



**SUSTAINABILITY
REPORT
2022**
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 2022. 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.

As the global market slowly shows signs of recovery, it is one of hesitance as the threat from the uncertainty of new Covid-19 variants lingers. The Group has recalibrated our business strategy by digitalising its online sales channels and enhancing efforts for optimising delivery and takeaway revenue, all while ensuring continuous sustainability of the Group's business and safeguarding the health and safety of our customers and employees.

There is room for optimism as the Group's operations are showing positive signs of improvement, as evident from increased sales volume. While the Group expects business momentum to pick up, the recovery is expected to be gradual. The food & beverage services sector continues to face inherent challenges like intense competition, manpower shortages, rising food cost and other cost pressures brought about by inflation and uncertainty in evolving geopolitical situations. The Group will continue to remain cautious in seeking new and innovative ways to reduce the environmental impact of our business operations while continuing to deliver high quality products and services.

We will endeavour to overcome the challenges for the year ahead and work towards achieving our sustainability goals.

We would like to thank our frontline team for their relentless contributions, commitment and hard work to continue to serve our customers amidst the Covid-19 pandemic. We would also like to express our gratitude to all our shareholders, business associates and valued customers for their continuous support and understanding.



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.



MISSION

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

VALUES

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

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.



04 Reporting Period and Scope

This Report is based on the Group's financial year ended 30 June 2022 ("FY2022").

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 13 directly owned outlets, 1 central kitchen and the Group's corporate headquarters during FY2022.

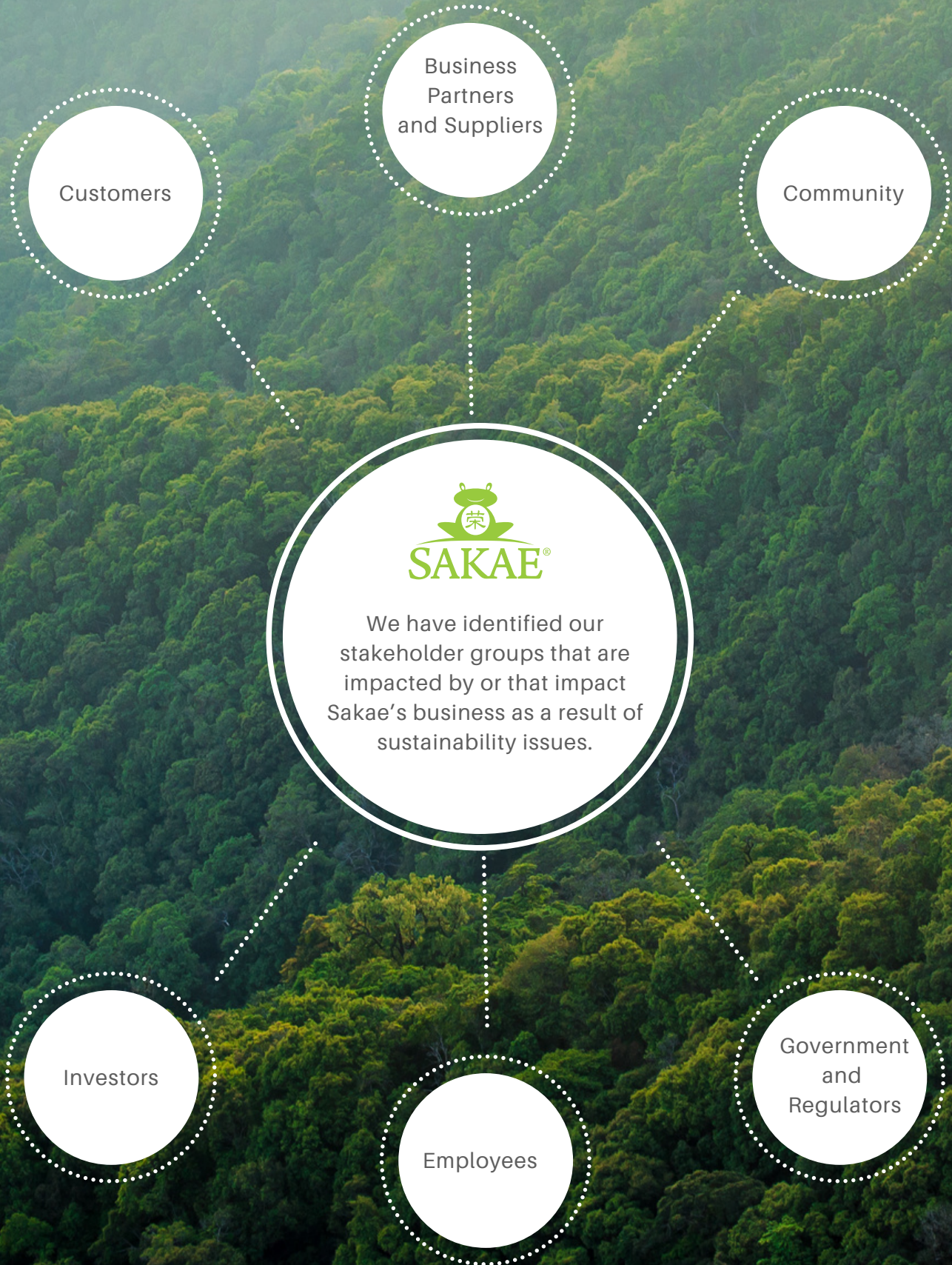


05 Feedback

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 ir@sakaeholdings.com.

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STAKEHOLDER'S ENGAGEMENT

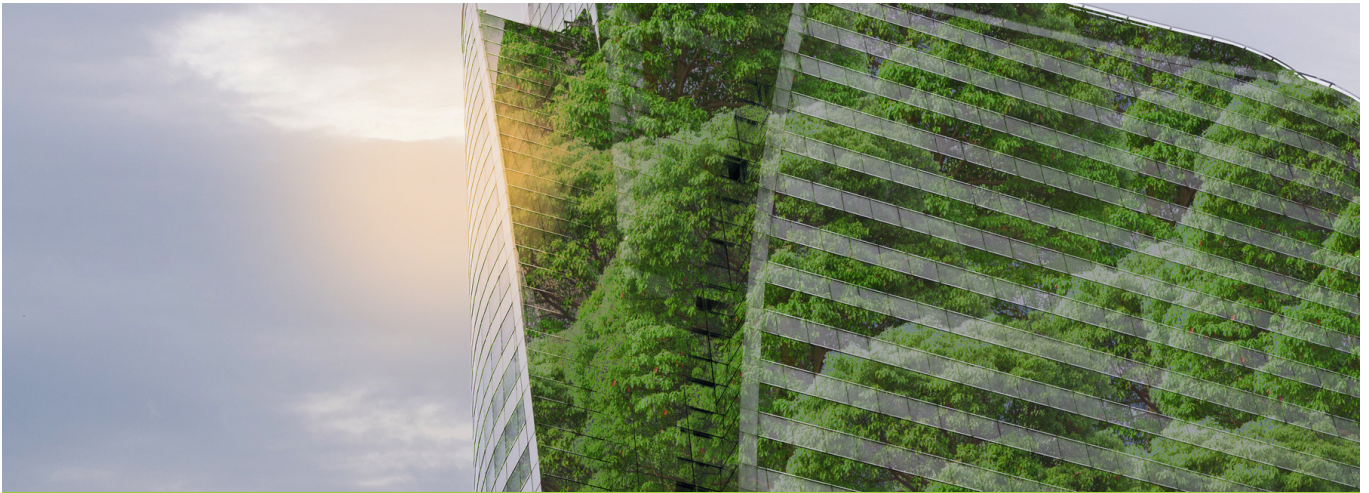


We strive to provide sustainable value for our stakeholders. Recognising that sustainability is a collaborative effort, we ensure that the frequency of communication is adequate and that communications are two-way. Through our various modes of engagement, we are better able to understand the impact that 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
1	Customers	<ul style="list-style-type: none"> • Loyalty programme - Sakae card • Social media • Interaction with diners at outlet • Survey and market research • Website feedback • Customer care communications • Annual reports 	All the time
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
3	Community	<ul style="list-style-type: none"> • Sakae Foundation • Sponsorships and donations • Corporate volunteering • Corporate Social Responsibility programmes 	Occasionally
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
5	Government and Regulators	<ul style="list-style-type: none"> • Participation in consultations and briefings organised by government and regulators 	Regularly
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

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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

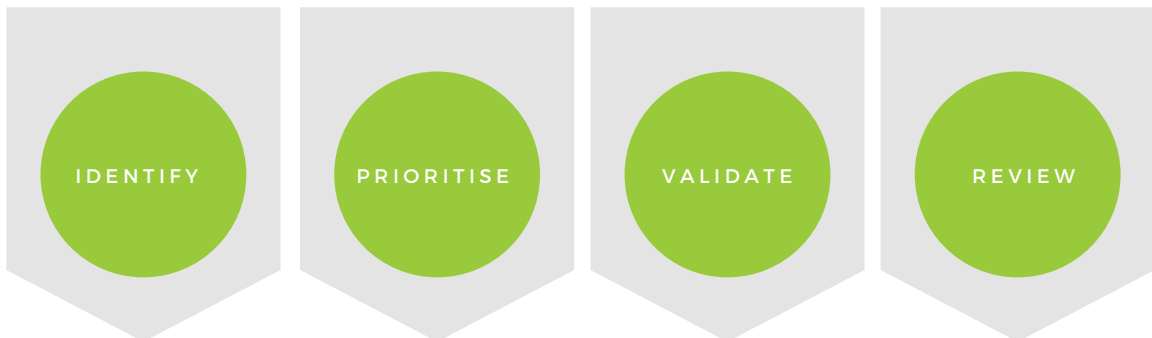
Under our Sustainability Reporting Policy, we have identified our material ESG factors through stakeholder engagement. These factors are prioritised and ranked according to the importance of their Environmental, Social and Governance impact. Management validates the material ESG factors through internal 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



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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	Customer	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:

Level of Stakeholders' Concerns	HIGH		SF6: Occupational Health and Safety	SF1: Customer Satisfaction SF2: Food Safety, Hygiene and Quality SF9: Anti-Corruption
	MEDIUM	SF7: Local Communities Engagement / Corporate Social Responsibility	SF3: Training and Education SF4: Workplace Equality, Diversity and Inclusivity SF8: Energy and Water Conservation	SF5: Recruitment and Retention
	LOW			
		LOW	MEDIUM	HIGH
		Significance of Environmental, Social and Governance Impacts		

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

We believe that excellent customer service is crucial to enhancing our customers' dining experience. We place great emphasis on customer service, and we conduct refresher training for our frontline service employees to ensure that high service standards are maintained. Our frontline service employees are attentive and engaged when interacting with customers. Our employees are also trained to resolve customer issues promptly and amicably. In addition, we have a service recovery programme focused on close follow-up with our customers such that that no complaint goes unanswered.

(B) PROACTIVELY ENCOURAGING CUSTOMERS TO GIVE FEEDBACK

We value our customers' feedback as they provide us with insight into which aspects of our operations are working well and which aspects can be improved. We have multiple channels to gather customer feedback, including our sales teams, delivery teams, online social media, our websites, and our customer relationship management system that allows for analytical understanding of our customers' preferences. From such channels, we can then work towards product and service improvements and enhance our operational effectiveness and efficiencies. Based on the 2021 Customer Satisfaction Index of Singapore (CSISG), our customer satisfaction score was 73.5, as compared to the national average score of 72.7 for the Food and Beverage sector. Over the years, we have made constant improvements and 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 CandyBar 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

We have followed the prevailing safe management measures throughout the Covid-19 pandemic to ensure that our customers can dine safely. These measures include proper table and seating arrangements, queue management, customer check-ins with SafeEntry and TraceTogether, and health checks at entrances. All persons are required to put on their masks properly at all times, except while eating and drinking. We have heightened our cleanliness and hygiene protocols at our restaurants. Common spaces and items, frequent-touch surfaces as well as the interactive iPad menus are frequently disinfected. We also provide hand sanitisers for customers 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** - vegetarian Japanese-style cuisine, coffee and other beverages
- Sakae Go** - highly customisable Japanese-fusion pasta bowls
- Tendon Sekai** - mouth-watering Tempura rice bowls
- Sango Sando** - rice sandwiches with a variety of fillings

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 kitchen which supports our food catering and restaurant operations. Our central kitchen's 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.
- As part of Covid-19 measures, communal amenities are not used and self-service food samples are not provided.
- 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 FY2022, 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.

FY2022 TARGET	FY2022 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

At Sakae, people are our number one asset. 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-department projects to exchange ideas and experience 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 WSQ 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.

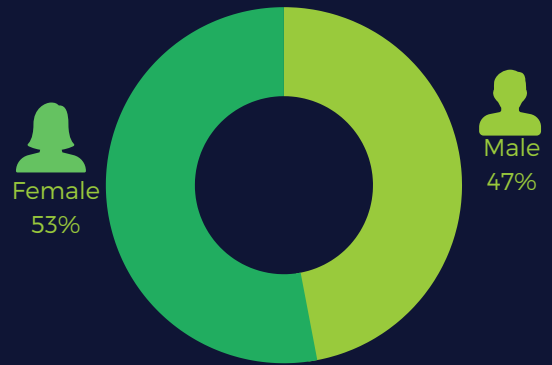
We value the experience of our senior staff as well as the passion and flexibility of the younger staff. Sakae rewards employees based on a series of attributes that include performance, competence, commitment and experience, along with Company performance. We conduct annual appraisals for all employees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

To drive inclusivity at the workplace, we have implemented age-friendly workplace practices such as a higher internal retirement age and re-employment of eligible senior workers. At the same time, we train our mature employees and will explore job redesign to ensure that our workplace remains conducive and inclusive 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 FY2022, female employees made up 53% of our workforce while male employees made up 47%. In terms of age diversity among employees, 27 were aged 30 and below, 84 were aged between 31 and 49, 75 were aged between 50 and 69, and 10 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.

(A) PERCENTAGE OF EMPLOYEES BY GENDER



(B) NUMBER OF EMPLOYEES BY AGE GROUP

Age 30 & Below: 27



AGE 31 - 49: 84



AGE 50 - 69: 75



AGE 70 & ABOVE: 10



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 FY2022, our average employee monthly turnover rate was lower than the national industry average monthly turnover rate. We will continue to maintain the employee turnover rate.



9.6 OCCUPATIONAL HEALTH AND SAFETY

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

In light of Covid-19, the government introduced a slew of safe management measures for the workplace. We continue to do our part and have in place these measures to take care of our employees, our workplaces, and those that may become unwell at the workplaces.

Due to the nature of F&B operations, most of our employees are required to work on-site to perform essential tasks. We provide sufficient masks and other personal protective equipment for the safety of our employees. To prevent any incipient Covid-19 outbreaks at our workplaces, we advise our employees to minimise socialising at the workplace, observe good personal hygiene and monitor their own health regularly. We have also stepped up cleaning and sanitation of our workplace premises and we maintain adequate cleaning and disinfecting agents and ensure they are available where necessary.



(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:

- Preparing 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.
- Reviewing and updating the ERP annually.

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 as well.



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 FY2022. We will continue to ensure that our working environment remains safe for our employees and maintain our workplace safety record.

FY2022 TARGET	FY2022 PERFORMANCE
No workplace accidents resulting in death or permanent disability	No workplace accidents resulting in death or permanent disability

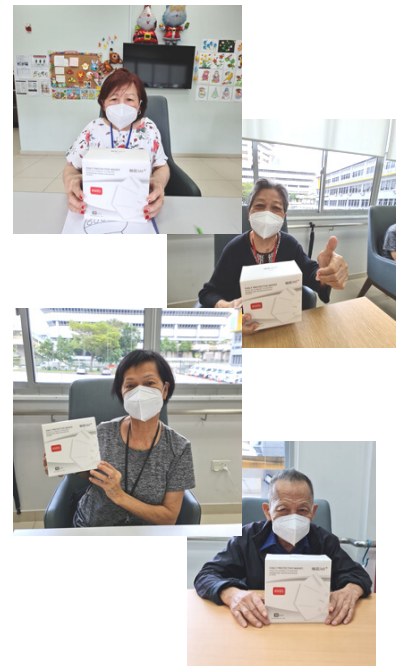
LOCAL COMMUNITIES ENGAGEMENT / CORPORATE SOCIAL RESPONSIBILITY

(A) CARING FOR THE COMMUNITY

Sakae cares deeply for the community and believes in giving back to the community. One of the existing problems in Singapore is food insecurity in which many low-income families and elderly people need helping hands. Unfortunately, this problem worsened since the Covid-19 outbreak, and Sakae is determined to give back to the community.

With the aim of keeping our customers safe and healthy during the pandemic, we started the Sakae Care initiative in which all Sakae Sushi and Hei Sushi outlets gave out KN95 masks to dine-in and delivery customers.

Sakae Care was well-received and garnered a lot of positive feedback. This encouraged us to improve the initiative and culminated in its expansion to reach the wider community, especially to those in need. Working with like-minded companies, we distributed masks to the elderly and beneficiaries of charitable organisations like St John Singapore and Lions Clubs International Foundation. Caring for all is integral to our organisation, and we are glad to do our part to aid the vulnerable in our community.





(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 needed to be away. Sakae also regularly takes part in Singapore Armed Forces Day, by encouraging their 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 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.



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

The use of renewable sources of power is a way to save the environment. Our corporate headquarters building has a 270 kilowatt-peak photovoltaic system installed on the roof. The system's 1,400 solar panels can generate up to one-third of the building's energy needs. We offset some of our electricity usage with the solar power system, thereby decreasing our carbon footprint and reducing our electricity bill from purchased electricity.

(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 kitchen. 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 gas consumption in FY2022. Our total electricity and gas consumption was 3.7 million kWh in FY2022 (FY2021: 3.7 million kWh). Our water consumption was 20 thousand cubic metres (m³) in FY2022, a decrease from 23 thousand m³ in FY2021. 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	FY2022 TARGET	FY2022 PERFORMANCE
Electricity	Million kWh	Reduce consumption (FY2021 usage: 2.9)	3.0*
Gas	Million kWh	Reduce consumption (FY2021 usage: 0.8)	0.7
Water	Thousand m ³	Reduce consumption (FY21 usage: 23)	20

* The increased electricity consumption in FY2022 can be attributed to the increased aggregate floor area of our operations. We will continue to monitor our consumption and strive to improve on our energy conservation.

(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 subjected 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. We did not carry out 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 Independent Non-Executive 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.

There were no incidents related to corruption in FY2022. 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 FY2023 are:

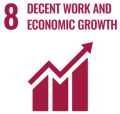


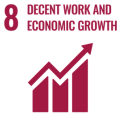

S/N	MATERIAL FACTOR	PERFORMANCE MEASURE	PERFORMANCE TARGET (FY2023)
1	Customer Satisfaction	<ul style="list-style-type: none"> Customer Review rate 	<ul style="list-style-type: none"> Improve customer review rate
2	Food Safety, Hygiene and Quality	<ul style="list-style-type: none"> Food Hygiene Grading 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

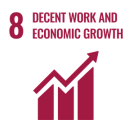
In 2015, All United Nations Member States adopted the 2030 Agenda for Sustainable Development (2030 Agenda). At the core of the 2030 Agenda are the Sustainable Development Goals (SDGs), a set of 17 universal goals meant to -

- 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>	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.
Food Safety, Hygiene and Quality	 <p>Goal 3: Ensure healthy lives and promote well-being for all at all ages</p>	We have introduced healthier food offerings such as vitamin-E enriched sushi rice and wholegrain options, to help consumers make healthier food choices.
	 <p>Goal 14: Conserve and sustainably use the oceans, seas and marine resources for sustainable development</p>	<p>We have systems in place to prevent and eliminate food safety hazards in our kitchens as well as supply chain to ensure safe 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>	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.
Workplace Equality, Diversity and Inclusivity	 <p>Goal 10: Reduce inequality within and among countries</p>	We abide by fair employment practices. Age, gender, nationality or religion do not factor in evaluation of job applications that we receive.

Recruitment and Retention



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

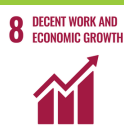
We offer competitive benefits and remuneration to our employees.

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.

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.

GRI STANDARD DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE	PAGE
GRI 102: GENERAL DISCLOSURES			
ORGANISATIONAL PROFILE			
102-1	Name of the Organisation	Sakae Holdings Ltd.	-
102-2	Activities, brands, products, and services	Annual Report 2022 - Corporate Structure and Global Presence	4-15
102-3	Location of Headquarters	Annual Report 2022 - Corporate Information	-
102-4	Location of Operations	Annual Report 2022 - Corporate Structure and Global Presence	4
102-5	Ownership and Legal Form	Annual Report 2022 - Notes to the Financial Statements	63
102-6	Markets Served	Annual Report 2022 - Corporate Structure and Global Presence	4-15
102-7	Scale of the Organisation	Annual Report 2022 - Corporate Structure and Global Presence	4-15
102-8	Information on employees and other workers	Material Factors - Workplace Equality, Diversity and Inclusivity	17
102-9	Supply Chain	Material Factors - Food Safety, Hygiene and Quality	15
102-10	Significant Changes to Organisation and its Supply Chain	Material Factors - Food Safety, Hygiene and Quality	15
102-11	Precautionary Principle or Approach	Annual Report 2022 - Corporate Governance Report	37
102-12	External Initiatives	Material Factors - Local Communities Engagement / Corporate Social Responsibility	21-22
102-13	Membership of Associations	Singapore Business Federation Singapore Manufacturing Federation	-

GRI STANDARD DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE	PAGE
STRATEGY			
102-14	Statement from Senior Decision Maker	Board's Statement	3
ETHICS AND INTEGRITY			
102-16	Values, Principles, Standards, and Norms of Behaviour	Annual Report 2022 - Corporate Profile	-
GOVERNANCE			
102-18	Governance Structure	Annual Report 2022 - Corporate Governance Report	21-45
STAKEHOLDER ENGAGEMENT			
102-40	List of Stakeholder Groups	Stakeholder's Engagement	6-7
102-41	Collective Bargaining Agreements	Not Applicable	N.A.
102-42	Identifying and Selecting Stakeholders	Stakeholder's Engagement	6-7
102-43	Approach to Stakeholder Engagement	Stakeholder's Engagement	6-7
102-44	Key Topics and Concerns Raised	Materiality Assessment	10

GRI STANDARD DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE	PAGE
REPORTING PRACTICE			
102-45	Entities Included in the Consolidated Financial Statements	Annual Report 2022 - Notes to the Financial Statements	101-103
102-46	Defining Report Content and Topic Boundaries	Materiality Assessment	9-11
102-47	List of Material Topics	Materiality Assessment	10
102-48	Restatements of Information	Not Applicable	N.A.
102-49	Changes in Reporting	Not Applicable	N.A.
102-50	Reporting Period	Reporting Period and Scope	5
102-51	Date of Most Recent Report	30 November 2021	N.A.
102-52	Reporting Cycle	Reporting Period and Scope	5
102-53	Contact Point for Questions regarding the report	Feedback	5
102-54	Claims of reporting in accordance with the GRI Standards	Reporting Framework	5
102-55	GRI Content Index	GRI Content Index	29-32
102-56	External Assurance	We rely on internal data monitoring and verification to ensure accuracy. No external assurance was sought for this Sustainability Report. We will consider to seek external assurance in the future, if necessary.	N.A.

GRI 103: MANAGEMENT APPROACH			
103-1	Explanation of Material Topic and Its Boundaries	Material Factors	12-26
103-2	The Management Approach and Its Components	Material Factors	12-26
103-3	Evaluation of the Management Approach	Material Factors	12-26

GRI STANDARD DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE	PAGE
TOPIC SPECIFIC DISCLOSURES			
ECONOMIC			
201-1	Direct Economic Value generated and distributed	Annual Report 2022 - Consolidated Statement of Profit and Loss and Other Comprehensive Income	55-62
ENVIRONMENTAL			
302-1	Energy Consumption within the Organisation	Material Factors - Energy and Water Conservation	23-24
303-1	Water withdrawal by source	Material Factors - Energy and Water Conservation	23-24
SOCIAL			
401-1	New employee hires and employee turnover	Material Factors - Recruitment and Retention	18
401-2	Benefits provided to Full-Time employees that are not provided to Temporary or Part-Time Employees	Material Factors - Recruitment and Retention	18
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Material Factors - Occupational Health and Safety	19
404-2	Programmes for upgrading employee skills and transition assistance programmes	Material Factors - Training and Education	16
405-1	Diversity of governance bodies and employees	Material Factors - Workplace Diversity, Equality and Inclusivity	17
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Material Factors - Food Safety, Hygiene and Quality	14-15
GOVERNANCE			
205-3	Confirmed incidents of corruption and actions taken	Material Factors - Anti-Corruption	25

**SAKAE HOLDINGS LTD.
SUSTAINABILITY REPORT 2022**

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