

**OLD CHANG KEE LTD.
SUSTAINABILITY REPORT 2023**



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BOARD STATEMENT

BOARD STATEMENT

We are pleased to present Old Chang Kee Ltd.'s ("**Old Chang Kee**") annual Sustainability Report for our financial year ended 31 March 2023 ("**FY2023**").

The key material economic, environmental, social and governance ("**EESG**") factors for Old Chang Kee have been identified and reviewed by the Chairman and the Chief Executive Officer ("**CEO**"). The board of directors of Old Chang Kee ("**Board**") oversees the management and monitoring of these factors and takes them into consideration in the determination of the Company's strategic direction and policies. Sustainability is a part of Old Chang Kee's wider strategy to create long-term value for all our stakeholders.

With the availability of economic, environment, social and governance data, sustainability reporting has gained greater significance to investors. Far from being just an image building exercise, today, it is widely accepted that good EESG practices contribute to the overall long-term success of the Company and play an important part in the competition for talent and investment.

Businesses must be quick to adapt to key stakeholders' concerns, closing any potential gaps and capitalising on opportunities amid today's rapidly-changing business environment.

In defining our reporting content, we applied the Global Reporting Initiative ("**GRI**")'s principles by considering the Group's activities, impact and substantive expectations and interests of its stakeholders. We observed a total of four principles, namely, materiality, stakeholder inclusiveness, sustainability index and completeness. For reporting quality, we observed the principles of balance, comparability, accuracy, timeliness, clarity and reliability.

The EESG data and information provided have been derived from internal data monitoring and verification to ensure accuracy and have been subject to internal review.

The Board is mindful of the Singapore Exchange Securities Trading Ltd. ("**SGX-ST**" or "**SGX**") enhanced disclosure requirements for all listed entities, and we will work with the Management to ensure full compliance within the stipulated timelines. This includes adopting a phased approach in climate risk disclosures starting with next financial year's FY2024 Sustainability Report, as the Group is currently in the midst of collecting the necessary data and implementing the required reporting processes.

REPORTING PERIOD AND SCOPE

This Sustainability Report is set out on a "comply or explain" basis in accordance with Catalist Rule 711B and Practice Note 7F of the SGX-ST Listing Manual Section B: Rules of Catalist. Corresponding to GRI's emphasis on materiality, the report highlights the key economic, environmental, social and governance related initiatives carried out by the Company and its significant subsidiaries throughout the 12-month period from 1 April 2022 to 31 March 2023. This Sustainability Report is issued annually, and there is no restatement of prior years' information.

The entities included in the reporting scope are Old Chang Kee Ltd's group of companies, which includes Old Chang Kee Ltd, Old Chang Kee Singapore Pte Ltd, Old Chang Kee Manufacturing Sdn Bhd and Old Chang Kee Australia Pty Ltd.

Old Chang Kee had not sought external assurance for this year's report. In compliance with SGX's requirements, an internal review of the sustainability reporting process will be carried out by the Internal Audit function for the Group's FY2023 Sustainability Report onwards.

REPORTING FRAMEWORK

Old Chang Kee has chosen the GRI framework as it is the most established international sustainability reporting standard and in respect of the extent to which such framework is applied, this Sustainability Report has been prepared with reference to the GRI Standards.

FEEDBACK

We welcome feedback from our stakeholders with regard to our sustainability efforts as this enables us to improve our policies, systems and results. Please send your comments and suggestions to contact@oldchangkee.com.

ACCESS

No hard copies of this Sustainability Report have been printed as part of our efforts to promote environmental conservation. You may visit the SGX website or our company website <http://oldchangkee.listedcompany.com> for our Sustainability Report.

12 July 2023

CORPORATE PROFILE



Old Chang Kee is synonymous with quality food. An accessible go-to snack creator, a trusted store when you need to grab a bite or fill an empty stomach.

The history of Old Chang Kee goes as far back as 1956 when it started with just a small stall in a coffee shop outside the former Rex cinema along McKenzie Road. People just loved the delicious pastry stuffed full of curried potatoes, chicken and a slice of egg fried with several herbs and spices. Each curry puff was carefully handmade and properly sealed to lock in the unmistakable aroma that won the hearts of many Singaporeans.

In 1986, Han Keen Juan made a pivotal decision that was to change his life as well as the food scene in Singapore. He traded a comfortable job with an established MNC for the hot and greasy kitchen of Old Chang Kee. With whatever savings he had, he bought over the control of the Company. Facing an uncertain future ahead of him, he had only one goal in mind - to transform Old Chang Kee into a successful business entity.

Strategic Move

Han quickly set about modernizing and re-engineering the business. He implemented new systems and took critical steps to ensure quality standards. He launched an aggressive programme to grow Old Chang Kee to become Singapore's leading brand of curry puffs and other hot savories. His hard work paid off, for in 1992, he was awarded Entrepreneur of the Year and was hailed by Newsweek and the now defunct Asia Magazine as the man to watch.

In his true entrepreneurial spirit, he took another big gamble by investing in a 20,000 square feet modern factory in Woodlands. Back then he was producing his curry puffs from a small corner of the coffee shop and later moved to a slightly bigger premise in a flatted factory in Ubi. But he knew that in order to bring the company into the big league, he had to keep upgrading and hence his move to Woodlands. With the move to bigger, modern premises came bigger challenges for him. He had to change the mindset of his people. He had to convince them that the modern machineries and modern processes were not designed to replace them but rather to standardize the work flow and to ensure stringent quality control.

Old Chang Kee markets its curry puffs through various concepts - from kiosks along the road, to supermarket outlets and to modern shopping malls. With one of the best curry puffs around and achieving high marks in accessibility, variety and wholesome goodness, Old Chang Kee has also diversified and extended its product range to include other snacks, desserts and complementary products such as spring rolls, sotong balls, fish balls, crab claws, sesame balls and sotong fritters etc, all produced with the same high quality standards that go into making its classic curry puff.

Our New Leader

After bringing Old Chang Kee to its height, Han soon realized that it was time to groom a new leader. He needed a strong visionary leader to bring the Company to the next level and so in 1995, he brought in William Lim Tao-E, a young graduate of an Australian university. He brought with him fresh ideas and applied innovative marketing strategies to keep in sync with shifting consumer trends.

As Managing Director then, William Lim, together with Chairman, Han Keen Juan, embarked on the next stage of the journey, which was to establish Old Chang Kee as a major recognisable brand in modern Singapore while preserving its valuable heritage.

We Are Halal

In 2004, Old Chang Kee set on to fulfill one of its brand values which was to develop products that would appeal to the multi-cultural and multi-religious segment of society. We drew our inspiration from the various spicy finger foods from different ethnic cultures. In January 2005, we achieved "Halal" certification to reach out to the Muslim community.

The 'Old Chang Kee' Brand

Today, we are delighted that Old Chang Kee brand has become a household name. Our painstaking efforts to achieve top of mind awareness among Singaporeans have paid off handsomely. In 2004 and 2005, Old Chang Kee was awarded the Singapore Promising Brand Award and also the Singapore Heritage Brand Award.

Our Brands

Each brand name embodies the unique promise, aspiration and personality of the product. In order to differentiate the product from others in today's competitive market, Old Chang Kee has developed memorable and distinctive brand names for all our products, including Old Chang Kee, Curry Times, Bun Times, Mushroom Cafe, O'My Kampong, O' My Darling and Dip 'N' Go.

Brand Mission

Our mission is to deliver superior quality hot finger food and ready meals at a value-for money price positioning; in a clean and customer-friendly retail environment.

The Old Chang Kee brand aims to fulfill the following promises

- To deliver consistently a wide variety of high quality hot finger food and ready meals through standardised food preparation processes.
- To refine and modernise traditional food recipes for the modern, multi-cultural customers.
- To provide an alternative to fast food for the busy and mobile city dwellers.

OUR APPROACH TO SUSTAINABILITY

SUSTAINABILITY REPORTING PROCESS



SUSTAINABILITY COMMITTEE

The Group has in place a Sustainability Steering Committee which is led by the Deputy CEO and supported by the department heads from various functional divisions in the Group.



The Board of Directors and Deputy CEO formulate the corporate sustainability strategies and guidelines and monitor overall performance.



The Sustainability Steering Committee ("**Committee**") comprises the Deputy CEO and the department heads from various functional divisions in the Group. The Committee helps to organise and coordinate the sustainability initiatives.



Old Chang Kee's employees support the Group's sustainability programmes and policies, and assist with the implementation and execution of the sustainability initiatives and the collection of data for monitoring performance.

STAKEHOLDERS ENGAGEMENT

An important starting point in our sustainability journey is to identify our stakeholders and material aspects relevant to our business. The interests and requirements of key stakeholders are also taken into account when formulating corporate strategies. These key stakeholders include, but are not limited to, customers, suppliers, shareholders, employees, and regulators. We adopt both formal and informal channels of communication to understand the needs of key stakeholders, and incorporate these into our corporate strategies to achieve mutually beneficial relationships.

The impact of Coronavirus Disease 2019 (“Covid-19”) on businesses in general has generally receded. However, we have continued to consider and take into account the impact of Covid-19 on key stakeholder groups such as our employees, customers, suppliers and the community especially for large-scale community events, as we had done in the financial year ended 31 March 2022 (“FY2022”).

Key Stakeholders	Engagement Platforms	Frequency of Engagement	Key Concerns Raised
Customers and Business Partners	<ul style="list-style-type: none"> Frontline interaction at stores, including necessary social distancing measures and food hygiene safeguards in response to Covid-19 Timely response to feedback received across all channels 	Daily	<ul style="list-style-type: none"> Quality of customer service Consistency of food quality Depth of customer service training Social distancing measures and rigorous food safety systems in place
	<ul style="list-style-type: none"> Advertising and media relations through mainstream and digital avenues (i.e. social media campaigns) Training for business partners like franchisees to be familiar with Standard Operating Procedures (“SOPs”) 	Periodic	
	<ul style="list-style-type: none"> In-house customer service training for all staff (including sub-contractors and cleaners) 	As required	
Employees	<ul style="list-style-type: none"> Induction and orientation programmes Comprehensive trainings Annual Dinner & Dance (“D&D”), remains suspended for now due to Covid-19 Team bonding sessions Regular briefings and correspondences by the Company’s compliance manager on the latest food safety measures and hygiene safeguards 	As required	<ul style="list-style-type: none"> Depth of employee engagement with top management Appropriate linkage between staff performance and rewards Ensure the availability of face masks and hand sanitisers to staff, and facilitating flexible work arrangements for office staff where appropriate
	<ul style="list-style-type: none"> Service evaluation, appraisal and staff recognition 	Yearly	
Suppliers	<ul style="list-style-type: none"> Supplier audit 	As required	<ul style="list-style-type: none"> Maintenance of food standards Consistency and quality of suppliers’ products Review the resilience of key supplier networks, including alternative suppliers both in Singapore and overseas, to cope with any unexpected food crisis
	<ul style="list-style-type: none"> Introduction of new suppliers Calls and email correspondence prior to selection of suppliers Review the reliability of supply chain to cope with any unexpected food crisis Meetings with approved suppliers to review feedback and performance 	As required	
Investors	<ul style="list-style-type: none"> Annual General Meeting (AGM) 	Yearly	<ul style="list-style-type: none"> Financial performance and future direction for the Company Operational efficiency and corporate strategy
	<ul style="list-style-type: none"> Corporate announcements Investor relations website at http://oldchangkee.listedcompany.com 	Half yearly and as required	

Government Institutions	<ul style="list-style-type: none"> • Spot checks by the internal compliance team across all outlets and Central Kitchen • Implementation of self-evaluation through checklists at store fronts 	Daily	<ul style="list-style-type: none"> • Maintenance of quality and hygiene standards • Robustness of maintenance regimes
	<ul style="list-style-type: none"> • Mandatory training to raise awareness of government requirements and to ensure compliance 	Periodic	
Communities	<ul style="list-style-type: none"> • Employee volunteerism • Sponsorships • Corporate donations • Promotions to support national causes such as food give-aways to the medical community 	Periodic Periodic	Extent of employees' outreach and involvement

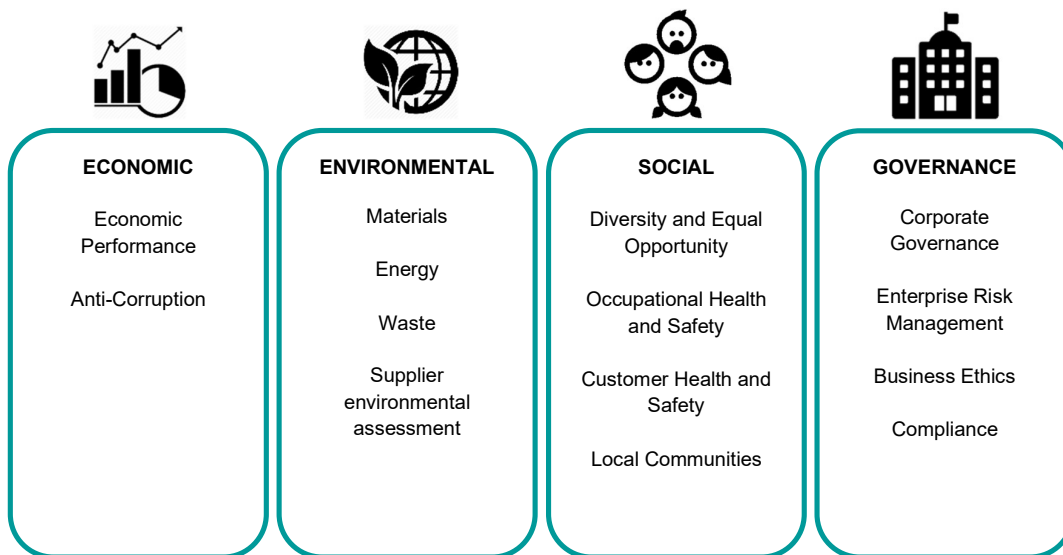
MATERIALITY ASSESSMENT

Our sustainability process begins with the identification of relevant aspects. Relevant aspects are then prioritised to identify material factors which are subject to validation. The end result of this process is a list of material factors disclosed in the Sustainability Report.



The Group has conducted a materiality assessment during the year. We engaged our employees from different departments, seeking our internal stakeholders' feedback for prioritisation of these topics. Going forward, materiality reviews will be conducted every year, incorporating inputs gathered from stakeholders' engagements.

In order to determine if an aspect is material, we assessed its potential impact on the economy, environment and society and its influence on the stakeholders. Applying the guidance from GRI, we have identified the following as our material aspects. The Company has reviewed and concluded that the EESG factors for FY2023 are broadly similar to the factors reported on for FY2022.



The Group is aware of the SGX's requirement for issuers to provide climate-related reporting based on the recommendations of the Task Force on Climate-related Financial Disclosures ("TCFD"), and will adopt a phased approach in climate risk disclosures commencing with the next financial year's FY2024 Sustainability Report. The Group is currently in the midst of collecting the necessary data and implementing the required reporting processes.

ECONOMIC

ECONOMIC PERFORMANCE

Old Chang Kee is committed to grow our customer base, exceed our customers' expectations and provide them with competitive edge products by enhancing operational efficiency through incorporating effective use of technology, developing performance measures, communicating outcomes and results and implementing necessary changes to provide fast and high quality services at low transactional costs.



The Group's revenue increased by approximately S\$12.3 million or 15.9% for FY2023.

The Group's gross profit margin increased by 0.6% in FY2023, mainly due to lower production staff salaries as a percentage of revenue due to higher revenue generated for the current year, offset by higher food cost and utility expenses during the period.

Our target for FY2024 is to maintain our return on equity at or above 10%. We have achieved this target in FY2023.

For detailed financial results, please refer to the following sections in our Annual Report 2023:

- Chairman's Message & Operations Review, pages 2 to 5
- Financial Highlights, pages 14 to 15
- Financial Statements, pages 82 to 147

ANTI CORRUPTION

Old Chang Kee does not tolerate corruption in any form. The Company has in place a whistle-blowing policy which has been communicated to all employees. Whistle blowing reports made in good faith are independently investigated. The Company's staff and any other persons may, in confidence and without fear of reprisals, detrimental or unfair treatment, raise concerns about possible improprieties in matters of financial reporting or other matters, by submitting a whistle blowing report to the Chairman of the AC at the following email address: lancetan75@gmail.com. Only the Chairman of the AC has access to this email address. The AC is responsible for the oversight and monitoring of whistle blowing. Following thorough investigation and evaluation of the whistle-blowing complaint, the AC Chairman shall report to the Board on whistle-blowing complaints which may have a material impact on the Company's financial statements, internal controls or risk management. The action determined by the AC to be appropriate shall be brought to the Board for authorisation and implementation respectively.

The policy is also communicated to everyone via our website at <http://oldchangkee.listedcompany.com/whistle-blowing-policy.html>. We had no cases and no incidents of corruption in FY2023. There have also been no reports received in FY2023.

Our goal is to maintain zero incidents of corruption. We have achieved this target for FY2023. We will regularly review policies on whistleblowing and anti-corruption.

ENVIRONMENTAL

MATERIALS

Palm Oil

Meeting our consumers' needs, having creative and innovative products, improving the quality of our products and being socially responsible are our key business goals.

Many years back, we took the initiative to use Healthier Oil which was and continues to be endorsed by the Health Promotion Board (“HPB”), as reflected by the Healthier Choice Symbol. Then, we conducted extensive trials to ensure that using healthier oil does not compromise on our food quality and taste.

Similarly, for the sustainable oil option, we qualify our cooking oil suppliers to ensure that their cooking oil can meet both (i) the Healthier Oil endorsement by HPB and (ii) the Roundtable on Sustainable Palm Oil (“RSPO”) certification on sustainable cooking oil.

Despite the many challenges and limitations, our promise to consumers is that we will continue to source for healthier and socially responsible cooking oil, without compromising on the food quality and taste.

Sustainable palm oil production comprises legal, economically viable, environmentally appropriate and socially beneficial management and operations. At the heart of RSPO certification are the RSPO Principles and Criteria for Sustainable Palm Oil Production (including Indicators and Guidance, revised November 2013), the global guidelines for producing palm oil sustainably.

Prior to July 2018, we were using palm oil from suppliers with sustainability certifications, but our particular house brand from the supplier was not certified yet. As part of our sustainability initiatives, we commenced preparation works for RSPO Supply Chain Certification in July 2018, and were successfully audited on 12 & 13 December 2018. The palm oil used in frying our products are officially RSPO certified by Bureau Veritas with effect from 12 March 2019, and are subject to annual audits to maintain the RSPO certification status. For the current financial year under review, the surveillance audit had been successfully completed from 15 to 16 November 2022.



In FY2023, our total cooking oil consumption was approximately 802,087 kg or S\$1,878,954 as compared to 808,035 kg or S\$1,618,332 in FY2022. The decrease was due to our collaboration with cooking oil suppliers to improve the durability of cooking oil.

Packaging Materials

We use reusable packaging materials, including our paper bags and biodegradable carrier bags. The percentage of our suppliers using Environmental Packaging in FY2023 is 77% (FY2022: 61%) of our total packaging suppliers. The total cost of packaging materials amounted to S\$1,510,617 in FY2023 (FY2022: S\$1,434,328).

Our target is to maintain our RSPO Supply Chain Certification for our palm oil used in production, and to maintain or increase the percentage of our suppliers using Environmental Packaging for FY2024. We have achieved this target in FY2023.

ENERGY

Old Chang Kee is fully aware of its responsibility for environmental conservation and lessening negative environmental consequences at our worksites and the environment where we operate. We monitor our electricity consumption at our work places to ensure that we use our resources economically, meaningfully and responsibly. Our individual heads of departments examine our monthly bills in detail and significant variances from the previous months are flagged for follow-up action. Outlet supervisors and managers' monthly incentive systems are also structured to reward them with, among others, any savings from energy consumption. Property and Maintenance Department would also change older machines to newer, more energy efficient machines, where appropriate.

In FY2023, our electricity consumption was recorded at 8,251,543 kwh (FY2022: 8,674,563 kwh). The decrease was partly due to infrastructural developments at various locations, necessitating the closure of these outlets, offset by higher equipment utilisation rates for our factories and outlets, as a result of higher retail sales in FY2023. For FY2023, our electricity consumption was 66 kwh per square foot (FY2022: 69 kwh per square foot). We had met our FY2023 target of maintaining or reducing our electrical consumption (kwh) per square foot against FY2022. Our target for FY2024 is to maintain or lower our electricity consumption (kwh) per square foot in FY2024 as compared to FY2023.

WASTE

Oil Waste Management

We are environmentally friendly and dispose of our used cooking oil via accredited used oil collectors, so that it can be treated before being responsibly recycled. Our initiatives to reduce the volume of oil waste includes enhanced staff training on oil waste procedures, and working with cooking oil suppliers to improve the durability of cooking oil. The volume of oil waste managed through accredited oil collectors amounted to approximately 195,681 litres in FY2023 (FY2022: 215,964 litres), in line with the decrease in cooking oil used due to improved cooking oil durability. All of the cooking oil used by the Company and its significant subsidiaries are collected by accredited collectors.

We will continue to use accredited collectors and ensure that 100% of our used cooking oil for the Company and its significant subsidiaries are treated by accredited collectors before being recycled.

SUPPLIER ENVIRONMENTAL ASSESSMENT

Given the sizeable quantity of packing materials used in our business, Management has launched various sustainability initiatives, such as requiring our major packaging suppliers to have environmental certifications and to use biodegradable carrier bags. The 4 main suppliers with environmental certifications during FY2023 are Cheng Moh Huat Pte Ltd, Premier Packaging Pte Ltd, Techpak (Asia) Pte Ltd and EcoGreen Packaging Pte Ltd. The percentage of our suppliers using environmental packaging in FY2023 is 77% (FY2022: 61%) of our total packaging suppliers. During FY2023, there were no new major packaging suppliers.

We also require our main cooking oil suppliers to have globally recognised sustainability certifications (i.e. RSPO certifications). Our main supplier during FY2023 was Ngo Chew Hong Edible Oil Pte Ltd, who supplies us with "RSPO MB Cooking Oil" under our Old Chang Kee house-brand.

Our target is to ensure that our main suppliers for packaging materials and cooking oil continue to have

sustainability certifications, in view of the significant quantities used in our business. As elaborated above, all our main suppliers for packaging materials and cooking oil have sustainability certifications.

In response to any unexpected food crisis or export restrictions, the Group has also reviewed the resilience of key supplier networks for packaging materials and cooking oil, including alternative suppliers with operations both in Singapore and overseas.

The Group is satisfied that its network of key suppliers, including alternative suppliers, remain resilient and are able to maintain the supply of key materials in event of any unexpected food crisis or export restrictions.

SOCIAL

Every employee plays an essential role in our company. We achieve success by promoting a collaborative work environment in which everyone is committed to achieving our corporate goals based on open and honest communications while showing care and support for each other.

Our employees are the drivers of our business and we believe in creating a respectful, rewarding and safe working environment for our people. We support and respect the protection of internationally proclaimed human rights.

We respect human rights, support the elimination of all forms of forced and compulsory labour, especially child labour, and do not tolerate any discrimination in respect of employment and occupation.

The Company provides competitive remuneration based on merit to all our employees. Our employees are not covered by collective bargaining agreements, but are given the right to exercise freedom of association.

DIVERSITY AND EQUAL OPPORTUNITY

A diverse workforce is an asset in today's ever-changing global marketplace. We cultivate an inclusive culture where employees with wide-ranging backgrounds and qualities are highly motivated, engaged and connected. We do not discriminate based on one's race, age, gender, religion, ethnicity, disability or nationality and we aim to have zero record of discrimination. We have achieved this target for FY2023 and there were no records or reports of discrimination based on race, age, gender, religion, ethnicity, disability or nationality in FY2023. We intend to maintain this target for FY2024.

As at 31 March 2023, we had a workforce of 645 employees (FY2022: 597). We do not have contractual staff. Our headcounts were distributed as follows:

31 March 2023

Gender:

Female: 79% Male: 21%

Age:

Below 30: 15%
Between 30 to 50: 41%
Above 50: 44%

Nationality:

Singaporeans: 51%
Malaysians: 28%
Chinese (PRC): 9%
Others: 12%

31 March 2022

Gender:

Female: 80% Male: 20%

Age:

Below 30: 13%
Between 30 to 50: 36%
Above 50: 51%

Nationality:

Singaporeans: 49%
Malaysians: 28%
Chinese (PRC): 10%
Others: 13%

Staff Events

In view of continuing Covid-19 infections in Singapore, the staff events in FY2023 were scaled down, with safe management measures in place.

Staff Long Service Award Luncheon / Meal Gatherings

To show appreciation to some of our long-serving employees and maintain staff cohesion, the Company organize Long Service Award luncheons and other meal gatherings.

Internal Staff Events

Staff dinner gathering (Date: 3 Sep 2022)



Long Service Award 2022 (Date: 30 Oct 2022)











Long Service Award 2023 (Date: 3 Feb 2023)









We are committed to provide equal opportunities for existing employees and new candidates to maintain a diverse and robust workforce. Assuming that the public health situation in Singapore permits, our FY2024 target is to hold at least 3 activities or events each year for our employees. We have achieved this target for FY2023.

OCCUPATIONAL HEALTH AND SAFETY

We are also committed to safeguarding our employees' health and safety against any potential workplace hazards. The focus on health and safety is important to the Group. It is not only a fundamental right for our workers to be able to work in a safe environment, but when our employees' wellness is attained, our productivity increases, and our best is given to our customers. By implementing job safety guidelines, we are committed to provide a hazard-free workplace to ensure the wellbeing of both our employees and the environment.

We adopt best practices recommended by food safety consultants, such as "Hazard analysis and critical control points", or HACCP for our factory premises. We had obtained our HACCP certification on 28 March 2019 and it was valid till 27 March 2022. The recertification audit was conducted and successfully completed from 12 to 13 January 2022, after which another surveillance audit was successfully conducted on 19 January 2023. The HACCP certificate is valid from 28 March 2022 to 27 March 2025.

Risk assessment is also conducted at all outlets and factory at least on an annual basis by our in-house Compliance Manager, including:

1. Hazard Identification (Work Activity, Hazard, Possible Accident / Health & Persons-at-Risk/ Consequences)
2. Risk Evaluation (Existing Risk Control, Severity, Likelihood, Risk Level)
3. Risk Control (Additional Risk Control, Action Officer / Designation / Follow-up Date)

In FY2023, we had no (FY2022: 13) minor cases of work-related injuries reported. The expenses incurred in FY2022 were covered by the Group through staff insurances.

We will continue to emphasize workplace safety at all times and aim for an accident frequency rate of zero in the upcoming years. We have achieved the accident frequency target of zero for FY2023, and will endeavour to continue meeting this target in FY2024 through continuous staff education and retraining.

In response to food and health safety threats, the Company's compliance manager is responsible for disseminating information on the latest food and health safety measures to our office, production and outlet workers, as and when necessary, and ensuring that these measures are being carried out at all times. He is also responsible for liaising with the authorities to improve on any food and health safety measures at our factory and outlets.

These measures include, among others, ensuring the availability of face masks to our employees, visitor management plan, and regular sanitisation and disinfection procedures for key touchpoints.

CUSTOMER HEALTH AND SAFETY

We ensure clean and quality products are served to our customers. We have external contractors who regularly clean and sanitise our factory and outlets, perform equipment servicing, as well as contractors for pest control. We have increased the frequency of our cleaning and sanitization processes.

Our factory staff conduct daily checks on cleanliness and safety, using the self-inspection checklist. The daily checklist would be filed, and periodically checked by the supervisors for compliance.

Sanitization process for our factory by external contractors



Halal Accreditation

For FY2023, we continued to engage a consultant to assist in our Halal accreditation process which involves disposing of all items which are not halal-compliant from our premises, carrying out 'sertu' or ritual cleansing of the production line, central kitchens and outlet, as well as undergoing halal training courses. All of the above points illustrates Old Chang Kee's commitment towards the Halal process.

Certifications



Halal Certification by Majlis Ugama Islam Singapura (MUIS)

As of 7 January 2005, all Old Chang Kee products, outlets and central kitchens were officially certified 'Halal' by MUIS.

We will continue to ensure our customer's health and safety and ensure that there are no non-compliance with regulations. We will also ensure that we continue to be Halal-certified.

In response to food and health safety threats, the Company's compliance manager is responsible for implementing food and health safety measures at our retail outlets. He is also responsible for liaising with the authorities to improve on any food and health safety at our retail outlets.

These measures include, among others, ensuring the availability of face masks to our employees and customers, and regular sanitisation and disinfection procedures for key touchpoints.

LOCAL COMMUNITIES

Old Chang Kee embraces the philosophy of giving back to the community by encouraging proactive involvement in the Group's various corporate social responsibility (CSR) initiatives and environmental conservation programs.

CSR/Charity Events:

Food Sponsorship to NDP 2022 participants (Date: Over the period from June to August 2022)







Food Sponsorship to FAST – Foreign Domestic Worker Association for Social Support and Training and Training for their MDW and Employer Appreciation Day (Date: 20 November 2022)





Food Sponsorship to Blossom Seeds - an organization that supports lonely and needy senior heartlanders to integrate with the society, regardless of race and religion (Date: 3 Sep 2022)







Our target is to continue participating in at least two charity or non-profit activities every year, as part of our social responsibility to local communities. We have achieved this target for FY2023.

GOVERNANCE

CORPORATE GOVERNANCE

The Board and the Management of Old Chang Kee are committed to the best practices in corporate governance to ensure sustainability of the Group's operations. We believe that our constant drive for corporate excellence will allow us to establish a more transparent, accountable and equitable system, thereby increasing the value of the Company and its value to our shareholders. Please refer to the pages 20 to 74 of the Annual Report 2023 for details of the Group's Corporate Governance Report. Going forward, we will continue to comply with the Code of Corporate Governance 2018, its related practice guidance and meet all requirements that are expected of us by our stakeholders.

ENTERPRISE RISK MANAGEMENT

The Directors recognise that they have overall responsibility to ensure proper financial reporting for the Group and effectiveness of the Group's system of internal controls, including financial, operational, compliance and IT controls, and risk management policies and systems. The Audit Committee assists the Board in providing oversight of risk management in the Company.

The Company has in place an Enterprise Risk Management Framework. The implementation and maintenance of the Company's risk management framework is undertaken by the senior management team, which reports to the AC on strategic business risks as well as provides updates on the risk management activities of the Company's businesses and the Enterprise Risk Management implementation progress of the Company. Significant strategic risks identified are assessed, managed and monitored adequately within the Company's risk management framework. These strategic risks are also reviewed and refreshed to ensure relevant emerging risks are being considered and included for proper assessment, monitoring and reporting as appropriate.

The Group continually reviews and improves its business and operational activities to identify areas of significant business risk as well as takes appropriate measures to control and mitigate these risks. These include the implementation of safety, security and internal control measures and taking up appropriate insurance coverage. The Group's financial risk management programme seeks to minimise potential adverse effects of the unpredictability of financial markets on the Group's financial performance. We will regularly review the Enterprise Risk Management policies to ensure that all relevant risks are identified, communicated and addressed in a timely manner.

BUSINESS ETHICS

All of our staff are reminded of the importance of upholding the highest standards when it comes to business ethics. The Group regularly updates relevant staff on developments in international and local regulations. Similar to FY2022, there were no significant fines or non-monetary sanctions for non-compliance with laws and regulations reported in FY2023. There have also been no reported incidents of corruption during the reporting period. Our target is to ensure all allegations received are promptly addressed and to maintain zero incidents of non-compliance.

ASSURANCE

We engaged our Internal Audit Function to review the current sustainability reporting processes. The internal review was conducted in accordance with the International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors. The scope included a risk-based review of the processes including but not limited to the sustainability governance and management; the identification, prioritisation and assessment of ESG-related risks and opportunities;

reporting relevant sustainability information; climate-related disclosures; and compliance against local regulatory reporting requirements. We have not sought external assurance for this reporting year, as there were no significant changes to GRI Standards from the previous years. We may seek external assurances in the future, should GRI Standards be substantially modified.

COMPLIANCE

The Company regularly conducts refresher training to emphasise the importance of complying with laws and regulation. In FY2023, there were no incidence of non-compliance with laws and regulations resulting in significant fines or sanctions. We target to maintain this track record for FY2024.

We are mindful of the SGX's requirement – announced in December 2021 – for issuers to undertake climate risk reporting in line with the recommendations of the Task Force on Climate-Related Financial Disclosures (“TCFD”). The Group will adopt a phased approach in reporting climate risk disclosures commencing with next financial year's FY2024 Sustainability Report. This includes tracking and reporting Scope 1 and Scope 2 emissions. The Group is currently in the midst of collecting the necessary data and implementing the required reporting processes.

In accordance with SGX requirements, all Directors of the Board had attended courses on sustainability matters, including courses conducted by Institute of Singapore Chartered Accountants (ISCA) with SAC Capital and Singapore Institute of Directors (SID).

GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure		Reference / Description
GRI 1 used:		GRI 1: Foundation 2021	
GRI 2: General Disclosures 2021	2-1	Organisational details	SR pages 5 to 6
	2-2	Entities included in the organisation's sustainability reporting	SR page 3
	2-3	Reporting period, frequency and contact point	SR page 3 and 4
	2-4	Restatements of information	SR page 3
	2-5	External assurance	SR page 4
	2-6	Activities, value chain and other business relationships	SR pages 5 to 6
	2-7	Employees	SR page 16
	2-8	Workers who are not employees	None
	2-9	Governance structure and composition	AR pages 16 to 19
	2-10	Nomination and selection of the highest governance body	AR pages 34 to 37
	2-11	Chair of the highest governance body	AR page 19
	2-12	Role of the highest governance body in overseeing the management of impacts	SR page 7
	2-13	Delegation of responsibility for managing impacts	SR page 7
	2-14	Role of the highest governance body in sustainability reporting	SR page 7
	2-15	Conflicts of interest	AR page 23
	2-16	Communication of critical concerns	SR pages 12, 36 and 37
	2-17	Collective knowledge of the highest governance body	AR pages 16 to 17
	2-18	Evaluation of the performance of the highest governance body	AR pages 43 to 44
	2-19	Remuneration policies	AR page 46
	2-20	Process to determine remuneration	AR pages 47 to 49
	2-21	Annual total compensation ratio	Information is not provided due to confidentiality constraints
	2-22	Statement on sustainable development strategy	SR page 3
	2-23	Policy commitments	SR pages 12, 36 and 37
	2-24	Embedding policy commitments	SR page 12, 36 and 37
	2-25	Processes to remediate negative impacts	SR pages 12, 36 and 37
	2-26	Mechanisms for seeking advice and raising concerns	SR page 4
	2-27	Compliance with laws and regulations	SR pages 36 and 37
	2-28	Membership associations	Singapore Food Manufacturers' Association Singapore Business Federation Franchising and Licensing Association (Singapore)
	2-29	Approach to stakeholder engagement	SR pages 8 to 9
	2-30	Collective bargaining agreements	None of our employee are covered by collective bargaining agreements
GRI 3: Material Topics 2021	3-1	Process to determine material topics	SR page 10
	3-2	List of material topics	SR page 10
	3-3	Management of material topics	SR pages 11 to 37
GRI 201: Economic performance	201-1	Direct economic value generated and distributed	SR page 11
GRI 205: Anti-corruption 2016	205--3	Confirmed incidents of corruption and actions taken	SR page 12
GRI 301: Materials	301-1	Materials used by weight or volume	SR page 13
GRI 302: Energy 2016	302-1	Energy consumption within the	SR page 14

GRI STANDARDS CONTENT INDEX

GRI Standard	Disclosure		Reference / Description
		organisation	
GRI 306: Waste 2020	306-2	Management of significant waste-related impacts	SR pages 14 and 15
	306-3	Waste generated	SR page 14
GRI 308: Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	SR page 14 and 15. During FY2023, there were no new packaging materials or cooking oil suppliers.
GRI 403: Occupational health and safety	403-9	Work-related injuries	SR page 27
GRI 405: Diversity and equal opportunity 2016	405-1	Diversity of governance bodies and employees	SR page 16
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	SR pages 29 to 35
GRI 416: Customer Health and Safety	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	SR pages 28 to 29