



**SUSTAINABILITY
REPORT
2024**
SAKAE HOLDINGS LTD



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01

BOARD'S STATEMENT

The Board of Directors (the "Board") is pleased to present the Sustainability Report ("Report") for Sakae Holdings Ltd. and its subsidiaries ("Sakae", or "the Group") for the financial year ended 30 June 2024. Sakae believes that sustainable growth strategies and practices are important for our business.

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

This Report provides Sakae's various stakeholders with insights into our business operations and our sustainability efforts and initiatives. Guided by our sustainability reporting policy ("SR policy"), the management team has conducted a review of our material ESG factors for the year to ensure that they are current and updated from the previous reporting period. As we progress along our sustainability journey, we aim to incorporate sustainability initiatives in our business processes to enhance our reporting capabilities.

Just as the food & beverage services sector overcame the challenges at the height of the Covid-19 pandemic, other challenges arise, such as competition for manpower, supply chain disruption, rising cost of raw materials and logistics as well as other cost pressures brought about by inflation and uncertainty in a dynamic geopolitical climate. Despite the challenges, the Group will continue to adopt a cautious outlook as we look to manage the business operations with sustainable growth.

In today's competitive business environment, the Board remains committed to support the management in upholding good governance and sustainability practices to achieve long-term success and bring value for our stakeholders. Accordingly, we will work towards achieving our ESG targets, enhancing our Report with climate-related disclosures.

This Report further communicates our support towards the United Nations' Sustainable Development Goals ("SDG"). We work closely with stakeholders in our value chain and their inputs drive our sustainability focus on our material Sustainability Factors and the SDG.

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

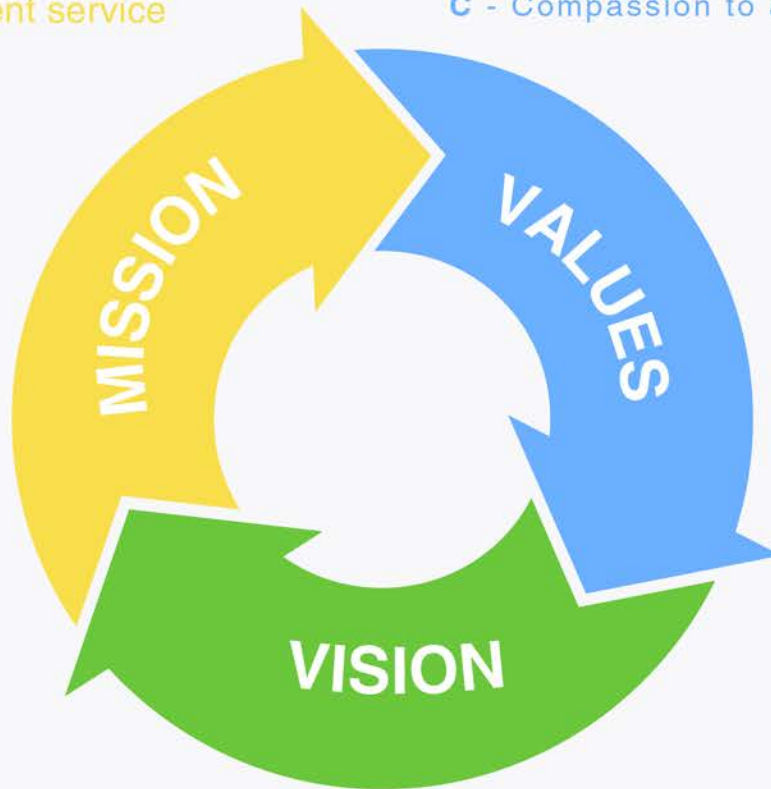


02 VISION, MISSION AND CORE VALUES

At Sakae, we are guided by our Vision, Mission and Core Values 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.

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

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



To build global brands

03 Reporting Framework

This Report is prepared in accordance with the requirements set out in SGX Listing Rule 711B. We strive to provide a balanced view of the matters in this Report. This Report is prepared using the Global Reporting Initiative (“GRI”) Sustainability Reporting Standards, including the Universal Standards in 2021. The GRI Standards is an internationally recognised and widely adopted framework, that covers a comprehensive range of sustainability disclosures including Economic, Environmental and social impacts. Adherence to the GRI Standards allows comprehensive disclosure and coverage of topics that inform our key stakeholders of our sustainability efforts.

As part of our continual efforts to align our reporting with relevant market standards, the Group has mapped its sustainability efforts to the 2030 Agenda for Sustainable Development which was adopted by all United Nations Member States in 2015 (“UN Sustainability Agenda”). The UN Sustainability Agenda provides a shared blueprint for peace and prosperity for people and the planet, now and into the future. At its heart are the 17 Sustainable Development Goals (“SDG”) which form an urgent call for action by all countries, developed and developing, in a global partnership. We have incorporated the SDGs, where appropriate, as a supporting framework to shape and guide our sustainability strategy.

This Report also includes climate-related disclosures, aligned with the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”). We are adopting a phased approach in reporting climate-related disclosures, progressively expanding our report with more climate-related disclosures and information.

The Group has relied on internal information systems and data records to verify the accuracy of the data disclosed in this Report. The Group has not sought external assurance for this report. In compliance with SGX’s requirements, an internal review has been carried out by its independent internal auditor, Virtus Assure Pte. Ltd., as part of its annual internal audit review cycle, on the sustainability reporting processes involved in preparing this Report.

04 Reporting Period and Scope

This Report is based on the Group’s financial year ended 30 June 2024 (“FY2024”). The scope of this Report is based on the policies, practices, performance and employment data of the Group’s various business segments in Singapore comprising food and beverage outlets, central kitchens and the Group’s corporate headquarters during FY2024.

For details of our brands and restaurants, please refer to our website www.sakaeholdings.com or pages 8 to 13 of our Annual Report 2024.

05 Feedback

(A) Feedback

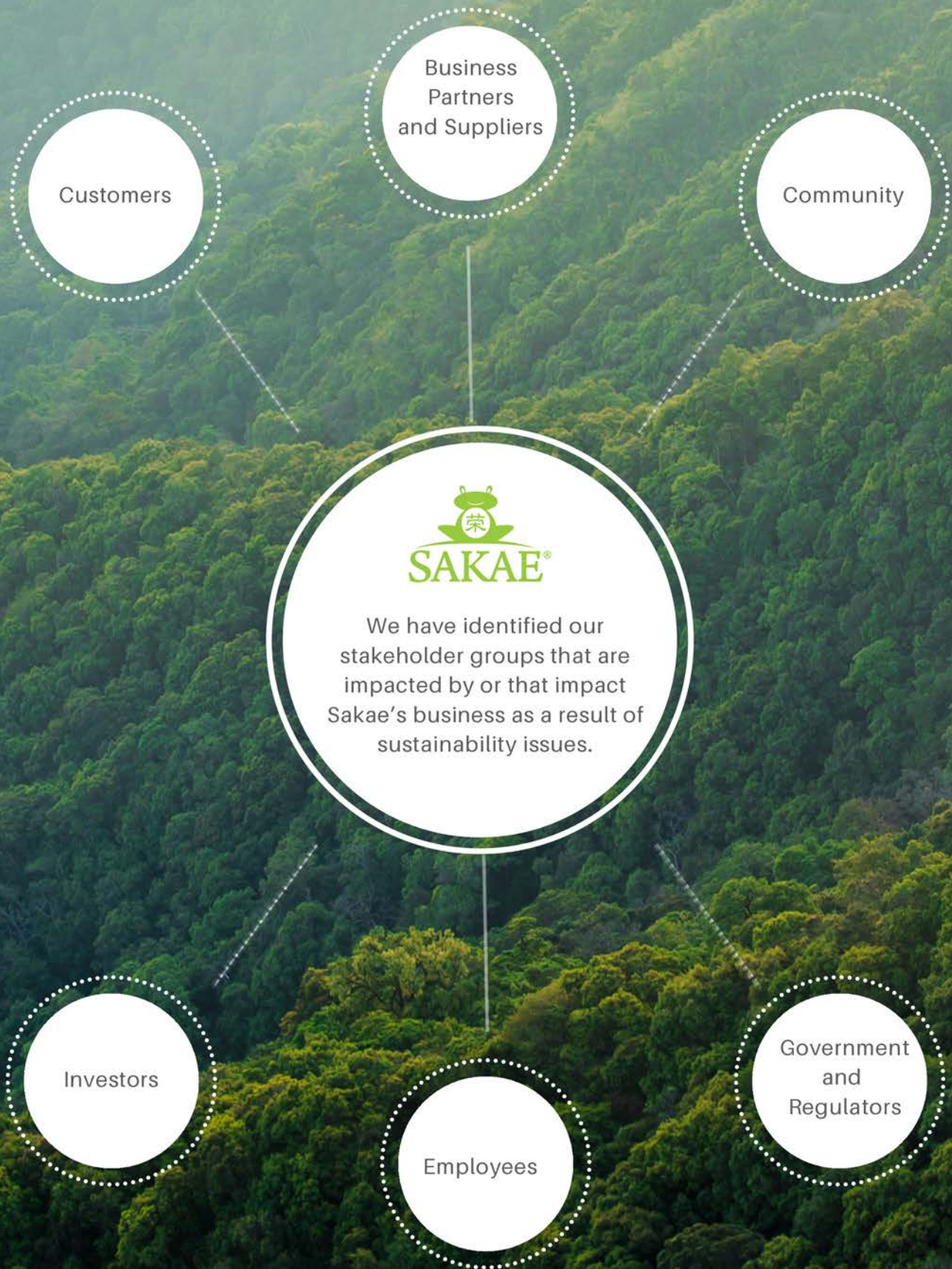
We are fully committed to listening to our stakeholders. We welcome feedback on this report and any aspect of our sustainability performance. Please send all feedback to ir@sakaeholdings.com.

(B) Access

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

06

STAKEHOLDER'S ENGAGEMENT



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

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



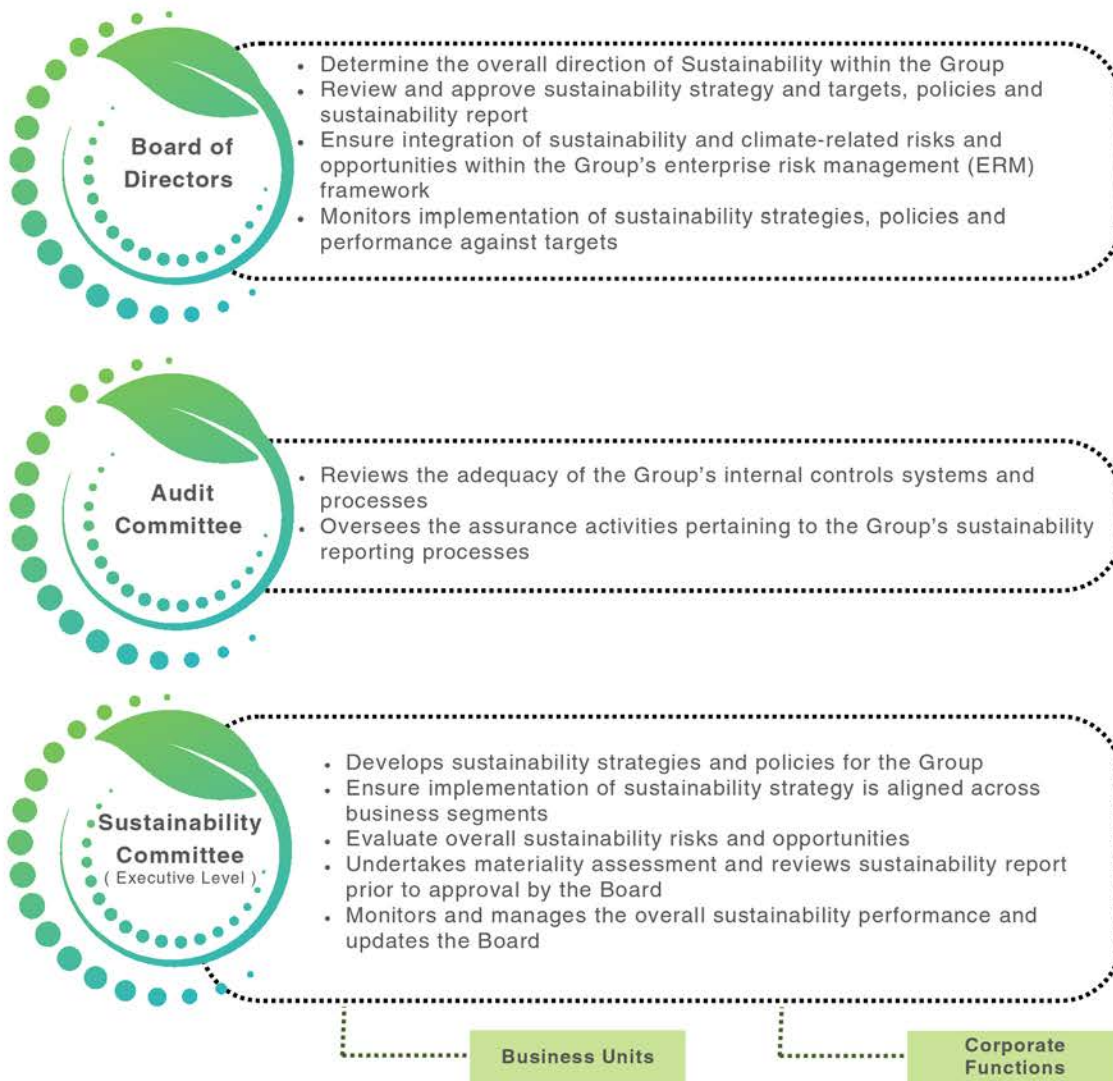
07 Policies, Practices and Performance Reporting

7.1 Sustainability governance structure

The Board has overall responsibility for the oversight of the Group’s sustainability matters. As part of our continual efforts to upgrade the knowledge of our directors on sustainability reporting and to meet the requirement of listing rule 720(7) of Singapore Exchange Securities Trading Limited (“SGX-ST”), we confirm that all our directors have attended one of the approved sustainability training courses.

The Board is supported by our Sustainability Committee (“SC”) which is led by the Chief Executive Officer. Its members comprise of the Chief Financial Officer and other key management personnel. The SC monitors and manages our policies, practices and performance pertaining to sustainability matters.

Our sustainability governance structure and the responsibilities of component parties are as follows :



7.2 Sustainability reporting process

Under our Sustainability Reporting Policy, the Group will first identify the material issues relevant to the Group's activities through stakeholder engagement. These material issues will be prioritized and ranked according to the importance of their Environmental, Social and Governance ("ESG") impact. Management validates the material ESG factors with data, in order to finalise the contents of this Report. The materiality of our ESG factors is reviewed periodically to ensure they are current and updated from the previous reporting period.

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



Following the sustainability reporting process, the Group performs annual materiality assessment to identify key areas that impact our ability to create value for our stakeholders, thus ensuring that issues disclosed in our Report remain current, material and relevant.

The scope of the materiality assessment will consider the likelihood of occurrence, the level of concern to stakeholders in relation to a particular ESG factor and the significance of its impact on the economy, environment, social aspects and contribution to sustainable development.

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.

8.1 Performance tracking and reporting

The SC tracks the progress of material ESG factors by identifying, measuring and monitoring the relevant data points. In addition, we set performance targets aligned with our strategy to ensure that the Group remains focused in our Sustainability journey. We will continue to enhance our performance monitoring and data collection processes.

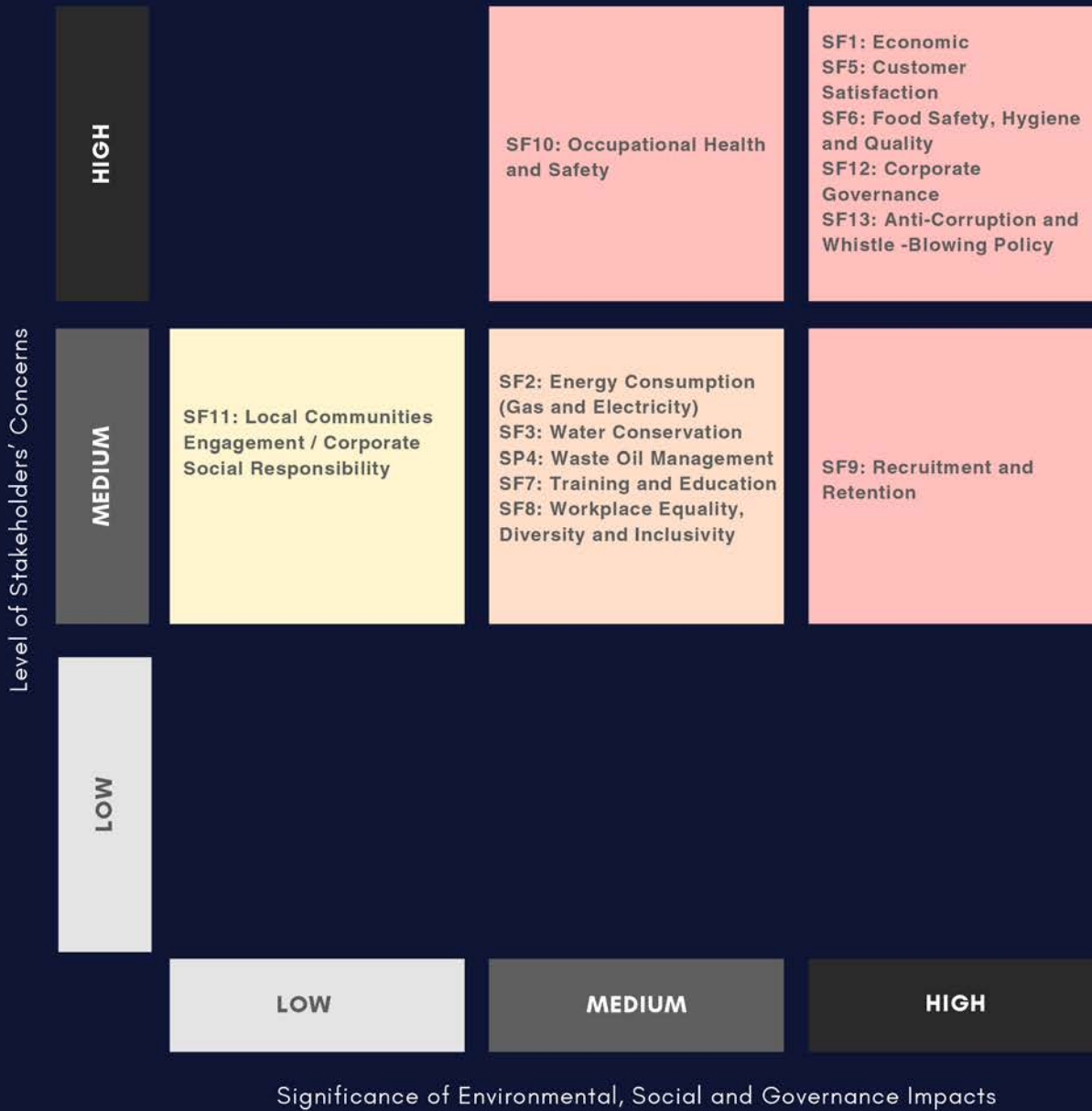
8.2 Material ESG factors

S/N	MATERIAL FACTOR	MISSION OR CORE VALUE	SDG Goals	KEY STAKEHOLDER	REPORTING PRIORITY
ECONOMIC					
1	Sustainable Business Performance	Focused on sustainable growth – Innovation	Decent work and economic growth	<ul style="list-style-type: none"> • Employees • Government & Regulators • Business Partners & Suppliers • Investors 	I
ENVIRONMENTAL					
2	Energy consumption (Gas and Electricity)	Social and environmental responsibility – Compassion to all	Affordable and clean energy	<ul style="list-style-type: none"> • Community • Investors 	II
3	Water Conservation	Social and environmental responsibility – Compassion to all	Clean water and sanitation	<ul style="list-style-type: none"> • Community • Investors 	II
4	Waste oil management	Social and environmental responsibility – Compassion to all	Responsible consumption and production	<ul style="list-style-type: none"> • Community • Government & Regulators • Investors 	II
SOCIAL					
5	Customer Satisfaction	To provide safe quality food with excellent service at great value	Decent work and economic growth	<ul style="list-style-type: none"> • Business Partners & Suppliers • Customers 	I
6	Food Safety, Hygiene and Quality	To provide safe quality food with excellent service at great value	Peace, justice and strong institutions	<ul style="list-style-type: none"> • Customers • Government & Regulators • Business Partners & Suppliers 	I
7	Training and Education	People development – Innovation to simplify and compete	Quality education	<ul style="list-style-type: none"> • Employees 	II
8	Workplace Equality, Diversity and Inclusivity	Compassion to all	Reduced inequalities	<ul style="list-style-type: none"> • Employees 	II

S/N	MATERIAL FACTOR	MISSION OR CORE VALUE	SDG Goals	KEY STAKEHOLDER	REPORTING PRIORITY
9	Recruitment and Retention	People focused – Compassion to all	Quality education	• Employees	I
10	Occupational Health and Safety	People focused – Compassion to all	Good health and well-being	• Employees	I
11	Local Communities Engagement / Corporate Social Responsibility	Compassion to all	Reduced inequalities	• Community	III
GOVERNANCE					
12	Corporate Governance	Stakeholder accountability – Compassion to all	Peace, justice and strong institutions	• Government & Regulators • Investors	I
13	Anti-Corruption and Whistle-blowing Policy	Excellence is our minimum standard	Peace, justice and strong institutions	• Government & Regulators • Investors	I

MATERIAL FACTORS MATRIX

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



09 Material Factors



ECONOMIC

9.1 Sustainable Business Performance

The Group is committed to provide value to various stakeholders through sustainable initiatives and practices to enable a more sustainable future. Details of our financial performance can be found in the financial sections of our Annual Report.

ENVIRONMENTAL

9.2 Energy (Gas and Electricity) and Water Conservation

We are committed to protect our environment and are exploring new ways to reduce our environmental footprint through energy and water conservation. Although the Group recognizes the role of energy conservation, it also understands that there are practical limitations. With limited availability of reliable renewable energy options, the Group continued in its pursuit to 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. The Group has also started other initiatives to reduce the consumption of electricity by educating our employees on adopting greener work practices, regular maintenance of machinery and equipment to optimize energy efficiency and progressively converting traditional operating equipment to energy-efficient equipment and also to track and monitor the energy usage constantly.

(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 reduces our energy costs.

As part of our sustainability efforts, the Group has also installed EV charging panels at our headquarters to facilitate the charging of electrical vehicles. We will continue to explore other ways to improve our energy usage as part of our energy management efforts.

(C) Rainwater Irrigation System

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



(D) Spice Garden

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



(E) Kitchen Equipment and Appliances

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



For more effective resource (electrical, gas and water) usage tracking, save for water, where the usage is per every S\$1,000, we have updated the targets below from total usage of the resources to usage per every S\$1 of revenue earned.

Resource	Usage in FY2024	FY2024 Performance	Target Achieved ? Yes / No	Target for FY2025
Electrical	3.192 million kWh	0.22 kWh per S\$1 of revenue	No (FY2024 target usage : 3.0 million kWh)	To reduce electrical usage
	Usage in FY2023	FY2023 Performance		
	3.191 million kWh	0.19 kWh per S\$1 of revenue		

Resource	Usage in FY2024	FY2024 Performance	Target Achieved ? Yes / No	Target for FY2025
Gas	0.39 million kWh	0.027 kWh per S\$1 of revenue	Yes (FY2024 target usage : 0.4 million kWh)	To reduce gas usage
	Usage in FY2023	FY2023 Performance		
	0.42 million kWh	0.025 kWh per S\$1 of revenue		

Resource	Usage in FY2024	FY2024 Performance	Target Achieved ? Yes / No	Target for FY2025
Water	17,919 m ³	1.24 m ³ per S\$1,000 of revenue	Yes (FY2024 target usage : 20,000 m ³)	To maintain or reduce water usage
	Usage in FY2023	FY2023 Performance		
	21,309 m ³	1.25 m ³ per S\$1,000 of revenue		

From the above resource performance indicators, we managed to: (i) maintain our gas consumption from 0.025 to 0.027 kilowatt-hour per S\$1 of revenue and (ii) reduce water consumption from 1.25 to 1.24 cubic metres per S\$1,000 of revenue. The usage rate for electrical consumption was slightly higher from 0.19 to 0.22 kilowatt-hour per S\$1 of revenue (not within FY2024 target range). We will continue to increase our efforts to reduce electricity usage to meet next year target. As we manage our operations, we will also do our part to protect the environment and work towards reducing our electricity, gas and water consumption.

In striving to reduce the consumption of gas, water and electricity, the Group will:

- Conduct regular monitoring and servicing of equipment and machinery
- Replace fluorescent lamps with energy-efficient LED lights
- Progressively convert traditional operating equipment to energy-efficient equipment
- Educate our employees on responsible usage of energy
- Continue monitoring energy consumption for usage control

9.3 Emissions

The Group recognize that our energy consumption and the resultant greenhouse gas (“GHG”) emissions contribute to climate change. As such, we are working towards reducing GHG emissions by using less carbon-intensive fuels, by improving energy efficiency, and at the same time, establishing operational resilience to deliver long-term and sustainable value to our stakeholders of community, investors, employees and customers. We will adopt a balanced approach in managing energy efficiency and minimising impact to business operations.

Performance Indicator	Unit of Measurement	FY2024	FY2023
GHG emissions			
Estimated Direct GHG emissions (Scope 1) ⁽¹⁾	tonne CO ₂ e	230.64	240.27
Estimated Indirect GHG emissions (Scope 2) ⁽²⁾	tonne CO ₂ e	1,330.28	1,329.88
Total Estimated GHG emissions	tonne CO ₂ e	1,560.92	1,570.15
Estimated GHG emissions intensity (emissions / revenue S\$'000) ⁽³⁾	tonne CO ₂ e / revenue S\$'000	0.11	0.09



Notes :

⁽¹⁾ Estimated GHG emissions from consumption of diesel, Liquefied Petroleum Gas (“LPG”) and Citygas by the Group. Direct GHG emissions (Scope 1) is calculated based on “Appendix to Part II: Monitoring Plan of Greenhouse Gas (GHG) Emissions Measurement and Reporting Guidelines” published by National Environment Agency (NEA).

⁽²⁾ Estimated GHG emissions from electricity purchased by the Group. Indirect GHG emissions (Scope 2) is calculated based on emissions factors published by the Energy Market Authority (EMA).

⁽³⁾ Estimated GHG emissions intensity (emissions per every S\$'000 of revenue is calculated based on the estimated emissions generated from aggregate energy (gas and electricity) consumption over the Group’s revenue.

9.4 Responsible waste management

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

Being in the Food & Beverage industry, the Group understands that responsible waste management is essential in preserving the environment. In handling our operations, food and cooking oil waste are generated from our restaurant outlets and central kitchens, thus we need to ensure proper disposal for environmental preservation. We have identified cooking oil waste as essential waste as it has been widely used across our operations. As such, for the disposal of cooking oil waste generated, we have partnered with an accredited waste oil collector.⁽⁴⁾ who specialise in processing and converting the waste oil into Biodiesel and other commercially viable products.

We have compiled the data provided by the appointed waste oil collector on the quantity of cooking oil collected from time to time.

Resource	Unit of Measurement	FY2024 Target	FY2024 Performance	Target Achieved ? Yes / No	Target for FY2025
Waste Oil Generated in FY2024	Kilograms (Kg)	100% of waste oil generated was collected by the appointed used oil collector (FY2023 : Not applicable ⁽⁵⁾)	6,467	N.A.	100% of waste oil generated to be collected by the appointed used oil collector

⁽⁴⁾ Certified with General Waste Collectors (GWCs) licence class B.1 with National Environmental Agency (NEA)

⁽⁵⁾ This is a new ESG factor introduced in FY2024.

SOCIAL

9.5 Customer Satisfaction

Customer satisfaction is crucial for 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

The Group has always firmly believed in the importance of delivering excellent customer service to enhance the dining experience for consumers. We therefore place a strong emphasis on customer service and conduct refresher training sessions for our frontline service staff in order to ensure that high service standards are maintained. Our staff are detailed and attentive when interacting with our customers and are trained to resolve customer issues patiently and promptly. On top of that, we also have a service recovery programme aimed for close follow-up with customers so that feedback receives attention and customer satisfaction can be improved. Currently, our compliment ratio makes up around 80% of the feedback received. We will continue to work harder to achieve higher levels of customer satisfaction.



(B) Proactively encouraging customers to give feedback

We value our customers' feedback as they provide us with insight into which aspect of our operations are working well and which can be improved. We utilise multiple channels to gather customers' feedback, including our sales teams, delivery teams, online social media, our websites, and our customer relationship management system that allow for analytical understanding of our customers' preferences. From such channels, we then work towards product and service improvements and enhance our operational effectiveness and efficiencies.

(C) Building customer loyalty through regular promotions and membership programme

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

(D) Ensuring a safe dining environment

We care about the health of our customers and aims to provide a safe and enjoyable dining experience. Staff training which includes proper food hygiene and management, cleaning and hygiene protocols in our restaurants, utensils and kitchenware cleaning and disinfecting common surfaces like chairs and tables frequently are conducted to ensure a safe dining environment for our customers at all times.

In addition, we have also incorporated digital ordering (QR code ordering system) to enhance the efficiency and convenience for our customers while allowing our staff to work on other tasks so as enhance the dining experience. We will continue to monitor and implement other systems that can facilitate the ordering process while improving the dining experience.

(E) Meeting customers' evolving needs

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

9.6 FOOD SAFETY, HYGIENE AND QUALITY

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

(A) OUR STANDARDS

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



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

All our restaurant outlets have achieved 'A' Grade certification from the Singapore Food Agency (SFA) and have met the standards for overall hygiene, cleanliness and housekeeping standards. Additionally, our Hei Sushi restaurants are Halal-certified by Majlis Ugama Islam Singapura (MUIS) and have met the compliance with Islamic dietary requirements.

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

(B) OPERATIONS

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

Measures that we have put in place:

- All employees that handle food are required to attend and pass WSQ Food Safety Course Level 1.
- A manual on food safety serves as a guide for our staff to adhere to.
- Our internal food safety and quality control team conducts regular checks on product quality and food handling procedure.
- We regularly send food samples to an accredited laboratory for microbiological testing to ensure quality and safety of our products.
- Maintaining product traceability records.
- Inventory counts are performed regularly.
- Constant monitoring of our operations by key personnel has been put in place.



(C) FOOD SUPPLY CHAIN AND PROCUREMENT

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

Proper selection process of suppliers are put in place to ensure food quality and safety, reliable food supplies, price competitiveness and prompt delivery support. Continuous communications with suppliers are also in place to ensure up-to-date communications while ensuring food quality and safety standards are maintained at all times. Being a part of the HPB-certified partners, we use healthier ingredients for our menu as consumers become more health conscious.



In October 2021, Singapore Food Agency (“SFA”) introduced the Safety Assurance for Food Establishments (“SAFE”) framework, replacing the previous Grading Scheme and is now focused on food establishments’ food safety track records, with the implementation of SAFE framework being extended until July 2025 to allow more time for the Food & Beverage industry to prepare for the transition.

With the transition from Grading System to Safety Assurance for Food Establishments (SAFE) framework, we have modified our FY2025's target to maintaining zero demerit points for all outlets and central kitchens.

For FY2024, with our strong emphasis on food safety and quality, all of our restaurants are graded “A” by the Singapore Food Agency (SFA) for the overall hygiene, cleanliness and housekeeping standards of the restaurant outlets and continue to uphold its target “To maintain zero demerit point for all outlets and central kitchen”, as the Points Demerit System (PDS) provides a more systematic and fair approach to monitor food hygiene of a food establishment.

We are pleased to report that there were no food safety incidents during the reporting period.

FY2024 Target	FY2024 Performance	Target Achieved ? Yes / No	Target for FY2025
To maintain all restaurant outlets ‘A’ grade	All restaurant outlets and central kitchen achieved ‘A’ grade	Yes	To maintain zero demerit point ⁽⁶⁾ for all restaurants and central kitchen
To procure from established suppliers with necessary approvals from SFA	All our suppliers have obtained necessary approvals from SFA	Yes	To procure from established suppliers with necessary approvals from SFA

(6) With the transition from Grading System to Safety Assurance for Food Establishments (SAFE) framework, we have modified our FY2025’s target to maintaining zero demerit point for all outlets and central kitchen.

9.7 TRAINING AND EDUCATION

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

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

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

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



9.8 WORKPLACE EQUALITY, DIVERSITY AND INCLUSIVITY

The Group 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.

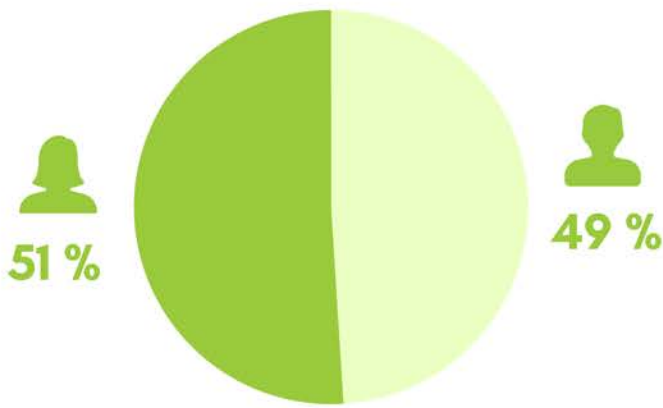
We value the experience of our senior staff as well as the passion and flexibility of the younger staff. The Group rewards employees based on a series of attributes that include performance, competence, commitment and experience, along with Company performance. We conduct annual appraisals for all employees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

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

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

Key statistics on staff headcount by employment levels, gender and age group as of 30 June 2024 and 30 June 2023 are as follows :

Financial Year Ended	FY 2024			FY 2023		
	Female	Male	Total	Female	Male	Total
Age Group / Gender						
Managerial						
Below 30	1	1	2	1	1	2
30 - 50	7	14	21	7	14	21
51 - 70	4	5	9	4	5	9
Over 70	0	0	0	0	0	0
Non-managerial						
Below 30	16	21	37	15	31	46
30 - 50	21	20	41	23	20	43
51 - 70	25	18	43	25	18	43
Over 70	9	2	11	9	2	11
Total / %	83 (51%)	81 (49%)	164	84 (48%)	91 (52%)	175
Ratio of Female to Male	1 : 0.98			1 : 1.08		



(B) NUMBER OF EMPLOYEES BY AGE GROUP

Below 30: 39



Age 30 - 50: 62



Age 51 - 70: 52



Over 70: 11



For FY2024, female employees made up 51% of our workforce while male employees made up 49%. This translates to the ratio of female to male to be 1 : 0.98 in FY2024, as compared to the ratio of female to male is 1 : 1.08 in FY2023. In terms of age diversity among employees, 39 were aged below 30, 62 were aged between 30 and 50, 52 were aged between 51 and 70, and 11 were aged over 70. 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, amidst the tight labour situation in the F&B industry.

During the reporting period, we have zero (FY 2023 : zero) reported incidents of unlawful discrimination against employees. We will continue to explore talents from various channels and age groups to maintain a sustainable workforce.

9.9 RECRUITMENT AND RETENTION



We value every individual's contribution 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. The Group encourages a culture to keep our staff engaged and rewarded with competitive benefits that are in line with industry standards. Staff members are also entitled to exclusive privileges when they dine at our restaurants.

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

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

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

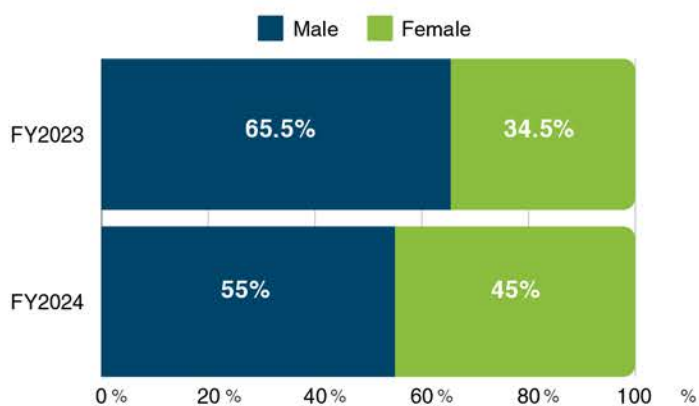
Sakae hopes to forge closer ties with its employees and will continue to review our employee retention strategies. In FY2024, our average employee monthly turnover rate was lower than the national industry average monthly turnover rate. We will continue to lower, or at least maintain the employee turnover rate.

Key statistics on new employees hires and employee turnover are as follows:

New Hires during FY 2024 and FY 2023 :

Financial Year Ended	FY 2024			FY 2023		
Age Group / Gender	Female	Male	Total	Female	Male	Total
Below 30	4	4	8	6	5	11
30 - 50	6	8	14	4	11	15
51 - 70	3	4	7	0	3	3
Over 70	0	0	0	0	0	0
Total / %	13 (45%)	16 (55%)	29	10(34.5%)	19(65.5%)	29
Ratio of Female to Male	1 : 1.23			1 : 1.9		

New Hire by Gender for FY2024 and FY2023



New Hire by Age Group for FY2024 and FY2023

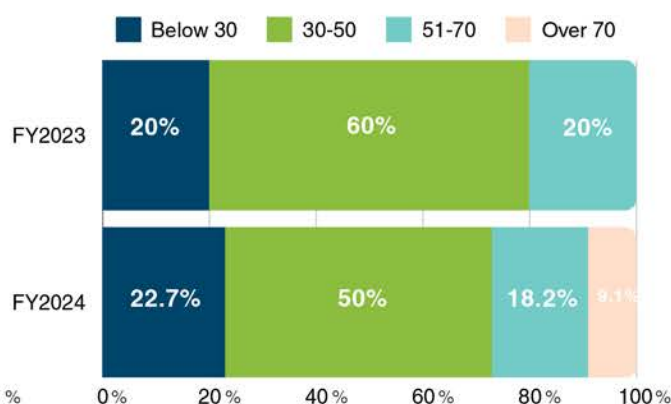
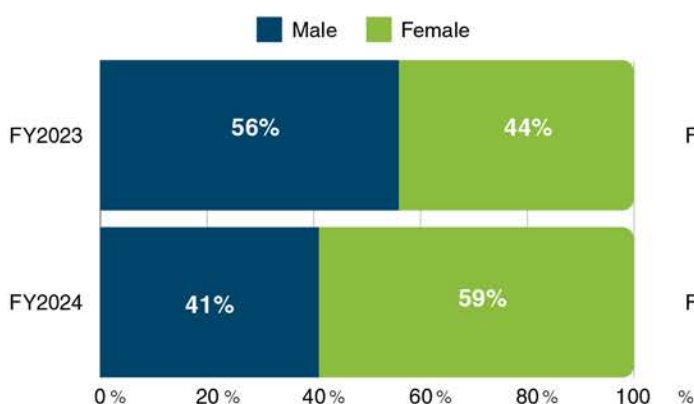


Employee Turnover during FY 2024 and FY 2023 :

Financial Year Ended	FY 2024			FY 2023		
Age Group / Gender	Female	Male	Total	Female	Male	Total
Below 30	4	1	5	3	2	5
30 - 50	4	7	11	7	8	15
51 - 70	4	0	4	1	4	5
Over 70	1	1	2	0	0	0
Total	13	9	22(13.4%)	11	14	25(14.3%)

Employee Turnover by Gender for FY2024 and FY2023

Employee Turnover by Age Group for FY2024 and FY2023



In relation to new hires, for FY2024, female employees made up 45% of our workforce while male employees made up 55%. In terms of age diversity among employees, 8 were aged below 30, 14 were aged between 30 and 50, 7 were aged between 51 and 70, and none was aged over 70. 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.

For FY2024, our new hire remains the same while turnover rates improved from 14.3% to 13.4%, as a result of our revised internal hiring processes, as well as consolidation and stabilization of manpower requirements in the Food & Beverage industry. According to the Ministry of Manpower, the average monthly recruitment and resignation rates have shown fluctuations, indicative of the labor market's responsiveness to broader economic trends. In recent years, the attrition rate in Singapore reached 19.6%. This increase underscores the ongoing challenges businesses face in retaining their workforce. We will continue to work towards improving retention and turnover rates.

During the reporting period, there was zero (FY 2023 : zero) non-compliance manpower incidents.

9.10 OCCUPATIONAL HEALTH AND SAFETY

(A) ACHIEVING ZERO WORKPLACE SAFETY INCIDENTS

The Group 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 (FEP) for Sakae Building. Our FSM's duties and responsibilities include:

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

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





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

There were no workplace accidents resulting in death or permanent disability in FY2024. We will continue to ensure that our working environment remains safe for our employees and maintain our workplace safety record.

FY2024 Target	FY2024 Performance	Target Achieved ? Yes / No	Target for FY2025
No workplace accidents resulting in death or permanent disability	No workplace accidents resulting in death or permanent disability	Yes	No workplace accidents resulting in death or permanent disability

9.11 LOCAL COMMUNITIES ENGAGEMENT/ CORPORATE SOCIAL RESPONSIBILITY

(A) CARING FOR THE COMMUNITY

Sakae cares deeply for our community and strongly believe in giving back to create a positive impact on society.

In March of this year, as part of our ongoing Corporate Social Responsibility (CSR) initiatives, Sakae Care programme took steps to give back to the community. In collaboration with the Lion Club, we donated Chinese New Year Yusheng to Bishan Home for their Chinese New Year dinner celebration, bringing joy and festive spirit to the elderly residents.

In addition, as part of our social contribution efforts, we organized a family sushi workshop and introduced an AI-based training course to the public. These initiatives aim to empower the community through fun, educational activities that promote learning and engagement.



(B) SAKAE FOUNDATION

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

(C) SUPPORTING NATIONAL DEFENCE

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

GOVERNANCE

9.12 Corporate Governance

The Group is committed to maintain a high standard of corporate governance and has put in place self-regulatory corporate practices to protect the interests of its shareholders and enhance long-term shareholder value. Details of our corporate governance practices can be found in our Annual Report.

(A) CODE OF CONDUCT

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

(B) INTERESTED PERSON TRANSACTIONS

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

9.13 Anti-Corruption and Whistle Blowing Policy

(A) ANTI-CORRUPTION

It is important to ensure that our employees adhere to the code of conduct stated clearly in our Employee Handbook. Expected employee behaviours which include fraud, conflict of interests and anti-competition conduct and consequences if any of the rules are violated or standards not met. Also, we have clear and fair grievances procedures stipulated in our employee handbook.

Business ethics are communicated to our department and business units heads and they are aware that compliance with rules and regulations are critical to ensure business continuity to establish a transparent and accountable system. We understand that it is important to eliminate the risk of undesirable behaviour among employees in order to prevent reputational damage and establish stakeholder trust.

Management and key executives are required to submit annual conflict of interest declarations for independent assessment to demonstrate their willingness to adhere to the conflict of interest policy.

(B) WHISTLE BLOWING POLICY

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

In summary, there were no incidents related to corruption in FY2024. 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 FY2025 are:

S/N	MATERIAL FACTOR	TARGETS FOR FY 2024	PERFORMANCE MEASURE FOR FY 2024	ACHIEVED ? YES / NO	TARGETS FOR FY 2025
Environmental					
1	Energy (Gas and Electricity) and Water conservation	<ul style="list-style-type: none"> • Maintain or reduce electricity consumption • Maintain or reduce gas consumption • Maintain or reduce water consumption 	<ul style="list-style-type: none"> • Electricity consumption • Gas consumption • Water consumption 	<p>No</p> <p>Yes</p> <p>Yes</p>	<ul style="list-style-type: none"> • Reduce electricity consumption • Reduce gas consumption • Maintain or reduce water consumption
2	Responsible Waste Management	<ul style="list-style-type: none"> • Maintain 100% of waste oil generated to be collected by the appointed used oil collector 	<ul style="list-style-type: none"> • 100% of waste oil generated was collected by the appointed used oil collector 	Yes	<ul style="list-style-type: none"> • Maintain 100% of waste oil generated to be collected by the appointed used oil collector
3	Customer Satisfaction	<ul style="list-style-type: none"> • To maintain or improve customer review rate 	<ul style="list-style-type: none"> • Customer Review rate 	Yes	<ul style="list-style-type: none"> • To maintain or improve customer review rate
4	Food Safety, Hygiene and Quality	<ul style="list-style-type: none"> • To maintain zero demerit points for all restaurants and central kitchens 	<ul style="list-style-type: none"> • Zero demerit points for all restaurants and central kitchens 	Yes	<ul style="list-style-type: none"> • To maintain zero demerit points for all restaurants and central kitchens
5	Food Supply Chain & Procurement	<ul style="list-style-type: none"> • All of our suppliers to obtain necessary SFA approvals 	<ul style="list-style-type: none"> • All of our suppliers have obtained necessary SFA approvals 	Yes	<ul style="list-style-type: none"> • All of our suppliers to obtain necessary SFA approvals
6	Training and Education	<ul style="list-style-type: none"> • Improve employees' skillsets 	<ul style="list-style-type: none"> • Move towards more skilled and educated workforce 	Yes	<ul style="list-style-type: none"> • Improve employees' skillsets

S/N	MATERIAL FACTOR	TARGETS FOR FY 2024	PERFORMANCE MEASURE FOR FY 2024	ACHIEVED ? YES / NO	TARGETS FOR FY 2025
7	Workplace Equality, Diversity and Inclusivity	<ul style="list-style-type: none"> To maintain or achieve lower gender mix ratio Work towards inclusive workforce with balanced ratios for gender and age diversity To maintain or improve new hire rate and reduce employee turnover rate 	<ul style="list-style-type: none"> Gender and age diversity 	Yes	<ul style="list-style-type: none"> Work towards inclusive workforce with balanced ratios for gender and age diversity To maintain or improve new hire rate and reduce employee turnover rate
8	Recruitment and Retention	<ul style="list-style-type: none"> Improve employee retention 	<ul style="list-style-type: none"> Employee retention ratio 	Yes	<ul style="list-style-type: none"> Improve employee retention
9	Occupational Health and Safety	<ul style="list-style-type: none"> Maintain strong workplace safety emphasis and zero workplace accidents resulting in death or permanent disability 	<ul style="list-style-type: none"> Review workplace accidents resulting in death or permanent disability 	Yes	<ul style="list-style-type: none"> Maintain strong workplace safety emphasis and zero workplace accidents resulting in death or permanent disability
10	Local Communities Engagement / Corporate Social Responsibility	<ul style="list-style-type: none"> Engage communities through various initiatives 	<ul style="list-style-type: none"> Contributions to our communities 	Yes	<ul style="list-style-type: none"> Engage communities through various initiatives
11	Anti-Corruption	<ul style="list-style-type: none"> Zero corruption cases 	<ul style="list-style-type: none"> Number of corruption cases 	Yes	<ul style="list-style-type: none"> Zero corruption cases

11 ADVANCING THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

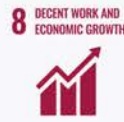
In 2015, All United Nations Member States adopted the 2030 Agenda for Sustainable Development (2030 Agenda). At the core of the 2030 Agenda are the Sustainable Development Goals (SDGs), a set of 17 universal goals meant to -

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

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

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

Recruitment and Retention



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

We offer competitive benefits and remuneration to our employees.

Occupational Health and Safety



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

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



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

Local Communities Engagement / Corporate Social Responsibility



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

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

Energy and Water Conservation



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

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



Goal 12: Ensure sustainable consumption and production patterns

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



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

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

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

Anti-Corruption



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

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

12 Supporting TCFD

The Group will be adopting a phased approach to build Task Force on Climate-related Financial Disclosures (“TCFD”) framework and map the climate-related disclosures based on the 11 recommendations of TCFD.

As part of SGX roadmap of climate reporting, we have assessed the climate-related risks and opportunities that are relevant to our operations and have proposed mitigating measures for these effects of climate change on our operations.

Governance

(a) Describe the board's oversight of climate-related risks and opportunities.

The Board has overall responsibility for integrating sustainability considerations, including climate-related issues in determining the Group's strategic direction and policies.

Since this is our first year of adoption, the Board will continue to oversee and monitor the progress of these sustainability strategies and policies, and provide updates in future Report which will be published annually after Board's review.

(b) Describe management's role in assessing and managing climate-related risks and opportunities.

Our sustainability strategy is developed and directed by the SC in consultation with the Board. The SC includes selected employees from various business units and corporate functions and is led by the Group's CEO and CFO. The responsibilities of the SC include developing sustainability strategy and policies, evaluating sustainability and climate-related risks and opportunities, implementation and monitoring of sustainability strategy as well as reporting of performance data for this Report.

Strategy

(a) Describe the climate-related risks and opportunities the organization has identified over the short, medium and long term.

(b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning.

(c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

The Group recognizes the impact that climate change can have on our business and will include climate-related risk management into our Enterprise Risk Management (“ERM”) framework whereby potential climate-related risks are identified, assessed, monitored and managed. Under the framework, various business units and corporate functions are responsible for identifying and documenting their relevant climate-related risk exposures that might hinder their progress towards contributing to the Group's business objectives. These risks, along with their mitigating plans will be reviewed and updated during the ERM assessment exercise and presented to the Audit Committee and/or Board.

The Group will be adopting a phased approach on managing climate-related risks and opportunities. As such, on a short-term basis, the various business units and corporate functions will work on those identified risks and mitigate them as we progress.

Some preliminary climate-related risks and opportunities identified include :

- Climate changes resulting in increase of energy consumption and ingredient costs. Additional climate related costs such as carbon tax may also be passed on by the suppliers to the Group by way of price increase
- With rising concerns over the effects of climate change, shifting consumer preferences for sustainable products that are less carbon intensive may arise especially amongst younger consumer. A failure to adapt to shifting consumer preferences may adversely affect customer satisfaction, demand of our existing product offerings and the Group's financial performance.
- With climate change, it requires us to constantly innovate or create new menu offerings through the use of sustainable sources while connecting with younger consumers with more opportunities to expand to new market segments
- Present opportunities for the Group to review and assess its operations across its value chain to reduce operating costs

We will continue to look into the climate-related risks and opportunities along with the TCFD recommendations and manage climate change impacts.

Risk Management

- (a) Describe the organisation's processes for identifying and assessing climate-related risks.
- (b) Describe the organisation's processes for managing climate-related risks.
- (c) Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.

We will update our Group ERM framework and incorporate climate-related risks strategies and considerations. With an ERM framework in place, it will facilitate identification, analysis and evaluation of risks, mitigating plans and continuous monitoring of risks. These risks, along with their mitigating plans will be reviewed and updated during the ERM assessment exercise and presented to the Audit Committee and/or Board.

The Group will be adopting a phased approach on managing climate-related risks and will work towards incorporating these mitigating strategies into our Group's processes as we progress.

Metrics and Targets

- (a) Describe the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.

We track, measure and report on our environmental performance, including energy consumption and water conservation (refer to section 9.2), GHG emissions (refer to section 9.3), and responsible waste management (refer to section 9.4) in our Report.

- (b) Disclose Scope 1, Scope 2 and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.

The Group has disclosed Scope 1 and Scope 2 of GHG emissions in FY 2024 in Section 9.3 of the Report and set climate-related targets such as those related to GHG emissions, water and waste management.

We will continue to monitor our emissions and disclose Scope 3 GHG emissions wherever applicable and practicable.

- (c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

The Group is adopting a phased approach towards managing climate-related risks and opportunities. We set climate-related targets relating to environmental performance, which include energy consumption and water conservation as well as responsible waste management. Other relevant targets will be set in future, as and when appropriate to do so.

Statement of use

Sakae Holdings Ltd. has reported in accordance with the GRI Standards for the period 1 July 2023 to 30 June 2024

GRI 1 used

GRI 1: Foundation 2021

Applicable GRI Sector Standard(s)

None

GRI STANDARD	DISCLOSURE	REFERENCE	PAGE	
GRI 102: GENERAL DISCLOSURES				
GR2: General Disclosures 2021	2-1	Organisational details	Annual Report 2024- Corporate, Profile, Brands	4-13
	2-2	Entities included in the organisation's sustainability reporting	Reporting Period and Scope Annual Report 2024 - Corporate Structure	5 4
	2-3	Reporting Period, frequency and contact point	Reporting Period and Scope Annual Report 2024 - Corporate Information	5 -
	2-4	Restatements of information	Not Applicable	-
	2-5	External assurance	Reporting Framework	5
	2-6	Activities, value chain and other business relationships	Annual Report 2024 - Corporate Structure and Global Presence	4-13
	2-7	Employees	Material Factors: Workplace Equality, Diversity and Inclusivity	23 -24
	2-8	Workers who are not employees	-	-
	2-9	Governance structure and composition	Annual Report 2024	14-16
	2-10	Nomination and selection of the highest governance body	Annual Report 2024 - Corporate Governance Report	27-30
	2-11	Chair of the highest governance body	Annual Report 2024 - Corporate Governance Report	28-31
	2-12	Role of the highest governance body in overseeing the management of impacts	Policies, Practices and Performance Reporting	8-9
	2-13	Delegation of responsibility for managing impacts	Policies, Practices and Performance Reporting	8-9

GRI STANDARD	DISCLOSURE	REFERENCE	PAGE	
GRI 2: General Disclosures 2021	2-14	Role of the highest governance body in sustainability reporting	Policies, Practices and Performance Reporting	8-9
	2-15	Conflicts of interest	Annual Report 2024 - Corporate Governance Report	19
	2-16	Communication of critical concerns	Policies, Practices and Performance Reporting	8-9
	2-17	Collective knowledge of the highest governance body	Annual Report 2024	14-15
	2-18	Evaluation of the performance of the highest governance body	Annual Report 2024 - Corporate Governance Report	32
	2-19	Remuneration policies	Annual Report 2024 - Corporate Governance Report	33-36
	2-20	Process to determine remuneration	Annual Report 2024 - Corporate Governance Report	33-36
	2-21	Annual total compensation ratio	Information is not provided due to confidentiality	-
	2-22	Statement on sustainable development strategy	Board's Statement	3
	2-23	Policy commitments	Anti - Corruption	31
	2-24	Embedding Policy commitments	Anti - Corruption	31
	2-25	Processes to remediate negative impacts	Anti - Corruption	31
	2-26	Mechanisms for seeking advice and raising concerns	Anti - Corruption	31
	2-27	Compliance with laws and regulations	Anti - Corruption	31
	2-28	Membership associations	Singapore Business Federation, Singapore Manufacturing Federation, Singapore National Employers Federation	-
	2-29	Approach to stakeholder engagement	Shareholder's Engagement	6-7
2-30	Collective bargaining agreements	None of the Group's employees are covered under any collective bargaining agreements	-	

GRI STANDARD	DISCLOSURE	REFERENCE	PAGE	
GRI 102: GENERAL DISCLOSURES				
GRI 3: Material Topics 2021	3-1	Process to determine material topics	Materiality Assessment	11
	3-2	List of material topics	Materiality Assessment	12-14
	3-3	Management of material topics	Shareholder's Engagement Materiality Assessment	6-7 11-14
TOPIC-SPECIFIC STANDARDS				
GRI 205 Anti-corruption 2016	205-3	Confirmed incidents of corruption and actions taken	Anti - Corruption	31
GRI 302: Energy 2016	302-1	Energy consumption within the organisation	Energy and Water Consumption	15-16
	302-3	Energy intensity	Energy and Water Consumption	15-16
	302-4	Reduction of energy consumption	Energy and Water Consumption	15-16
GRI 303: Water and Effluents 2018	303-5	Water consumption	Energy and Water Consumption	15-16
GRI 305: Emissions 2026	305-1	Direct (Scope 1) GHG emissions Energy indirect (Scope 2) GHG emissions		16
	305-2			16
	305-4	GHG emissions intensity		16
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts		17
	306-3	Waste Generated		17
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	Recruitment and Retention	25-27
GRI 403: Occupational Health and Safety 2018	403-9	Work-related injuries	Occupational Health and Safety	28-29
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	Workplace Equality, Diversity and Inclusivity	23-24
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments and development programs	Local Communities Engagement/ Corporate Social Responsibility	30
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria		20-21
GRI 416: Customer Health and Safety 2016	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Food Safety, Hygiene and Quality	19-21



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