

2021

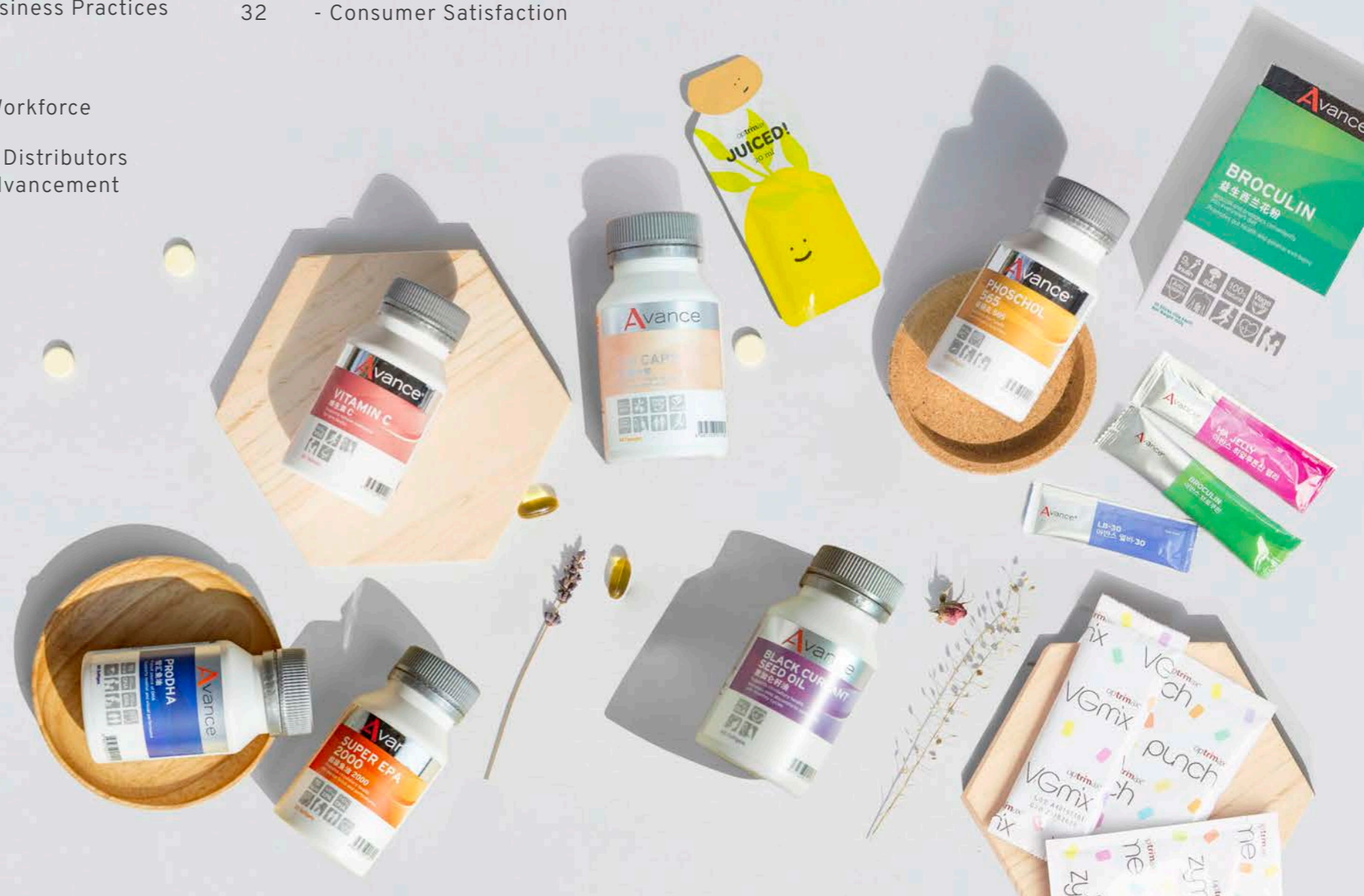


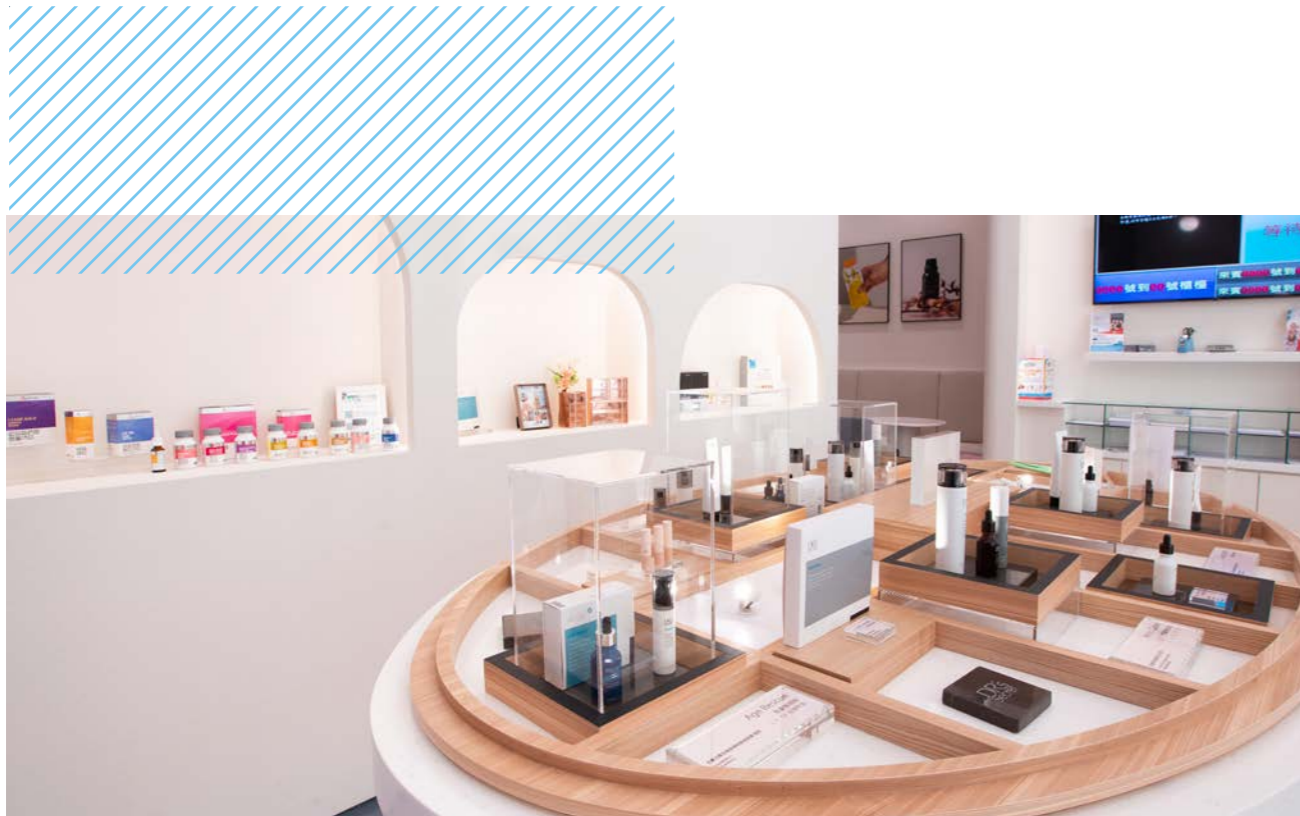
SUSTAINABILITY
REPORT



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BOARD STATEMENT

At Best World International Limited (the “Company” or Best World”), the Board of Directors (the “Board”) believes that to fulfil our commitment to provide our stakeholders with long term value, sustainability needs to be ingrained in our business model. Since inception, Best World has always focused on our products, our customers and our people, while practicing good strong corporate governance and minimizing our impact on the environment.

The Board’s primary focus with respect to Sustainability Reporting are:

- a. Considering sustainability issues including environmental and social factors in the formulation of the Group’s strategies;

- b. Overseeing the identification, monitoring and management of key Environmental, Social and Governance (“ESG”) topics; and

- c. Determining the Company’s values and standards including ethical standards

The Board will continue to work with the management to implement, monitor and report on our sustainability efforts for the long-term success of the Group. As we continue to build on our sustainability efforts, we look forward to establishing stronger ties with our stakeholders and growing along with our community at large.



ABOUT BEST WORLD

Best World International Limited is a Singapore headquartered company which specializes in the development and distribution of premium skincare, personal care, nutritional and wellness products.

Since inception, Best World has grown in strides to become a key regional player in the industry, having subsidiaries, joint venture and associate companies in 12 markets, with customers from 40 markets in Asia, Oceania, Middle East, North America and Europe.

Best World is a member of the Direct Selling Association of Singapore, the Association of Small and Medium Enterprises, the World Federation of Direct Selling and most of our BWL subsidiaries are members of the direct selling association in the market they operate.

Our Vision “To be a leading global skin care, nutritional and personal care solutions provider, focused on making a difference to the lives of beauty and health enthusiasts from all over the world.”

Our Mission

The Preferred Choice for Consumers

To meet the everyday beauty and health needs of our customers with quality products and services, achieved through continuous innovations, created under our high quality and safety standards.

The Rewarding Choice for Distributors

To expand our distribution network globally through a progressive entrepreneurial platform, which offers the positive, harmonious culture and community that support our distributors in achieving their business goals and success.

The Trusted Choice for Partnership

To be an enterprise that pushes for continuous growth, with a reliable and trustworthy reputation, thereby improving productivity, profitability and maximising our partners' and shareholders' value.



THE REPORT

Best World International Limited is pleased to present our fifth Sustainability Report.

With reference to Singapore Exchange (SGX) proposed list of core Environmental, Social and Governance (ESG) metrics released in December 2021, we adopted majority of the metrics which are material to our business operations in the financial year. In the next financial year, we seek to include the remaining two core ESG metrics, namely water management and occupational health & safety, which we feel we will have more meaningful data after obtaining the Temporary Occupation Permit (TOP) of our Tuas manufacturing facilities. This report continues to be based on the existing scope, comprising Singapore, which includes our newly completed Tuas manufacturing facilities, as well as our Taiwan operations.

This report covers the Financial Year 2021 (“FY2021”) from 1 January 2021 to 31 December 2021, with Financial Year 2020 (“FY2020”) from 1 January 2020 to 31 December 2020 as the year of comparison.

Our report has been drafted in accordance with the internationally recognized framework, Global Reporting Initiatives (‘GRI’) Standards - Core option, and the Singapore Exchange Securities Trading Limited (‘SGX-ST’) Mainboard Listing Rule 711(B).

No external assurance was sought for this report. We will consider doing so for future reports.

Moving forward, Best World shall continue to strengthen our sustainability efforts and report on the related non-financial metrics annually.

For any queries in relation to our report or any feedback on our sustainability practices, please feel free to contact:

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STAKEHOLDER ENGAGEMENT

Stakeholder Groups	Objectives/ Expectations of Stakeholder	Stakeholders' Key Concerns	Methods and Frequency of Engagement	Best World's Efforts and Responses
Shareholders /Investors	Obtain information needed to make sound decisions	<ul style="list-style-type: none"> • Transparency, timely information on the company's progress, status, and profitability • Stable financial performance and prudent capital management • Business continuity 	Analyst Briefing (semi-annually) / Share Investor Forum	<ul style="list-style-type: none"> • Strive to maximize profitability and return on investment • Uphold high standards of corporate governance transparency and disclosure as well as long-term sustainable growth of business
			Investor Relations ("IR") personnel & engage an IR consultant	
			Attend Regional Investor Relations Non-Deal Roadshows ("NDRs")	
			Annual General Meeting (AGM)	
Employees	Positive and safe working environment, fair remunerations and career development and progression	<ul style="list-style-type: none"> • Conducive and comfortable working environment • Competitive rewards and recognition • Opportunities for career advancement • Adequate training and development 	Town hall meeting & staff appreciation dinner (annual) ¹	<ul style="list-style-type: none"> • We adopt and implement Human Resource ("HR") policies that are in line with our business goals and pro-employee, and review them from time to time • We encourage work-life balance and reward employees based on specific and measurable targets • Employee engagement survey provides an avenue for employees to give feedback anonymously
			Team bonding fund for department/inter-department bonding activities (annual) ¹	
			Staff outing with participation from family members (annual) ¹	
			Birthday lunch to celebrate employees' birthday (monthly) ¹	
			Grievance handling/ Whistleblowing mechanism	
			Long service awards	
			Employee engagement survey (annual) ¹	
Distributors, Members & Customers	<u>Distributors & Members</u>	<u>Distributors & Members</u>	Trainings (weekly)	<ul style="list-style-type: none"> • Continuous product innovation and development, regular distributor training sessions • Maintain ISO9001:2015 Quality Management Certification System requirements for our product development. • Sharing of beauty, health and product knowledge with all BWL distributors, members and customers using Line application. • E-commerce platform (mobile applications) • Annual convention held to recognize distributors' efforts and offer an opportunity to connect all distributors and members from all over the world
	• Drive sales and foster a positive long-term relationship with Best World	• Regular and reliable support (to sustain and grow their sales & networks), product effectiveness and efficiency	Meetings and gatherings (daily)	
			BWL Mobile application & Online Shop	
	<u>Customers</u>	<u>Customers</u>	<u>BWL Singapore</u>	
	• Products that deliver its brand promise and are conveniently available	• Reliable, clear and comprehensive product labelling and effectiveness and safety of the products.	• Facebook page (https://www.facebook.com/sg.bwlgrou/)	
		• Service and health advisories (if necessary) received especially pertaining to instructions on proper application and use of the products	<u>BWL Taiwan</u>	
			• Facebook page (https://www.facebook.com/tw.bwlgrou/)	
			• Instagram @bwl.tw	
		• Line application		
		Annual Convention		
		Direct contact with our Marketing staff		

¹ These methods of engagement were put on hold in 2021 due to COVID-19. They are expected to resume once COVID-19 restrictions have eased.

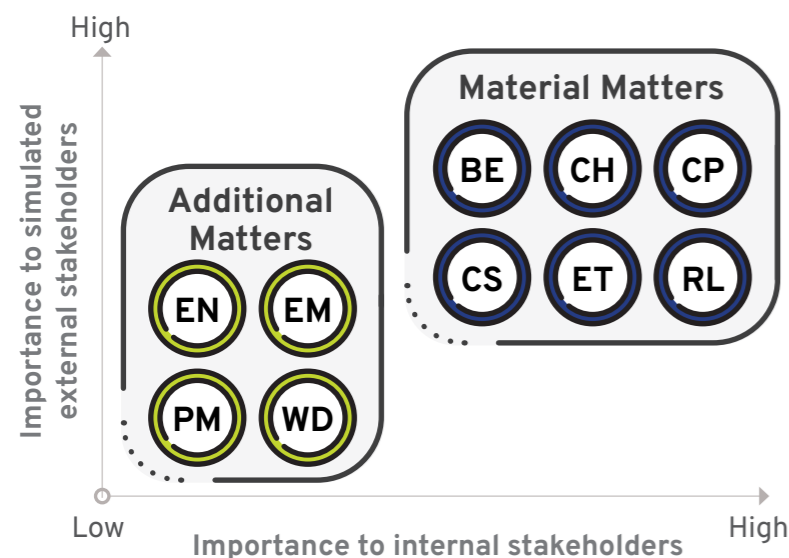
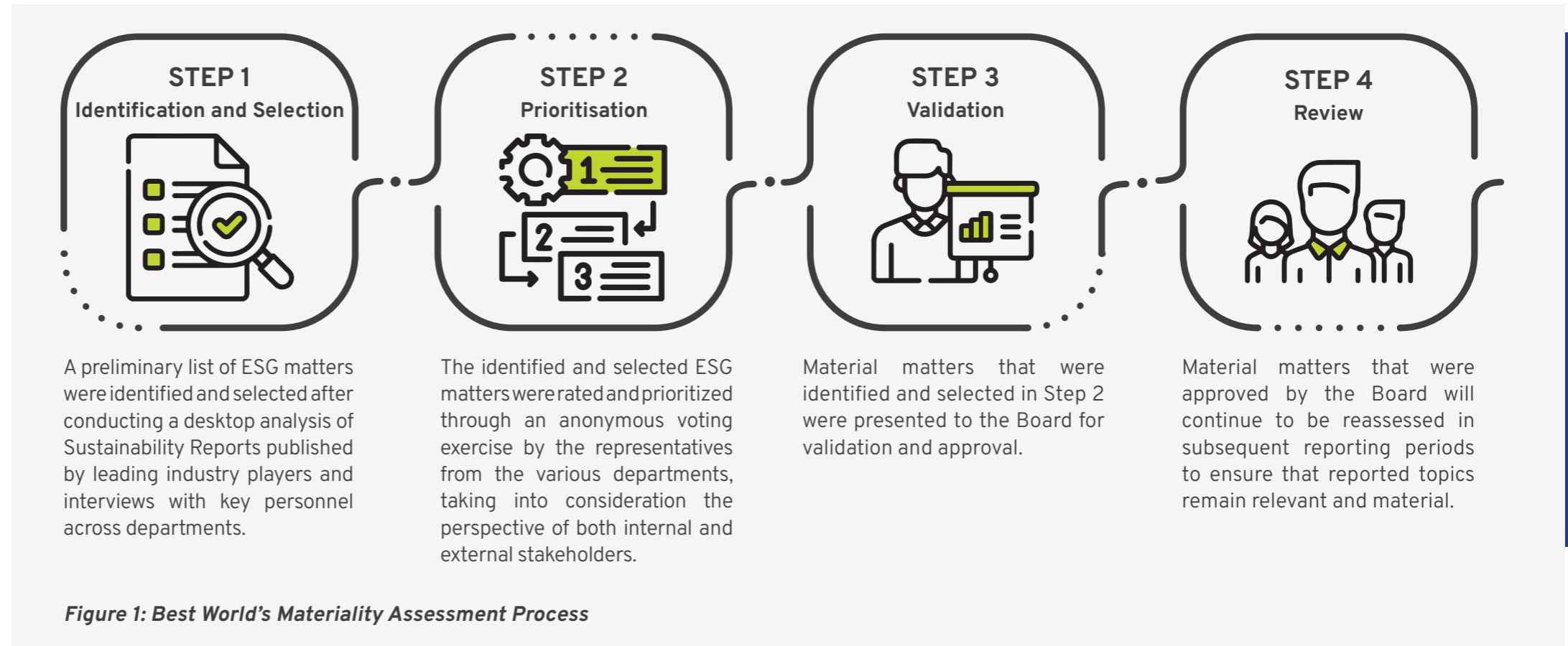
Stakeholder Groups	Objectives/ Expectations of Stakeholder	Stakeholders' Key Concerns	Methods and Frequency of Engagement	Best World's Efforts and Responses
Government & Regulator	Implement and enforce standards and regulatory requirement	<ul style="list-style-type: none"> Adhere to laws and regulations, prompt reporting 	Implement and enforce standards and regulatory requirements	<ul style="list-style-type: none"> Commitment to comply with all applicable laws and regulations, constant review of our operating procedures & update them when necessary.
Communities	Ensure that organisations have a positive impact on the community at large	<ul style="list-style-type: none"> Meaningful support towards communities 	Sponsor of The World Learner Student Exchange Scholarship (annual) ¹	<ul style="list-style-type: none"> Please refer to our Annual Report for more details on our on-going effort in China.
Trade associations	Protect the interests of businesses in the industry	<ul style="list-style-type: none"> Support in addressing any issues faced by industry 	Participation in association meetings, dialogues and forums	<ul style="list-style-type: none"> Being an active member of the World Federation of Direct Selling Association
Suppliers	Maintain ethical, economically viable and sustainable business relationships with business partners	<ul style="list-style-type: none"> Compliance with terms and conditions of prevailing purchasing policies and procedures, while maintaining ethical standards Stable, long-term business relations 	Supplier review and monitoring	<ul style="list-style-type: none"> Established an active member of the World Federation of Direct Selling Association. Ethical business practices and contractual obligations. Encourage main supplier to embark on sustainability journey
			Meetings	
			Email correspondences	

¹ These methods of engagement were put on hold in 2021 due to COVID-19. They are expected to resume once COVID-19 restrictions have eased.

MATERIALITY ASSESSMENT

Our initial assessment of ESG matters was done in FY2017. Back in 2017, we engaged an independent sustainability consultant and initiated a formal materiality assessment process to identify the ESG matters that greatly affect our business and stakeholders. Both internal and external stakeholders were taken into consideration for the assessment. With the contributions from different representatives from the relevant departments, we adopted a four-step materiality assessment process summarized in Figure 1.

As mentioned earlier in our report, we adopted SGX proposed list of core ESG metrics which was released in December 2021. We decided to add GRI 302 Energy and GRI 305 Emissions to our list of additional matters. We will include the remaining core ESG metrics relating to water management and occupational health & safety in FY2022 report as the manufacturing facilities obtained its TOP in April 2022.



The results of the materiality assessment are grouped and plotted on a materiality matrix (Figure 2), with their position relative to the importance to internal stakeholders and external stakeholders. Six material ESG matters were identified and selected. For a more comprehensive report, Best World chose to include four additional ESG matters to report in FY2021.

Figure 2: Best World's Materiality Index

	Material Matters	Corresponding GRI Topic-specific Standard
ET	Employees and Distributors Training and Advancement	GRI404: Training and Education
CS	Consumer Satisfaction	Not covered in GRI Topic-specific Standard
CH	Consumer Health and Safety	GRI416: Customer Health and Safety
CP	Counterfeit Products and Intellectual Property	Not covered in GRI Topic-specific Standard
RL	Responsible Labelling / Advertising	GRI 417: Marketing and Labelling
BE	Business Ethics	GRI 205: Anti-corruption
	Additional Matters	Corresponding GRI Topic-specific Standard
PM	Packaging Management	Not reporting any GRI Topic-specific disclosures
WD	Waste Disposal Management	GRI 306: Effluents and Waste
EN	Energy	GRI 302: Energy
EM	Emission	GRI 305: Emissions

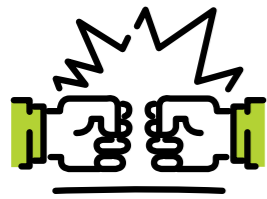
* Only factors which have been selected for reporting are shown in this Materiality Matrix

SUSTAINABILITY GOVERNANCE

Business Ethics

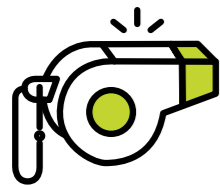
At Best World, we are dedicated to operating our business in a transparent manner. During the process of expanding into rapid-growth markets, where the operations are dependent on its local businesses and suppliers, there is a greater risk of exposure to corruption. Our Group has adopted a zero-tolerance approach towards all corruption practices and have strived to embed a culture of anti-corruption in all aspects of our operations. Our anti-corruption policies and reporting channels are available online to enhance communication to our stakeholders and act as a deterrence to corruption.

Components of Our Anti-Corruption Framework



Conflict of Interest Policy

To prevent conflicts of interest as well as action steps to take in the event a conflict arises.



Whistle-Blowing Policy

Provides details on the whistleblowing, a communication for employees to anonymously report suspected wrongful activities within the organisation to ensure transparency in business conduct at Best World.



Gift and Entertainment Policy

Guidelines for employees on the proper procedures to process the gifts and entertainment from external parties to uphold business integrity.



Code of Ethical Conduct

The code that states the organisation's responsibility towards employees, consumers, shareholders, suppliers and regulators.

All employees are trained on our corporate policies, anti-corruption policies and procedures during our mandatory new employee orientation programme. Our suppliers are also required to make an annual declaration that they have no conflict of interest before they will be engaged by our Logistics and Procurement team.

In FY2021, no cases of corruption were reported.

Perpetual Target	FY2021
Zero Instances of Corruption	Achieved
100% of employees are to be informed of their responsibility to prevent dishonesty in the course of business and all employees involved in sourcing and procurement for the company have acknowledged the annual declaration form.	Achieved



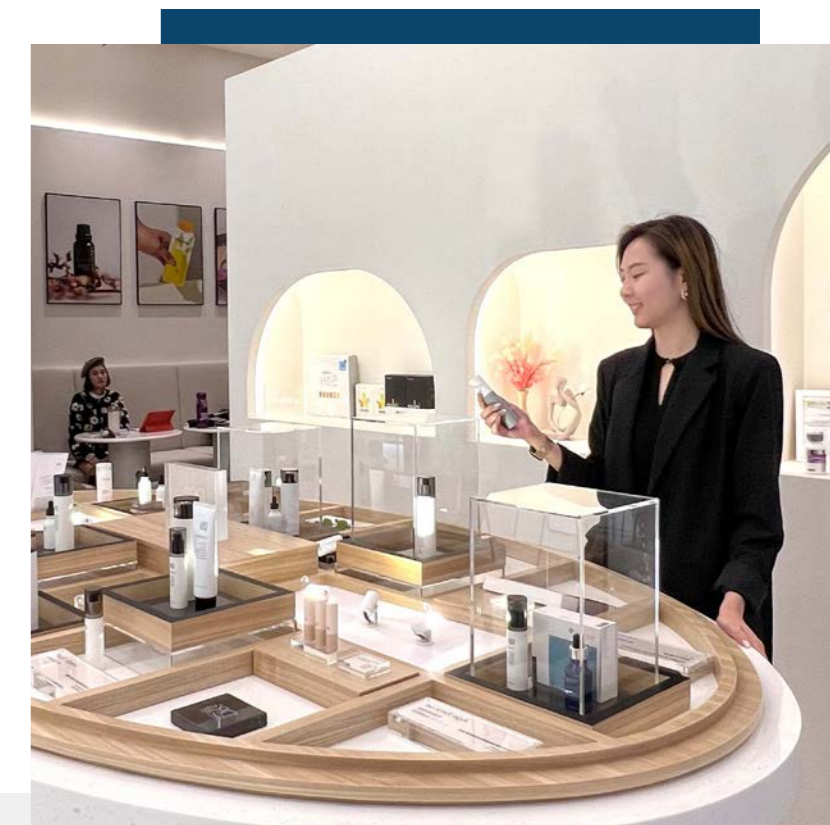
https://tw.bwlgroup.com/tchinese/whatson_code_conduct.jsp

Communicating Key Business Ethics Effectively

To promote understanding of key ethical business practices such as consumer rights, distributor's responsibilities and obligations and the Company's intellectual property rights, our Taiwan office rolled out a series of short comics on these topics to educate distributors. Refer to the link below for more information.

Keeping Guidance Handy

In 2020, we developed a corporate governance handbook for the company. The handbook incorporated key tenets of good corporate governance to guide management and key personnel and at the same time, highlight the Board's perspective and areas of emphasis. Subjects covered include duties owed by Directors, Directors' disclosure of interests, and the identification of conflicts of interests and guidelines on how to handle them. The handbook also considered and incorporated the company's existing policies, such as the Anti-Corruption policy, Code of Ethical Conduct, Whistle Blowing, diversity, dividend and investor relations policies.



Responsible Business Practices

Consumers are at the heart of our business. Best World's continued success depends on the trust and confidence that consumers place in our distributors and conforming to respective markets' consumer protection legislation. We are also committed to the Code of Ethics and Conduct set out by the Direct Selling Association of Singapore (DSAS).

DSAS Code of Ethics and Conduct sets forth the basic fair and ethical principles and practices to which Members shall be required to adhere in the conduct of their business, which includes the following amongst others:

- Obligations of the member
- Prohibited practices that no direct seller should engage in
- Accurate explanation of products or services
- Honouring customer order cancellation rights, the 7-Day "Cooling-off period"
- Respecting customer privacy
- Proper handling of customer complaints

Our Taiwan BWL subsidiary is also a member of the Taiwan R.O.C. Direct Selling Association. The association was formally established on December 12, 1990, becoming Taiwan's first direct selling industry charity organization.

The role and function of Taiwan R.O.C. Direct Selling Association is to act as a communication bridge between the direct selling industry and the regulators, the media, consumers and other relevant social members and is focused on

1. Research and promotion of direct selling related laws and regulations
2. Establishing business ethics and promoting a positive image of direct selling industry
3. Promoting decent business philosophy to protect the rights and interests of consumers and distributors
4. Strengthening education, research and development of the direct selling industry and management capabilities.



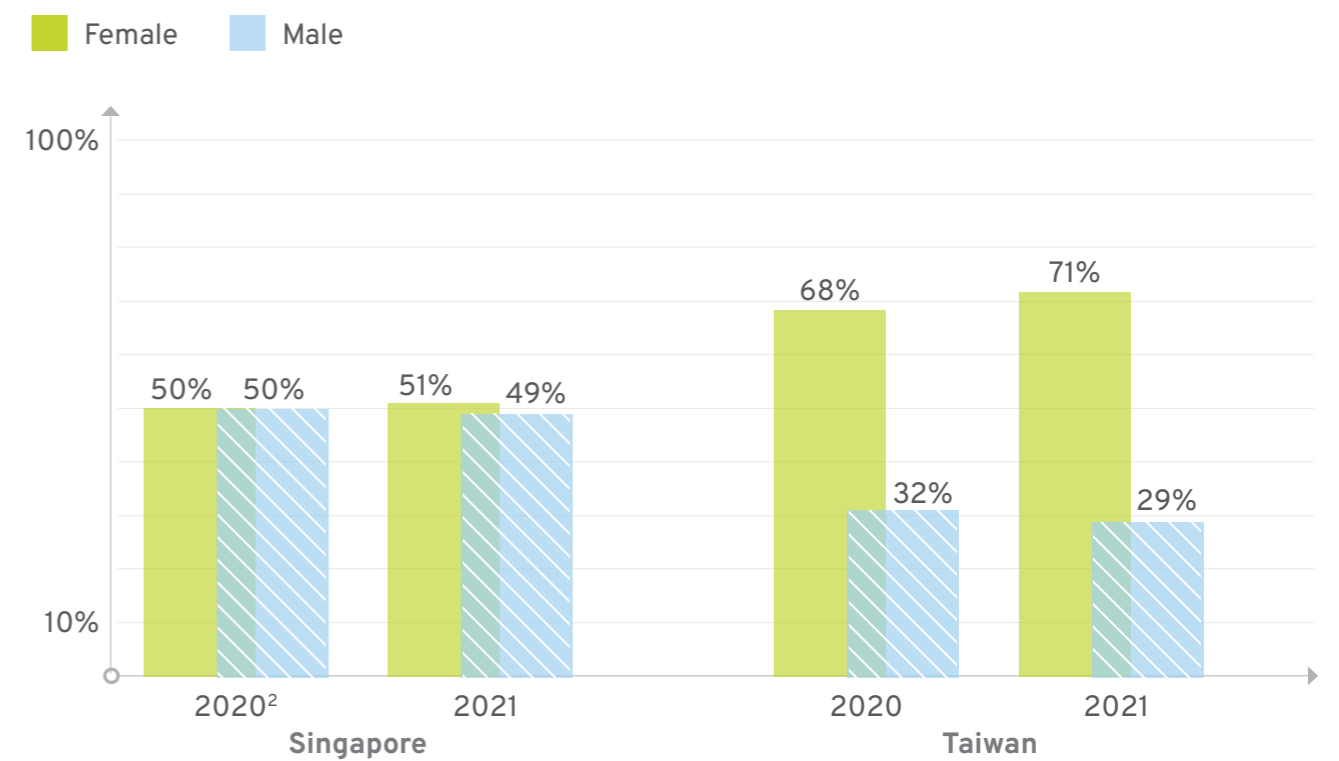


Profile of Our Workforce

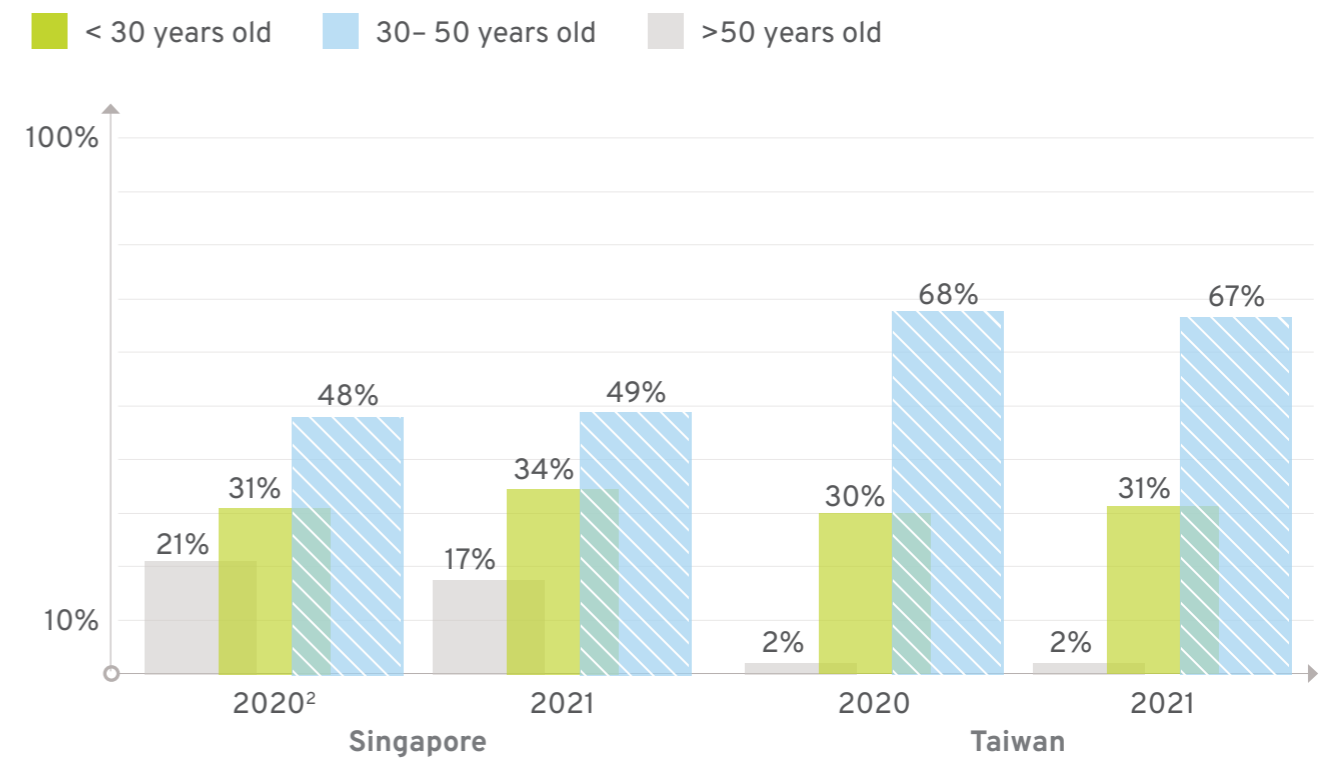
Employees are our biggest asset and are vital for Best World's sustainable development as an organization. In line with our company's mission statement, we are committed to developing a positive, harmonious and respectable working community. We continue to invest in the development of our employees and distributors to keep them updated with the industry and to ensure that they acquire the knowledge and skills needed to improve productivity, efficiency and profitability of the Company. We adopt an equitable and competitive compensation system to keep our employees and distributors motivated to ensure the continuity of our business as well as to maximize our shareholders value. All

our employees go through formal appraisal with goal setting, fixing measurable key performance indicators and identification of strength and weaknesses to develop their potential. These goals and performance indicators are revisited in the middle of the year to ensure good follow up. Performance is reviewed after year end and form the basis of employee promotion and salary increments.

Composition of Employees by Gender



Composition of Employees by Age Group



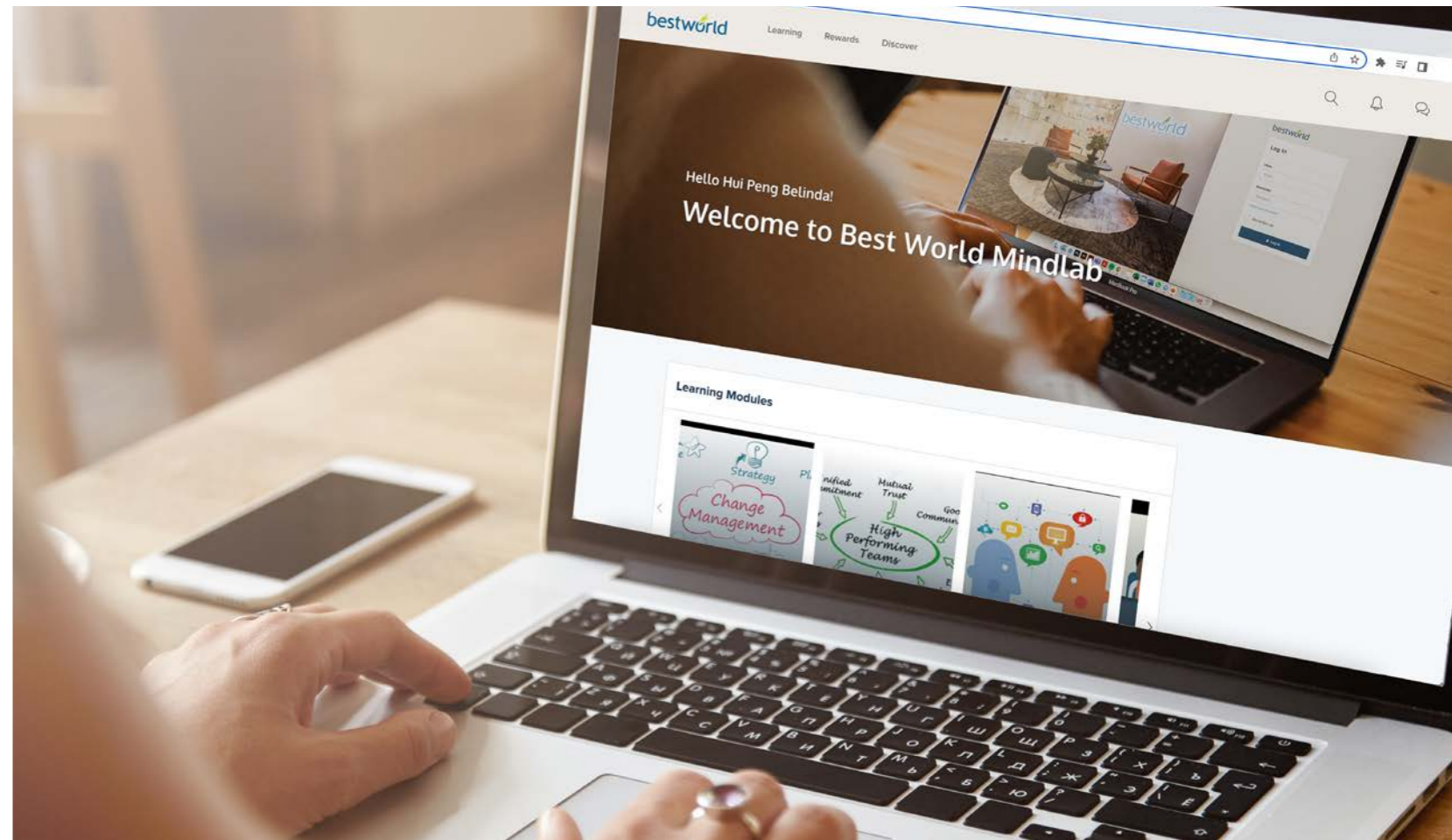
² We have included headcounts for our Tuas manufacturing facility in FY2020 for comparability with FY2021 data.



Employees and Distributors Training and Advancement

As a leading health and wellness company with a global presence, continuous learning is fundamental to the growth of our company. We recognize that training is an integral part of our business as it equips our employees with the necessary skills and enhances their ability to carry out their roles and responsibilities. In compliance with ISO9001: 2015 Quality Management System requirements, we have developed procedures to ensure quality assurance across our processes; we provide regular trainings related to these procedures to all, including distributors who market our products.

The pandemic sent most mass activities online. After it became clear that the virus situation will take a long period to bring under control, HQ led the charge to curate a series of online training programs that can be deployed over zoom. These training programs covered a variety of topics, from product introduction, usage and its efficacy for the regular user to topics that hand hold distributors on selling techniques to build up a source of passive income. Our next step will be to dub these programs in a number of languages and put them up on our bwl application so that they are available on demand and in the viewer's native language.



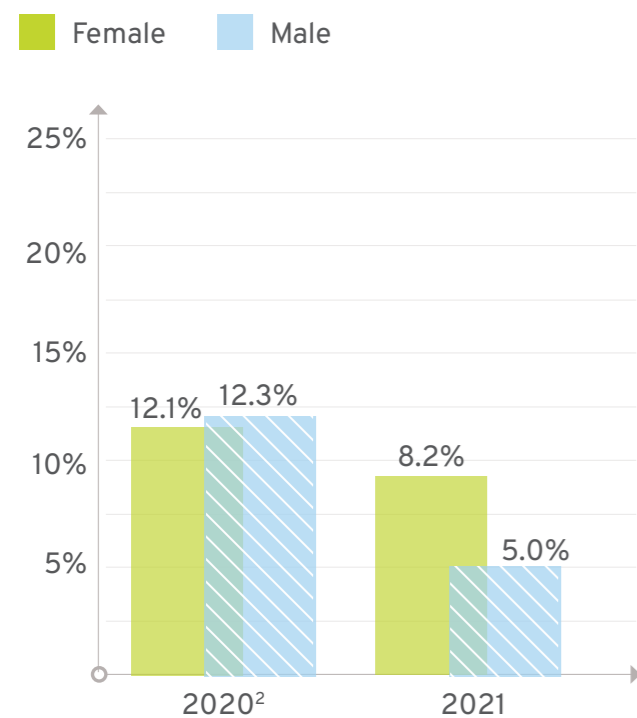
In 2021, Learning Management System was launched in Singapore to administer all matters relating to staff learning and provide online learning contents to employees. This platform provides specific online learning contents for employees across all department and automate learning administrative processes.

With everyone online, cyber security awareness training quickly became a priority and was one of our key defenses against rampant online scams. We made sure all employees in the Group received training and procured cyber security insurance to cover the company's exposure to risks online.



Training course	Details of Training	Date Conducted
Cybersecurity Awareness Training	To understand more about adversaries, and crucial knowledge to defend against them.	18 sessions across various dates in 2021
Quarterly Management Staff Reading Program (Taiwan)	Promote and cultivate positive mindset, creativity, invention, personal goal setting and self-actualization Reading topics include: - • “I am Awesome! 人生中的廢棒 我又廢又棒” • “Atomic Habits: An Easy & Proven Way to Build Good Habits & Break Bad Ones 原子習慣” • “The Good Fight 良性衝突” • “什麼才是人生最值得的事”	26 March 2021
		27 July 2021
		24 September 2021
		20 December 2021

Average Training Hours of Employees by Gender

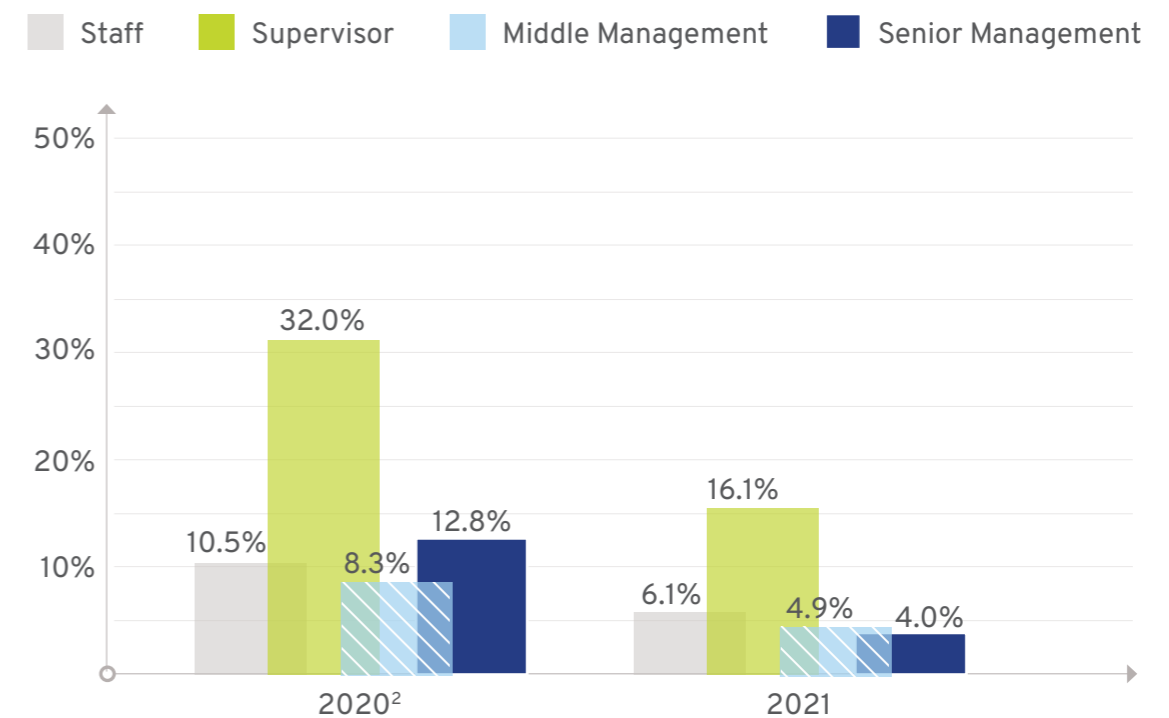


Under the guidance of the respective department heads, Best World aims to achieve a minimum average of 16 hours of training per employee annually.

The average training hours per employee in FY2021 was 6.8 hours. The overall decrease was mainly due to the inability to conduct traditional training classes in response to pandemic control measures. As Taiwan's COVID-19 situation worsened in mid-2021, training activities were substantially cancelled and this contributed significantly to the drop. We continue to provide all our employees with ample training opportunities to develop their capabilities and skillsets.

² We have included headcounts for our Tuas manufacturing facility in FY2020 for comparability with FY2021 data.

Average Training Hours of Employee by Employee Category



² We have included headcounts for our Tuas manufacturing facility in FY2020 for comparability with FY2021 data.

Perpetual Target	FY2021 Performance
To achieve minimum average of 16 hours	Not achieved



OUR PRODUCTS

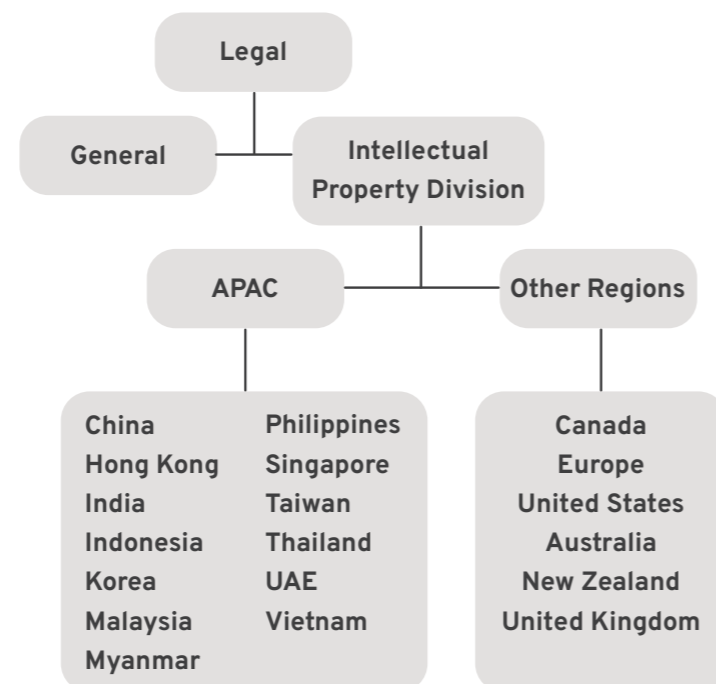


Intellectual Property Protection and Counterfeit Products

Every year, we invest a considerable amount of resources to develop new and innovative premium products for our customers. Intellectual property (IP) protection, hence, is critical to us as it safeguards our investments and allows us to reap its full benefits.

We begin to manage and protect our IP before we launch the product to the market we operate in.

Intellectual Property Management System



Customers from all the markets that we operate in recognize our product brands as our unique identity and marks of premium quality. The protection of these intangible assets is one of the key elements of our business strategy.

We protect our brands through trademarks and other IP rights along with strict management of trade secrets. Our Intellectual Property Division (IP Division) focuses on establishing new brands and logos through trademarks registration and maintain registered marks from time to time to ensure that all logos and brands are properly protected.

Our logos and brands are widespread and well protected in many different jurisdictions. Till date, our IP Division has successfully registered more than 500 marks across the globe and including Singapore, China, Hong Kong, Taiwan, Indonesia, Thailand, UAE, Korea, Malaysia, Myanmar, Philippines, Vietnam,

India, United States of America, Europe, Canada, Australia, New Zealand, United Kingdom and other markets which are not specifically stated herein.

To ensure that our business activities are consistent with our IP strategy, IP rights management comes under the care of the IP Division of HQ Legal Department.

Our corporate logos and brands are listed as follows:

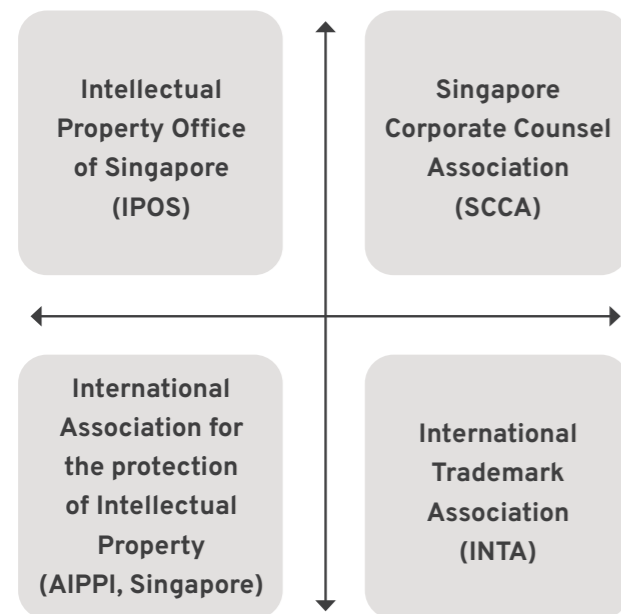


Intellectual Property Awareness

Best World works closely with global top tiers law firms and Intellectual Property Office of Singapore (IPOS) to maintain the intangible assets of the Group across the globe.

We also actively attend and participate in events and courses organized by Singapore Corporate Counsel Association (SCCA), International Association for the a (AIPPI) and International Trademark Association (INTA) to keep a close tab on the latest developments in international and local IP laws.

Internally, our IP Division actively promotes IP awareness within the Group/subsidiaries and makes collective decisions with other Departments/ Divisions within the Group regarding the use of IP from a global perspective.



Infringement and Counterfeit Management

Best World takes a strict approach in handling counterfeit goods and infringement matters.

In 2019, we strengthened our enforcement capabilities, establishing a worldwide watch notice on trademarks applications. This would ensure that identical or similar trademarks being registered will be quickly brought to our attention for our necessary action. We also enhanced our reporting channel, enabling suspected cases of infringement or counterfeit items to be directly reported to our HQ legal team, in a format that captures information essential for enforcement.

In essence, all major infringement matters will be handled directly by our IP Division. Our Legal Counsels work closely with relevant local authorities and the police to enforce raids against the infringers and file infringement suits.

Also, we have expanded our QR code printing initiative to cover all products in our DR's Secret and Aestier range, allowing users to scan the product packaging to determine the authenticity of the product they acquired.

During the year, we have successfully thwarted attempts by various parties from registering trademarks similar to ours in China and United Kingdom through our trademark watch notice which was activated in 2019. Additionally, we have initiated an opposition against a Singapore third party trademark and filed a notice of opposition on 30 December 2021 with the Intellectual Property Office of Singapore.

Perpetual Target	FY2021 Performance
Register trademarks for our brands in the new regions Best World operates in	Achieved



Responsible Labelling / Advertising

Lapses in labelling and advertising can affect not just our brands and reputation as an organization but potentially cause harm to our consumers as well. We care deeply about the people we serve. We recognize the consequences of mislabeling and false advertising of our products. The lack of transparency in reporting all product ingredients used or the effects it may cause prevents consumers from making an informed decision about the product they purchased, which can lead to undesirable consequences. By upholding our business integrity in marketing of our products, we aim to achieve zero cases of non-compliance with the Singapore Health Science Authority and Taiwan Food and Drug Administration's labelling and product claim requirements. Labels are checked against the regional labelling requirements, product claim guidelines and code of advertising practices to ensure compliance by our internal teams, starting from product development stage to marketing content creation and regulatory approval.

Our brand incorporates regional labelling requirements into our products, complying with the guidelines of the local regulatory bodies. Information on the country of origin, product ingredients and directions for use are required to be printed on all products. Only products and labels approved by local regulatory bodies or compliant to local regulations can be legally marketed. Claim substantiation is also performed to prevent mislabeling or false advertising. The recycling symbol is included in our product labels for product packaging that can be recycled to encourage users to dispose them in an environmentally friendly manner.



In 2019, we enhanced our artwork management process with the addition of artwork code onto our product packaging to track printed artwork versions. This initiative improved communication between stakeholders involved in the transition process while ensuring that only the latest, approved artworks are being printed, minimizing human errors which may result in additional printing costs and at the same time supporting artwork proofing and regulatory compliance.

During the year, there was a case of non-compliance in Taiwan due to inappropriate labelling of Avance Sangocal outer packaging. This incident was raised by the customs officer during one of the importations despite being accepted in prior imports. According to the custom officer, the naturally inherent mineral content in the coral sands is not allowed to be mentioned on the label as the minerals are not added at standardized amounts. To improve adherence to the Taiwan Health Food Labelling Requirement, we revised Taiwan's Avance Sangocal label to remove claims deemed inappropriate. There was no imposition of penalty arising from the incident.

Perpetual Target

Zero cases of non-compliance concerning product information and labelling or marketing communications

FY2021 Performance

Not achieved

Halal Certification

For our Muslim customers, we endeavour to develop Halal certified products which do not use Haram material during the course of its manufacture, whenever possible. Periodic renewal of the certification is required. As of the date when this report was prepared, the following products are Halal certified.

1. Avance Black Currant Seed Oil
2. Avance PhosChol 565
3. Avance ProDHA
4. Avance SangoCal
5. Avance Super EPA 2000
6. Avance Borage Seed Oil
7. Avance ImmuGain
8. Avance Brocudin
9. Avance Nonimax
10. Avance DORS
11. Avance GLO Caps
12. Avance Collagen Plus
13. Avance Chewable Zinc
14. Avance Red Yeast Rice Plus
15. Avance Vitamin C
16. Avance HA Jelly
17. Avance One Plus A Day
18. Oprimax Juiced!
19. Foodphilo Infuso Black Brew



OUR CUSTOMERS



Consumer Health and Safety

At Best World, we are committed to product excellence and strive to ensure regulatory compliance for all our products. Throughout the development of our products, from product concept design, formulation review, product stability and compatibility study, consumer product trial and product lab testing, we implement stringent quality standards and abide by regulations and guidelines enforced by local regulatory boards. We collaborate with external accredited labs regularly for quality assurance of our cosmetic and health supplement products. To further monitor the performance of our products, we instituted a coherent and systematic process for customers to provide feedback on the products. Regional centres will receive customer feedbacks via digital channels or physically and will compile

these feedbacks into a monthly report for submission to HQ. The Quality department at HQ will keep track of incidence rate and conduct necessary investigations or corrective actions where required.

Under the care of our Product Development team and Quality team, we recorded zero reported case pertaining to consumer health and safety in 2021. We aim to continue to assess health and safety impact of all our products.

Perpetual Target	FY2021 Performance
Zero reported cases pertaining to consumer health and safety	Achieved

Collaboration with Industry Professionals

In partnership with SGS Taiwan, Taiwan's largest and most diverse independent quality testing facilities, Best World was able to establish our very own quality assurance zone on the SGS Taiwan Safety Information Platform. Contaminant test reports for microbial, heavy metals, western drug and cosmetic steroid etc., related to our products are uploaded on their website for customers' reference.

Our DR's Secret Sunscreen #5 received the coveted certification from Taiwan's Symbol of National Quality (SNQ), "2018 SNQ - Symbol of National Quality Certification" according to its excellent quality among a category of skin care products.



In 2019, our DR's Secret Cleanser #1 was awarded Fashion Guide Certification after going through the Fashion Guide Special Evaluation (FG特优评鉴), where our product was tested by a number of FG members and reviews in aggregate scored above 80%. Reviewers loved that the product cleaned their faces thoroughly but yet was gentle on their skin and maintained their skin's moisture.



Results of the evaluation can be found at <https://survey.fashionguide.com.tw/evaluation/16143>

FG has been in the beauty and fashion industry for more than 20 years. They have cultivated many members in their professional evaluation team, with the goal of establishing professional, objective and real product evaluations. FG has become the first choice for users to search for information or discuss topics and is deemed to be a credible consumer reference in Taiwan, because FG emphasizes 100% authenticity and serves as a communication bridge between consumers and brands from a most impartial third-party standpoint.



Consumer Satisfaction

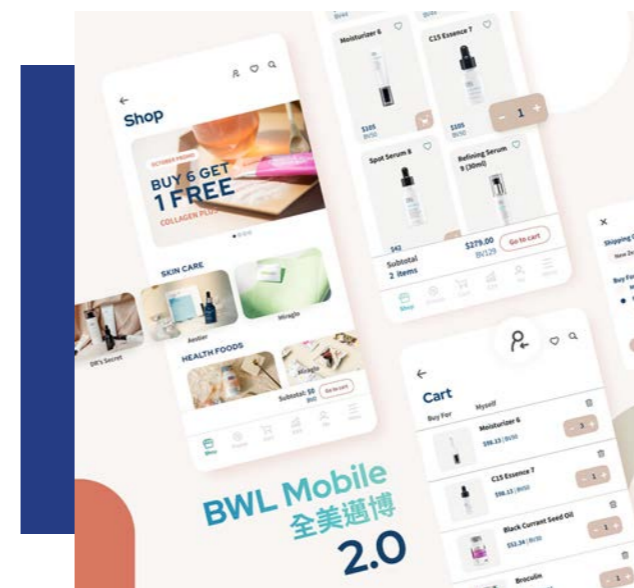
Sustaining a viable business cannot be done independently. At Best World, we understand the importance of customer engagement and channel substantial resources to it. Our latest initiative is the establishment of a more extensive and holistic customer survey, the Global Customer Satisfaction Survey (GCSS), to obtain customers' opinions on their experience with us on multiple touch points, including customer service, brand satisfaction and social media interaction feedback. With a formal and systematic survey, we hope to gather regular consumer's opinions and obtain good understanding on the degree of customer needs and expectations met by the organization to keep our service delivery in check and maintain high product quality for our customers. In addition, the survey is online-based, thus reducing our paper usage and able to geographically reach out to more of the markets we operate in.

During the year, we focused our resources in improving the GCSS which was launched in January 2022 and has begun collecting customer satisfaction survey data inputs from different regions.

Perpetual Target	FY2021 Performance
Achieve a satisfaction rate of 100% on the monthly distributor satisfaction survey	Not measured as survey was being revamped.

We continue to invest in both our online platform and physical stores to ensure our distributors have the best support they need to succeed in a competitive market.

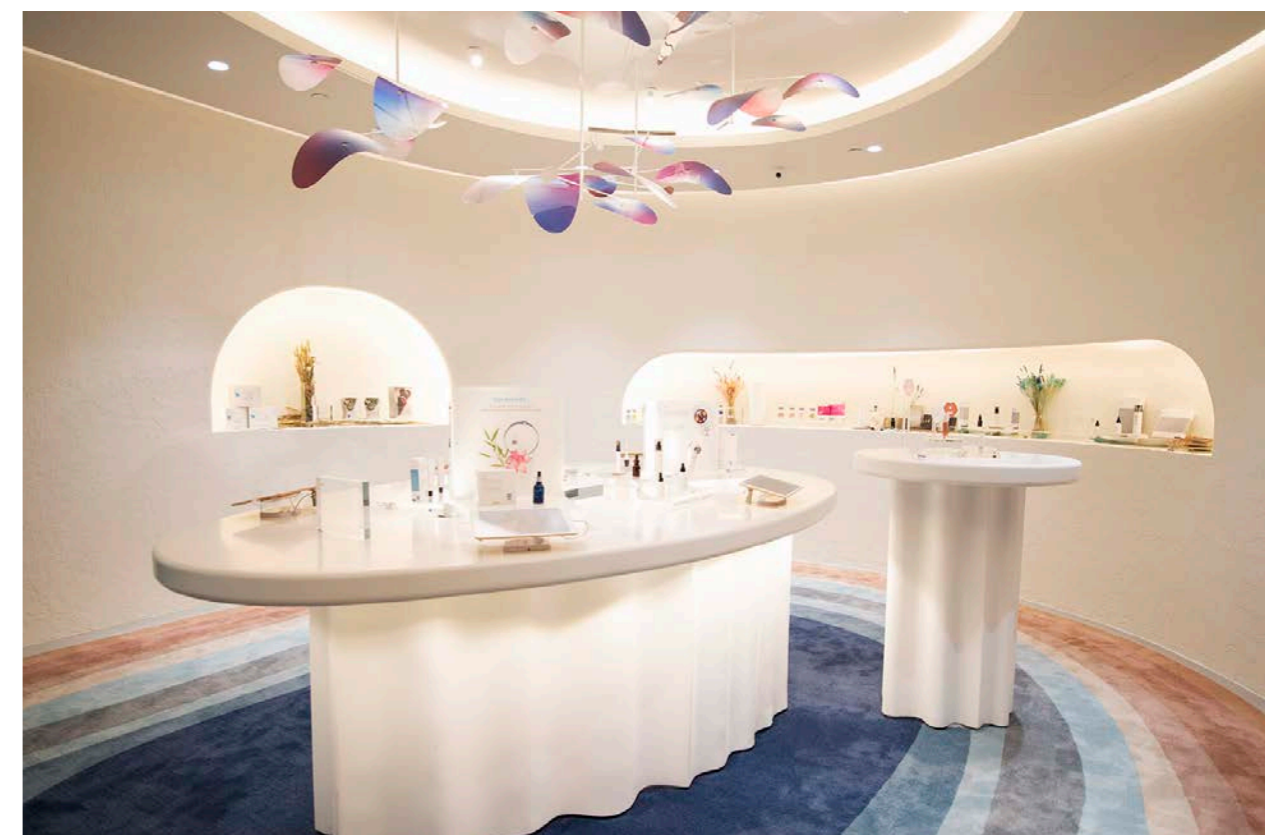
Our BWL Mobile app complements our physical stores, allowing orders to be placed 24/7 and products to be delivered to the customer. Additionally, our apps also include features such as product details, updated promotions and order tracking that communicate useful information to interested users. Our social media presence through Facebook, Instagram and Line also effectively connects with the younger generation, sharing beauty, health and product knowledge.



Our DR's Secret experience centre at Cuppage Singapore was purposefully built so customers can learn more about our products and enjoy personalised service, customized to their skin condition in a comfortable setting. Customer touchpoints are enhanced with available technologies give a modern experience, aligning to multigeneration of consumers' expectations.

COVID-19 has shown us the importance of digitalization and bringing our business online. Our early investments on the digital front shined brightly during this period and we continued to boost our IT capabilities and hire during the circuit breaker period.

We launched the revamped online store platform and mobile app in July 2020. We are in the midst of setting up a studio and it is expected to be completed by Q3 2022.



The FSC (Forest Stewardship Council) is an independent organisation that *promotes the responsible management of the world's forests.*

ENVIRONMENTAL INITIATIVES

Waste Disposal Management

Proper waste management is essential for the well-being of the environment. As a distributor of consumer products, waste in the forms of containers and plastics are inevitable in the packaging process for the safety of our users. We seek to ensure that our waste is properly managed and disposed to ensure the safety of our community. We are only able to provide figures for waste that we engaged waste disposal vendors to dispose. We are not equipped to measure the weight of waste that is generated during our day-to-day activities that are disposed via the building's waste disposal system. The waste disposed by the building management consist of waste generated by all tenants and a split of those figures are unavailable to us.



Singapore

Our Singapore operations are served by National Environment Agency registered waste collectors.

No hazardous waste was disposed for FY2020 and FY2021. The increase in non-hazardous waste was mainly due to increased amount of expired products and obsolete packaging materials disposed in 2021 as compared to the previous year.

Taiwan

No hazardous waste was generated by our Taiwan operations in FY2020 and FY2021. The decrease in non-hazardous waste was due to disposal of certain products that did not meet our quality control standards in FY2020 but there was no incident of a similar scale in FY2021. The products were incinerated by a SGS approved vendor in Taiwan.

In FY2021, no waste was sent to landfills for both Taiwan and Singapore.

Amount of Non-Hazardous Waste Produced in FY2020 & 2021

Weights in kg	FY2020				FY2021			
	Recycle	Incineration	Landfill	Others	Recycle	Incineration	Landfill	Others
Singapore	0	4,590	0	0	N.M	6,600	0	0
Taiwan	71	251	0	1	26	151	0	2

* N.M denotes not measured.

In FY2021, there were no cases of improper waste disposal and we will continue to make efforts to maintain these standards.

Our Tuas Manufacturing Facility

In line with building regulations, our company policies and commitment towards sustainability, our manufacturing facility had undergone the BCA Green Mark Submission and passed the Green Mark Score Calculations. It assessed areas such as 1) Environmental Attributes of Building Materials, 2) Energy Consumption & Management, 3) GHG Emission & Management, 4) Waste Management, 5) Water Consumption & Management, and 6) Environmental Compliance.

Our building scored well in water efficiency as we adopted water fittings that are certified under the Water Efficiency Labelling Scheme throughout our facility. Private meters are also used to monitor water usage and to detect water leakages. We also manage the water consumption of cooling tower by using an appropriate cooling tower water treatment system and sustainable water sources such as recycled water.



We also scored well in the area of energy efficiency which measures thermal performance of the building and air-conditioning system. Our building design reduces heat gain within the building envelope. Paired with the air-conditioning system which features a water cooled chilled-water plant, we are able to reduce the energy consumption on air-conditioning. To enhance energy efficiency, we use appliances that are certified with the energy star and all glass windows in our premises are fitted with solar film to reduce energy usage and at the same time lower cooling cost. Additionally, we maximize the use of better efficient lighting, such as LED light bulbs and motion sensor lights, to minimize energy consumption.



In compliance with BCA regulations, our facility was also subject to Buildable Design Score, which assesses the facility's buildability and productivity. We fared well in the assessment as we used more efficient and productive construction materials such as standardized columns and beams, drywall partition, precast concrete wall and slab. This allows us to build the facility sustainably by reducing customization and waste generated.

Electronic Waste Disposal

Although not substantial, we are aware that electronic waste comprises many components and may contain heavy metals and substances of concern, which require specialized equipment to dismantle, process and extract the constituent materials that can then be turned into new products. Therefore, for both Taiwan and Singapore, we appoint certified vendors to help with disposal of electronic waste. At the same time, these vendors also make sure that any confidential data in the electronic devices are completely destroyed and irretrievable, thus preventing misuse.

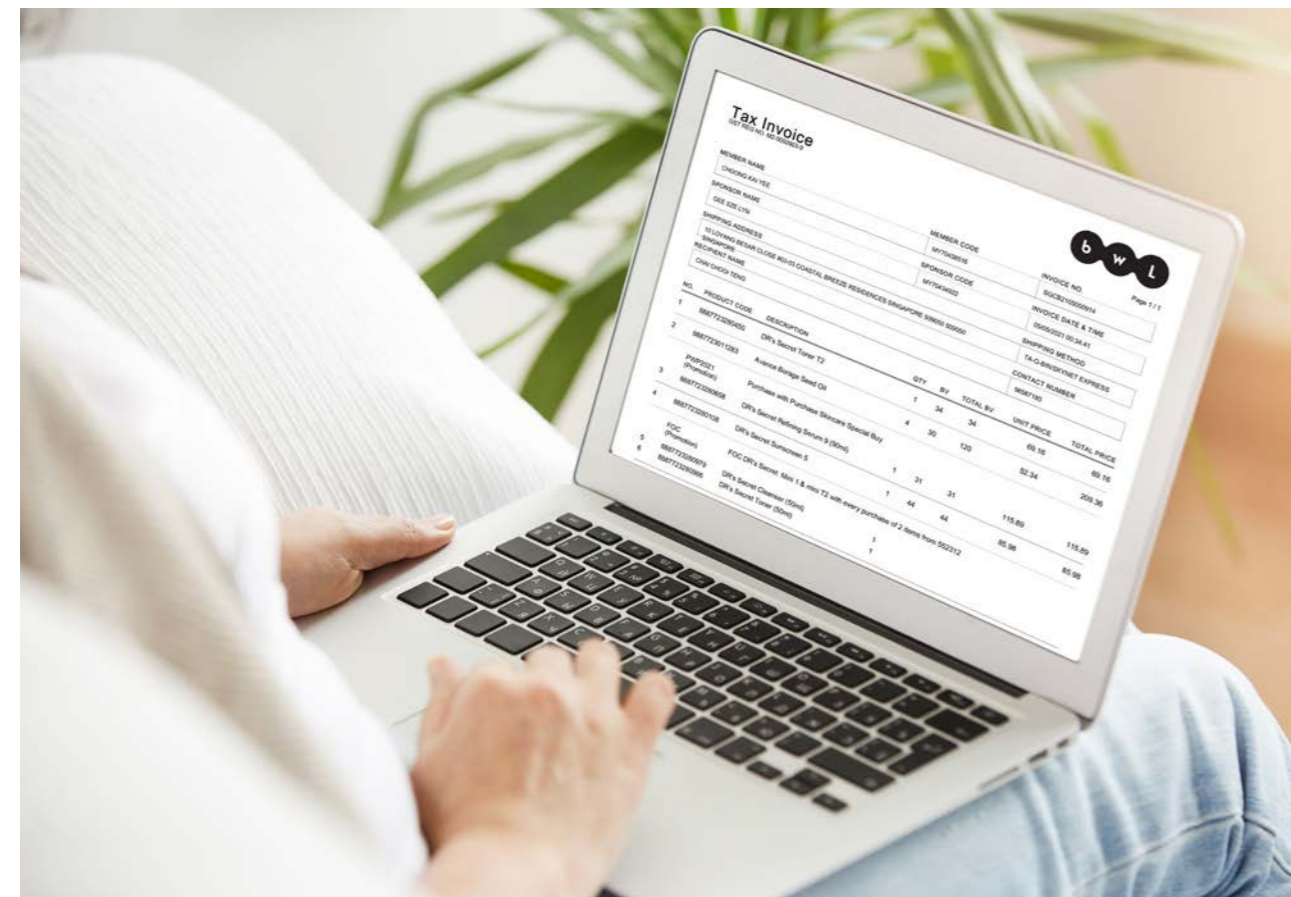
Going Paperless and Transiting to Digital Invoices

Due to the pandemic pushing transactions online, our initiative to transit to digital invoices was put on the backburner as much less sales were transacted at our experience centre. Instead, we focused our resources on launching and updating our online stores, iOS and Android apps, indirectly setting up the infrastructure to save paper and trees.



Segregation of recyclable waste

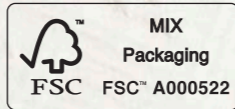
We are also inculcating in our staff the practice to recycle and segregate recyclable waste from general waste. Labelled bins are situated around the office to consolidate recyclable waste.



Environmental Considerations in Our Corporate Office

Optimal use of space

Through the use of movable folding walls, we are able to use the same space for multiple purposes. In its usual configuration, the space is carved into 3 meeting rooms of various sizes to facilitate discussions and a fully functional pantry with a sitting area to create a café like environment, which is useful for meeting vendors or for our millennial workforce who sometimes work more effectively in an informal setting. When required, we can reconfigure the space to host a townhall meeting or have staff gatherings to enhance cohesion. The company also provides proper cutlery and cups so that we can cut down on disposable cutlery. At the end of lunch hour, the used cutlery and cups are loaded into the dishwasher for thorough cleaning.

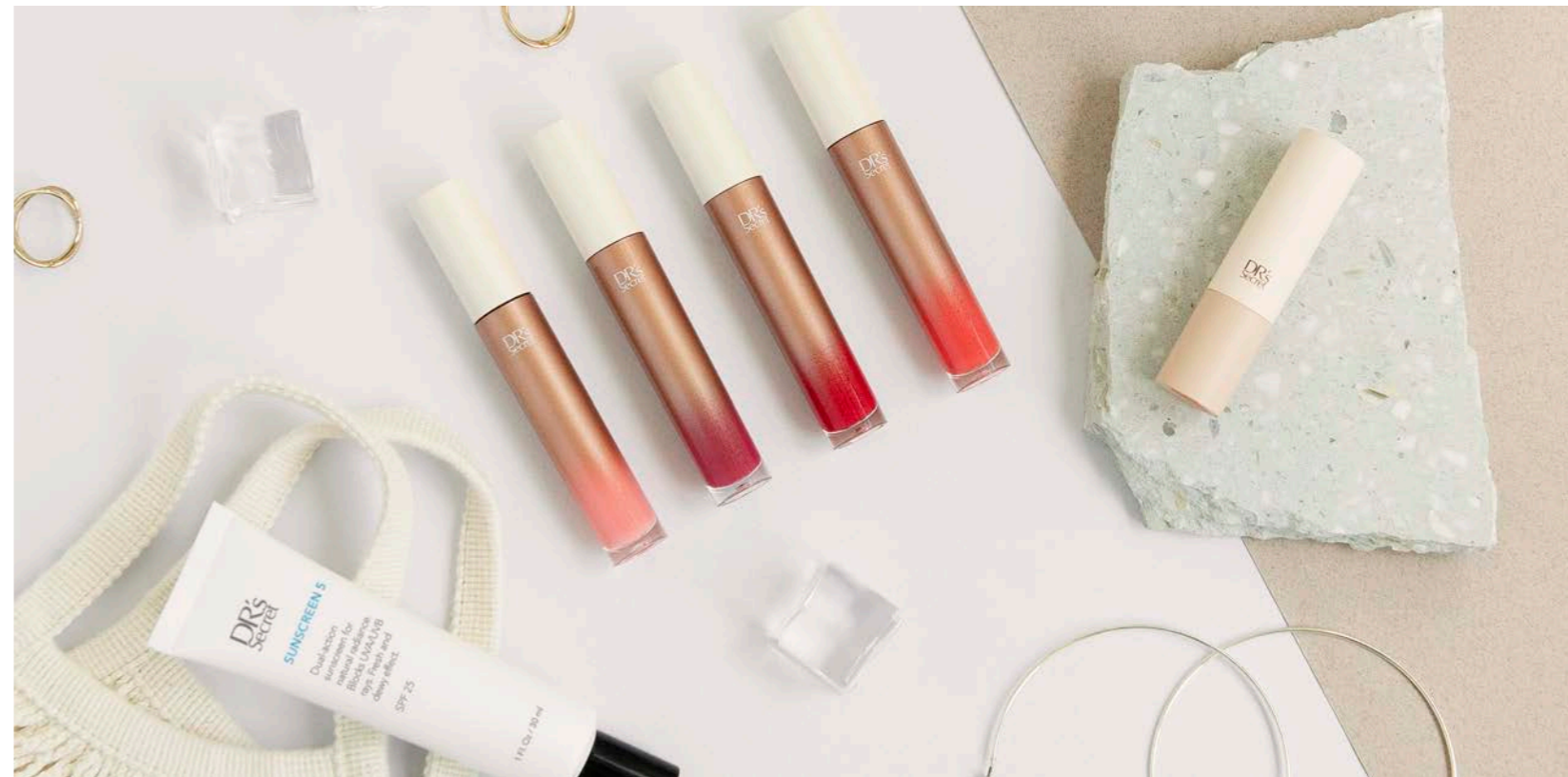


Packaging Management

Our commitment to environment sustainability extends to our packaging materials. On top of ensuring that the packaging materials we use provide enough protection and in line with our brand guidelines, we also strive to minimize their environmental impacts.

We adopted the use of eco-friendly ink on our carton boxes. The ink chemistry allows for more cost-effective and less energy intensive paper recycling, as it simplifies the usually tricky process of separating the ink from paper to obtain clean pulp.

In 2020, we changed the packaging for our DR's Secret Vitalising Eye Mask, Aqua Boost Serum 10, Lip Butter, Lip Glacier and Miraglo to FSCTM (Forest Stewardship Council) certified paper. The FSC certification is considered a "gold standard" designation where wood is harvested from forests that are responsibly managed, socially beneficial, environmentally conscious, and economically viable. In 2021, we have increased our FSC packaging to wider range products, which includes Optrimax Juice and Infuso Black Brew. Out of the 3 FSC certification labels, we have adopted



FSC mix for our product packaging. Products that bear FSC mix are made using a mixture of materials from FSC certified forests, recycled materials, and controlled wood.

In addition, through the optimization of product packaging, we have reduced the use of packaging material and also protection material, such as the downsized air pillows that fill the gaps between products in shipment boxes for online orders.

We will continue to explore new sustainability solutions and strive to become early adopters to support these initiatives to fulfil our commitment for sustainability.





Energy Management

Best World is committed to reduce energy consumption through various energy-saving initiatives such as those we adopted in our Tuas Manufacturing Facilities, specifically the fitting of solar films to reduce urban heat gain, and the use of sensor lights and energy-efficient appliances.

This directly impacts the total amount of Scope 2 emissions released as a result of our business activities.

GRI 302-1 (2016)

Energy consumption within the organization

	Singapore	Taiwan
Total energy consumption (MWh)	563	242



Emissions

Climate change is the defining global challenge of the 21st century. Best World is committed to reduce our energy consumption and GHG emissions.

There are 3 types of emissions - Energy Direct (Scope 1) GHG Emissions, Energy Indirect (Scope 2) GHG Emissions, and Other Indirect (Scope 3) GHG Emissions. As certain data are not readily available, we will consider disclosing Scope 1 and Scope 3 emissions in future.

GRI 305-2: Energy indirect (Scope 2) GHG emissions

	Singapore	Taiwan
Total carbon emission (tCO2e)	230	122

Notes:

1. Scope 2 includes indirect emissions from purchased electricity consumed by the operational activities of Best World at our corporate office, and factory for Singapore.

Notes:

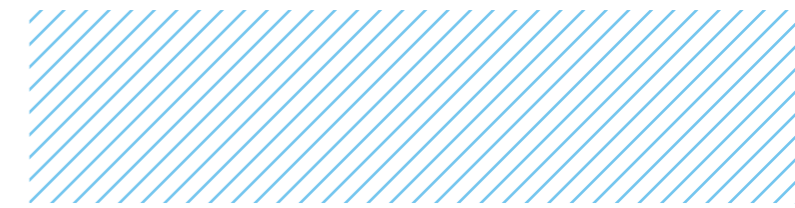
1. Electricity is the only significant form of energy the organization consumes. There is no fuel consumption of renewable and non-renewable sources. There is no self-generated electricity, heating, cooling and steam, which are not consumed. There is no electricity, heating, cooling and steam sold.
2. The data on electricity consumption is collected through meter readings and converted through standard conversion values.



2. CO2e emissions estimated based on the conversion factor from IGES List of Grid Emission Factors v10.12 and data from Energy Market Authority and using the location-based method.

3. Only CO2 is included in the calculation of the Energy indirect (Scope 2) GHG emissions.

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