



S T G R O U P

# SUSTAINABILITY REPORT 2020

## ST Group Food Industries Holdings Limited

*This sustainability report has been prepared by ST Group Food Industries Holdings Limited (the "Company") and has been reviewed by the Company's sponsor, United Overseas Bank Limited (the "Sponsor"), for compliance with Rules 226(2)(b) and 753(2) of the Singapore Exchange Securities Trading Limited (the "SGX-ST") Listing Manual Section B: Rules of Catalyst ("Catalist Rules").*

*This sustainability report has not been examined or approved by the SGX-ST. The SGX-ST assumes no responsibility for the contents of this sustainability report, including the correctness of any of the statements or opinions made or reports contained in this sustainability report.*

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## CEO'S MESSAGE

Dear Stakeholders,

We are pleased to present ST Group Food Industries Holdings Limited (“ST Group” or the “Company”, and together with our subsidiaries, the “Group”)’s inaugural sustainability report which provides information on the sustainability of our business and practices during the financial year ended 30 June (“FY”) 2020.

ST Group’s mission is to provide high standards of service and high quality food products to our customers at all the restaurants and kiosks under our portfolio of food and beverage (“F&B”) brands in a sustainable manner. We strive to achieve this sustainability objective through three (3) key areas: prioritising the health and safety of our customers; having a strong commitment to the environment; and recognising that our people are our assets.

High standards are applied across our food supply chain. We apply stringent selection criteria to our initial supplier selection and continued supplier evaluation to ensure that our ingredients are fresh and procured through environmentally and socially sustainable means. Best practices are adopted in managing our food storage and preparation, and the Group’s food safety management systems have been certified to comply with the requirements of international standards.

In pursuit of the Group’s environmental goals, we strive to incorporate sustainable practices in our operations by reducing energy usage, reducing wastage and reducing materials usage in our daily operations.

We take great pride in ensuring that we provide high quality service to all customers. We are committed to investing in our employees, equipping them with knowledge and skills to enable them to serve our valued customers better.

The Group constantly gathers feedback from customers, suppliers, vendors, employees, shareholders, and regulators. We value the opinions of our stakeholders as we formulate plans for the future.

We are committed to seeking sustainable ways to operate our business and will continue placing emphasis on good sustainability practices.

**Mr. Saw Tatt Ghee**

Executive Chairman and Chief Executive Officer (“CEO”)

# OUR SUSTAINABILITY STORY

## Our Sustainability Focus and Strategy

The Group makes a strong commitment to sustainability by endeavouring to build a sustainable supply chain. We ensure that no endangered species have been harmed throughout our supply chain and operations. We use cooking oils that have been certified to be derived through sustainable farming and agriculture practices in our food preparation.

The Group also aims to bring the authentic taste of a number of Asian cuisines to the various regions that it operates in. For each of our brands, we always strive to ensure that the food we prepare is an honest and true representation of their unique taste and values. We have strict procedures in place to ensure that the food preparation process complies with our high standards of cleanliness and hygiene.

The wellbeing of our employees is our core priority. We have continuous development programs and training for our employees to enhance their skillsets, ensuring that they are equipped with the knowledge and skills to serve our customers better.

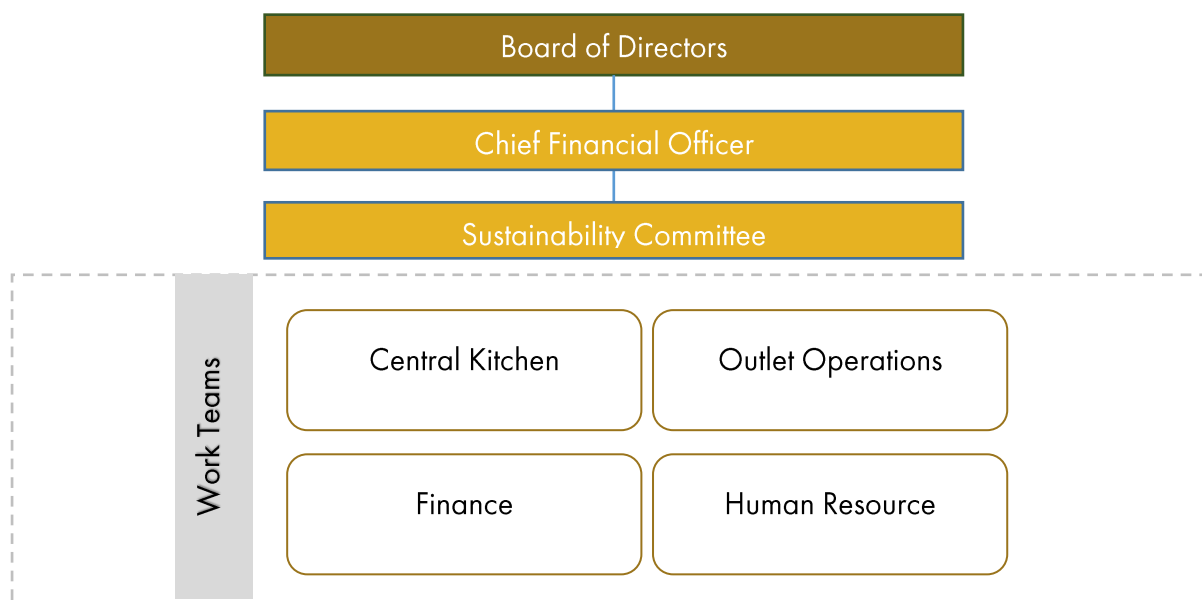
The Group actively manages energy usage in its operations by leveraging new technologies such as solar panels, LED lighting and making use of natural ventilation in its restaurants' dining areas.

These initiatives are part of the Group's journey to creating a truly sustainable food supply chain and position our operations to better adapt to challenges ahead.

## Governance and Statement of the Board

The Group prioritises sustainability at the board of directors ("Board" or "Directors") level. The Chief Financial Officer ("CFO") is responsible for leading and guiding the different business units in the implementation and management of sustainability measures.

The Board incorporates sustainability issues into the strategic formulation of the Group. The Board approves the material environmental, social, economic and governance factors identified and ensures that the factors identified are well-managed and monitored.



## Risk Management

The Group adopts a precautionary approach in strategic decision and day-to-day operations by implementing a comprehensive risk management framework. Environmental, Social and Governance risk identification and mitigation strategy and approach are parts of our Group's Enterprise Risk Management framework.

Please refer to the Corporate Governance Report in the Group's FY2020 Annual Report for more information on corporate governance practices and risk management structure.

## Key Targets and Performance

As this is our Group's first year of sustainability reporting, we have mainly set qualitative sustainability targets and will progressively introduce more quantitative targets as we improve our capabilities in sustainability data collection and monitoring. This approach is in accordance with the SGX-ST's phased implementation approach for sustainability reporting. The targets have been set to achieve organisational objectives and strategies.

The table below summarises our sustainability targets for FY2021:

Environmental Targets for FY2021	
Segment	Action Plan
Group	Achieve <b>zero</b> major environmental non-compliance
	Ensure that endangered species are not harmed throughout our supply chain
	Achieve <b>100%</b> usage of certified cooking oils in our outlets
F&B Retail	Achieve energy savings at kiosks and restaurants
	Reduce wastage through technology adoption and effective measures
Supply Chain	Achieve energy savings at central kitchen and maintain average monthly energy intensity at <1.2 kWh/m <sup>2</sup> and emission intensity at <0.014 tonnes/m <sup>2</sup>
Franchising	Achieve <b>zero</b> major incidents of environmental non-compliance at franchisee outlets

Social Targets for FY2021	
Segment	Action Plan
Group	Achieve <b>zero</b> major socio-economic non-compliance and 100% compliance with COVID-19 rules and regulations
	Achieve an average of 8 hours of training annually per employee, with emphasis being placed on COVID-19 safety measures
	Ensure that <b>100%</b> of our employees receive annual performance appraisals and reviews
F&B Retail	Achieve <b>zero</b> major food health and safety incidents
Supply Chain	Achieve <b>zero</b> major occupational health and safety incidents  Achieve <b>zero</b> major incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of our products or service
Franchising	Achieve <b>zero</b> major food health and safety incidents at franchisee outlets

## Awards and Certifications

The Group has won numerous awards, along with key accreditations obtained from reputable international organisations, in recognition of its excellence in the F&B industry:

**Hazard Analysis & Critical Control Points (HACCP) – Central Kitchen**

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PappaRich Central  
(Melbourne) Pty Ltd

Awarded / Expiry:  
April 2014 / April 2022

Awarding Organisation:  
HACCP Australia Pty Ltd

**ISO 9001:2015  
Quality Management**

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PappaRich Central  
(Melbourne) Pty Ltd

Awarded / Expiry:  
February 2018 / February 2024

Awarding Organisation:  
ICG Compliance Pty Ltd

**Lord Mayor's  
Choice Award**

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PappaRich

Year:  
2018

Awarding Organisation:  
Lord Mayor Andrew Wilson  
Parramatta Sydney, Australia

**5 Star Food Safety Awards**

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PappaRich Express

Year:  
2017

Awarding Organisation:  
City of Manningham  
Victoria, Australia

**Chadstone 2018 Annual Retail  
Excellence Awards**

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PappaRich

Year:  
January 2018 & July 2018

Awarding Organisation:  
Chadstone Shopping Centre  
Melbourne, Australia

**Golden Plate Award for 5 Stars  
in the Food Safety Assessment**

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PPR Co Outlets Pty Ltd

Year:  
2017

Awarding Organisation:  
City of Monash Public Health Unit,  
Australia

**Fast 50 Contender**

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Gong Cha

Year:  
2018

Awarding Organisation:  
Deloitte Fast 50 2018 Regional  
Awards New Zealand

**Best Café  
of the Year 2018**

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Gong Cha Newmarket

Year:  
2018

Awarding Organisation:  
Newmarket Business Awards 2018  
New Zealand

**Best New Concept**

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ST Group,  
Hokkaido Baked Cheese Tart

Year:  
2017

Awarding Organisation:  
QSR Media Detpak Awards 2017  
Australia

**Eat Drink Design Awards  
Best Retail Design 2020**

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KURIMU The Glen

Year:  
2020

Awarding Organisation:  
Architecture Media, Australia

**The BrandLaureate  
SMEs BESTBRANDS™ Awards**

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NeNe Chicken

Year:  
2018 – 2019

Awarding Organisation:  
The BrandLaureate Malaysia



## ORGANISATION PROFILE

Founded in 2011, ST Group, an established F&B group headquartered in Australia, was listed on Catalist of the Singapore Exchange Securities Trading Limited (the "SGX-ST") on 3 July 2020. ST Group holds the exclusive franchise and licence rights to a diversified portfolio of six internationally popular brands – "PappaRich", "NeNe Chicken", "Gong Cha", "Hokkaido Baked Cheese Tart", "IPPUDO" and "iDarts" – in various territories, as well as two of its own brand concepts, "PAFU" and "KURIMU". The Group is also a franchisee of the "Go Noodle House" brand.

ST Group operates in the key geographical markets of Australia, New Zealand, Malaysia and England, the United Kingdom, through four main business segments – F&B Retail, Franchise, Supply Chain and receipt of machine income from electronic dart machines installed at sub-franchised "iDarts" outlets.

The Group's F&B Retail segment comprises Group-owned outlets of restaurants and kiosks, while the Franchise segment comprises sub-franchised and sub-licensed outlets. F&B operations, including outlets under the Franchise segment in Australia and New Zealand, are supported by the Group's Central Kitchen in Melbourne, Australia, under the Supply Chain segment. Between 2012 and 2021, the Group added more than 100 outlets across Australia, New Zealand, Malaysia and England, the United Kingdom.

As at 31 January 2021, ST Group had a network of 123 outlets comprising 47 Group-owned outlets and 76 outlets owned by its sub-franchisees and sub-licensees across its key geographical markets.

Please refer to our annual report for financial year ended 30 June 2020 for our financial performance.

[[Hyperlink to FY2020 Annual Report: Annual Report\\_5Nov2020.ashx \(sgx.com\)](#)]

## STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

The Group believes that stakeholder engagement is integral to the building of a sustainable business. We review sustainability issues based on their materiality to stakeholders. We actively engage in meaningful and productive dialogue with our stakeholders and participate in various industry and government forums to keep abreast of any material stakeholder issues.

We identify key stakeholders as groups who have material impact or could potentially be impacted by our operations. From our engagement with key stakeholders of the Group, we identified key concerns that are important to both our external and internal stakeholders. In identifying the concerns, we considered the following matters:

1. Whether the issues would be main topics and future challenges to the sector.
2. Key organisational values, policies, operational management systems, goals and targets.

The following table summarises our key stakeholders, engagement platforms and their key concerns.

Stakeholders	Engagement platforms	Key concerns	Our responses and relevant sections
Employees	<ul style="list-style-type: none"> <li>• Performance appraisal</li> <li>• Training and education</li> </ul>	<ul style="list-style-type: none"> <li>• Remuneration and benefits</li> <li>• Training and development</li> <li>• Ethics and conduct</li> <li>• Diversity and fair employment</li> <li>• Health and safety</li> <li>• Training on COVID-19 safety measures</li> </ul>	<p><b>Our responses</b></p> <ul style="list-style-type: none"> <li>• Provide robust training for each employee in the areas of a) health and safety b) COVID-19</li> <li>• Provide meaningful performance review and feedback for staff</li> <li>• Ensure career advancement opportunities are available for qualified employees.</li> <li>• Provide timely updates on organisational changes and policies.</li> </ul> <p><b>Relevant sections</b></p> <ul style="list-style-type: none"> <li>• Ethics and Integrity</li> <li>• Focus 3: Our People</li> <li>• Safe Management during COVID-19</li> </ul>
Customers	<ul style="list-style-type: none"> <li>• Customer surveys / reviews</li> <li>• Advertisements / media campaigns</li> </ul>	<ul style="list-style-type: none"> <li>• Food safety and hygiene</li> <li>• Variety of food</li> <li>• Ethical procurement practices</li> <li>• Customer service and food quality</li> <li>• COVID-19 safety measures</li> </ul>	<p><b>Our responses</b></p> <ul style="list-style-type: none"> <li>• Provide a pleasant dining experience for our customers and staying updated on consumer tastes and preferences</li> <li>• Maintain stringent food hygiene and safety standards</li> </ul> <p><b>Relevant sections</b></p> <ul style="list-style-type: none"> <li>• Focus 1: Our Customers</li> <li>• Food Health and Safety</li> <li>• COVID-19 Safety Measures for Customers</li> </ul>

Stakeholders	Engagement platforms	Key concerns	Our responses and relevant sections
Suppliers	<ul style="list-style-type: none"> <li>• Supplier evaluation</li> <li>• Supplier management</li> </ul>	<ul style="list-style-type: none"> <li>• Health and safety</li> <li>• Ethical procurement practices</li> <li>• Environmental compliance</li> <li>• Socioeconomic compliance</li> </ul>	<p><b>Our responses</b></p> <ul style="list-style-type: none"> <li>• Obtain clarifications on supplier practices and provide feedback for further improvement</li> </ul> <p><b>Relevant sections</b></p> <ul style="list-style-type: none"> <li>• Food Health and Safety</li> <li>• Code of Conduct</li> </ul>
Community	<ul style="list-style-type: none"> <li>• Corporate social responsibility programmes</li> <li>• Sponsorships</li> <li>• Corporate donations</li> </ul>	<ul style="list-style-type: none"> <li>• Community engagement services</li> </ul>	<p><b>Our responses</b></p> <ul style="list-style-type: none"> <li>• Identify beneficiaries, their needs and the amount of support available from the Group</li> </ul> <p><b>Relevant sections</b></p> <ul style="list-style-type: none"> <li>• Focus 4: Our Community</li> </ul>
Government and Regulators	<ul style="list-style-type: none"> <li>• Industry seminars</li> <li>• Focus group discussions</li> </ul>	<ul style="list-style-type: none"> <li>• Food safety and compliance</li> <li>• Ethical procurement practices</li> </ul>	<p><b>Our responses</b></p> <ul style="list-style-type: none"> <li>• Comply fully with all laws and regulations</li> <li>• Engage regulators on regulatory changes and developments</li> </ul> <p><b>Relevant sections</b></p> <ul style="list-style-type: none"> <li>• Ethics and Integrity</li> <li>• Environmental Protection</li> <li>• Focus 3: Our People</li> <li>• Safety Measures against COVID-19</li> </ul>

Stakeholders	Engagement platforms	Key concerns	Our responses and relevant sections
Shareholders	<ul style="list-style-type: none"> <li>• Company announcements</li> <li>• Annual reports</li> <li>• Investor relations management</li> <li>• Sustainability reports</li> </ul>	<ul style="list-style-type: none"> <li>• Economic performance</li> <li>• Ethical procurement practices</li> <li>• Anti-corruption</li> </ul>	<p><b>Our responses</b></p> <ul style="list-style-type: none"> <li>• Publish informative and insightful Annual Reports, Sustainability Reports and announcements</li> <li>• Engage shareholders through investor relations events</li> </ul> <p><b>Relevant sections</b></p> <ul style="list-style-type: none"> <li>• Ethics and Integrity</li> <li>• Annual Report</li> </ul>

## REPORTING PRACTICE

This sustainability report is produced in accordance with the Global Report Initiative (GRI) Standards “Core” option, covering our Group’s performance from 1 July 2019 to 30 June 2020. The scope of the report covers all geographical markets the Group operates in, including Australia, New Zealand, Malaysia and England, the United Kingdom. Our headquarters is in Australia, where majority of the Group’s operations are conducted. Business segments covered by this report include F&B Retail, Franchise and Supply Chain. The information in this report is current as of the date of its initial publication.

The GRI Standards represent the global best practices for reporting on economic, environmental, social and governance topics. The following principles have been applied to determine the relevant topics that define the report content and ensure quality of information: a) GRI principles for defining report content: Stakeholder Inclusiveness, Sustainability Context, Materiality and Completeness; and b) GRI principles for defining report quality: Accuracy, Balance, Clarity, Comparability, Reliability and Timeliness. This report also incorporates primary components as set out under Catalyst Rule 711B’s “Comply or Explain” requirements on sustainability reporting.

The Group has assessed that external assurance is not required as the Group wishes to strengthen the sustainability reporting framework for this year. However, internal controls are in place to ensure the credibility of disclosures in this report. This report supplements the Group’s FY2020 Annual Report. Detailed section reference with GRI Standards is found at the GRI Standards Content Index section of this report.

The Group’s material topics are identified based on its impact on our internal and external stakeholders, as outlined in the Stakeholders Engagement section.

Material Topics	Boundaries (country or entity)
<b>ECONOMIC</b>	
GRI 202: Market Presence	The Group
GRI 204: Procurement Practices	F&B Retail and Supply Chain
GRI 205: Anti-corruption	The Group
GRI 207: Tax	
<b>ENVIRONMENTAL</b>	
GRI 301: Materials	F&B Retail and Supply Chain
GRI 302: Energy	The Group
GRI 303: Water and Effluents	
GRI 305: Emissions	
GRI 306: Waste	F&B Retail and Supply Chain
GRI 307: Environmental Compliance	The Group
GRI 308: Supplier Environmental Assessment	

Material Topics	Boundaries (country or entity)
<b>SOCIAL</b>	
GRI 401: Employment	The Group
GRI 403: Occupational Health and Safety	
GRI 404: Training and Education	
GRI 405: Diversity and Equal Opportunity	
GRI 406: Non-Discrimination	
GRI 408: Child Labour	
GRI 409: Forced or Compulsory Labour	
GRI 412: Human Rights Assessment	
GRI 413: Local Community	
GRI 414: Supplier Social Assessment	
GRI 416: Customer Health and Safety	
GRI 417: Marketing and Labelling	
GRI 418: Customer Privacy	
GRI 419: Socioeconomic Compliance	

## ETHICS AND INTEGRITY

*GRI 205-1, 205-2, 205-3*

Integrity, responsibility and accountability are core principles of the Group. There is an Employee Code of Conduct in place that reiterates the Group's firm position against corruption and bribery and provides a framework for all employees to adhere to in their dealings with customers, business partners and other colleagues. 100% of our operations have been assessed for risks related to corruption and no significant risks related to corruption have been identified through our assessment. Our stand against corruption and bribery is also clearly communicated to all members of the Board and key management personnel as well as our business partners before they commence dealings with the Group. All members of the Board and all employees have received training on anti-corruption during employee orientation sessions. We expect our business partners to comply with applicable anti-corruption laws and regulations.

In FY2020, there were no confirmed incidents of corruption and no public legal cases regarding corruption brought against the Group or its employees.

The Group has a whistle-blowing policy in place which provides well-defined and accessible channels in the Group through which staff and any other persons may in confidence, raise their concerns of possible improprieties, fraudulent activities or malpractices within the Group in a responsible and effective manner. The objective of the whistle-blowing policy is to ensure that arrangements and processes are in place to facilitate independent investigation of such concerns and for appropriate follow-up action. There were no reports of whistle blowing received in FY2020.

# FOCUS 1: OUR CUSTOMERS

## Food Health and Safety

*GRI 414-1, 414-2, 416-1, 416-2*

### F&B Retail and Central Kitchen

ST Group, as a renowned and trustworthy food service provider, is committed to ensuring high standards of food quality and safety. Achieving and maintaining high quality and safety standards along our entire food value chain is at the core of our business practices. As such, the Group is meticulous in the way we prepare food and judicious in our selection of suppliers.

#### Supplier Selection

The Group procures from approved suppliers who produce, package, store and deliver products in accordance with good manufacturing practices prevailing in their respective industries. Approved suppliers are expected to provide goods and services that consistently meet our required specifications, in particular product quality and timeliness of product delivery.

Product quality and reliability of suppliers' services play a significant role in the quality and taste of our food products. Factors such as the timeliness of delivery are essential factors for consideration in our supplier selection process to ensure the freshness, quality, and safety of our food products. Other supplier assessment criteria include unit price, payment terms, rebates offered, and other qualitative costs to ensure the economic viability of our food value chain. We prioritise the health of our customers by using certified cooking oils from our panel of approved suppliers.

#### Food Storage and Delivery

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

In addition, our ingredients are kept in chilled storage spaces and freezers that are clean and hygienic with temperatures monitored regularly. Expiry dates on all the food and ingredient packaging are always checked before use. These procedures are performed to ensure that only the freshest ingredients are used to prepare our final products.

#### Food Preparation

We adopt stringent food hygiene practices and guidelines in the food preparation process. Food handlers are trained and reminded constantly on the importance of personal hygiene and cleanliness of their working environment. For example, food handlers are required to wear hair coverings and gloves when handling and preparing food. The food manufacturing division and areas such as food delivery vehicles and food storage areas are also inspected daily for cleanliness and safety. Food handlers returning from medical leave are checked by their respective supervisors



to ensure that they are healthy to recommence work. Compliance with regulations or voluntary codes concerning health and safety impacts of our food products is of paramount importance to our business operations. We have excelled on this front and achieved zero instances of non-compliance with regulations or voluntary codes which we will maintain as a target for FY2021.

## Franchising

The high standards of food safety across the Group and our portfolio of brands is achieved through a sustained effort to engage our sub-franchisees and sub-licensees. We encourage franchisees to procure food products from approved suppliers that meet our stringent quality standards to ensure excellent food quality. Frequent communication and annual audits are carried out to ensure that our sub-franchisees and sub-licensees are aware of the importance of health and safety compliance and to share best practices in food preparation and safety.

## Customer Safety

### *GRI 416-1*

We are committed to providing a safe and pleasant environment for our customers to dine at our outlets. We implement measures to protect the safety of our customers such as providing safety notices or barriers when our restaurant areas are being cleaned and limiting customers' access to food preparation area. Our dining areas are designed to maximise the available foot space and ergonomics for our patrons, ensuring a pleasant dining experience while minimising the occurrence of accidents.

The Group engages experts to install pest control devices at restaurants and food manufacturing facilities. Daily checks are also conducted to ensure that there are no pests breeding in food storage/ consumption/ preparation areas or contaminations that may encourage pest breeding.

## COVID-19 Safety Measures for Customers

In FY2020, a newly discovered coronavirus emerged and resulted in the COVID-19 outbreak which evolved into a global pandemic. During these unsettling times, we remain committed to our stakeholders and made the utmost effort to adhere to local COVID-19 regulations and measures. To minimize the risk of transmission within the community, we have implemented various safety measures in our restaurants including, but not limited to:

- enforce proper social distancing;
- keep records for contact tracing;
- promote usage of face masks and hand sanitisers whenever required, unless a lawful exception applies;
- encourage usage of contactless payments; and
- switch to take-away and food delivery services only

The Group has taken the initiative to formulate COVID-19 safety measure guidelines which outline a comprehensive COVID-19 safety checklist for restaurants to adopt and to adhere to. The COVID-19 safety measure guidelines are essential in allowing the Group to continue operating in a safe and responsible manner, and to prepare the Group to react and respond in the event of an infection.

During FY2020, there were no incidents of non-compliance with COVID-19 safety rules and regulations in all jurisdictions that the Group operates in.

## FOCUS 2: OUR ENVIRONMENT

### Recycling

*GRI 301-2*

We aim to reduce the usage of natural resources in our operations and have made efforts to reduce the use of materials in the packaging for takeaway and delivery services. While the percentage of recycled materials used in the packaging could not be obtained for the reporting period, we always aim to engage suppliers who are sustainability focused. Where possible, we ensure that suppliers are ISO 14001 Environmental Management System certified to manage the environmental impact during the production of the packaging materials.

The Group encourages all outlets to separate their waste, and to dispose and recycle materials in an environmentally friendly manner. We are also experimenting using compostable packaging in takeaway and delivery services and will continue to increase our efforts to utilise recycled products to minimize the environmental impact of our operations.

## Energy and Emissions Management

GRI 302-1, 302-3, 302-4, 305-2, 305-4, 305-5

### F&B Retail

The Group endeavours to maximise our energy conservation efforts to reduce our carbon footprint and develop the environmental sustainability of our business. We aim to achieve energy conservation by installing energy efficient LED lighting and embedding natural ventilation into our outlet design. The Group carries out regular maintenance on the equipment in our restaurants to ensure fuel combustion efficiency and performance. We strive to continue our efforts in environmental sustainability and reduce energy consumption in our outlets in FY2021.

It has always been our Group's goal to include sustainability features into our restaurant planning and design. One such outlet, PappaRich Highpoint has incorporated a slew of sustainable design features to enhance our customers' dining experience.

*PappaRich Highpoint Outlet*



PappaRich Highpoint is a store that features sustainably designed concepts and features. The shopfront is bi-fold, allowing customers to enjoy the benefits of natural lighting and natural airflow ventilation. The store design also features no permanent fixtures in the shopfront to further enhance airflow and allow natural light to illuminate additional areas in the store. It also features an open kitchen concept to let customers observe the meticulous preparation process that goes into making our food and beverage products.

## Central Kitchen

The Group's central kitchen has always strived to reduce the amount of fuel and energy used in food preparation. Some of the initiatives taken include installing energy efficient LED lighting and solar panels to generate clean energy. The solar panels provide a renewable, clean source of energy for the facilities and when possible, excess solar energy generated may also be sold back to the grid.



The energy consumption and emission at our central kitchen is summarised in the table below. Intensity numbers are calculated based on gross floor area:

	Average Monthly Consumption/ Emission for FY2020	Average Monthly Intensity Ratio for FY2020 (per m <sup>2</sup> )	Average Monthly Intensity Ratio Target for FY2021 (per m <sup>2</sup> )
Energy (kWh)	37,949	1.165	<1.2
CO <sub>2</sub> (tonnes)	43.87	0.014	<0.015

The energy consumption results in the current year have been encouraging as we continue to work towards achieving our energy consumption target for FY2021. We are constantly looking for ways to reduce emission intensity and lessen the environmental impact of our business.

Targets for FY2021	Achieve energy savings at central kitchen and maintain average monthly energy intensity at <1.2 kWh/m <sup>2</sup> and emission intensity at <0.014 tonnes/m <sup>2</sup>
	Achieve energy savings at kiosks and restaurants

Energy saving is aligned with our environmental focus as it reduces the greenhouse gases emitted from the Group's operations, either directly or indirectly. Reduction in energy use also leads to cost savings by reducing overheads and expenses during food production.

## Water and Effluents

*GRI 303-1, 303-2, 303-3, 303-4*

Our water sources are mainly derived from municipal sources. An assessment is conducted regularly on how our Group uses water and any negative impact is quickly identified and promptly addressed. Employees are encouraged to reduce wastage of water and to take ownership of the water usage in their area of work. We take measures to monitor and reduce the environmental impact of our water and effluent discharge and ensure that all used water is discharged into proper sewage channels in accordance with the relevant laws and regulations.

## Waste Management

*GRI 306-1, 306-2*

### F&B Retail

We take great effort to reduce the amount of waste generated in our operations. Our F&B operations and Franchising have the potential to generate large amounts of waste given the high usage of food delivery containers. We have stopped using single use plastic bags in our restaurants and our customers are encouraged to use their own bags and utensils whenever possible.

The Group has ongoing used cooking oil collection arrangements with one of its major suppliers, where used cooking oil is recycled into biodiesel and other products. This major supplier is an official Safe Quality Food ("SQF") certified supplier and is also accredited with HACCP food safety. In the months of January 2021 to March 2021, we estimated that approximately 58,000 litres of used cooking oil have been collected by our supplier to be managed in an environmentally friendly and responsible manner.

To maximise the available area in our restaurants, there are currently no separate bins for recyclable and non-recyclable waste. In view of this, our staff have been leading recycling efforts by separating generated waste such as carton boxes, aluminium drink cans into recyclable and non-recyclable waste.

We regularly evaluate our waste management standards and operating practices to ensure that there is an efficient management system in place, and that it complies strictly with local environmental laws and regulations.

## Central Kitchen

We have taken active measures to reduce and manage the waste generated by our Central Kitchen. Initiatives to reduce waste include storing used cooking oils in containers to be sold back to our suppliers to be manufactured into other products. As a result of the used cooking oils collection initiative, we are able to dispose used cooking oils in an environmentally friendly manner, and also to reduce on landfill by not using tins to dispose used cooking oils. All these measures help to cut down carbon emission significantly. We are constantly on the lookout for opportunities to reduce and manage waste efficiently.

Target for FY2021	Reduce wastage through technology adoption and effective measures
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The above target articulates the Group's aim to maximise the use of resources in our supply chain including identifying potential avenues to create further value for used resources such as recycling used cooking oil, and to reduce waste generation.

## Environmental Compliance

### GRI 307-1

The Group complies strictly with local environmental laws and regulations where we operate, and there was no incident of environmental non-compliance during FY2020. The Group has an Environmental Policy Statement that is circulated to all employees to ensure that they are aware of the Group's directions on environmental sustainability policies. We will strive to maintain zero major environmental non-compliance in FY2021.

Targets for FY2021	Achieve <b>zero</b> major environmental non-compliance in the Group
	Achieve <b>zero</b> major incidents of environmental non-compliance at franchisee outlets

Compliance with environmental laws and regulations is aligned with our corporate objective to minimize negative environmental impact.

## Supplier Environmental Assessment

### GRI 308-1, 308-2

In addition to assessment of suppliers' product quality, we also carry out environmental impact assessment on all new and existing suppliers across our supply chain. We ensure that our suppliers utilise oils from sustainably grown sources such as certified palm oil and that no endangered species have been harmed while obtaining the ingredients.

We perform supplier due diligence upon initial contract negotiation and continue to engage our suppliers on environmental issues through collaboration and monitoring. Suppliers' environmental compliance is assessed against predetermined criteria agreed between our Group and our suppliers. Supplier assessment and performance is informed through subsequent contractual reviews and compliance and grievance mechanisms.

In FY2020, no suppliers have been identified as having significant actual and potential negative environmental impact.

Targets for FY2021	Ensure that endangered species are not harmed throughout our supply chain
	Achieve 100% usage of certified cooking oils in our outlets

The targets we have set illustrate our efforts to limit any negative impact on vulnerable species on land or in water due to our operations. This is also reflected in our use of certified cooking oils.

## FOCUS 3: OUR PEOPLE

Our Group is committed to the safety and wellbeing of our staff. We value and compensate fairly based on the contributions of all our staff, and treat everyone with equal respect.

### Occupational Health and Safety

*GRI 403-1, 403-2, 403-4, 403-6, 403-7, 403-8, 403-9, 403-10*

The Group aims to ensure that the health and safety of all our employees are well looked after. The Group has an extensive Health and Safety Policy Statement which is readily accessible to all employees. The Health and Safety Policy Statement comprises topics such as:

- Code of Conduct which outlines the Group's expectation of responsible social and ethical behaviour from all employees;
- Drug and Alcohol policy which provides guidance on managing misuse of alcohol and drugs in the workplace;
- Fitness for Work policy which promotes awareness of health and safety;
- Return to Work policy designed to provide support, effective injury management and rehabilitation to employees returning to work from illness or injuries;
- Workplace Bullying and Harassment Management policy designed to prevent occurrences of workplace bullying and to assist employees in need of help; and
- Purchasing policy provides guidance on procuring equipment that meets occupational health and safety laws and standards

We conduct regular health and safety training for our employees, which includes guidance on how to handle workplace accidents. We regularly engage our employees to understand any occupational health and safety issues they face in their line of work by supporting them through conversations with their managers.

In FY2020, there were zero occurrences of serious workplace injuries, the rate of fatality<sup>1</sup> was zero and the rate of high-consequence work-related injuries<sup>2</sup> was zero based on 200,000 work hours. In our regular inspection of work-related hazards, no major risks have been identified. The Group has workplace injury insurance coverage in all jurisdictions that the Group operates in. In the event that an employee suffers an injury, the employee will receive prompt medical attention. The head of the department will then raise a preventative action report which details the nature of the incident and mitigating measures to prevent recurrence of such incidents in the future.

### Safe Management during COVID-19

Amidst the COVID-19 pandemic, the Group stays committed to prioritising the safety of all employees. COVID-19 Safe Plan Guidelines were introduced and circulated to all employees to provide directions on creating a safe working environment. We have conducted briefings for employees to ensure that they are adequately informed of the latest development of COVID-19 safety measures and mandated guidelines.

In FY2020, we had zero incidents of non-compliance with local COVID-19 safety rules and regulations.

Targets for FY2021	Achieve <b>zero</b> major food health and safety incidents
	Achieve <b>zero</b> major occupational health and safety incidents
	Achieve <b>zero</b> major incidents of non-compliance with regulations or voluntary codes concerning the health and safety impacts of our products or service
	Achieve <b>zero</b> major food health and safety incidents at franchisee outlets

Creating a safe working environment has always been our corporate objective and part of our people focus. The targets we have set are an effort to quantify our progress and promote active discussion on health and safety issues.

<sup>1</sup> rate of fatality =  $\frac{\text{No. of fatalities as a result of work-related injury}}{\text{No. of hours worked}} \times 200,000$

<sup>2</sup> rate of high-consequence work-related injuries =  $\frac{\text{No. of high-consequence work-related injuries (excluding fatalities)}}{\text{No. of hours worked}} \times 200,000$

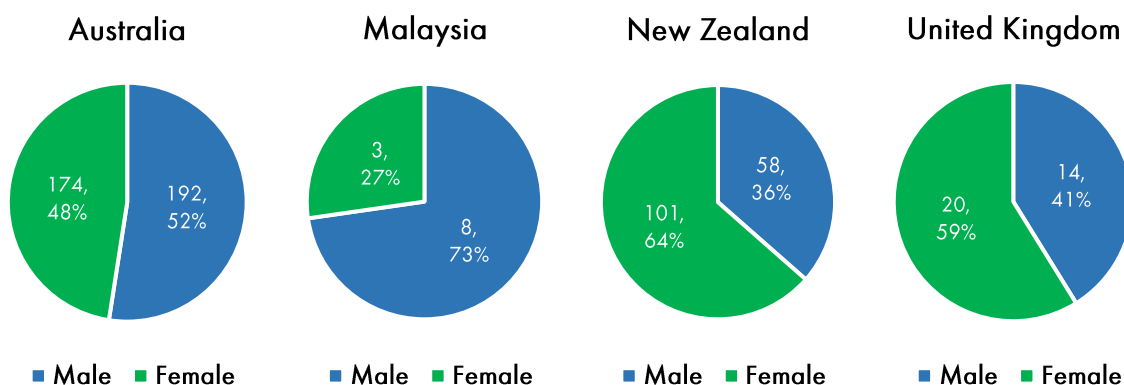


## Employee Diversity

GRI 405-1

Our Group embraces gender and age diversity in staff employment. As at 31 March 2021, our total staff strength stood at 570 employees. The Group has a diversified workforce consisting of employees from different countries such as Australia, New Zealand, Malaysia and the United Kingdom.

### Our Workforce by Gender



### Our Workforce by Age Group



## Employee Benefits

GRI 401-2, 401-3

We strive to provide competitive employee benefits to retain our valued employees because we believe that satisfied employees lead to greater customer satisfaction. All our full-time and part-time employees are entitled to a range of benefits such as carer's leave and parental leave. We strive to provide equal benefits for both part-time and full-time employees.

Our Group has adopted a performance share plan which provides eligible employees with an opportunity to participate in the equity interest of our Group. This scheme is designed to:

- motivate eligible employees to optimise their performance standards and efficiency to maintain a high level of contribution to our Group;
- retain our valued employees whose contributions are essential to the growth and profitability of our Group;
- instil loyalty and stronger identification with long-term goals of our Group; and
- attract potential employees with relevant skills to contribute to our Group.

As at the end of FY2020, there were no performance shares granted to our employees.

## Training and Education

GRI 403-5, 404-1, 404-2, 404-3

Our Group recognises that the quality of our employees contributes directly to the quality of our services and operations. We are committed to the continuous development and career progression of our employees and actively encourage them to undergo upskilling and external training. We also provide internal training programs to employees who wish to expand their skillsets in their current position or are keen to explore other potential positions within the organisation. The trainings are focused on helping our employees deliver the optimal service to our customer. In FY2020, all our new employees working at restaurants underwent training of at least 40 hours during the year.

Regular performance reviews are carried out to provide feedback and opportunity for employees to enhance their personal development. In FY2020, all our employees received performance and career development reviews.

Targets for FY2021	Achieve an average of 8 hours of training annually per employee, with emphasis being placed on COVID-19 safety measures
	Ensure that 100% of our employees receive annual performance appraisals and reviews

Our targets for providing sufficient training and career review opportunities are part of our corporate objective for employee retention. This also allows us to identify valued employees for promotion and to groom the next generation of leaders for our Group.

## **FOCUS 4: OUR COMMUNITY**

### **Local Wage Compliance**

*GRI 202-1*

Our Group believes in contributing positively to the society and communities where we operate. We strive to remunerate our junior employees fairly in accordance with local guidance on minimum wage standards. In FY2020, we complied fully with minimum wage standards in each of our main countries of operation - Australia, Malaysia, New Zealand and England, the United Kingdom.

### **Local Management**

*GRI 202-2*

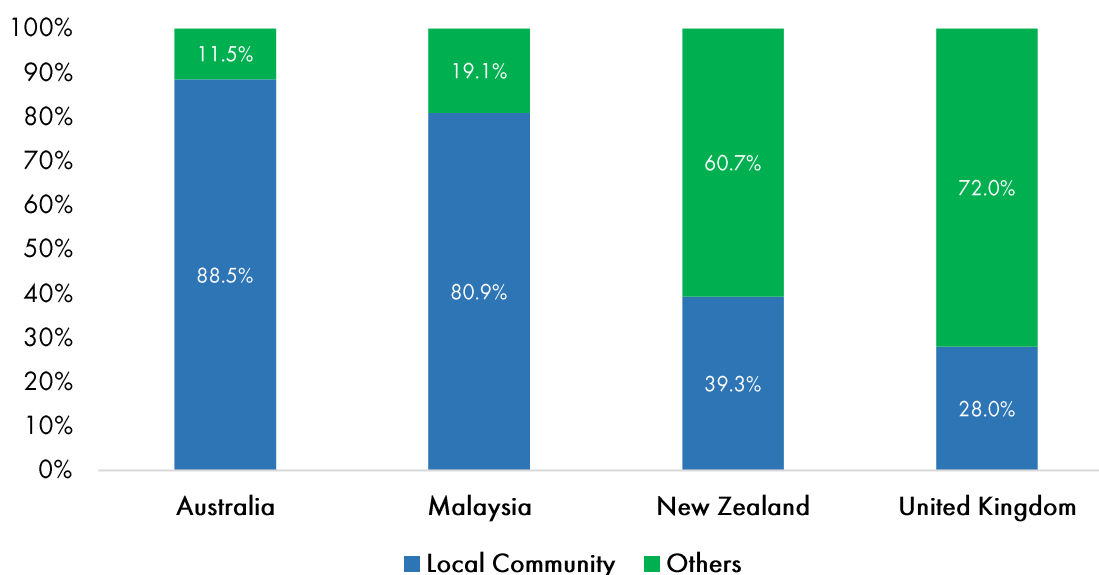
All of our senior management is hired from the local community. This enables us to promote the development of local talent and to tap into their understanding of the tastes and preferences of the local community.

### **Local Suppliers**

*GRI 204-1*

We aim to enhance the reliability of our supply chain and ensure that it meets the needs of our target demographics while providing economic opportunities for the local community. Whenever possible, we try to source for ingredients from local suppliers. Overseas suppliers are engaged only when there are no local suppliers available. In FY2020, approximately 76% of our business expenditure was incurred with local suppliers.

### Porportion of Spending on Local Suppliers



## Approach to Tax

*GRI 207-1, 207-2, 207-3, 207-4*

Our Group’s strategy and approach to tax is to fully comply with relevant tax laws and regulations in all jurisdictions we operate in, which indirectly support the local governments and authorities in their economic, environmental and social objectives. Our Group has zero tolerance for any intentional breach of tax laws and regulations.

Our Group identifies tax related risks as part of its enterprise risk management framework which is reported regularly to the Company’s Audit and Risk Committee. Implementation of tax compliance related policies and procedures are delegated to the respective business units and are monitored by our Group’s CFO.

Relevant staff attend tax related trainings to keep updated on key changes. The Group also engages qualified professional tax advisors in all jurisdictions to ensure compliance at the transaction levels as well as fulfilling required tax filings. The Audit and Risk Committee may also from time to time engage the Group’s internal auditor to monitor compliance with the tax governance and control framework. Any instances of non-compliance are reported to the Audit and Risk Committee and resolved promptly.

Please refer to the disclosures in Note 9 of the Company’s FY2020 Annual Report for further information.

## Human Rights Assessment

GRI 412-1, 412-2, 412-3

Our operations in each of our country of operations are regularly reviewed for human rights impact. We abide strictly with local labour laws and regulations in our countries of operation which have adopted the Universal Declaration of Human Rights. We are not aware of any contradictions to human right obligations in our agreements and contracts.

## Corporate Social Responsibility

GRI 413-1

As a responsible corporate citizen, our Group believes in giving back to the community. During the height of the COVID-19 pandemic, with the assistance of the Consulate General of Malaysia in Melbourne, we provided free food to Malaysian students in Melbourne. We have also donated reusable face masks to frontline workers to provide protection against COVID-19 infection.

We will continue to enhance our community engagement events in the future.



*Food deliveries to Malaysian students in Melbourne*

## Supplier Social Assessment

*GRI 413-2, 414-1, 414-2*

We ensure that all of our suppliers are responsible corporate citizens, and regularly assess them for their social impact. We call for our suppliers to implement fair employment practices and policies to protect employee rights. Our suppliers are encouraged to follow rules set out by Fair Works Australia, the tribunal which promotes compliance with Australian workplace laws. We actively encourage our suppliers to refrain from subjecting any employee to discrimination based on race, national origin, ethnicity, religion, gender, age, marital status, sexual orientation, disability, or any other reason. All newly approved suppliers are assessed and screened against social criteria such as adherence to human rights laws and health and safety practices.

A proactive approach is taken when assessing our suppliers. We engage with our suppliers through frequent communication to understand where they stand with regards to managing negative social impacts. In FY2020, we are not aware of any reported negative social impacts along the supply chain.

## Protecting Customer Privacy and Data

*GRI 418-1*

The Group takes utmost care in protecting our customers' privacy and data collected through our customer loyalty program. Policies for customer data management have been formalised and our employees undergo frequent training on managing customer information and data. We comply fully with data protection laws and regulations in all countries where we operate, including the European Union's General Data Protection Regulation, the Personal Data Protection Act in Malaysia and the respective Privacy Acts in Australia and New Zealand.

There were no substantiated complaints concerning breaches of customer privacy and loss of customer data in FY2020.

## Socioeconomic and Marketing Communication Compliance

GRI 419-1

We comply strictly with social and economic regulations as well as laws regarding marketing communications where we operate. There was no incidence of non-compliance with social, economic and marketing laws and regulations in FY2020.

Target for FY2021	Achieve <b>zero</b> major socio-economic non-compliance and 100% compliance with COVID-19 rules and regulations
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Achieving full compliance with socioeconomic laws and regulations, including those relating to COVID-19, is in alignment with our corporate objectives of minimizing negative social impact and being a dutiful corporate citizen.

## SGX-ST's Five Primary Components Index

S/N	Primary Component	Section Reference
1	Material Topics	Stakeholder Engagement
2	Policies, Practices and Performance	<ul style="list-style-type: none"> <li>▪ CEO's Message</li> <li>▪ Our Sustainability Story</li> </ul>
3	Board Statement	Governance and Statement of the Board
4	Targets	Our Sustainability Story
5	Framework	Reporting Practice

## GRI Standards Content Index

GRI Standards	Disclosure Content	Reasons for Omission and Section Reference
102-1	Name of the organisation	Organisation Profile
102-2	Activities, brands, products, and services	Organisation Profile
102-3	Location of headquarters	Organisation Profile
102-4	Location of operations	Organisation Profile
102-6	Markets served	Organisation Profile
102-7	Scale of the organisation	Organisation Profile
102-8	Information on employees and other workers	Focus 3: Our People
102-11	Precautionary Principle or approach	Governance and Statement of the Board
102-14	Statement from senior decision-maker	CEO's Message
102-15	Key impacts, risks, and opportunities	CEO's Message, Our Sustainability Story
102-16	Values, principles, standards, and norms of behaviour	Ethics and Integrity
102-17	Mechanisms for advice and concerns about ethics	Ethics and Integrity
102-18	Governance structure	Governance and Statement of the Board
102-40	List of stakeholder groups	Stakeholder Engagement
102-42	Identifying and selecting stakeholders	Stakeholder Engagement
102-43	Approach to stakeholder engagement	Stakeholder Engagement



GRI Standards	Disclosure Content	Reasons for Omission and Section Reference
102-44	Key topics and concerns raised	Stakeholder Engagement
102-46	Defining report content and topic boundaries	Reporting Practice
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Local Wage Compliance
202-2	Proportion of senior management hired from the local community	Local Management
205-1	Operations assessed for risks related to corruption	Ethics and Integrity
205-2	Communication and training on anti-corruption policies and procedures	Ethics and Integrity
205-3	Confirmed incidents of corruption and actions taken	Ethics and Integrity
207-1	Approach to tax	Approach to Tax
207-2	Tax governance, control, and risk management	Approach to Tax
207-3	Stakeholder engagement and management of concerns related to tax	Approach to Tax
207-4	Country-by-country reporting	<b>Reason for Omission:</b> Country by country tax information is confidential <b>Section:</b> Approach to Tax
301-2	Percentage of recycled input materials used	<b>Reason for Omission:</b> Percentage of recycled input materials information unavailable <b>Section:</b> Recycling
302-1	Energy consumption within the organisation	Energy and Emissions Management
302-3	Energy intensity	Energy and Emissions Management
302-4	Reduction of energy consumption	Energy and Emissions Management
303-1	Interactions with water as a shared resource	Water and Effluents Management

GRI Standards	Disclosure Content	Reasons for Omission and Section Reference
303-2	Management of water discharge related impacts	Water and Effluents Management
303-3	Water withdrawal	Water and Effluents Management
303-4	Water discharge	Water and Effluents Management
305-2	Indirect greenhouse gas emissions	Energy and Emissions Management
305-4	Greenhouse gas emissions intensity	Energy and Emissions Management
305-5	Reduction in GHG emissions	Energy and Emissions Management
306-1	Waste generation and significant waste related impacts	Waste Management
306-2	Management of significant waste related impacts	Waste Management
307-1	Non-compliance with environmental laws and regulations	Environmental Compliance
308-1	Percentage of new suppliers that were screened using environmental criteria	Supplier Environmental Assessment
308-2	Negative environmental impacts in the supply chain & actions taken	Supplier Environmental Assessment
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Employee Benefits
401-3	Parental Leave	Employee Benefits
403-1	Occupational health and safety management system	Occupational Health and Safety
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety
403-3	Occupational health services	Occupational Health and Safety
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety
403-5	Worker training on occupational health and safety	Training and Education

GRI Standards	Disclosure Content	Reasons for Omission and Section Reference
403-6	Promotion of worker health	Occupational Health and Safety
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety
403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety
403-9	Work-related injuries	<b>Reason for Omission:</b> Rate of recordable work-related injuries information unavailable <b>Section:</b> Occupational Health and Safety
404-1	Average hours of training per year per employee	Training and Education
404-2	Programmes for upgrading employee skills and transition assistance programmes	Training and Education
404-3	Regular Performance and Career Development Review	Training and Education
405-1	Diversity of governance bodies and employees	Employee Diversity
408-1	Operations and suppliers at significant risk for incidents of child labor	Supplier Social Assessment
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Supplier Social Assessment
412-1	Operations that have subject to human rights reviews or impact assessments	Human Rights Assessment
412-2	Employee training on human rights policies or procedures	Human Rights Assessment
412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Human Rights Assessment
413-1	Operations with local community engagement, impact assessments, and development programmes	Corporate Social Responsibility
413-2	Operation with significant actual & potential negative impacts on local communities	Supplier Social Assessment

GRI Standards	Disclosure Content	Reasons for Omission and Section Reference
414-1	New suppliers screened using social criteria	Supplier Social Assessment
414-2	Negative social impacts in the supply chain & actions taken	Supplier Social Assessment
416-1	Assessment of the health and safety impacts of product and service categories	Customer Health and Safety
416-2	Incidents of non-compliance concerning the health and safety impact of products and services	Customer Health and Safety
417-3	Incidents of non-compliance concerning marketing communications	Socioeconomic and Marketing Compliance
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Protecting Customer Privacy and Data
419-1	Non-compliance with laws and regulations in the social and economic area	Socioeconomic and Marketing Compliance