



2020 Sustainability Report



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01 BOARD'S STATEMENT

Our 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 2020 (“FY2020”). Sakae believes that sustainable growth strategies and practices are important for our business. This Report includes Environmental, Social and Governance factors (“ESG factors”) that are material to Sakae’s business and ensures 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”), we have 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 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 further develop our sustainability reporting capabilities.

The ongoing Covid-19 pandemic has added unprecedented complexity to the Group’s businesses and operations, for which no one could have foreseen. The weak consumer sentiment coupled with the required implementation of stringent Covid-19 preventive measures greatly disrupted the operations of Food & Beverage businesses. We have constantly made adjustments accordingly to the evolving situation and to our internal guidelines to enhance precautionary protocols to safeguard and protect the well-being of our staff and customers. We have remained flexible in redeploying resources to sustain our core business operations, enhancing efforts for optimising delivery and takeaway revenue across the Group’s business. We have been cautious in managing business costs through operational efficiency. 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 continuing support and understanding.



02

VISION, MISSION AND CORE VALUES



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

The Sustainability 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 the Sustainability Report. The Sustainability 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 2020 ("FY2020").

The scope of this Report is based on the policies, practices, and performance of the Group's various business segments in Singapore.

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.



06

STAKEHOLDER'S ENGAGEMENT

BUSINESS PARTNERS AND SUPPLIERS

COMMUNITY

CUSTOMERS



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

GOVERNMENT AND REGULATORS

INVESTORS

EMPLOYEES

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 | When required |

07 POLICIES, PRACTICES AND PERFORMANCE REPORTING

REPORTING STRUCTURE

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

SUSTAINABILITY REPORTING PROCESS

Under our Sustainability Reporting Policy, we have identified our material ESG factors through stakeholder engagement. These factors are prioritised and ranked according to the importance of their environmental, social and governance impact. Management validates the material ESG factors through internal discussion and feedback. The materiality of our ESG factors is reviewed periodically to ensure that they are current.

For this Report, we have reviewed last year's reported material ESG factors and determined that they continue to be relevant to our business and stakeholders.

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

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

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

The material ESG factors are reviewed periodically

IDENTIFY

PRIORITISE

VALIDATE

REVIEW

08

MATERIALITY ASSESSMENT

8.1 MATERIALITY ASSESSMENT

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

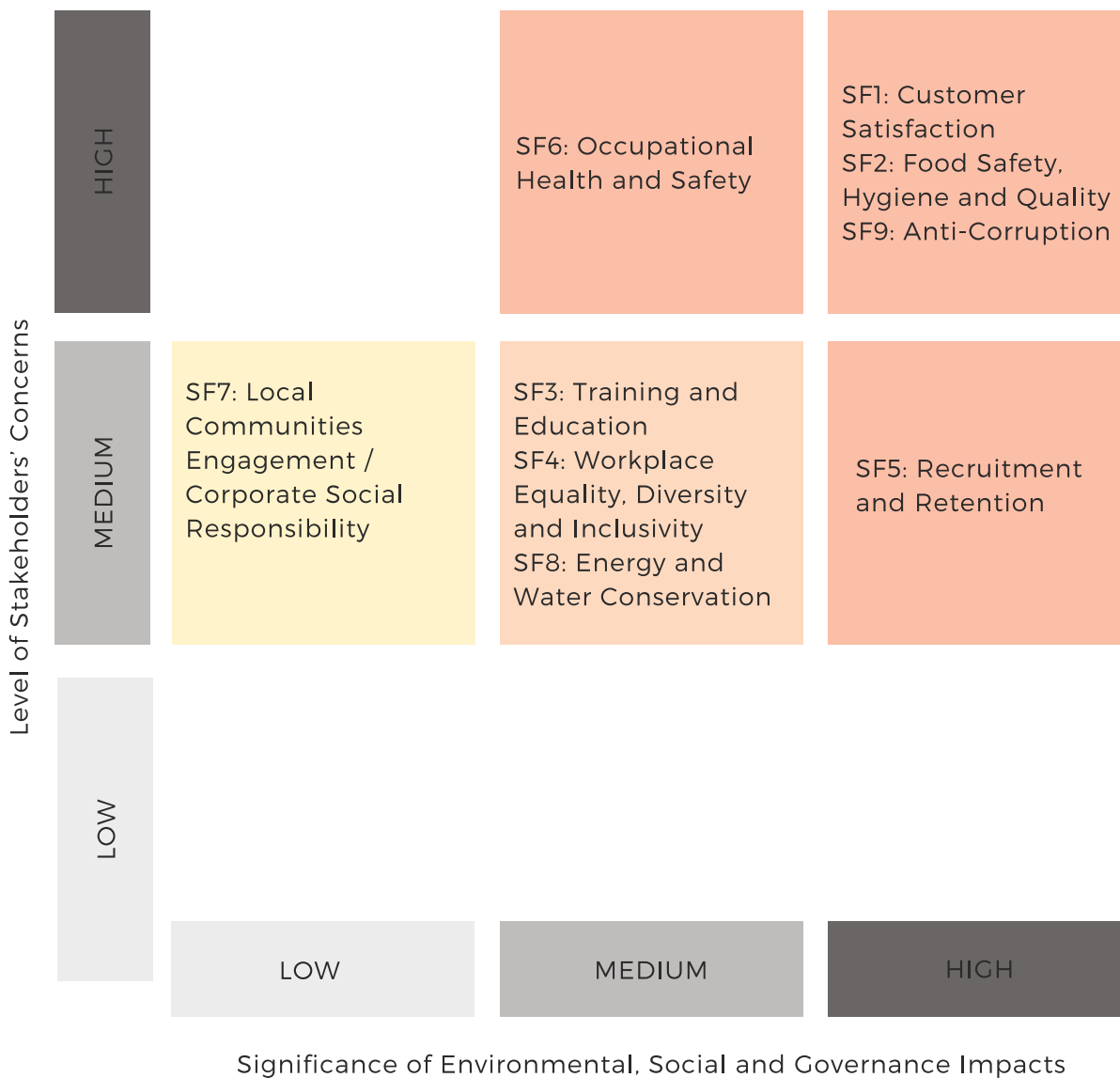
| REPORTING PRIORITY | DESCRIPTION | CRITERIA |
|--------------------|-------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| I | HIGH | Factors with high reporting priority are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

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

| S/N | MATERIAL FACTOR | MISSION OR CORE VALUE | KEY STAKEHOLDER | REPORTING PRIORITY |
|----------------------|----------------------------------------------------------------|--------------------------------------------------------------------|--------------------------------------------|--------------------|
| SOCIAL | | | | |
| 1 | Customer Satisfaction | To provide safe quality food with excellent service at great value | Customers | I |
| 2 | Food Safety, Hygiene and Quality | To provide safe quality food with excellent service at great value | Customers, Business Partners and Suppliers | I |
| 3 | Training and Education | People development - Innovation to simplify and compete | Employees | II |
| 4 | Workplace Equality, Diversity and Inclusivity | Compassion to all | Employees | II |
| 5 | Recruitment and Retention | People focused - Productivity in everything we do | Employees | II |
| 6 | Occupational Health and Safety | People focused - Compassion to all | Employees | II |
| 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 the significance of the factors’ ESG impacts. Our completed material factors matrix is shown below:





09

MATERIAL FACTORS

9.1 CUSTOMER SATISFACTION

Customer satisfaction is crucial to customer retention. We seek to provide customer service that goes beyond taking and serving orders. We view customer service as part of a holistic customer experience that is capable of providing us with a distinguishing advantage in today's increasingly cluttered and competitive market.

In alignment with our mission - To provide safe quality food with excellent service at great value, we are committed to retain and build a loyal customer base for our long term sustainability by enhancing our customers' experiences through:

(A) PROVIDING EXCELLENT CUSTOMER SERVICE

Customer service is the experience we deliver to our customers. It's the promise we keep to the customer. It's how we follow through for the customer. It's how we make them feel when they do business with us.

Our frontline service employees are always the first customer "touchpoint". We conduct refresher training for them to ensure that high service standards are maintained. Our customers can be assured that our employees are trained to resolve customer issues promptly and amicably. Also, we have implemented a service recovery programme with close follow-up with our customers to provide them with better customer service outcomes.

(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 real-time feedback from our social media, our customer satisfaction rate is standing at over 94%. 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 arrangement, queue management, contact tracing through SafeEntry, and health checks at entrances.

We have also heightened our cleanliness and hygiene protocols. All onsite personnel are required to put on their masks properly at all times, except while eating and drinking. Common spaces and items, frequent-touch surfaces as well as the interactive iPad menus are frequently disinfected.

(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. To meet the growing demand for fresh Japanese cuisines, Japanmartsg was created to provide our customers with the convenience of shopping online for affordable premium raw Japanese ingredients from the comfort of their homes. Offering a wide variety of products at competitive prices and with plans to expand product categories, Japanmartsg is poised to become our customer's top choice when shopping for premium Japanese products.

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 placed much emphasis on consistency and constantly work towards improving food quality standards of our products.



Our central kitchen, which supports our food catering and restaurant operations, has been certified on the Hazard Analysis Critical Control Point (HACCP) standard, which prevents and reduces risks in food safety through tight monitoring processes.

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 Basic Food Hygiene course.
- 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 farms and factories where the food comes from. 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 FY2020, with our strong emphasis on food safety and quality, all of our restaurants are graded "A" by 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.

FY2020 TARGET

To maintain all restaurant outlets' 'A' grade

To procure from established suppliers with approvals from SFA

FY2020 PERFORMANCE

All restaurant outlets achieved 'A' grade

All our food suppliers have relevant SFA approvals

9.3 TRAINING AND EDUCATION

At Sakae, people are our Number 1 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.

We attained in-house Workforce Skills Qualification (WSQ) Approved Training Organisation (ATO) accredited by SkillsFuture Singapore since 2006. This allows us to conduct in-house training and assessment of WSQ certified courses on relevant job skills and competencies for our employees. Employees who successfully complete the training and assessment will be awarded national industry-recognised certification.

All our restaurant outlet employees will undergo a training programme which consists of two parts: the WSQ Basic Food Hygiene course and on-the-job training covering key line functions conducted by our trainers in their respective outlets. Depending on organisational requirements and staff development programme, 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.



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.

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 FY2020, female employees made up 44% of our workforce while male employees made up 56%. In terms of age diversity among employees, 42 were aged 30 and below, 108 were aged between 31 and 49, 59 were aged between 50 and 69, and 5 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.



Female
44%



Male
56%

.....

(B) NUMBER OF EMPLOYEES BY AGE GROUP

Age 30 & Below: 42



AGE 31 - 49: 108



AGE 50 - 69: 59



AGE 70 & ABOVE: 5



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 entitled to exclusive privileges when they dine at our restaurants. For employee engagement, Sakae does host various events ranging from Dinner and Dance or family day activities and events for all employees. Sakae hopes to forge closer ties with its employees. Our current average employee monthly turnover rate is lower than the national industry average monthly turnover rate. We will continue to work towards maintaining a lower monthly turnover rate than the national industry average.

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.

In anticipation of an employment new normal that may arise out of the Covid-19 situation, we have ongoing trials where employees whose roles are suited for remote work or flexible start and end work timings are allowed to take up flexible work arrangements such as working from home and staggered work hours. We will study the outcomes and review our flexible work arrangement policy as part of our efforts to bolster recruitment and retention.



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 FY2020. We will continue to ensure that our working environment remains safe for our employees and maintain our workplace safety record.

| FY2020 TARGET | FY2020 PERFORMANCE |
|-------------------------------------------------------------------|-------------------------------------------------------------------|
| No workplace accidents resulting in death or permanent disability | No workplace accidents resulting in death or permanent disability |



COMPASSION TO ALL

Sakae is committed to an active and socially responsible corporate culture. We recognise that the long-term success of our business is closely related to the well-being of the community which we operate in. In line with our core value “Compassion to All”, we hope to win the hearts and minds of the community and also encourage other individuals and businesses to give and serve in the spirit of public duty.

(a) CARING FOR THE COMMUNITY

Sakae cares deeply for the community and believes in giving back to the community. Food insecurity has always been an existing problem for many low-income families and elderly in Singapore and this problem worsened when the Covid-19 outbreak hit the nation unexpectedly. Determined to give back to the community, Sakae has pledged to commit at least 100 Japanese bento meals monthly to low-income beneficiaries of Thye Hua Kwan (THK) Moral Charities. Sakae hopes to lessen their worries and cheer on these underprivileged families and individuals by giving them meals support.

Sakae launched our new initiative - “Gift-A-Meal”, which aims to provide meal assistance to those in need, especially those who face food insecurity. When one purchases a “Gift-A-Meal” e-voucher through our website or from e-commerce platforms like Shopee, they can redeem a Teriyaki Chicken Donburi/Salad at any of our participating outlets for their own consumption. Concurrently on each voucher purchased by the public, Sakae will gift a meal to an individual who is a beneficiary of Thye Hua Kwan Family Service Centre @ MacPherson. This is a very meaningful initiative by Sakae and we aspire to do our part to build a stronger and more inclusive 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.



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

(a) LIGHTING

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



(b) SOLAR POWER SYSTEM

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



(c) RAINWATER IRRIGATION SYSTEM

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



(d) SPICE GARDEN

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

In FY2020, our electricity and gas consumptions were 3.2 million kWh and 1.5 million kWh respectively. Our water consumption was 36 thousand m³. We will continue to do our part to protect our environment and work towards reducing our electricity, gas and water consumption

| RESOURCE | UNIT OF MEASUREMENT | FY2020 TARGET | FY2020 PERFORMANCE |
|-------------|-------------------------|-------------------------------------------|--------------------|
| Electricity | million kWh | Reduce consumption (FY2019 usage: 3.9) | 3.2 |
| Gas | million kWh | Reduce consumption (FY2019 usage: 1.9) | 1.5 |
| Water | thousand m ³ | Reduce consumption (FY2019 usage: 46) | 36 |

(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 FY2020. 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 are:

| S/N | MATERIAL FACTOR | PERFORMANCE MEASURE | PERFORMANCE TARGET |
|-----|----------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 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 |

| 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 2020 - Corporate Structure and Global Presence | 4-11 |
| 102-3 | Location of Headquarters | Annual Report 2020 - Corporate Information | - |
| 102-4 | Location of Operations | Annual Report 2020 - Corporate Structure and Global Presence | 4 |
| 102-5 | Ownership and Legal Form | Annual Report 2020 - Notes to the Financial Statements | 50 |
| 102-6 | Markets Served | Annual Report 2020 - Corporate Structure and Global Presence | 4-11 |
| 102-7 | Scale of the Organisation | Annual Report 2020 - Corporate Structure and Global Presence | 4-11 |
| 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 2020 - Corporate Governance Report | 25 |
| 102-12 | External Initiatives | Material Factors - Local Communities Engagement / Corporate Social Responsibility | 21-22 |
| 102-13 | Membership of Associations | Restaurant Association of Singapore Singapore Business Federation Singapore Manufacturing Federation | - |

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| 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 2020 - Corporate Profile | - |
| GOVERNANCE | | | |
| 102-18 | Governance Structure | Annual Report 2020 - Corporate Governance Report | 17-29 |
| 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 |

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| REPORTING PRACTICE | | | |
| 102-45 | Entities Included in the Consolidated Financial Statements | Annual Report 2020 - Notes to the Financial Statements | 92-95 |
| 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 | 29 November 2019 | 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 | 27-30 |
| 102-56 | External Assurance | No external assurance was sought | 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 |

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| ECONOMIC | | | |
| 201-1 | Direct Economic Value generated and distributed | Annual Report 2020 - Statement of Financial Position | 43-49 |
| 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 |



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SUSTAINABILITY REPORT 2020**

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