achieving our ESG targets and play our part in making this world a better place.

We would like to thank our frontline team for their relentless contribution, commitment and hard work to continue to serve our customers amidst challenging times. We would also like to express our gratitude to all our shareholders, bankers, business associates and valued customers for their continuous support and understanding as we strive on together.



02

VISION, MISSION AND CORE VALUES

At Sakae, we are guided by our Core Values, Mission and Vision in everything we do. Driven by our Core Values and Mission, we build strategies for our sustainable growth and development, and constantly work towards attaining our Vision: to build global brands.

VALUES

- E - Excellence is our minimum standard
- P - Productivity in everything we do
- I - Innovation to simplify and compete
- C - Compassion to all

MISSION

To provide safe quality food with excellent service at great value.



VISION

To build global brands

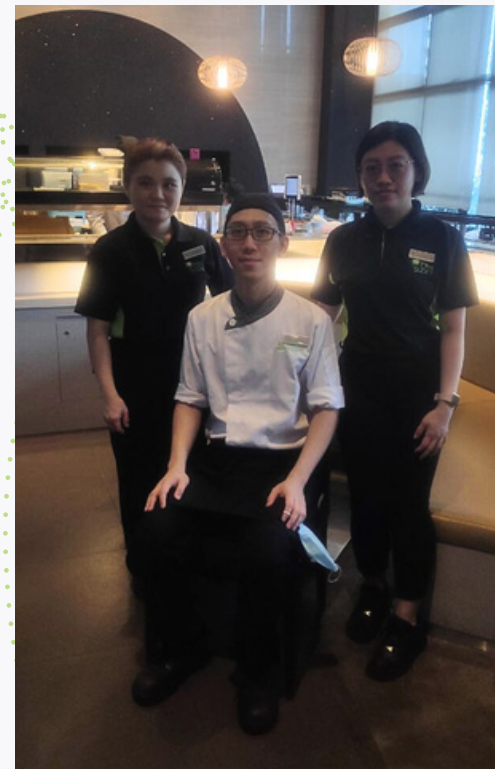
03

REPORTING FRAMEWORK

This Report is prepared in accordance with the requirements set out in SGX Listing Rule 711B. We strive to provide a balanced view of the matters in this Report. This Report is prepared using the Global Reporting Initiative (GRI) Standards: Core option. The GRI Standards are used as an internationally recognised sustainability reporting framework. Adherence to the GRI Standards allows comprehensive disclosure and coverage of topics that inform our key stakeholders of our sustainability efforts.

The Group has not sought external assurance for this report. In compliance with SGX's requirements, an internal review of the sustainability reporting process will be carried out by the Internal Audit function for the Group's FY2023 Sustainability Report onwards.

On 15 December 2021, the Singapore Exchange Regulation announced that all issuers must provide climate reporting based on the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD") framework on a "comply or explain" basis in their sustainability reports from January 2022 onwards. The Board notes that the Group's business does not fall within the purview of the mandatory TCFD's climate reporting requirements. Nonetheless, the Board will continue to monitor developments of the TCFD and assess the relevance and suitability of the framework to our business on an ongoing basis.



04

REPORTING PERIOD AND SCOPE

This Report is based on the Group's financial year ended 30 June 2023 ("FY2023"). The scope of this Report is based on the policies, practices, performance and employment data of the Group's various business segments in Singapore comprising food and beverages outlets, central kitchens and the Group's corporate headquarters during FY2023.

For details of our brands and restaurants, please refer to our website www.sakaeholdings.com or pages 4 to 13 of our Annual Report 2023.

05

(A) FEEDBACK

We are fully committed to listening to our stakeholders. We welcome feedback on this report and any aspect of our sustainability performance. Please send all feedback to iresakaeholdings.com.

(B) ACCESS

No hard copies of this Sustainability Report have been printed as part of our efforts to promote environmental conservation. You may visit SGXNET or our Company website <https://www.sakaeholdings.com/announcements> for our Sustainability Report.





SAKAE®
HOLDINGS

We have identified our stakeholder groups that are impacted by, or, that impact Sakae's business as a result of sustainability issues.



We strive to provide sustainable value for our stakeholders. Recognising that sustainability is a collaborative effort, we ensure that the frequency of communication is adequate and that communications are two-way. Through our various modes of engagement, we are better able to understand the impact that Environmental, Social and Governance (“ESG”) factors will have on our business. With that, we are able to formulate effective responses to the issues raised by our stakeholders. We will endeavour to have active and meaningful engagement with our key stakeholders.

S/N	KEY STAKEHOLDER	MODE OF ENGAGEMENT	FREQUENCY OF ENGAGEMENT	STAKEHOLDER'S CONCERN
1	Customers	<ul style="list-style-type: none"> • Loyalty programme: Digital Stamp Card • Social media: Instagram, Facebook and TikTok etc • Interaction with diners at outlets • Survey and market research • Website and email feedback • Customer care communications • Annual reports 	All the time	<ul style="list-style-type: none"> • Dining experience • Customer service • Consistency of food quality • Food safety and hygiene
2	Business Partners and Suppliers	<ul style="list-style-type: none"> • Constant communication in the course of business • Vendor assessment • Site visits and monitoring • Audits and checks • Constant feedback from procurement team to suppliers 	All the time	<ul style="list-style-type: none"> • Fluctuating demand according to market conditions
3	Community	<ul style="list-style-type: none"> • Sakae Foundation • Sponsorships and donations • Corporate volunteering • Corporate Social Responsibility programmes 	Occasionally	<ul style="list-style-type: none"> • Fostering national identity • Building strong community support
4	Employees	<ul style="list-style-type: none"> • Orientation programme • Regular department meeting and communications/ discussions • Training and development programmes • Surveys and interviews • Emails and memorandum • Company events and activities • Annual reports 	All the time	<ul style="list-style-type: none"> • Equal employment opportunities • Personal career development and skills training • Safe working environment • Healthy well-being
5	Government and Regulators	<ul style="list-style-type: none"> • Participation in consultations and briefings organised by government agencies and regulators 	Regularly	<ul style="list-style-type: none"> • Corporate compliance • Food safety and hygiene
6	Investors	<ul style="list-style-type: none"> • Annual General Meetings • Information through announcements on SGXNet • Annual Reports • Corporate website [updated on a regular basis] 	When required	<ul style="list-style-type: none"> • Transparency • Timely reporting and updating • Company Performance

07 POLICIES, PRACTICES AND PERFORMANCE REPORTING



Reporting Structure

Our Sustainability Committee is led by our Chief Executive Officer. Its members comprise key management personnel. In consultation with the Board, the Sustainability Committee monitors and manages our policies, practices, and performance pertaining to sustainability matters.

Sustainability Reporting Process

Under our Sustainability Reporting Policy, we have identified our material ESG factors through stakeholder engagement. These factors are prioritised and ranked according to the importance of their Environmental, Social and Governance impact. Management validates the material ESG factors through internal discussion and feedback. The materiality of our ESG factors is reviewed periodically to ensure that they are current. For this Report, we have reviewed last year's reported material ESG factors and determined that they continue to be relevant to our business and stakeholders.

The material ESG factors are identified through our stakeholder's engagement

The material ESG factors are prioritised according to the importance for sustainability reporting

Perform validation of data and information gathered on material ESG factors to finalise content for sustainability reporting

The material ESG factors are reviewed periodically



8.1 MATERIALITY ASSESSMENT

Based on our SR Policy, each sustainability factor will be assigned a reporting priority. The levels of reporting priorities, their respective descriptions and reporting criteria are as follows:

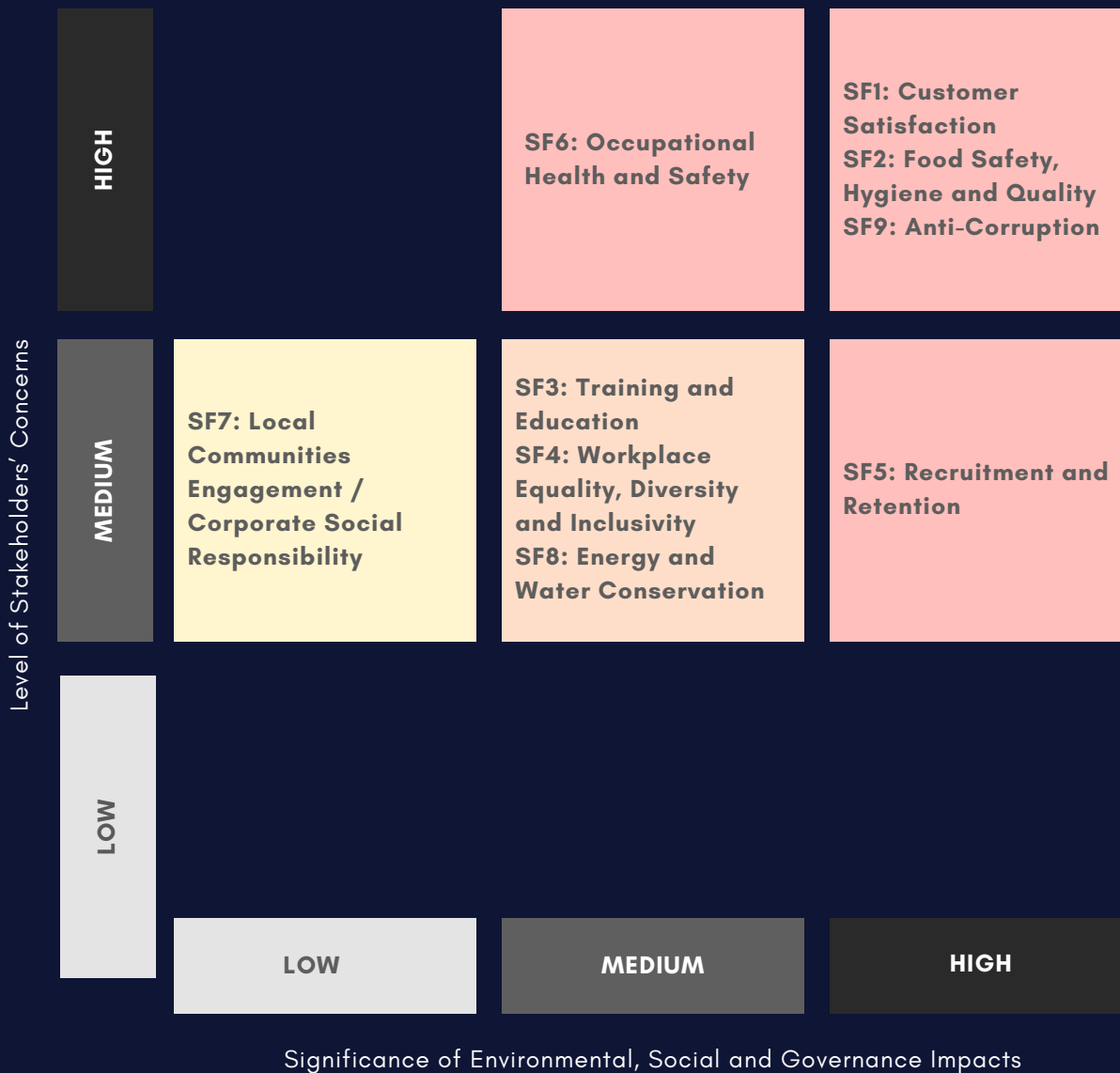
REPORTING PRIORITY	DESCRIPTION	CRITERIA
I	HIGH	Factors with high reporting priority are reported in detail.
II	MEDIUM	Factors with medium reporting priority are considered for inclusion in this Report. They may not be included in this Report if not material.
III	LOW	Factors with low reporting priority may be reported to fulfil regulatory or other reporting requirements. They are not included in this Report if not material.

Our material ESG factors and their reporting priorities are shown below:

S/N	MATERIAL FACTOR	MISSION OR CORE VALUE	KEY STAKEHOLDER	REPORTING PRIORITY
SOCIAL				
1	Customer Satisfaction	To provide safe quality food with excellent service at great value	Customers	I
2	Food Safety, Hygiene and Quality	To provide safe quality food with excellent service at great value	Customers, Business Partners and Suppliers	I
3	Training and Education	People development - Innovation to simplify and compete	Employees	II
4	Workplace Equality, Diversity and Inclusivity	Compassion to all	Employees	II
5	Recruitment and Retention	People focused - Productivity in everything we do	Employees	I
6	Occupational Health and Safety	People focused - Compassion to all	Employees	I
7	Local Communities Engagement / Corporate Social Responsibility	Compassion to all	Community	III
ENVIRONMENTAL				
8	Energy and Water Conservation	Social and environmental responsibility - Compassion to all	Community, Government and Regulators	II
GOVERNANCE				
9	Anti-Corruption	Excellence is our minimum standard	Government and Regulators, Investors	I

MATERIAL FACTORS MATRIX

Each material ESG factor ("SF") is plotted into a matrix to determine the prioritisation of these factors based on the level of stakeholders' concerns and significance of the factors' ESG impacts. Our completed material factors matrix is shown below:



09 MATERIAL FACTORS



9.1 CUSTOMER SATISFACTION

Customer satisfaction is crucial to customer retention. We seek to provide customer service that goes beyond taking and serving orders. We view customer service as part of a holistic customer experience that is capable of providing us with a distinguishing advantage in today's increasingly cluttered and competitive market. In alignment with our mission - To provide safe quality food with excellent service at great value, we are committed to retain and build a loyal customer base for our long-term sustainability by enhancing our customers' experiences through:

(A) PROVIDING EXCELLENT CUSTOMER SERVICE

Sakae has always firmly believed in the importance of delivering excellent customer service in order to enhance dining experiences for consumers. We therefore place a strong emphasis on our customer service and conduct refresher training sessions for our frontline service staff in order to ensure that high service standards are maintained. Our staff are detailed and attentive when interacting with our customers and are trained to resolve customer issues patiently and promptly. On top of that, we also have a service recovery programme aimed for close follow-up with customers so that feedback receives attention and customer satisfaction is improved.

(B) PROACTIVELY ENCOURAGING CUSTOMERS TO GIVE FEEDBACK

We value our customers' feedback as they provide us with insight into which aspect of our operations are working well and which can be improved. We utilise multiple channels to gather customers' feedback, including our sales teams, delivery teams, online social media, our websites, and our customer relationship management system that allow for analytical understanding of our customers' preferences. From such channels, we then work towards product and service improvements and enhance our operational effectiveness and efficiencies. Based on the 2022 Customer Satisfaction Index of Singapore (CSISG), our customer satisfaction score was 73.3, as compared to the national average score of 71.5 for the Food and Beverage sector. We will continue to strive towards meeting our customers' needs.

(C) BUILDING CUSTOMER LOYALTY THROUGH REGULAR PROMOTIONS AND MEMBERSHIP PROGRAMME

We strive to improve customer retention and are constantly exploring ways to reward customer loyalty. With the launch of the Conso membership system, we have managed to grow our customer base through offering attractive deals to our customers. We will support this by increasing our social media and online presence to reach out and engage the online community further. In addition to our revamped membership programme, regular promotions ensure that we are constantly offering something new and special to our customers to meet market demands.

(D) ENSURING A SAFE DINING ENVIRONMENT

Although the Covid-19 situation appears to have stabilised, outbreaks of new variants continue to threaten. The Company will continue to monitor and be mindful of the risk brought about by new variants and take preventive steps in our daily operations to ensure customers have a safe and enjoyable dining experience. These measures include proper food hygiene and management, as well as increased frequency of cleaning and hygiene protocols in our restaurants. Utensils and kitchenware are cleaned thoroughly and common surfaces like chairs and tables are also disinfected frequently. Hand sanitisers are also provided for customers' use at each restaurant entrance.

(E) MEETING CUSTOMERS' EVOLVING NEEDS

Innovation has been one of our core values and we are constantly exploring new brands and offerings to meet ever-changing F&B consumer needs and preferences. We have expanded our portfolio of brands to meet the diverse consumer tastes in the market and to tap on the F&B takeaway/delivery segment. The new brands include:

- | | |
|--|---|
| Ichigo Ichie
Tendon Sekai
Sango Sando
Kaesu | <ul style="list-style-type: none">- Vegetarian Japanese-style cuisine, coffee and other beverages- Mouth-watering Tempura rice bowls- Rice sandwiches with a variety of fillings- To serve bingsu, a delightful Korean dessert |
|--|---|

9.2 FOOD SAFETY, HYGIENE AND QUALITY

Being an established Food & Beverage Japanese cuisine brand in Singapore, we prioritise and value food safety and hygiene by delivering the best to our customers. Serving great, safe and high-quality food has always been an important emphasis of our business.

(A) OUR STANDARDS

Through the adoption of industry certified standards, we are able to better gauge and monitor the safety and quality of our food. We place much emphasis on consistency and constantly work towards improving food quality standards of our products.



We have implemented a food safety management system (FSMS) for our central kitchens which supports our food catering and restaurant operations. Our central kitchens' FSMS has attained SS 590:2013 certification for having met the requirement for a Hazard Analysis Critical Control Point (HACCP) based FSMS. With our stringent monitoring process, we are able to reduce and prevent risks in food safety.

All our restaurant outlets have achieved 'A' Grade certification from the Singapore Food Agency (SFA). Additionally, our Hei Sushi restaurants are Halal-certified by Majlis Ugama Islam Singapura (MUIS). We have attained the SG Clean quality mark for some of our outlets and are working towards getting certified for the other outlets.

Here are some measures that have been adopted to ensure the quality, hygiene and safety of the food we serve:

(B) OPERATIONS

We have always been vigilant in our efforts to maintain food safety and quality in our operations at our restaurant outlets, central kitchen or production floors.

Measures that we have put in place:

- All employees that handle food are required to attend and pass WSQ Food Safety Course Level 1.
- A manual on food safety serves as a guide for our staff to adhere to.
- Our internal food safety and quality control team conducts regular checks on product quality and food handling procedure.
- We regularly send food samples to an accredited laboratory for microbiological testing to ensure quality and safety of our products.



(C) FOOD SUPPLY CHAIN

We recognise that food suppliers play a major role in food safety and quality. As part of our food procurement process, our suppliers' food supply chain must meet stringent food safety and quality criteria. This may involve visits to food sources like farms and factories. At the other end of the food supply chain, we monitor the feedback from our outlet kitchens with regard to the food supplies they receive. We constantly communicate and work with our suppliers to remedy any issues that may impact the quality and safety of our food.

For FY2023, with our strong emphasis on food safety and quality, all of our restaurants are graded "A" by the Singapore Food Agency (SFA) for the overall hygiene, cleanliness and housekeeping standards of the restaurant outlets. We are pleased to report that there were no major food safety incidents during the reporting period.



FY2023 TARGET	FY2023 PERFORMANCE
To maintain all restaurant outlets' 'A' grade	All restaurant outlets achieved 'A' grade
To procure from established suppliers with approvals from SFA	All our food suppliers have relevant SFA approvals

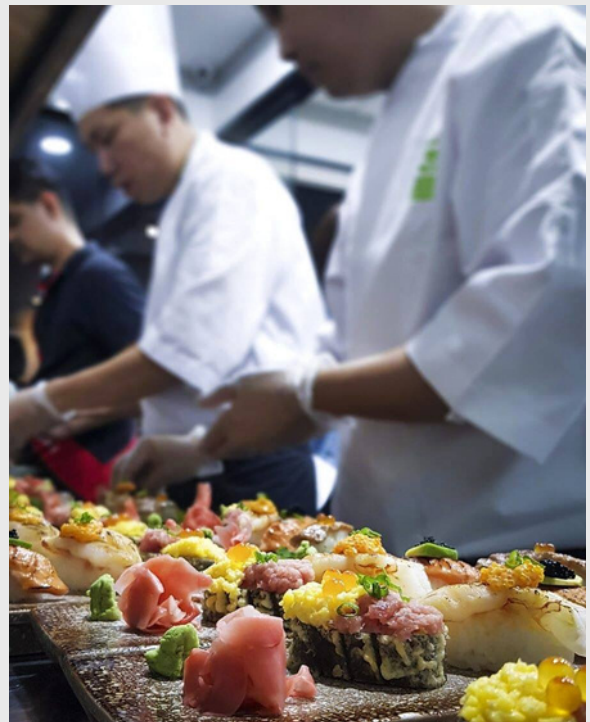
9.3 TRAINING AND EDUCATION

Our employees, who interact directly with our consumers, are vital in enhancing customers' overall dining experiences. Our employees are our number one asset hence retaining and attracting talents is of utmost importance to Sakae. Every year, we send our people for training and skills development and seek to guide them to be more enterprising and innovative. We started inter-departmental projects to exchange ideas and experiences so as to create a think-tank that allows Sakae to scale to greater heights. We believe in empowering our employees to perform in their jobs through training and education. Equipping them with the necessary skills and competencies for their jobs will add to productivity, confidence and work satisfaction.

All our restaurant outlet employees will undergo a training programme which consists of two parts: the WSO Food Safety Course Level 1 and on-the-job training covering key line functions conducted by our trainers in their respective outlets.

Depending on organisational requirements, we also conduct in-house seminars at our corporate headquarters for employees to impart knowledge and build up their skills in areas such as customer service, up-selling, supervising at work and effective communications. We also advocate personal development and lifelong learning by encouraging and sponsoring our employees to attend approved external courses.

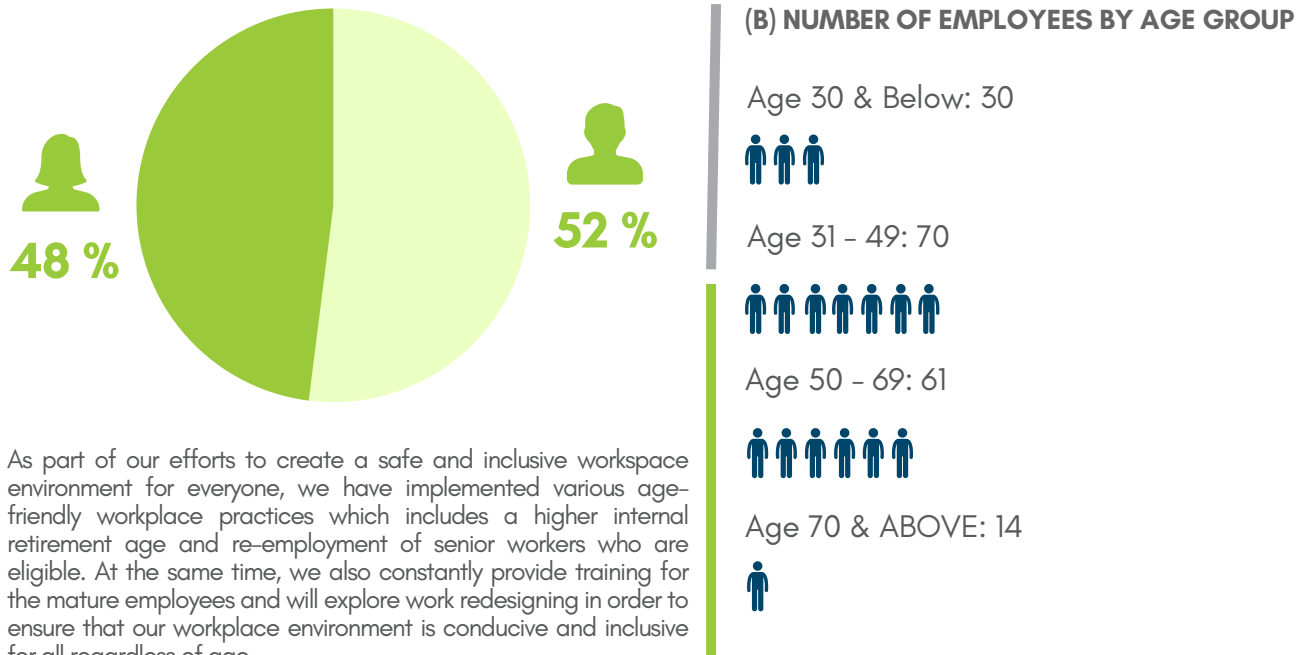
Some of the other courses that our employees have attended include training in SAP system and Halal Foundation Programme. We also conduct refresher training for our employees as and when required.



9.4 WORKPLACE EQUALITY, DIVERSITY AND INCLUSIVITY

Sakae aims to provide a work environment that fosters fairness, equality, and respect for social and cultural diversity, regardless of their gender and age. We recognise that people from different backgrounds have different talents, skills, and experience. We find ways for them to complement one another at work. We are strong proponents of equal opportunity and do not allow for discrimination on any grounds at the workplace.

We value the experience of our senior staff as well as the passion and flexibility of the younger staff. Sakae rewards employees based on a series of attributes that include performance, competence, commitment and experience, along with Company performance. We conduct annual appraisals for all employees using a holistic set of criteria including interpersonal skills and innovation, besides their individual performance indicators based on their roles and responsibilities.



As part of our efforts to create a safe and inclusive workspace environment for everyone, we have implemented various age-friendly workplace practices which includes a higher internal retirement age and re-employment of senior workers who are eligible. At the same time, we also constantly provide training for the mature employees and will explore work redesigning in order to ensure that our workplace environment is conducive and inclusive for all regardless of age.

In line with fair employment practices, age, race, gender, nationality, or religion do not factor into the evaluation of job applications that we receive.

For FY2023, female employees made up 48% of our workforce while male employees made up 52%. In terms of age diversity among employees, 30 were aged 30 and below, 70 were aged between 31 and 49, 61 were aged between 50 and 69, and 14 were aged 70 and above. We will continue to offer employment based on fair hiring practices and ensure that our workplace provides opportunities for all our employees to contribute and grow.

9.5 RECRUITMENT AND RETENTION



We value everyone's contributions and we are dedicated to our employee's well-being. All employees are entitled to a range of benefits that promote staff well-being and productivity, including medical insurance and parental leave. Sakae ensures that its staff is engaged and rewarded with competitive benefits that are in line with industry standards. Staff members are also entitled to exclusive privileges when they dine at our restaurants.

Although remuneration and other staff benefits are key factors to retain employees, we also recognise that job satisfaction is an important factor. Our staff development programme seeks to provide all employees with clear career pathways that lead to better job prospects, greater responsibilities, and learning opportunities as well.

We have implemented flexible work arrangements such as working from home and staggered work hours for employees whose roles allow for these arrangements. These arrangements allow our employees to have a greater work-life balance. We will continue to study the outcomes and review our flexible work arrangement policy as part of our efforts to bolster recruitment and retention.

We strive to increase employees' job satisfaction by providing a conducive, open and honest work environment and empowering them to make decisions, as well as setting organisational goals. We value our employees' ideas and opinions and have in place appropriate channels to receive their feedback. Our Employee Suggestion Scheme lets employees provide constructive input in all areas including the Company's business and work environment. We address our employees' feedback through consultations with employees and Management with a view to implement ideas that will benefit the Company's business and employees. We hope that this will cultivate a sense of belonging and pride at work for our employees.

Sakae hopes to forge closer ties with its employees and will continue to review our employee retention strategies. In FY2023, our average employee monthly turnover rate was lower than the national industry average monthly turnover rate. We will continue to lower, or at least maintain the employee turnover rate.

9.6 OCCUPATIONAL HEALTH AND SAFETY

(A) COVID-19: TAKING CARE OF OUR WORKERS

As new Covid-19 variants continue to emerge, we will continue to have precautionary measures in place to provide a safe working environment for our employees.

We provide sufficient masks to ensure the safety and well-being of our employees and have also stepped up frequency of sanitisation and cleaning of our workplace premises. We will continue to maintain adequate cleaning and disinfecting agents and ensure that they are readily available. We will continue to monitor the health and well-being of our employees, while ensuring that employees who are unwell report to work only when they have recovered.



(B) ACHIEVING ZERO WORKPLACE SAFETY INCIDENTS

Sakae adheres closely with the guidelines provided by the Ministry of Manpower to ensure the health and safety of our employees. All employees are briefed regarding basic workplace health and safety.

In Sakae, we practice risk management in our daily activities. Risk management is a process by which the Management assesses the risks, determines the control measures, and takes appropriate actions to reduce such risks. Risk assessment is a key instrument to reduce risk at our workplace. We will conduct risk assessments regularly so as to keep them relevant to our work processes.

We also send our employees for safety courses such as occupational first aid course and work-at-height course to enhance their safety awareness. Employees are encouraged to highlight safety and health hazards to the management as we believe everyone has a part to play in ensuring workplace safety and health.

In compliance with the Singapore Civil Defence Force (SCDF) regulations, we have a Fire Safety Manager (FSM) and a Fire Emergency Plan for Sakae Building. Our FSM's duties and responsibilities include:

- Reviewing and updating the Emergency Response Plan (ERP) in accordance with the guidelines issued by SCDF.
- Forming a Fire Safety Committee to plan and conduct fire safety programmes including fire evacuation drills and Table Top Exercises (TTE). TTE are scenario driven exercises where participants derive solutions to likely emergency scenarios in the building.



For restaurant outlet renovations, we choose appropriate materials such as non-slip tiles that reduce the risk of accidents from happening in our kitchen and service areas. This is in addition to our employees having to wear safety boots in the restaurant. Renovation workflows are also discussed with relevant employees so as to minimise potential hazards. We also choose to work with contractors who have attained bizSAFE level 3.

We recognise the importance of having an effective workplace health and safety management system in place. To address this, we adopted a Permit-To-Work (PTW) System. It is a formal authorisation system used to control selected work tasks thereby ensuring safe and proper execution of work at the worksite. The system allows all parties involved in or affected by the renovations to communicate dangers involved in the work activities so as to enable safe onsite execution.

There were no workplace accidents resulting in death or permanent disability in FY2023. We will continue to ensure that our working environment remains safe for our employees and maintain our workplace safety record.

FY2023 TARGET	FY2023 PERFORMANCE
No workplace accidents resulting in death or permanent disability	No workplace accidents resulting in death or permanent disability

9.7 LOCAL COMMUNITIES ENGAGEMENT/ CORPORATE SOCIAL RESPONSIBILITY



Sakae cares deeply for the community and believes in giving back to the community.

(A) CARING FOR THE COMMUNITY

Sakae cares deeply for our community and strongly believe in giving back. With the rise in the number of cases of Covid-19 variants, it is important to take steps to ensure the well-being and safety of vulnerable groups like elderly and children.

In March of this year, aspart of our ongoing Corporate Social Responsibility (CSR) initiatives, Sakae Care programme took steps to give back to the community. In collaboration with the Lion Club, we contributed to the well-being of senior citizens and the youth by donating 10,000 boxes of face masks.

Taking small steps, we hope to enhance the health and safety of vulnerable populations during uncertain times. At Sakae, we are deeply committed to making a positive impact on society, and this small act is manifestation of our dedication to supporting and safeguarding the well-being of our community members. We believe that such initiatives reflect our core values and our ongoing commitment to social responsibility.



(B) SAKAE FOUNDATION

Sakae Foundation contributes and supports several charitable beneficiaries. We have supported the community through sponsorships and visits to various organisations including Radin Mas Senior Citizens' Home and schools. Our Foundation will continue to pursue philanthropic and volunteer efforts, leaving happy frog prints through our involvement with the community. We launched our Facebook page - "Project Happy Frog Prints", with the hope of fortifying our relationship with global communities and continue bringing joy, one frog print at a time.

(C) SUPPORTING NATIONAL DEFENCE

At Sakae, we strongly believe in contributing towards Singapore's national security. National Service (NS) is a vital component of national defence, and we support our employees' NS commitments by implementing NS-friendly policies. With our close supportive team culture, many employees are willing to step up to cover duties of their colleagues who need to be away. Sakae also regularly takes part in Singapore Armed Forces Day, by encouraging our NSmen colleagues to take part in the SAF Day Rededication Ceremonies. Going beyond that, Sakae also offers attractive SAF Day promotions at our dining establishments to extend our appreciation and respect to servicemen representing our nation.

(D) FOOD WASTE MANAGEMENT

Food waste accounts for a significant portion of the total waste generated in Singapore. To do our part to save the environment, Sakae adopts multiple approaches to sustainable waste and resource management. Efficient food purchases and processes, central kitchen preparation and centralised cold chain storage have helped to improve efficiency and reduce food wastage. In support of the Zero Waste initiatives, Sakae has installed a food waste digester machine at our group headquarters to treat and recycle food waste sustainably. The compost produced will be used in turn as fertilisers for our greenery landscape around our headquarters. We will continue our best efforts as we sustain and support these Zero Waste initiatives.



9.8 ENERGY & WATER CONSERVATION

We are committed to protect our environment and are exploring new ways to reduce our environmental footprint through energy and water conservation. We leverage on environmentally friendly technologies and practices to ensure that we lessen our operations' impact on the environment. Our Go Green efforts include:

(A) LIGHTING

Suitable lightings in our building have been fitted with motion sensors to reduce electricity usage. We have also adopted the use of energy-efficient LED lights in our stores as a means to save electricity.

(B) SOLAR POWER SYSTEM

A 270 kilowatt-peak photovoltaic system was installed on the roof of our building. It has 1,400 solar panels and is able to generate up to one-third of the building's energy needs. With this, it helps to lower our carbon emissions and also reducing our energy costs.

(C) RAINWATER IRRIGATION SYSTEM

The prominent water fountain located at the front of our building is fitted to a rainwater irrigation system. The feature is thus aesthetically pleasing and environmentally friendly.

(D) SPICE GARDEN

In addition to the ornamental plants that make up the green landscaping surrounding our building, we have incorporated a spice garden in the landscaping plan as well. Spices like aloe vera plants, yellow ginger, pandan leaves, mint leaves and many other spices that are grown in the garden can be used as seasonings in the food preparation. We will constantly study more ways to include the farm-to-fork approach in our restaurant outlet operations as well.



(E) KITCHEN EQUIPMENT AND APPLIANCES

We use state-of-the-art equipment and appliances in our restaurant kitchens and central kitchens. Not only do they consume less energy, but they also produce less ambient heat and have very low carbon emissions.

We have managed to maintain our electricity and water consumptions while reducing gas consumptions in FY2023. Our electricity and water consumptions were 3.0 million kWh and 20 thousand cubic metres (m³). Our gas consumption was 0.4 million kWh in FY2023, a significant decrease from 0.7 million kWh. We will continue to do our part to protect the environment and work towards reducing our electricity, gas and water consumption.



RESOURCE	UNIT OF MEASUREMENT	FY2023 TARGET	FY2023 PERFORMANCE
Electricity	Million kWh	Reduce consumption (FY2022 usage: 3.0)	3.0
Gas	Million kWh	Reduce consumption (FY2022 usage: 0.7)	0.4
Water	Thousand m ³	Reduce consumption (FY2022 usage: 20)	20

9.9 ANTI-CORRUPTION

(A) CODE OF CONDUCT

Our Employee Code of Conduct sets out the standards of integrity and accountability for our employees. All employees are expected to adhere to the Code of Conduct while performing their duties and to always act in the best interest of Sakae. For example, employees are not allowed to solicit or accept any gifts or gratitude from our business partners. Any gift with commercial value that is not refused due to practicality or courtesy must be declared to the Human Resources Department for a decision on the treatment of the gifts. Under no circumstances are employees allowed to accept cash gifts. Employees who are found to have breached the Code of Conduct after investigations will be subject to disciplinary action and/or report to necessary authority if warranted.

(B) INTERESTED PERSON TRANSACTIONS

Sakae has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the Audit Committee and that any such transactions are on an arm's length basis. There were no interested person transactions for the reporting period. The Management and key executives are also required to submit a conflict of interest declaration annually for independent assessment to demonstrate their willingness to adhere to the conflicts of interest policy. Employees who are found to have breached the Code of Conduct after investigations will be subjected to disciplinary action.

(C) WHISTLE BLOWING POLICY

Sakae's Audit Committee has established a whistle blowing policy and formed a Whistle Blowing Committee. Our Whistle Blowing Committee comprises of our Non-Executive Independent Directors to ensure an appropriate level of management over whistle blowing matters. The Whistle Blowing Committee provides a channel for our employees to report in confidence any possible corporate improprieties including corruption. The Whistle Blowing Committee and the Board's Audit Committee are vested with the power and authority to receive, investigate and enforce appropriate action when any such improprieties are brought to their attention.

In summary, there were no incidents related to corruption in FY2023. We will continue to monitor and ensure our compliance with anti-corruption laws.

10 TARGET SETTING

Our sustainability performance targets for the next reporting period FY2024 are:

S/N	MATERIAL FACTOR	PERFORMANCE MEASURE	PERFORMANCE TARGET (FY2024)
1	Customer Satisfaction	<ul style="list-style-type: none"> Customer Review rate 	<ul style="list-style-type: none"> Improve customer review rate
2	Food Safety, Hygiene and Quality	<ul style="list-style-type: none"> Food Hygiene Grading Suppliers obtaining approval from Singapore Food Agency (SFA) 	<ul style="list-style-type: none"> Maintain all restaurant outlets' 'A' grade Procure from established suppliers with approvals from SFA
3	Training and Education	<ul style="list-style-type: none"> Move towards more skilled and educated workforce 	<ul style="list-style-type: none"> Improve employees' skillsets
4	Workplace Equality, Diversity and Inclusivity	<ul style="list-style-type: none"> Gender and age diversity 	<ul style="list-style-type: none"> Work towards inclusive workforce with balanced ratios for gender and age diversity
5	Recruitment and Retention	<ul style="list-style-type: none"> Employee retention rate 	<ul style="list-style-type: none"> Improve employee retention
6	Occupational Health and Safety	<ul style="list-style-type: none"> Review workplace accidents resulting in death or permanent disability 	<ul style="list-style-type: none"> Maintain strong workplace safety emphasis and zero workplace accidents resulting in death or permanent disability
7	Local Communities Engagement / Corporate Social Responsibility	<ul style="list-style-type: none"> Contributions to our communities 	<ul style="list-style-type: none"> Engage communities through various initiatives
8	Energy and Water Conservation	<ul style="list-style-type: none"> Energy consumption Water consumption 	<ul style="list-style-type: none"> Reduce energy consumption (kWh) Reduce water consumption (m³)
9	Anti-Corruption	<ul style="list-style-type: none"> Number of corruption cases 	<ul style="list-style-type: none"> Zero corruption cases

11 ADVANCING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

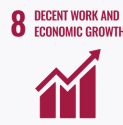
In 2015, All United Nations Member States adopted the 2030 Agenda for Sustainable Development (2030 Agenda). At the core of the 2030 Agenda are the Sustainable Development Goals (SDGs), a set of 17 universal goals meant to -

- end poverty and fight inequality;
- grow a strong inclusive and transformative economy;
- promote safe and peaceful societies, and strong institutions;
- catalyse global solidarity for sustainable development;
- protect our ecosystems for all societies and our children; and
- ensure healthy lives, knowledge and the inclusion of women and children.

We recognise that all companies can contribute to the SDGs. As the SDGs are deeply interconnected, progress in one can lead to improvements in the others. Our sustainability efforts have a greater impact on some of the SDGs as shown below:

Our Material ESG Factor	Supporting SDGs	Our Efforts
Customer Satisfaction	 <p>Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>We emphasise customer service excellence for our frontline service employees because customer satisfaction has a significant effect on outlet revenue. The revenue contributes to economic growth for the organisation opening up more opportunities for innovation, technological upgrading and better jobs.</p>
Food Safety, Hygiene and Quality	 <p>Goal 3: Ensure healthy lives and promote well-being for all at all ages</p>  <p>Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p>	<p>We have introduced healthier food offerings such as vitamin-E enriched sushi rice and wholegrain options, to help consumers make healthier and more informed food choices.</p> <p>We have systems in place to prevent and eliminate food safety hazards in our kitchens as well as supply chain to ensure food safety and quality food for consumers.</p> <p>We import chilled salmon from sustainable sources that help to safeguard the environment and marine resources.</p>
Training and Education	 <p>Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>Our employees become more productive through training and refreshers on our standard operating procedures and good practices. We also train our employees to adapt to digitalisation at our outlets.</p>
Workplace Equality, Diversity and Inclusivity	 <p>Goal 10: Reduce inequality within and among countries</p>	<p>We abide by fair employment practices. Age, gender, nationality or religion do not factor in evaluation of job applications that we receive.</p>

Recruitment and Retention



Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

We offer competitive benefits and remuneration to our employees.

Occupational Health and Safety



Goal 3: Ensure healthy lives and promote well-being for all at all ages

We ensure that workplace conditions are safe for our employees through safety training and checks.



Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

Local Communities Engagement / Corporate Social Responsibility



Goal 17: Strengthen the means of implementation and revitalize the Global Partnership for Sustainable Development

Our corporate social responsibility initiatives like Sakae Foundation and Sakae Care provide support in-kind to disadvantaged members of our community through collaborations with charities and welfare organisations.

Energy and Water Conservation



Goal 8: Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all

We constantly innovate to become more efficient in order to attain sustainable energy consumption and food production.



Goal 12: Ensure sustainable consumption and production patterns

We implement energy and water conservation measures to reduce our energy and water consumption. The measures include the use of energy efficient machinery in our kitchens and good manufacturing practices to reduce energy wastage.



Goal 13: Take urgent action to combat climate change and its impacts

The photovoltaic system atop our building provides clean and renewable energy to supplement purchased electricity to meet our energy consumption requirements thereby reducing the amount we spend on purchased electricity and reducing our carbon footprint at the same time, thus mitigating the negative impact on the environment

By curbing our consumption of fossil fuels, we reduce the impact on climate change caused by our emissions.

Anti-Corruption



Goal 16: Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels

Employees are briefed on our Code of Conduct which has a zero-tolerance policy towards corruption. We also have mechanisms in place to detect and deter corruption.

Statement of use

Sakae Holdings Ltd. has reported in accordance with the GRI Standards for the period 1 July 2022 to 30 June 2023

GRI 1 used

GRI 1: Foundation 2021

Applicable GRI Sector Standard(s)

None

GRI STANDARD	DISCLOSURE	REFERENCE	PAGE	
GRI 102: GENERAL DISCLOSURES				
GRI 1 used:	GRI 1: Foundation 2021			
GR2: General Disclosures 2021	2-1	Organisational details	Annual Report 2023- Corporate, Profile, Brands	4-13
	2-2	Entities included in the organisation's sustainability reporting	Reporting Period and Scope Annual Report 2023 - Corporate Structure	5 4
	2-3	Reporting Period, frequency and contact point	Reporting Period and Scope Annual Report 2023 - Corporate Information	5 -
	2-4	Restatements of information	Not Applicable	-
	2-5	External assurance	Reporting Framework	5
	2-6	Activities, value chain and other business relationships	Annual Report 2023 - Corporate Structure and Global Presence	4-13
	2-7	Employees	Material Factors: Workplace Equality, Diversity and Inclusivity	17
	2-8	Workers who are not employees	-	-
	2-9	Governance structure and composition	Annual Report 2023	14-16
	2-10	Nomination and selection of the highest governance body	Annual Report 2023 - Corporate Governance Report	27-30
	2-11	Chair of the highest governance body	Annual Report 2023 - Corporate Governance Report	27-30
	2-12	Role of the highest governance body in overseeing the management of impacts	Policies, Practices and Performance Reporting	8
	2-13	Delegation of responsibility for managing impacts	Policies, Practices and Performance Reporting	8

GRI STANDARD	DISCLOSURE	REFERENCE	PAGE	
GRI 2: General Disclosures 2021	2-14	Role of the highest governance body in sustainability reporting	Policies, Practices and Performance Reporting	8
	2-15	Conflicts of interest	Annual Report 2023 - Corporate Governance Report	19
	2-16	Communication of critical concerns	Policies, Practices and Performance Reporting	8
	2-17	Collective knowledge of the highest governance body	Annual Report 2023	14-15
	2-18	Evaluation of the performance of the highest governance body	Annual Report 2023 - Corporate Governance Report	31
	2-19	Remuneration policies	Annual Report 2023 - Corporate Governance Report	32-35
	2-20	Process to determine remuneration	Annual Report 2023 - Corporate Governance Report	32-35
	2-21	Annual total compensation ratio	Information is not provided due to confidentiality	-
	2-22	Statement on sustainable development strategy	Board's Statement	3
	2-23	Policy commitments	Anti - Corruption	25
	2-24	Embedding Policy commitments	Anti - Corruption	25
	2-25	Processes to remediate negative impacts	Anti - Corruption	25
	2-26	Mechanisms for seeking advice and raising concerns	Anti - Corruption	25
	2-27	Compliance with laws and regulations	Anti - Corruption	25
	2-28	Membership associations	Singapore Business Federation, Singapore Manufacturing Federation, Singapore National Employers Federation	-
	2-29	Approach to stakeholder engagement	Shareholder's Engagement	6-7
2-30	Collective bargaining agreements	None of the Group's employees are covered under any collective bargaining agreements	-	

GRI STANDARD	DISCLOSURE	REFERENCE	PAGE	
GRI 102: GENERAL DISCLOSURES				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality Assessment	9
	3-2	List of material topics	Materiality Assessment	10-11
	3-3	Management of material topics	Shareholder's Engagement Materiality Assessment	6-7 9-11
TOPIC-SPECIFIC STANDARDS				
GRI 205 Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	Anti - Corruption	25
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Energy and Water Consumption	23-24
	302-3	Energy intensity	Energy and Water Consumption	23-24
	302-4	Reduction of energy consumption	Energy and Water Consumption	23-24
GRI 303: Water and Effluents 2018	303-5	Water consumption	Energy and Water Consumption	23-24
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Recruitment and Retention	18
GRI 403: Occupational Health and Safety 2018	403-9	Work-related injuries	Occupational Health and Safety	19-20
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Workplace Equality, Diversity and Inclusivity	17
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments and development programs	Local Communities Engagement/ Corporate Social Responsibility	21-22
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Food Safety, Hygiene and Quality	14-15



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