



SUSTAINABILITY REPORT 2023



Optimising Resources For **Sustainable Returns**

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Corporate Profile

Kimly Limited (the “Company” or “Kimly”, and together with its subsidiaries, the “Group”) is one of the largest traditional coffee shop operators in Singapore with more than 30 years of experience.

The Group operates and manages an extensive network of 85 food outlets, 173 food stalls, 10 Tonkichi and Tenderfresh restaurants and 4 Tenderfresh kiosks across the heartlands of Singapore. It operates its own central kitchen that supplies sauces, marinades and semi-finished food products to its food stalls, which enables better control over business processes and generates cost savings. Tenderfresh Group’s central kitchen also engages in manufacturing, processing and sale of food products to customers.

Its Food Retail Division – comprising Mixed Vegetable Rice, Teochew Porridge, Dim Sum, Seafood “Zi Char”, Japanese Food, Western Food which operates within the Group’s coffeeshops, third parties’ coffeeshops, food courts, F&B kiosks and full-service restaurants. These food products are also available for online ordering through multiple delivery platforms.

Kimly was listed on the Catalist of the Singapore Exchange Securities Trading Limited (“SGX-TL”) on 20 March 2017.

Board's **Statement**

FY2023 was a year of moving forward for Kimly. The COVID-19 Vaccination Differentiated Safe Management Measures (“VDS”) were fully lifted in October 2022, marking an important milestone in Singapore’s transition back to normalcy after the long-drawn pandemic crisis.

The Food and Beverage (“F&B”) sector faced chronic operating challenges such as inflationary pressures, escalation of input costs and a shortage of manpower. The Group responded to the external challenges by rationalising our manpower and redeploying the workers from the underperforming food stalls that we have ceased operations to newly opened food stalls, in line with our long-term mission of providing varied, nutritious and value-for-money meals to a wide segment of customers.

FY2023 demonstrated the importance of understanding how the Group’s operations can be affected by wider societal issues and trends, and that we needed to act quickly and nimbly so that the business would continue to thrive and create value for all stakeholders. The sustainability mindset extends beyond Singapore in that this year’s Sustainability Report (“SR2023”) identifies how the Group can contribute to specific United Nations Sustainable Development Goals (“SDGs”) in a meaningful way.

Our Group views organisational sustainability as a long-haul journey in which our policies and processes evolve and take guidance from new standards, compliance requirements and market practices. The Board regularly reviews the sustainability framework to ensure that we identify the relevant material economic, environmental, social and governance factors facing our business, track these material factors on an ongoing basis, and manage them effectively.

On the economic front, the Group achieved net profit attributable to the shareholders of the Company, excluding the S\$2.5 million gain on disposal of the Confectionary Business, of S\$34.0 million for FY2023. This was comparable to the performance for FY2022 and in line with the long-term corporate objective of financial sustainability.

On the environmental front, we kept a watchful eye on full compliance with relevant laws and regulations, as well as optimised use of electricity, natural gas and other resources. We have started to track and report Scope 1 direct and Scope 2 indirect emissions from SR2023 onwards.

On the social front, we continued a holistic approach to taking care of our workforce in terms of competitive compensation, comprehensive benefits, financial incentives, and training and development opportunities. Under the Performance Incentive Scheme, our business units rewarded an average of 989 good performers every month with cash and voucher incentives. In addition, the Performance Share Plan (“PSP”) was extended to all business units in FY2023. We also supported various charitable causes and groups as a responsible corporate citizen.

On the governance front, we embarked on identifying the climate-related risks and opportunities and adopting a phased approach for climate-related disclosures in line with the Singapore Exchange (“SGX”)’s reporting requirements and the Financial Stability Board’s Task Force on Climate-Related Financial Disclosures (“TCFD”) recommendations.



Going forward, organisational sustainability will continue to play a critical role in helping the Group manage risks and build resilience in an increasingly volatile world. The Board would like to express our heartfelt appreciation to all our staff, customers, partners and other stakeholders for their ongoing contributions and support. With a collaborative, responsible and long-term mindset, the Group remains committed to providing positive benefits and building a sustainable future for all our stakeholders and the wider society.

Going forward, organisational sustainability will continue to play a critical role in helping the Group manage risks and build resilience in an increasingly volatile world.






Sustainability **Performance**

The table below summarises our FY2022 and FY2023 performance on key sustainability indicators and the targets for FY2024. Our FY2023 sustainability performance had largely met targets and maintained or improved on the past year's performance – such as for gender and age diversity of the workforce, training provided, work injuries, energy and water usage, and community contributions. The short-term annual targets would be supplemented by medium and long-term targets for specific material factors where relevant and practical, as highlighted in the rest of this report.

Indicators	FY2022 Performance	FY2023 Performance	FY2024 Targets
Sustainable, Committed and Competent Workforce 	<ul style="list-style-type: none"> 2,619 employees (including part-timers, as of 30 September 2022) 	<ul style="list-style-type: none"> 2,603 employees (including part-timers, as of 30 September 2023) 	<ul style="list-style-type: none"> Sustain the gender and age diversity of the workforce
	<ul style="list-style-type: none"> Gender ratio of 49% female to 51% male 	<ul style="list-style-type: none"> Gender ratio of 48% female to 52% male 	
	<ul style="list-style-type: none"> 50% of the workforce were aged 50 and above 	<ul style="list-style-type: none"> 50% of the workforce were aged 50 and above 	
	<ul style="list-style-type: none"> 4,091 hours of training for staff in various functional roles 	<ul style="list-style-type: none"> 6,280 hours of training for staff in various functional roles 	<ul style="list-style-type: none"> Provide timely and effective training
	<ul style="list-style-type: none"> 246 employees (9.4% of staff strength) were promoted 	<ul style="list-style-type: none"> 220 employees (8.5% of staff strength) were promoted 	<ul style="list-style-type: none"> Promote staff who are ready for additional responsibilities
Food Health and Safety 	<ul style="list-style-type: none"> Zero food safety and contamination incidents at food outlets 	<ul style="list-style-type: none"> Zero food safety and contamination incidents at food outlets 	<ul style="list-style-type: none"> Maintain zero food safety and contamination incidents at food outlets
	<ul style="list-style-type: none"> 35 recorded offences arising from onsite inspections at our food establishments 	<ul style="list-style-type: none"> 53 recorded offences arising from onsite inspections at our food establishments 	<ul style="list-style-type: none"> Strengthen our internal hygiene, cleanliness and housekeeping policies and procedures to minimise such offences
	<ul style="list-style-type: none"> 27 incidents of work injuries that resulted in work injury insurance claims 	<ul style="list-style-type: none"> 23 incidents of work injuries that resulted in work injury insurance claims 	<ul style="list-style-type: none"> Reduce the risk of workplace safety incidents and maintain zero incidents of workplace fatalities

Sustainability Performance

Indicators	FY2022 Performance	FY2023 Performance	FY2024 Targets
Customer Satisfaction 	<ul style="list-style-type: none"> Active monitoring of customer feedback. There were no serious complaints that warranted immediate handling and escalation 4 customer-related safety incidents at our outlets 1,288,894 Meta accounts reached with 5,424,116 impressions via ads 	<ul style="list-style-type: none"> Active monitoring of customer feedback. There were no serious complaints that warranted immediate handling and escalation 5 customer-related safety incidents at our outlets 1,665,401 Meta accounts reached with 7,277,669 impressions via ads 	<ul style="list-style-type: none"> Achieve a positive trend in feedback on product quality, service and cleanliness Minimise customer-related safety incidents at our outlets Improve our social media engagement performance
Minimising Environmental Impact 	<ul style="list-style-type: none"> Zero incidence of environmental non-compliance 23,832,292 kWh of energy was consumed on a group-wide level with energy intensity of 0.075 kWh per S\$ of revenue 1,099,170 m³ of water was used on a group-wide basis with usage intensity of 0.003 m³ per S\$ of revenue Only Scope 2 emissions were tracked at 9,669 tonnes CO₂ with emission intensity of 0.030 kgCO₂ per S\$ of revenue 	<ul style="list-style-type: none"> Zero incidence of environmental non-compliance 23,891,585 kWh of energy was consumed on a group-wide level with energy intensity of 0.076 kWh per S\$ of revenue 1,084,752 m³ of water was used on a group-wide basis with usage intensity of 0.003 m³ per S\$ of revenue Total Scope 1 and Scope 2 emissions of 16,845 tonnes CO₂ with emission intensity of 0.054 kgCO₂ per S\$ of revenue 	<ul style="list-style-type: none"> Maintain zero incidence of environmental non-compliance Improve energy usage and intensity Improve water usage and intensity Track and mitigate overall emissions and emission intensity
Supporting the Local Community 	<ul style="list-style-type: none"> Regular promotions and bundled pricing to provide affordable meals to the community S\$38,800 in donations to social and charitable programmes 	<ul style="list-style-type: none"> Regular promotions and bundled pricing to provide affordable meals to the community S\$165,800 in donations to social and charitable programmes 	<ul style="list-style-type: none"> Ensure that our prices remain affordable and competitive Continue to support worthy community organisations and causes

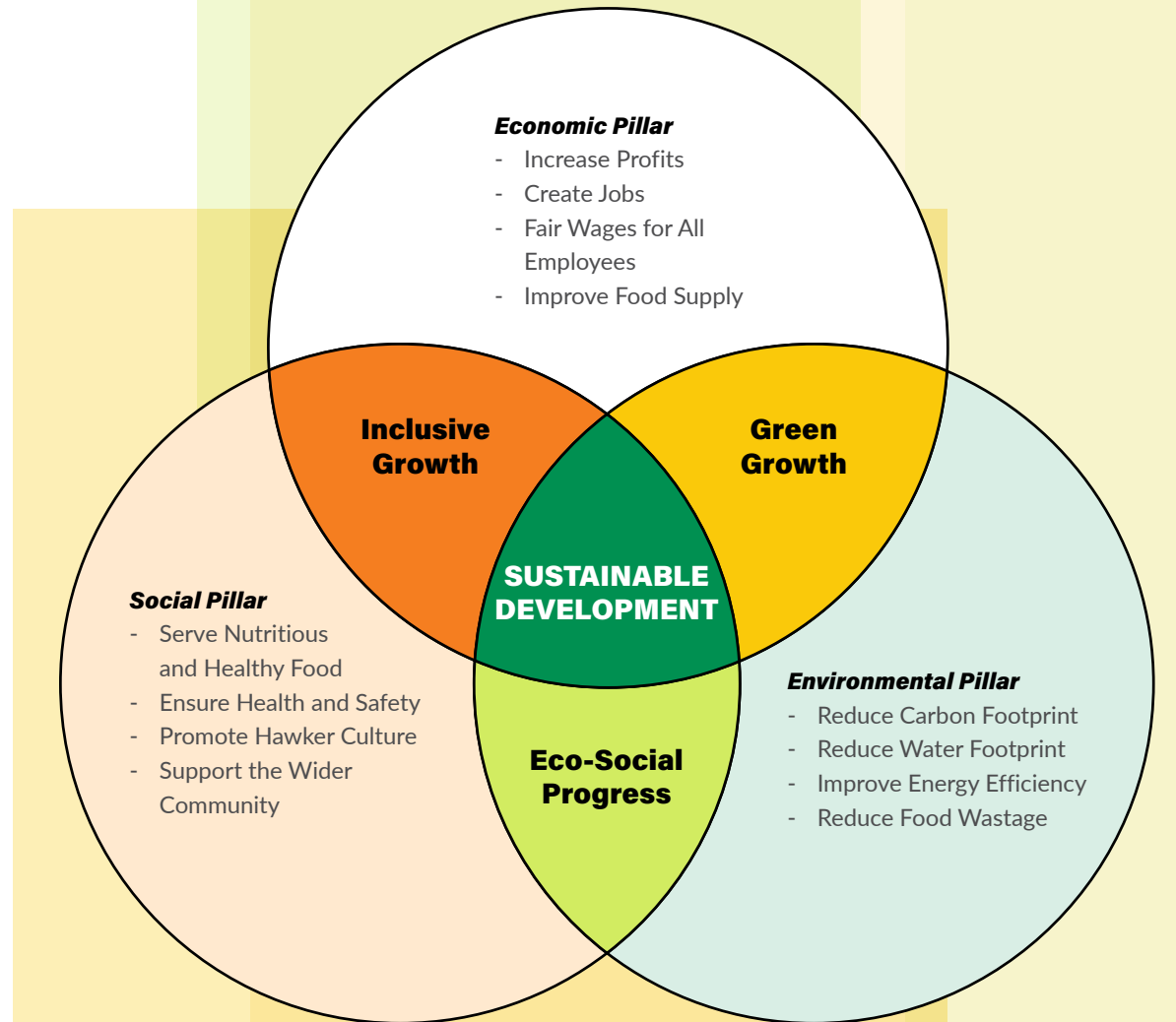
Kimly's Sustainability Strategy

Sustainability Philosophy in Food Service

Our sustainability philosophy is anchored by Economic, Social and Environmental pillars. We adopt a double materiality perspective in our value chain such that for every stage of the production and service processes, we consider how our business is impacted financially by external factors and in turn, how we can create economic value, provide broad-based benefits to the community and minimise the environmental impact.

In navigating the extended challenges posed by the COVID-19 pandemic crisis, Kimly has seamlessly adapted to the ever-changing preferences of consumers. We have introduced a brand-new concept stall, "Lion City Dim Sum," specifically designed to cater to both tourists and locals. Additionally, we have innovatively unveiled a unique pizza option that allows consumers to freely mix and match any two flavors on a single pizza.

According to the Ministry of Trade and Industry ("MTI")'s Economic Survey of Singapore 2022, with the progressive easing of COVID-19 dining restrictions, the share of online spending had fallen to 20% of overall food and beverage ("F&B") spending in 2022. While the initial surge has tapered off post-pandemic, consumers have grown accustomed to the convenience of online ordering. Leveraging on this trend, we continued with our investments in e-commerce platform. Our e-commerce platforms have been progressively rolled out across Kimly Dim Sum, Kimly Seafood "Zi Char" and Tenderfresh Group since October 2022. This strategic move aims to offer our consumers enhanced purchasing convenience and diversify our revenue streams.



Sustainability **Governance**

Economic Pillar

We aim to be financially sustainable over the long term so that we have resources and reserves to invest for the future and prepare for rainy days. The Group registered a net profit attributable to the shareholders of the Company, excluding the S\$2.5 million gain on disposal of the Confectionary Business, of S\$34.0 million for FY2023, extending our consistently positive financial performance since FY2016. We had a strong FY2023 Balance Sheet of S\$333.8 million total assets versus S\$151.3 million total liabilities, which reflects our ability to run our operations efficiently and expand our revenue streams and network of food outlets through organic growth, joint ventures, and suitable mergers and acquisitions.

Beyond doing well for our shareholders, we generate economic value-add and contribute to societal well-being. As the Singapore economy reopened fully in FY2023 and despite the uncertain business climate, we provided steady employment for 2,603 full-time and part-time employees on our payroll.



Social Pillar

Kimly Group started as a single coffee shop in 1990. One main driver for our growth and success has been the relentless focus on understanding our customers' preferences and satisfying their needs. For more than three decades, our mission has remained constant in serving nutritious, tasty and affordable meals throughout Singapore, providing a safe and conducive environment for our employees and customers, engaging the grassroots organisations and residents to ensure that Singapore's hawker culture continues to thrive, and doing our part in charitable giving and supporting those in need.

The Group opened its fifth Halal coffeeshop, Kedai Kopi at Block 376 Bukit Batok in September 2023. This Kedai Kopi, together with the adjacent Kimly coffeeshop, is the Group's flagship outlet as it is the largest non-air-conditioned coffeeshop in Singapore, which serves both Halal and non-Halal food varieties and accommodates over 420 guests.

Four of our existing coffeeshops were refurbished and revitalised as part of our Outlet Revitalisation Program in FY2023 to improve customers' dining experience and hygiene standards. The coffeeshops' lettable areas were increased to accommodate new food stalls and food products, and create a dynamic and vibrant atmosphere.

Environmental Pillar

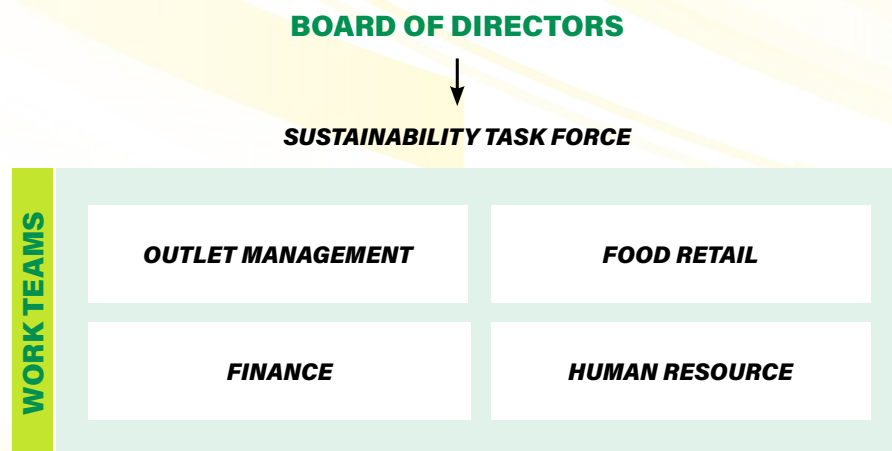
We closely monitor the use of resources such as food ingredients, water, electricity, natural gas and fuel consumption. This makes good business sense in optimising our operating expenses, and reducing our ecological footprint and amount of waste generated. We have started to track and report greenhouse gas ("GHG") emissions in FY2023 onwards, in line with the SGX's reporting requirements and to support Singapore's efforts to fight climate change. We continually look at innovation and implementing new technologies in various aspects of our business that can improve efficiency and customer experience.

Sustainability **Governance**

Oversight and Structure

Kimly's Board of Directors provides oversight for our sustainability strategy and implementation. The Board has considered sustainability issues in the Group's business and strategy, determined the material sustainability factors, and overseen the management, monitoring and reporting of the material sustainability factors. The Board provides ongoing guidance to Management on effective implementation, prioritisation and monitoring of the relevant sustainability-related programmes and indicators. Furthermore, Board Members have regular interactions with staff, customers and partners so that they have a direct feel of ground sentiments and changing market conditions. All Directors have attended sustainability training.

The Director of Operations, Outlet Management Division chairs the Group-wide Sustainability Task Force, which reports its progress and any critical concerns to the Board of Directors regularly. The Task Force comprises management personnel and representatives from the key functional units, and is responsible for implementing sustainability plans, coordinating the specific initiatives and monitoring the sustainability performance.



Risk Management and Socioeconomic Compliance

Risk management is a critical pillar of good corporate governance. The Board, with the assistance of the Audit Committee ("AC"), is responsible for the overall risk governance, risk management and internal control systems and framework of the Group. The Board has in place a system of internal controls within the Group to safeguard shareholders' interests and the Group's assets, and to manage risks.

The Group has established and implemented a risk management framework for the identification, assessment, monitoring and reporting of significant risks. The Board oversees the Management in the formulation, update and maintenance of an adequate and effective risk management framework. The AC reviews the adequacy and effectiveness of the risk management and internal control systems, including financial, operational, compliance and information technology controls, on an annual basis.

The Group maintains a risk register which identifies the material risks faced by the Group and the internal controls in place to manage or mitigate those risks. The risk register is updated by the business heads in the Group and the AC reviews the risk register on an annual basis. The Internal Audit Unit takes into consideration the risks identified and assessed in the risk register and prepares the audit plan for the ensuing financial year. In line with SGX's latest requirements, the sustainability reporting process is subject to internal review by the Internal Audit Unit. The audit plan is approved by the AC. The Internal Audit function reports all audit findings and recommendations to the AC annually and follows up on all recommendations to ensure timely remediation of audit issues.

Sustainability-related risks, including climate-related risks, are part of the overall risk universe covered in the risk management framework and processes. An external consultant was engaged in FY2023 to help identify the climate-related risks and opportunities.

The Group complies strictly with all applicable national and local laws and regulations, including those related to labour and employment, child labour, non-discrimination, occupational health and safety, and the environment. Furthermore, the Group does not procure or use any prohibited chemicals or ingredients.

Sustainability **Governance**

Anti-Corruption

Kimly's corporate policy is to have zero tolerance for any form of corrupt behaviour or practices, in line with our operating principles of integrity, responsibility and accountability, as well as full compliance with all anti-corruption laws and regulations.

Our Employee Code of Conduct provides clear guidelines for all staff's adherence in their dealings with customers, business partners and other colleagues. Our stand against corruption and bribery is also clearly communicated to all our business partners and suppliers before and during their dealings with our Group.

The Group has put in place whistle-blowing procedures by which employees may report and raise any concerns on possible wrongdoing in good faith and in confidence. All concerns can be reported directly to the AC, which will assess whether action or review is required.

In FY2023, there were no reported cases of corruption.

Reporting Scope

This report covers the Group's operations in Singapore – namely Outlet Management, Food Retail and Outlet Investment Business – for the period from 1 October 2022 to 30 September 2023 ("FY2023"). Data from the previous financial year (i.e. FY2022) has been included where appropriate for meaningful comparisons.

This report has adopted the Global Reporting Initiative ("GRI") Reporting Standards as the GRI is globally recognised and it allows Kimly to identify and report topics relevant to our industry and context. This report has been prepared in accordance with the latest GRI Universal Standards as well as with Rule 711B and Practice Note 7F of the Singapore Exchange Securities Trading Limited ("SGX-ST") Section B: Rules of Catalyst ("Catalist Rules").

The report covers all six primary components of report content as set out in Practice Note 7F. The report components are mapped against specific sections in this report:

Primary Component	Section Reference in this Report
1. Material ESG Factors	<ul style="list-style-type: none">• Materiality Assessment• Sustainable, Committed and Competent Workforce• Food Health and Safety• Customer Satisfaction• Pioneering Innovation• Minimising Environmental Impact• Supplier Social Management• Supporting the Local Community
2. Climate-related Disclosures	<ul style="list-style-type: none">• Climate-related Risks and Opportunities
3. Policies, Practices and Performance	<ul style="list-style-type: none">• Kimly's Sustainability Strategy• Sustainability Governance
4. Targets	<ul style="list-style-type: none">• Sustainability Performance
5. Sustainability Reporting Framework	<ul style="list-style-type: none">• Reporting Scope
6. Board Statement	<ul style="list-style-type: none">• Board's Statement

Kimly had not sought external assurance for this year's report. We welcome feedback on our sustainability reporting. Comments and enquiries can be emailed to: marcomm@kimlygroup.sg.

Stakeholder Engagement and **Materiality Assessment**

Stakeholder Engagement

Stakeholder engagement and responding to their feedback and needs are ongoing priorities. The stakeholders' feedback and suggestions help Kimly to adjust our business strategy and operate in a transparent and accountable manner. The following table summarises our key stakeholders, engagement platforms and areas of concern in FY2023.

Stakeholders	Engagement Platforms	Areas of Concern	Section Reference in this Report
Employees	<ul style="list-style-type: none"> Regular dialogues Team bonding events Service appraisal and staff recognition 	<ul style="list-style-type: none"> Remuneration and benefits Training and development Health and safety Career development opportunities Customer relationship management skills Job security and health 	<ul style="list-style-type: none"> Employment Profile and Diversity Employee Benefits Training and Development Occupational Health and Safety
Customers	<ul style="list-style-type: none"> Customer surveys and reviews Advertisements and media campaigns Online channels 	<ul style="list-style-type: none"> Food safety and hygiene Variety of food Customer service and food quality Purchase channels 	<ul style="list-style-type: none"> Food Health and Safety New Products and Services Customer Engagement and Feedback Customer Safety Broadening e-Commerce Channels
Stall holders	<ul style="list-style-type: none"> Daily interactions Regular feedback sessions 	<ul style="list-style-type: none"> Physical environment and maintenance Health and safety Sustaining customer brand loyalty 	<ul style="list-style-type: none"> Food Health and Safety
Suppliers	<ul style="list-style-type: none"> Regular interactions Supplier evaluation Supplier management 	<ul style="list-style-type: none"> Positive supplier relationship management 	<ul style="list-style-type: none"> Food Health and Safety Supplier Selection Suppliers' Employment Practices
Community	<ul style="list-style-type: none"> Corporate social responsibility programmes Sponsorships Corporate donations 	<ul style="list-style-type: none"> Community engagement services Supporting the community economically 	<ul style="list-style-type: none"> Providing Affordable Meals for All Paying It Forward Creating Employment Opportunities
Government and Regulators	<ul style="list-style-type: none"> Industry seminars and feedback sessions Focus group discussions 	<ul style="list-style-type: none"> Food safety compliance Economic performance 	<ul style="list-style-type: none"> Food Health and Safety Risk Management and Socioeconomic Compliance Minimising Environmental Impact

Stakeholder Engagement and **Materiality Assessment**

Stakeholders	Engagement Platforms	Areas of Concern	Section Reference in this Report
Shareholders and Investors	<ul style="list-style-type: none"> • SGX announcements • Annual reports • Half-yearly reports and updates • Annual General Meetings 	<ul style="list-style-type: none"> • Economic performance • Anti-corruption policy • Business performance plans • Capital management strategy • Response to climate change 	<ul style="list-style-type: none"> • Risk Management and Socioeconomic Compliance • Pioneering Innovation • Climate-related Risks and Opportunities

Materiality Assessment

The Group takes the view that sustainable growth is contingent on meeting and exceeding the expectations of our key stakeholders. We adopt the double materiality approach by examining how sustainability factors could impact value creation for the benefit of shareholders as well as how our operations could have broader impacts for the benefit of multiple stakeholders.

We adopt an annual process for reviewing the material factors:

- We use our Sustainable Food Value Chain as a starting point to identify specific economic, social and environmental issues.
- We take into consideration our stakeholders' current concerns and feedback.
- We review external developments and trends, such as inflationary pressures that affect our business costs and consumers' preferences in FY2023.
- The Management identifies and shortlists the material factors for the Board's inputs and approval.

For FY2023, the Group decided to retain the same material factors from FY2022 as these factors continued to be relevant in supporting our sustainability and corporate strategies. The material factors are as follows:

- Sustainable, Committed and Competent Workforce
- Food Health and Safety
- Customer Satisfaction
- Pioneering Innovation
- Minimising Environmental Impact
- Supplier Social Management
- Supporting the Local Community



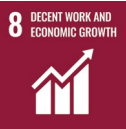


A new "Climate-related Risks and Opportunities" section has been included in the "Minimising Environmental Impact" material factor.



Stakeholder Engagement and **Materiality Assessment**

Alignment with the United Nations Sustainable Development Goals

At Kimly, we are committed to aligning our business practices with the United Nations Sustainable Development Goals (“SDGs”) and making the world a better place in terms of economic prosperity, good health, workforce equality and environmental protection. We have identified five SDGs that are aligned with our core business as a provider of affordable and accessible meals and where we can make positive contributions to the community’s well-being.

SDGs	Alignment with Kimly’s Material Factors	Our Contributions
 3 GOOD HEALTH AND WELL-BEING	Ensure healthy lives and promote well-being for all at all ages <ul style="list-style-type: none"> Sustainable, Committed and Competent Workforce Food Health and Safety Customer Satisfaction 	<ul style="list-style-type: none"> We provide a safe working environment for our employees and encourage them to stay healthy We focus on food safety and hygiene Through our commitment to providing affordable nutritious meals, we support good health and well-being for our customers
 5 GENDER EQUALITY	Achieve gender equality and empower all women and girls <ul style="list-style-type: none"> Sustainable, Committed and Competent Workforce 	<ul style="list-style-type: none"> Kimly is committed to gender equality with females comprising 48% of our workforce in FY2023 We promote equal opportunities, support career development, and create an inclusive environment to advance the goal of gender equality
 8 DECENT WORK AND ECONOMIC GROWTH	Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all <ul style="list-style-type: none"> Sustainable, Committed and Competent Workforce Pioneering Innovation Supplier Social Management Supporting the Local Community 	<ul style="list-style-type: none"> We adhere to fair and progressive labour regulations and practices to attract, retain and reward our employees We encourage innovation in the workplace to raise productivity We support the growth of small and medium enterprises (“SMEs”) that are in our network of suppliers and partners Our outlets across Singapore generate steady employment for a cross-section of local residents
 10 REDUCED INEQUALITIES	Reduce inequality within and among countries <ul style="list-style-type: none"> Sustainable, Committed and Competent Workforce 	<ul style="list-style-type: none"> Kimly actively promotes diversity and inclusivity within our workforce We have a group-wide Non-Discrimination Policy We provide equal training and development opportunities, and adopt a transparent and merit-based system to recognise and reward all employees regardless of their age, gender, ethnicity or country of origin
 12 RESPONSIBLE CONSUMPTION AND PRODUCTION	Ensure sustainable consumption and production patterns <ul style="list-style-type: none"> Minimising Environmental Impact 	<ul style="list-style-type: none"> Kimly is actively reducing food waste and adopting eco-friendly packaging options to reduce downstream waste and pollution We focus on the sustainable management and efficient use of natural resources throughout our operations

Sustainable, Committed and **Competent Workforce**

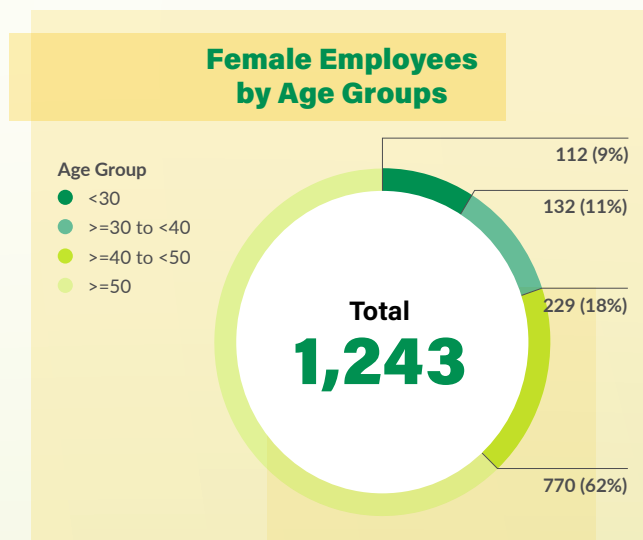
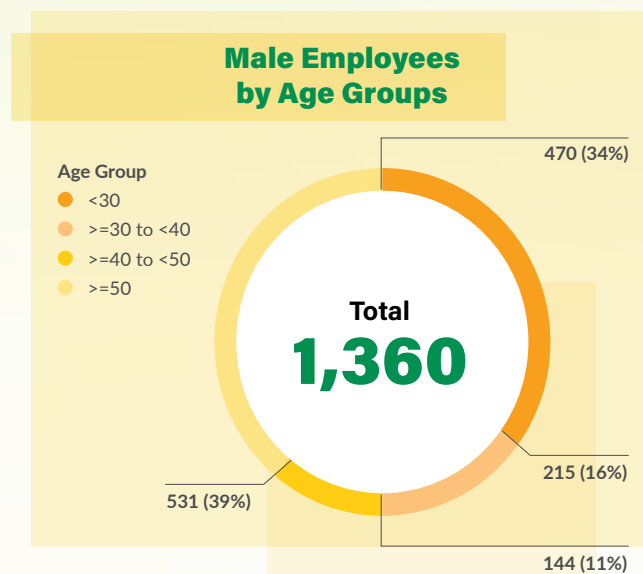
As a business in the service sector, we need good people at all levels to manage and run the various aspects of our round-the-clock operations in Singapore at the corporate headquarters, central kitchens and island-wide food outlets. We adopt a comprehensive approach towards recruiting, motivating, rewarding and retaining a diverse workforce in terms of gender, age, nationality, skills and educational qualifications.

Employment Profile and Diversity

As of 30 September 2023, Kimly had a total of 2,603 employees inclusive of part-timers, a decrease of 0.6% as compared to 2,619 employees a year ago. We do not have any employees represented by an in-house or industry union. In FY2023, we outsourced 27 manpower positions and ensured that clear and comprehensive agreements were in place with the service providers, the outsourcing complied with labour laws and regulations, regular checks were conducted on ongoing compliance and performance, a feedback mechanism was established for the outsourced workers, and there were proactive engagements with the service providers to identify areas for improvement and implement corrective actions when necessary.

The gender ratio was 48% female to 52% male in FY2023, compared to 49% female to 51% male in FY2022. 50% of our workforce were 50 and above years of age, similar to the previous year. We value our mature workers as they are experienced, reliable and able to mentor their younger peers.

A breakdown of our workforce by gender and age groups in FY2023 is shown in the charts below.



Kimly is an equal opportunity employer and treats all staff fairly regardless of age, race or gender. We have a group-wide Non-Discrimination Policy, and any staff that feels unfairly treated can approach our Human Resources Department for assistance. In FY2023, we did not receive any staff complaints about discriminatory practices in the workplace.

We have a transparent system to recognise and reward all employees based on demonstrated performance, competence and experience whereby their performance and incentives are connected and contributing to the overall performance of the Group. Staff remuneration is determined based on employees' performance, roles and responsibilities, as well as the Group's financial performance.

As annual remuneration levels for different categories of employees are driven by the value of the jobs, the Group's performance and market conditions, we do not track the annual total compensation ratio between the organisation's senior management and the median compensation for all employees. Such a ratio may not be a meaningful gauge of whether our employees are remunerated fairly and well taken care of. Instead, the Group has made every effort to ensure that all of our employees, including and especially lower-income employees, are paid in accordance with the Ministry of Manpower ("MOM")'s guidelines and programmes for fair and sustainable real wage increases such as the Progressive Wage Model and Local Qualifying Salary scheme.

We conduct annual appraisals for employees using measurable factors and qualitative criteria such as team spirit, interpersonal skills and creativity. 1,937 staff (74.4%) went through a performance appraisal in FY2023.

Sustainable, Committed and **Competent Workforce**

Employee Benefits

The Group provides comprehensive and attractive employee benefits based on statutory requirements and industry norms. This includes medical insurance, annual and parental leave, as well as monthly transport and meal allowances for eligible employees. Our employee benefits help us to attract and retain good people, and position Kimly as a caring employer with a family-centric corporate culture.

In FY2023, 364 staff were awarded the School Textbook subsidy, totalling S\$78,412. Each staff would receive a subsidy amounting to S\$208 or S\$308, depending on the eligibility criteria, to defray their children's education expenses. Additionally, 65 staff reaching their 5th, 10th, 15th and 20th year of service with the Group were recognised with cash awards from S\$500 to S\$1,500 or gold pendants worth more than S\$2,000, depending on their length of service.



The Group has a Performance Incentive Scheme in which business units can reward high-performing staff with cash and voucher incentives on a monthly or quarterly basis. A monthly average of 989 staff qualified for the award in FY2023 with total cash and vouchers distributed of S\$1,197,868 and S\$306,145 respectively.

The Company first adopted the Kimly PSP on 15 February 2017. The objective is to share the Group's success with more of our employees and strengthen the link between performance and compensation. Since its inception, the Kimly PSP has been progressively expanded to cover more staff working in the different business units. In FY2023, we extended the incentive scheme to employees in all business units with total share awards granted under the Kimly PSP amounting to 2,003,759, compared to 1,384,560 in FY2022.

Training and Development

As a service-based business, Kimly's employees are our most important asset. Given the heterogeneous workforce and operational nature of our business, our people attend relevant functional training and learn on the job to sharpen their skills at work, upgrade their lifelong employability, and build pride and loyalty.

In FY2023, we provided a total of 6,280 hours of training to our employees to develop competencies and boost productivity. Furthermore, corporate training and investing in staff can generate motivation and engagement. An overview of the types of courses delivered in FY2023 is in the table below.

Functional Training	<ul style="list-style-type: none"> • Basic and refresher food hygiene courses • Environmental Control Coordinator ("ECC") training • Finance and IT training • On-the-job training for the in-house Time Management System
Skills Training	<ul style="list-style-type: none"> • Workforce Skills Qualifications ("WSQ") in workplace safety and health • Automation for workplace productivity and creativity • Managing sustainability projects • Leadership development courses
Compliance Training	<ul style="list-style-type: none"> • Enhancing management capabilities in compliance with the Progressive Wage Model

220 employees, 8.5% of the total staff strength of 2,603, were recognised for their good performance and promoted to take on additional responsibilities.

Food Health and **Safety**

As an established food service provider, maintaining high standards in food health and safety remains our topmost priority. The Group is stringent in our food safety standards and practices, and we comply with all applicable food safety regulations, including ensuring that all relevant certifications are current and valid. We strive towards a zero-incident rate by prioritising cleanliness and food hygiene in daily operations. Achieving and maintaining high quality and safety standards along our food value chain is essential in delivering quality cooked food that is nutritious and safe for consumption.

From Farm to Fork

Food health and safety starts with what and how we buy our food ingredients and processes. The procurement process covers the following areas:

- Inventory control
- Storage of goods
- Vendors' feedback
- Receipt of goods
- Products purchased from approved suppliers' list
- Month-end inventory report

For FY2023, the Group procured from approved suppliers that produce, package, store and deliver products in accordance with established manufacturing and handling practices and standards. To ensure the freshness and quality of our food ingredients, we prioritise local suppliers that are licensed by the Singapore Food Agency ("SFA"). Suppliers are expected to provide goods and services that consistently meet our required specifications, especially for product quality and timeliness of product delivery.

To offer our customers healthier food choices, we have consistently procured from suppliers of fresh and quality ingredients. Our main supplier of vegetable oil and rice has participated in the Health Promotion Board ("HPB")'s Healthier Ingredient Development Scheme ("HIDS"). In FY2023, we continued to offer a good variety of non-meat dishes at our Mixed Vegetable Rice stalls so that customers can select balanced meals of less than 500 calories. Health-conscious customers can also request less oil at our Seafood "Zi Char" outlets and as well as hot drinks with less or no sugar at our coffee shops and food courts.

To encourage healthier beverage choices, Kimly coffeeshops sold sugar-free Coke Zero at a promotional price of \$1 per can from August to September 2023. This promotion underscores Kimly's commitment to supporting healthier lifestyles and responding to evolving consumer preferences.



Food Health and **Safety**

Food Storage

The Group implements and updates comprehensive food storage policies to keep our food products fresh and wholesome. Our central kitchen adopts a minimum inventory policy, and most of the semi-finished food products are prepared and sent to our food stalls daily via chilled delivery trucks to maximise freshness of the food products.

Ingredients at our food stalls are kept in chillers and freezers, and the temperatures are monitored daily. Expiry dates on the food and ingredient packaging are checked before use. These measures optimise the storage and use conditions to maintain the freshness of the ingredients.

Food Preparation

Kimly adopts stringent food hygiene practices and guidelines during food preparation. All staff involved in food preparation are required to comply with hygiene policies and practices, while those involved in handling food are required by the SFA to pass the accredited Basic Food Hygiene Course. In FY2023, three employees deployed in the Mixed Vegetable Rice Central Kitchen did not have this Basic Food Hygiene certification due to shortage of manpower. In response, the Group has implemented enhanced tracking and control measures to ensure that such instances of non-compliance are not repeated.

Daily checks are conducted to monitor all food handlers' health and personal hygiene. Food handlers who return from medical leave are checked by the supervisor that their medical symptoms are cleared before they commence work. The food manufacturing division, food delivery vehicles and food storage areas are inspected daily for cleanliness and orderliness.

Each food stall is monitored by Assistant Executive Chefs who ensure that the food products sent from our central kitchens are properly handled according to Standard Operating Procedures ("SOPs").

Outlet Management

Kimly would procedurally inform all third-party food stall operators of the importance of health and safety compliance before leasing a stall to them. This ensures consistent food safety awareness and practices.

We have a quality and compliance assurance team ("QC Team") comprising executive chefs of each food division and headed by the Director of Operations, Outlet Management Division. The QC Team periodically conducts surprise visits at each outlet and food stall. Photographs of non-compliance with regulations are taken with supporting notes recorded by our administration team. Immediate rectification actions have to be taken and these actions are monitored, recorded and verified before closing the case. This ensures food vendors' expeditious compliance with the SOPs for food storage and handling.

In FY2023, there were 53 recorded non-compliance offences arising from SFA's onsite inspections at our food establishments, compared to 35 offences in FY2022. The offences included pest infestation, dirty premises, exhaust odours and unhygienic work practices. Corrective actions were taken promptly for all the offences, which included educating or warning staff on adherence to policies and processes.

Occupational Health and Safety

The Group has comprehensive policies and operating procedures to ensure the safety and health of all employees. These guidelines are reviewed periodically in line with prevailing regulations and best practices.

Safety is a top priority, and we spare no efforts to mitigating workplace and occupational safety risks. The Group provides guidelines to all employees on how to respond to various workplace incidents. Should an employee suffer an injury, she or he will receive immediate medical attention and the incident will be reported to the Executive Director. The head of the department will raise a Corrective Preventive Action Report that details the nature of the incident and mitigating measures to reduce the risk of future recurrence.

Food Health and **Safety**

Safety measures adopted in FY2023, in line with the guidelines issued by the Workplace Safety and Health Council (“WSHC”), included the following:



Provision of replacement attire and gear for our central kitchen staff every six months. Daily checks are conducted at the premises, and key areas such as ventilation, lighting, storage space and kitchen space are inspected.



New employees receive a basic safety briefing during their onboarding process, while regular briefing sessions and meetings are conducted to revisit fundamental safety practices and verify the implementation of safety measures based on our risk assessment.



Workers are strongly encouraged to report any safety risks or concerns they encounter to their immediate supervisor or the designated person in charge.



In addition to general workplace risks, we place special emphasis on reinforcing vehicular safety measures to reduce accidents and incidents.



Our workers are educated on the key learning points from the WSHC's recent WSH Alerts and fatal accidents to further improve their safety awareness.

The Group also launched a comprehensive Workplace Safety and Health Training Programme in FY2023. The Outlets Operations and HR teams attended the training progressively. The training aims to provide employees with the necessary knowledge and skills to improve safety throughout the organisation. These efforts reflect our dedication to fostering a safer workplace and cultivating a culture of safety awareness within our organisation.

Employee Wellness and Workmen's Compensation Insurance

Kimly takes the view that our employees should take personal responsibility for protecting their health and wellness. The Group has a Stay Healthy Award programme whereby we offer dining vouchers valued at S\$208 to each staff who has not taken any medical leave or claimed any medical expenses. In FY2023, we distributed S\$1,890 in vouchers to 9 staff as compared to S\$52,832 vouchers to 254 staff in FY2022. The decrease was due to the conversion of most business units to recognising their staff through the monthly or quarterly Performance Incentive Award in lieu of the Stay Healthy Award programme.

The Group provides workmen's compensation insurance to cover work-related injuries sustained by employees during their working hours. There is also medical insurance for our foreign employees to cover their non-work-related medical treatment outside working hours. In FY2023, 23 incidents of work injuries resulted in claims made against work injury compensation insurance as compared to 27 incidents in FY2022. All the affected staff were cared for and had their medical bills covered either by the Group or the Group's insurance. All cases were resolved insofar as we had thoroughly investigated each incident, reviewed and improved our safety procedures to guard against preventable risks such as slips and trips, and reminded our staff to place safety first.

Customer Satisfaction

At Kimly, customer satisfaction is one of our top priorities as it is the key driver to our growth and success. We are committed to providing our customers with a comfortable, safe and satisfying dining experience, and we continually seek to improve our service standards through their feedback.

New Products and Services

We constantly improve existing products and services and develop new offerings to cater to customers' changing preferences and palates.

In May 2023, Kimly launched a brand-new concept stall, *Lion City Dim Sum* at Lau Pa Sat which serves a wide variety of dim sum favourites at affordable prices. This allows Kimly to expand our presence beyond the heartlands into the heart of Singapore's Central Business District to cater to locals and tourists.



Customer Engagement and Feedback

In FY2023, the Group maintained an active voice through social media channels as part of our marketing and customer engagement efforts. The Kimly Coffeshop's and Tenderfresh Group's pages on Facebook and Instagram collectively had more than 82,600 fans. Our online marketing efforts reached out to 1,665,401 Meta accounts with 7,277,669 impressions.

We regularly receive customer feedback through social media and other channels. Our goal is to achieve a positive trend in customer feedback on product quality, service and cleanliness at all outlets. We actively monitor the feedback, respond to key complaints promptly and take corrective actions where necessary. We take onboard suggestions from customers in our service planning, such as healthier food options and new locations to open our outlets.



Customer Satisfaction

Below are examples of written feedback from our customers in FY2023:

	<p><i>"Your one-dish meal with an egg is tasty. Rice is moist and nice. As a working Mom, I really appreciate your daily soup as well. Keep up the good food and work. Special thanks to your chef(s). Your staff are friendly and always serve me with a smile. Please extend my compliments to them."</i></p>
	<p><i>"I cannot really remember what time I visit here, however, I have been visiting this mixed rice stall often during these years, staff are very efficient, dishes are tasty and have variety of choices, fresh, especially the curry. Today is not my day, but after having dinner at the stall, I become happy. Thank you so much for the effort."</i></p>
	<p><i>"I am usually a happy patron of your drink stall here but today, your female staff whom I have not seen before disappointed me. I find her service to be bad. She was impatient and unprofessional. I know it's a coffee shop after all. I believe her service needs to be reflective of your brand and really, her behaviour left me unwilling to visit the stall again."</i></p> <p><i>Kimly's response: The Group provides training and reminders to our frontline staff to deal with all customers politely. If specific staff are found to have behaved unprofessionally, we will take action, including counselling of the staff.</i></p>
	<p><i>"I am really disappointed that your business requires the customer to purchase drinks (ice tea and coffee) with the hard and wasteful plastics even in dine-in setting at your coffee shop. I cannot fathom the amount of plastic waste your business generates? And what baffles me is why some other drinks can be served in washable cups but not for iced coffee and tea."</i></p> <p><i>Kimly's response: We use plastic beverage containers in outlets where it is not practical to deploy washable beverage containers as well as in view of the manpower constraints, ensuring our products' highest hygiene levels and providing convenience for customers who wants to enjoy their drinks for an extended period of time.</i></p>

Customer Safety

Kimly is committed to providing a safe environment for our customers when they dine at our outlets. We implement preventive and operational measures to ensure the protection of our customers from safety hazards, such as use of non-slip floor tiles in all outlets and placement of warning signs when floors are mopped or are prone to water spillage.

A dedicated maintenance team of general cleaners visits each of our outlets at least once a month to scrub the floors and remove excessive dirt and oil using professional cleaning equipment. Daily checks are conducted to ensure that there is no pest breeding or contamination in food storage, preparation and consumption areas.

In FY2023, there were five customer-related public liability claims due to injuries sustained by our customers, as compared to four incidents in FY2022. All incidents would be thoroughly investigated and settled fairly with the claimants.



Pioneering **Innovation**

In FY2023, the Group continued digitalisation efforts to improve the efficiency of our operations while our new product development capabilities allowed us to create and curate innovative products and menus in response to customers' changing preferences.

Broadening e-Commerce Channels

In FY2023, Kimly continued partnerships with the major food delivery platforms. This amplifies the Group's visibility in the competitive food delivery market and enhances conversion rates by tapping into diverse customer bases. By maintaining a customer-centric presence on these platforms, Kimly ensures that our varied offerings are readily accessible and we can expand our reach beyond traditional dine-in patrons. This concerted effort aligns with consumers' preference for digital convenience and how food delivery has become a mainstream purchase channel.

ORDER KIMLY DIM SUM ONLINE!

ORDER DELIVERY OR SELF-PICK UP

\$5 OFF SELF PICKUP

10% OFF DELIVERY

FREE DELIVERY MIN. SPEND \$120

ORDER NOW

DIM SUM CRAVINGS SATISFIED ALMOST INSTANTLY

ISLANDWIDE DELIVERY

GRABFOOD

FOODPANDA

DELIVEROO

BUY MORE, SAVE MORE, HEAT IT UP AND SAVOUR!

5% OFF \$35 AND ABOVE

10% OFF \$50 AND ABOVE

15% OFF \$150 AND ABOVE

FREE DELIVERY \$120 AND ABOVE

ORDER AND SAVE UP TO 30% OFF ONLINE ONLY

ORDER NOW

TERMS AND CONDITIONS APPLY

Digital Payments and Systems Integration

Since FY2020, we have deployed NETS' Unified Payment terminals across our island-wide network that allows a single terminal to accept different forms of payment such as NETS bank cards, mobile wallets, and debit and credit cards.

The adoption of NETS' system offers multiple benefits such as offering our customers the added convenience of more ways to pay, replacing multiple payment vendors' terminals and freeing up counter-top space, lowering monthly costs, integrated oversight of e-payment transactions, and reducing training time for our frontliners and swiping of cards on the wrong terminals.

E-payment transactions continued to increase in FY2023. As e-payments are efficient, convenient, and green, the Group is keen to introduce more cashless payment options to our customers going forward.



Pioneering Innovation

Product and Menu Innovation



In July 2023, Kimly Dim Sum launched its first bottled Sambal Chilli. Customers can sample the sambal chilli when they dine at our outlets and they can purchase the chilli through various channels such as in-stores, online aggregators and e-commerce platforms.



In September 2023, Kimly Tonkichi introduced a new premium Dingley Dell Pork Rosu Katsu menu option. Sourced from ethically raised pigs in England, the meat delivers superior taste and higher marbling.

Leveraging behavioural and time-based market data, along with qualitative insights from both customers and our front-line staff, the central kitchen team consistently examines and develops customized seasonal limited-time offers, food packages, refreshed menus, and promotional campaigns.



Minimising **Environmental Impact**

The Group regularly monitors the environmental impacts of our various operations and implements measures and policies to minimise energy and water consumption, as well as ensure proper management of effluents and waste.

The Group has adopted a phased approach in reporting climate risk disclosures commencing with this FY2023 Sustainability Report. This includes tracking and reporting Scope 1 and Scope 2 greenhouse gas (“GHG”) emissions.

Environmental Compliance

The Group strictly complies with local environmental laws and regulations. We require our new and existing suppliers to comply strictly with environmental laws and regulations such as for waste disposal, air emissions and pollution.

In FY2023, we adhered strictly to the Singapore Civil Defence Force (“SCDF”) requirements for the cleaning and maintenance of Kitchen Exhaust Ducts in our outlets. We engaged a qualified specialist to do thorough cleaning to reduce fire risk and air pollution. There were no reported cases of environmental non-compliance in the Group and among our suppliers, maintaining our achievement of zero environmental non-compliance since FY2018.

Climate-Related Risks and Opportunities

Kimly started to identify climate-related risks and opportunities relevant to our business in FY2023. Timely identification allows the Group to assess the impact and develop appropriate response measures. The accelerating pace of climate change would expose many facets of our operations to physical risks and transition risks. Physical risks include physical damage from extreme weather events (e.g. water damage to our food establishments from heavy rain and floods), business disruptions and costs/provisions for repairs. Transition risks are business-related risks pursuant to societal and economic shifts toward a low-carbon future. These transition risks include policy and regulatory risks, rising compliance and insurance costs, obsolete infrastructure, technological risks, market risks and reputational risks.



Minimising **Environmental Impact**

Our preliminary identification of the climate-related physical risks, transition risks, opportunities, qualitative impacts and possible actions are articulated in the table below.

Risk Description	Qualitative Impacts	Possible Actions
Physical Risks		
Extreme Heat	Extreme heat and heavy rain may affect customer comfort and turnout, especially for outdoor dining areas. Extreme heat can impact outlet staff's health and wellness as well as equipment reliability	Ensure that outdoor dining areas are well-ventilated and sheltered, and that policies and processes are in place to protect staff and equipment against extreme heat
Air Quality	Haze from increased incidences of forest fires in neighbouring countries can affect the air quality in Singapore, which in turn could impact the dining experience and working environment in our outlets, particularly areas that are not air-conditioned	Deploy additional fans and air purifiers if necessary, and provide protective masks. Be prepared to ramp up food delivery in the event of severe and prolonged haze that affects dining out
Progressive changes in weather patterns	Progressive changes in weather patterns, coupled with recurrent extreme weather events such as droughts, floods and heatwaves can impact food production, crop yields and quality. This can lead to potential shortages and increased prices for key food items, bearing in mind that Singapore imports 90% of its food sources	Diversify our food supply sources and explore the use of alternative ingredients
Transition Risks		
Regulatory and Compliance Changes	Governments are increasingly implementing regulations to mitigate climate change. These regulations can impact operations through requirements for energy efficiency, waste reduction and sustainable sourcing practices. Furthermore, Kimly is subject to sustainability-related rules and advisories as issued by the SGX	Stay informed about regulatory changes and adapt business practices to ensure risk management and compliance
Changing Consumer Preferences	As consumers become more environmentally conscious, they may prefer businesses that prioritise sustainability and environmentally friendly practices. Food service companies that fail to adopt eco-friendly practices could experience a decline in customer loyalty	Adapt our menu offerings and business practices to cater to changing consumer preferences
Reputational Risks	Growing stakeholder preference to work with companies incorporating climate-related risks into business decisions and operations. This can include investors, shareholders and business partners	Build up internal knowledge of climate-related risks over time, integrate them into business decisions and operations, and communicate clearly and transparently to stakeholders
Opportunities		
Menu Diversification	Providing sustainable menu options can attract environmentally conscious consumers, and increase consumer satisfaction and loyalty	Monitor customer feedback and provide sustainable menu options subject to market demand and affordability
Energy Efficiency	Adopting energy-efficient equipment and processes practices – such as LED lighting, solar rooftops and leasing of electric vehicles for deliveries – can reduce operating costs and carbon emissions	Explore such green equipment and services for adoption within the Group
Waste Reduction	Minimising food waste and other forms of waste (e.g. packaging) is good for the environment in reducing pollution and minimising disposal-related emissions	Look for new opportunities to optimise use of resources and innovate circular practices

Over the medium to long term, the Group aims to build up our capability in understanding climate-related risks and opportunities so that we can analyse the impacts under different climate scenarios and integrate cost-effective response measures into our business activities.

Minimising Environmental Impact

Energy and Emissions Management

Various energy sources are essential to power the Group's daily operations. Electricity from Singapore's national grid is used for lighting, air-conditioning and running of equipment and machinery. Liquefied petroleum gas ("LPG") is used for cooking while diesel and petrol are used for the Group's vehicles. We constantly monitor and optimise our energy consumption to ensure that resources are used economically and responsibly. We also encourage employees to play their part, such as turning off equipment when not in use.

In FY2023, we continued efforts to reduce energy consumption at all outlets, such as replacing fluorescent lamps with energy-efficient LED lights. We serviced existing equipment regularly to improve energy efficiency and maximise the effective lifespan. Older equipment would be progressively replaced with new and energy-efficient equipment.

The Group's electricity usage for FY2021 to FY2023 is as follows:

	FY2021	FY2022	FY2023
Electricity usage in kilowatt-hour (kWh)	22,070,884	23,832,292 (+8.0%)	23,891,585 (+0.2%)
Electricity intensity, i.e. usage per dollar of revenue (kWh/\$)	0.092	0.075	0.076

In FY2023, the Group used 2,176,238 kg of LPG, 164,256 litres of diesel and 21,913 litres of petrol.

Estimated Scope 1 and Scope 2 emissions for FY2023 are as follows:

Type of Emissions	Emissions	Remarks
Scope 1 direct emissions	Emissions from LPG usage = 6,398,140 kgCO ₂	LPG emission factor = 2.94 kgCO ₂ per kg
	Emissions from diesel usage = 436,921 kgCO ₂	Diesel emission factor = 2.66 kgCO ₂ per litre
	Emissions from petrol usage = 51,496 kgCO ₂	Petrol emission factor = 2.35 kgCO ₂ per litre
Emission factors are sourced from the UK Government's website for GHG reporting		
Scope 2 indirect emissions from purchased electricity	Emissions from purchased electricity = 9,958,013 kgCO ₂	Grid emission factor = 0.4168 kgCO ₂ per kWh
Emission factor is sourced from the Energy Market Authority ("EMA")'s website		
Total of Scope 1 and Scope 2 emissions	16,844,570 kgCO ₂	
Scope 1 and Scope 2 emission intensity per dollar of revenue (kgCO ₂ /)	0.054	

This is the first year that we are tracking and reporting the Group's Scope 1 emissions. Our target over the medium to long term is to improve efforts to track and mitigate absolute emissions and emission intensity from our operations.

Minimising Environmental Impact

Water Conservation

The Group endeavours to reduce water wastage in our business to make our operations more efficient. In FY2023, we continued to implement water-saving practices such as the deployment of dishwashing machines in our outlets to wash glasses and cups.




The Group's water usage for FY2021 to FY2023 is as follows:

	FY2021	FY2022	FY2023
Water usage in m ³	1,021,724	1,099,170 (+7.6%)	1,084,752 (-1.3%)
Water intensity, i.e. usage in m ³ per dollar of revenue (m ³ /\$)	0.004	0.003	0.003



Optimising Use of Resources

Our approach is to continually identify opportunities to optimize the use of resources and minimise wastage. This reduces costs and benefits the environment in terms of reducing the amount of downstream waste. In FY2023, the Group continued practising the 3Rs of Reduce, Reuse and Recycle across our operations.

 Reduce	<ul style="list-style-type: none"> We minimise wastage of food ingredients and raw materials by using an e-ordering system, Kimly Procurement & Inventory System. This ensures that ingredients are fresh when delivered to the outlets Staff at the corporate office are encouraged to view and share documents electronically and print only when necessary, including the use of laptops and tablets to view materials during meetings. Paperless web-based payslips are implemented throughout the Group Frontliners at the Mixed Vegetable Rice and Seafood “Zi Char” stalls would inform customers to reduce food waste by ordering only what they can eat, asking for smaller portions, packing home what cannot be finished at the outlets, and bringing their containers and reusable utensils when ordering takeaways
 Reuse	<ul style="list-style-type: none"> Reusable food-grade delivery boxes are used to deliver semi-finished food products from the central kitchens to our food stalls throughout Singapore. These boxes could be used multiple times, thus reducing the total amount of packaging materials needed
 Recycle	<ul style="list-style-type: none"> The Group segregates paper cartons and aluminium from the rest of the waste generated for recycling and reuse. Empty aluminium drink cans are recycled, and empty bottles are reused to store various sauces We encourage our food stalls to store used cooking oils in separate containers. These are collected by licensed collectors to recycle the oil into industrial soaps and detergents

Supplier **Social Management**

Kimly has built up a strong network of reliable, quality and cost-effective suppliers over the years. In FY2023, as the Singapore economy recovered from pandemic-induced supply chain disruptions, we continued working closely with all our suppliers to ensure steady and cost-effective supplies of produce and ingredients amidst impacts from global inflationary pressures, seasonal demand and extreme weather.

Supplier Selection

In FY2023, the Group procured only from approved suppliers that produce, package, store and deliver products in accordance with good manufacturing practices prevailing in their respective industries. To ensure the freshness of our food, we prioritise local suppliers with at least a “B” Grade from the SFA. Suppliers are expected to provide goods and services that consistently meet our required specifications, especially for product quality and timeliness of product delivery.

The Head of Department of each business unit will actively search and assess at least two suppliers for each of the supplies needed, and through price, quality and service assessment, select the right supplier partner. A key supplier assessment criterion is the total pricing which includes unit price, payment terms and rebates offered to ensure the economic sustainability of our food value chain.

Suppliers' Employment Practices

To develop the social aspects of our sustainable food value chain, we request our suppliers to implement fair employment practices and policies to protect their employees.

In line with the social pillar of our sustainability philosophy and adopting a sustainable food value chain perspective, the Group requires our suppliers to provide a safe and healthy working environment for their employees. Our suppliers are required to provide assurance that they comply with all employment-related and applicable laws and regulations. They are encouraged to implement policies that promote the general health of employees and prevent work-related injuries and illnesses.

In FY2023, there were no reported negative social impacts along the supply chain. Because of the close relationships built up over the years between Kimly and our suppliers, our supply chain continued to function smoothly. Our practice of using a group of suppliers rather than depending on a single supplier helped as well. We continued our longstanding practice of paying our suppliers on time so as not to have any adverse impact on their cash flow.



Supporting **The Local Community**

Providing Affordable Meals to All

We regularly review our pricing to ensure that our meals are affordable and provide good value for money. Furthermore, the Group offers special dishes and discounts during national holidays and festive periods in Singapore so that everyone in the local community can partake in the joy of these special occasions without financial constraints. This fosters a sense of inclusivity and strengthens the bond with our customers, reflecting our belief that sharing good food should be a universal experience.



Paying It Forward

In FY2023, Kimly contributed S\$165,800 to various charitable and community initiatives. This included the sponsorship of the Chinese New Year 2023 Gala Dinner for residents in Boon Lay, donation to "Gotong Royong" efforts in Potong Pasir, and contributions to fundraising charity golf events such as the Nee Soon GRC Fundraising Golf Tournament and the Tampines Changkat Community Centre Golf Tournament. We also extended financial support to students on bursaries through the National University of Singapore's Food Science & Technology Fund. These contributions underscore our unwavering commitment to giving back and making a positive impact on the communities we serve.

Kimly's coffeeshops are vibrant public spaces for people to interact, such as Dr Amy Khor, Member of Parliament for Hong Kah North constituency, and grassroots leaders who visited the Kedai Kopi outlet in Bukit Batok Street 31 to connect with local residents in September 2023 (photos are sourced from Hong Kah North Community Club's Facebook page).



Creating Employment Opportunities

In FY2023, our food outlets in various localities across Singapore allowed us to provide in-community job opportunities to local residents. Our policy is to actively hire locals to take up the various job positions that come with the opening of a coffeeshop. Most of the local employees were deployed in our various food outlets/stalls near their homes, including part-timers who required flexible schedules for their personal and other commitments.



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Kimly Limited has reported in accordance with the GRI Standards for the period from 1 October 2022 to 30 September 2023.

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TCFD Disclosures

TCFD Thematic Areas	Recommended Disclosures	References and Remarks	Page
1. Governance Disclose the organisation's governance around climate-related risks and opportunities	a) Describe the board's oversight of climate-related risks and opportunities	The Board oversees the corporate governance structure and sustainability strategy of the Group, including climate-related issues. See the Sustainability Governance section.	8
	b) Describe management's role in assessing and managing climate-related risks and opportunities	The Management implements, monitors and reports on ESG performance, including climate-related issues. See the Sustainability Governance section.	8
2. Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Kimly is adopting a progressive strategy towards managing climate-related risks. See the Climate-related Risks and Opportunities section.	22-23
	b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning	Kimly is adopting a progressive strategy towards managing climate-related risks. See the Climate-related Risks and Opportunities section.	22-23
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	Kimly is adopting a progressive strategy towards managing climate-related risks. Scenario analysis will be conducted post-FY2023.	N.A.
3. Risk Management Disclose how the organisation identifies, assesses, and manages climate-related risks	a) Describe the organisation's processes for identifying and assessing climate-related risks	See the Risk Management and Socioeconomic Compliance section.	8
	b) Describe the organisation's processes for managing climate-related risks	An enterprise risk management framework has been established to identify, manage and mitigate significant risks, which could include climate-related risks. Key management personnel evaluates, monitors material risks and reports to the Audit Committee on a regular basis.	N.A.
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	The Audit Committee will progressively incorporate climate-related risks into its overall risk universe for ongoing monitoring and management.	N.A.

TCFD Disclosures

TCFD Thematic Areas	Recommended Disclosures	References and Remarks	Page
4. Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	Kimly is adopting a progressive strategy towards managing climate-related risks. Specific metrics will be developed post-FY2023.	N.A.
	b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	See the Energy and Emission Management section.	24
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	Kimly is adopting a progressive strategy towards managing climate-related risks. Targets will be formulated post-FY2023.	N.A.

This Report has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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Sustainability Report 2023

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