



SUSTAINABILITY REPORT 2022
TSH Corporation Limited

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This sustainability report has been reviewed by the Company's Sponsor, SAC Capital Private Limited (the "Sponsor"). This sustainability report has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "SGX-ST") and the SGX-ST assumes no responsibility for the contents of this sustainability report, including the correctness of any of the statements or opinions made or reports contained in this sustainability report.

The contact person for the Sponsor is Mr David Yeong (Tel: (65) 6232 3210) at 1 Robinson Road, #21-00 AIA Tower, Singapore 048542.

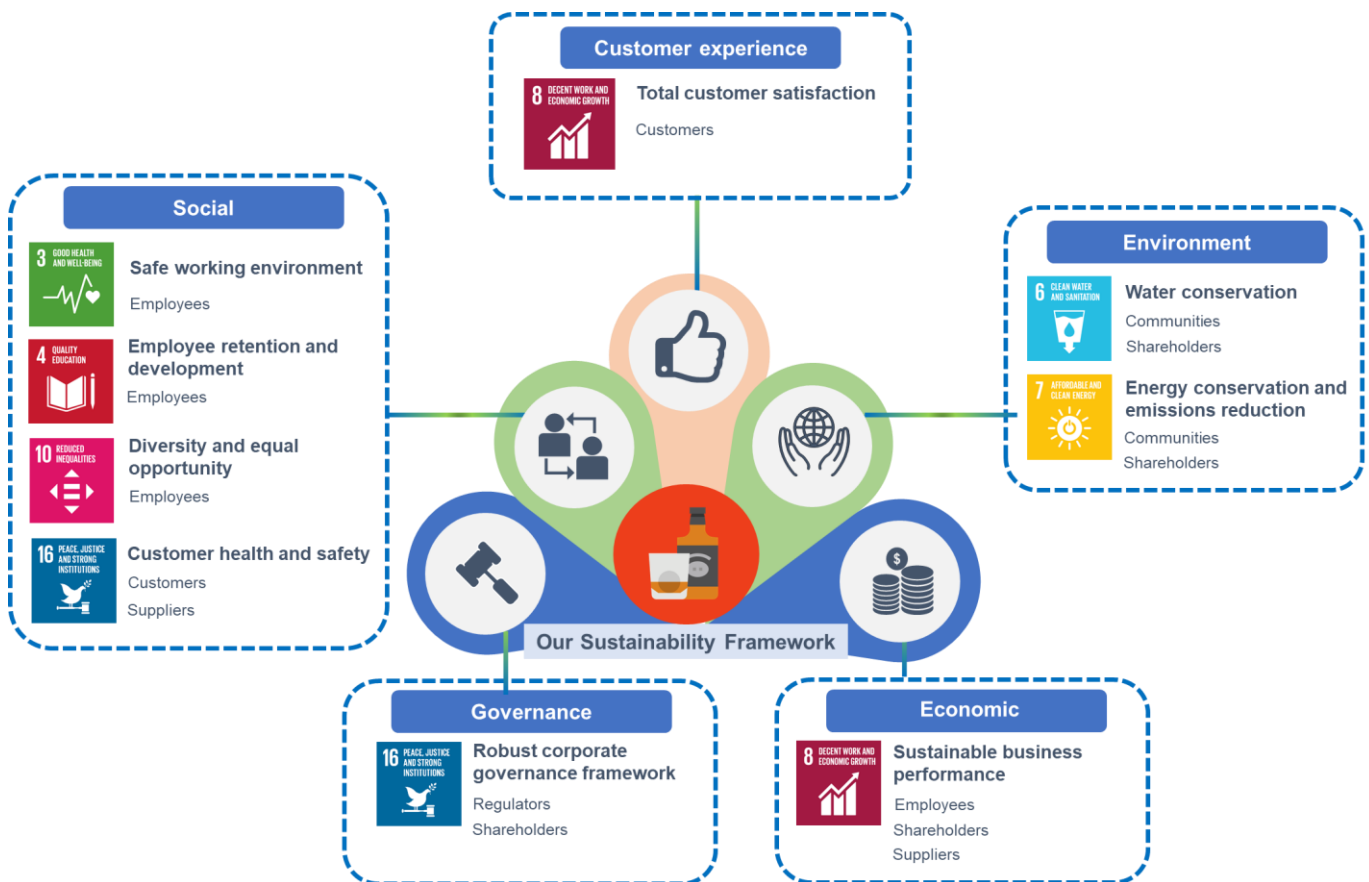
BOARD STATEMENT

The Board of Directors (“**Board**”) of TSH Corporation Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”) is pleased to present our Sustainability Report (“**Report**”) for the financial year ended 31 December 2022 (“**FY2022**” or “**Reporting Period**”). For this Report, we provide insights into the way we do business, while highlighting our environmental, social, governance (“**ESG**”) factors, economic performance and customer experience (collectively as “**Sustainability Factors**”).

We are committed to securing a sustainable future for the Group. In line with our commitment, the Board has considered sustainability issues as part of its strategic formulation, determined the key Sustainability Factors and overseen the management and monitoring of the key Sustainability Factors.

A sustainability policy (“**SR Policy**”) covering our sustainability strategies, sustainability governance structure, materiality assessment and processes in identifying and monitoring key Sustainability Factors has been put in place and serves as a point of reference in the conduct of our sustainability reporting. Under this SR Policy, we will continue to monitor, review and update our key Sustainability Factors from time to time, taking into account the feedback that we receive from our engagement with our stakeholders, organisational and external developments. Please refer to the “Sustainability Approach” section in this Report which contains our governance structure for sustainability practices.

We aim to inform our stakeholders about our sustainability efforts in a transparent and accountable manner. Our sustainability framework is primarily driven by the concerns of our key stakeholders and communicates our commitment towards supporting the United Nations’ Sustainable Development Goals (“**SDGs**” or “**Global Goals**”). We work closely with stakeholders in our value chain and their inputs drive our sustainability focus on our key Sustainability Factors and the SDGs as follows:



A summary of our key sustainability performance in FY2022 is as follows:

Sustainability Factor	Performance indicator	Sustainability performance	
		FY2022	FY2021
Customer experience	Number of incidents of non-compliance concerning the health and safety impacts of products and services	-	-
Economic	Economic value generated ¹ (S\$'000)	9,087	5,509
	Operating costs ² (S\$'000)	4,206	2,805
	Employee benefits paid to employees (S\$'000)	3,301	2,871
	Payments to providers of capital ³ (S\$'000)	101	82
	Income taxes (refunded)/ paid (S\$'000)	(4)	0.4
Environment	Water and effluents (m ³ water consumption/ revenue S\$'000)	0.29	0.27
	Greenhouse Gas ("GHG") emissions intensity (tonnes CO ₂ e/ revenue \$'000)	0.015	0.022
Social	Number of reported incidents of unlawful discrimination against employees ⁴	-	-
	Turnover rate	83%	64%
	Number of fatalities as a result of work-related injuries	-	-
	Number of high-consequence work-related injuries ⁵	-	-
	Number of recordable work-related injuries	4	1
	Number of recordable work-related ill health cases ⁶	-	-
Governance	Number of reported incidents of serious offence ⁷	-	-
	Number of non-compliance incident with laws and regulations ⁸	-	-

The Group operates in a highly competitive industry with many competitors and low barriers to entry. The business is dependent heavily on the government policies, general economic outlook, growth in consumer affluence in Singapore and Singapore tourism and hospitality industry. Since the easing of Coronavirus disease 2019 ("COVID-19" or "Pandemic") safe management measures, the sales level has improved significantly. However, headwinds from increasing operating costs and manpower challenges are expected to have material financial impact on the earnings per share and net asset value per share of the Group for the financial year ending 31 December 2023. It is the Group's intention to continue procuring whisky casks and bottling them under its own brands, and expand its foothold in the market organically or via joint ventures or strategic alliances with parties that can complement the Group's business. We will continue to improve and enhance our business and we seek your continued support to build a sustainable growth and future.

On behalf of the Board, we would like to extend our gratitude to all our stakeholders for the continuous engagement, partnership and support, and seek their continued support to building a sustainable future for the Group.

Dr Yu Lai Boon
*Non-Executive Chairman
and Independent Director*

¹ Economic value generated includes revenue and other income, excludes government grants and any unrealised gains.

² Operating costs include cash payments to suppliers and contractors; exclude employee-related costs.

³ Payments to providers of capital include interest payments made to providers of loans.

⁴ Unlawful discrimination refers to an incident whereby the relevant authority has commenced investigation and resulted in a penalty to the Company.

⁵ High-consequence work-related injuries refer to injuries from which the worker cannot recover or cannot recover fully to pre-injury health status within 6 months.

⁶ Work-related ill health cases refer to negative impacts on health arising from exposure to hazards at work.

⁷ A serious offence is defined as one that involves fraud or dishonesty and is being or has been committed against the Company by its officers or employees. Such serious offence is punishable by imprisonment for a term of not less than 2 years and the value of the property obtained or likely to be obtained from the commission of the offence amounts to not less than S\$100,000.

⁸ An incident of non-compliance with laws and regulations is defined as one that fines and/or non-monetary sanctions were incurred.

ABOUT THE REPORT

REPORTING SCOPE

This Report covers all operating entities within the Group during the Reporting Period (FY2021 reporting scope: all operating entities), namely:

Entity	Outlets managed by the entity during the Reporting Period
TWS Pte Ltd	<i>Quaich Bar Collector, Quaich Bar Wanderlust, Signature Reserve and Capitol Cigar & Whisky Lounge</i>
Quaich Pte Ltd	<i>Quaich Bar Avant-garde</i>
The Other Room Pte Ltd	<i>The Other Room</i>
The Other Roof Pte Ltd	<i>The Other Roof</i>
Planet Spirits Pte Ltd	<i>The Whisky Store</i>

REPORTING FRAMEWORK

This Report has been prepared in accordance with Rules 711A and 711B of the Listing Manual Section B: Rules of Catalist of the Singapore Exchange Securities Trading Limited (“SGX-ST”) (“Catalist Rules”). The Company has reported the information cited in the GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the Global Reporting Initiative (“GRI”) Standards. We have chosen to report using the GRI framework as it is an internationally recognised reporting framework.

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

We are also guided by the recommendations of the Taskforce on Climate-related Financial Disclosures (“TCFD”) in our climate-related disclosures and adopted a phased approach in FY2022.

We have relied on internal data monitoring and verification to ensure accuracy for this Report. An internal review on sustainability reporting process has been incorporated into the risk-based internal audit rotational plan and we will consider seeking external assurance for our future reports.

FEEDBACK

We value your feedback, views and opinions. If you wish to share any feedback with us in terms of our sustainability performance, please write an email to esg@tshcorp.com.sg.

OUR CORE BUSINESS

An overview of our core business is as follows:



We source and import premium whiskies from all around the world, including countries like Scotland, Ireland, South Africa and England. We also purchase full casks of whisky for bottling under our own brands to provide exclusive ‘single casks’ whiskies. In addition, we procure other spirits and wines to support our product offerings. We have a diverse range of suppliers and they comprise:

- Boutique distilleries;
- Independent bottlers; and
- Wholesalers.

We operate a multi-concept chain of pubs and bars, and import, distribute, and retail spirits and wines.

- End customers patronising our outlets
- Retail customers
- Pubs, bars, clubs, online retail shops, etc

STAKEHOLDER ENGAGEMENT

Through an internal stakeholder mapping exercise, we have identified key stakeholder groups which we prioritise our engagements with. These include customers, employees, investors and shareholders (**‘Shareholders’**), regulators and suppliers. Key stakeholders are determined for each key Sustainability Factor identified, based on the extent of which their interests are affected or could be affected by the Group’s activities.

It is important to engage our stakeholders and consider the interests of our stakeholders in business decisions made by the Group as we seek opportunities to manage our business in a sustainable manner.

We continuously engage our stakeholders in the performance of our business through various channels:

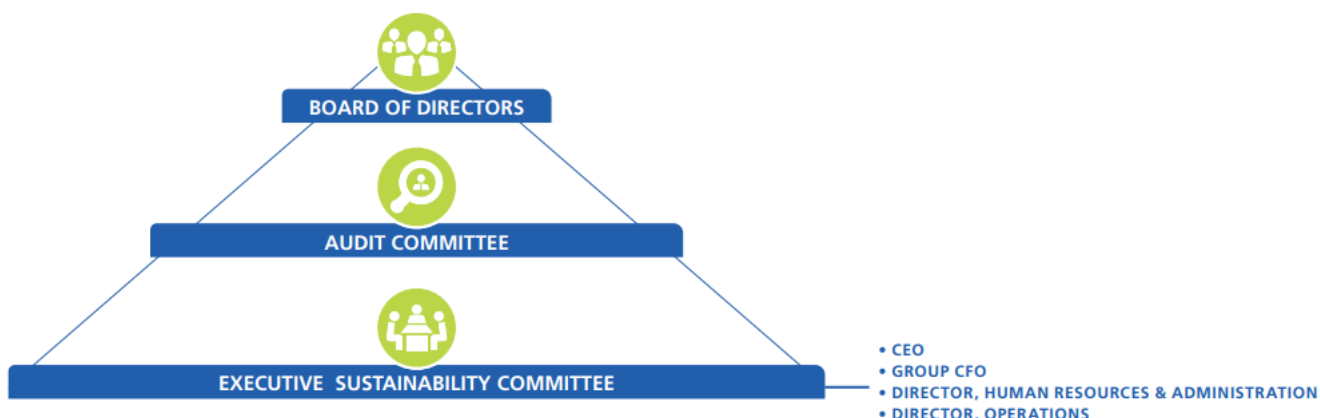
Key stakeholder	Engagement channel	Frequency of engagement	Key Concerns
Communities	Annual report	Annually	Environmental initiatives
Customers	<ul style="list-style-type: none"> • Direct customer communication and interaction • Feedback channels, such as email and phone calls • Social media • Corporate website 	Ongoing	<ul style="list-style-type: none"> • Service and product quality and excellence • Timely follow up customer feedback
Employees	Performance appraisals	Annually	<ul style="list-style-type: none"> • Occupational health and safety • Fair labour practices and compensation • Professional development
	Training	As and when required	
	Staff memorandums	As and when required	

Key stakeholder	Engagement channel	Frequency of engagement	Key Concerns
Shareholders	<ul style="list-style-type: none"> Annual general meeting Annual report 	Annually	<ul style="list-style-type: none"> Financial performance and sustainability of the business Risk minimisation and stable rate of return Business resilience Business strategy and direction Corporate governance and compliance Transparent and timely communication of information
	Financial results announcements	Half-yearly	
	Corporate website and email	Ongoing	
	News releases	As and when required	
Regulators	<ul style="list-style-type: none"> Communication with Sponsor via physical meetings, through email, phones or videocalls Notices sent through email or mail of updates on regulations Public news channels 	As and when required	<ul style="list-style-type: none"> Corporate governance Transparent and timely communication of information Compliance with relevant rules and legislation
	Financial results announcements	Half-yearly	
Suppliers	<ul style="list-style-type: none"> Ad-hoc meetings to address issues Email Phones or videocalls 	Ongoing	<ul style="list-style-type: none"> Clear two-way communication channels Timely feedback regarding product provided

SUSTAINABILITY APPROACH

SUSTAINABILITY GOVERNANCE STRUCTURE

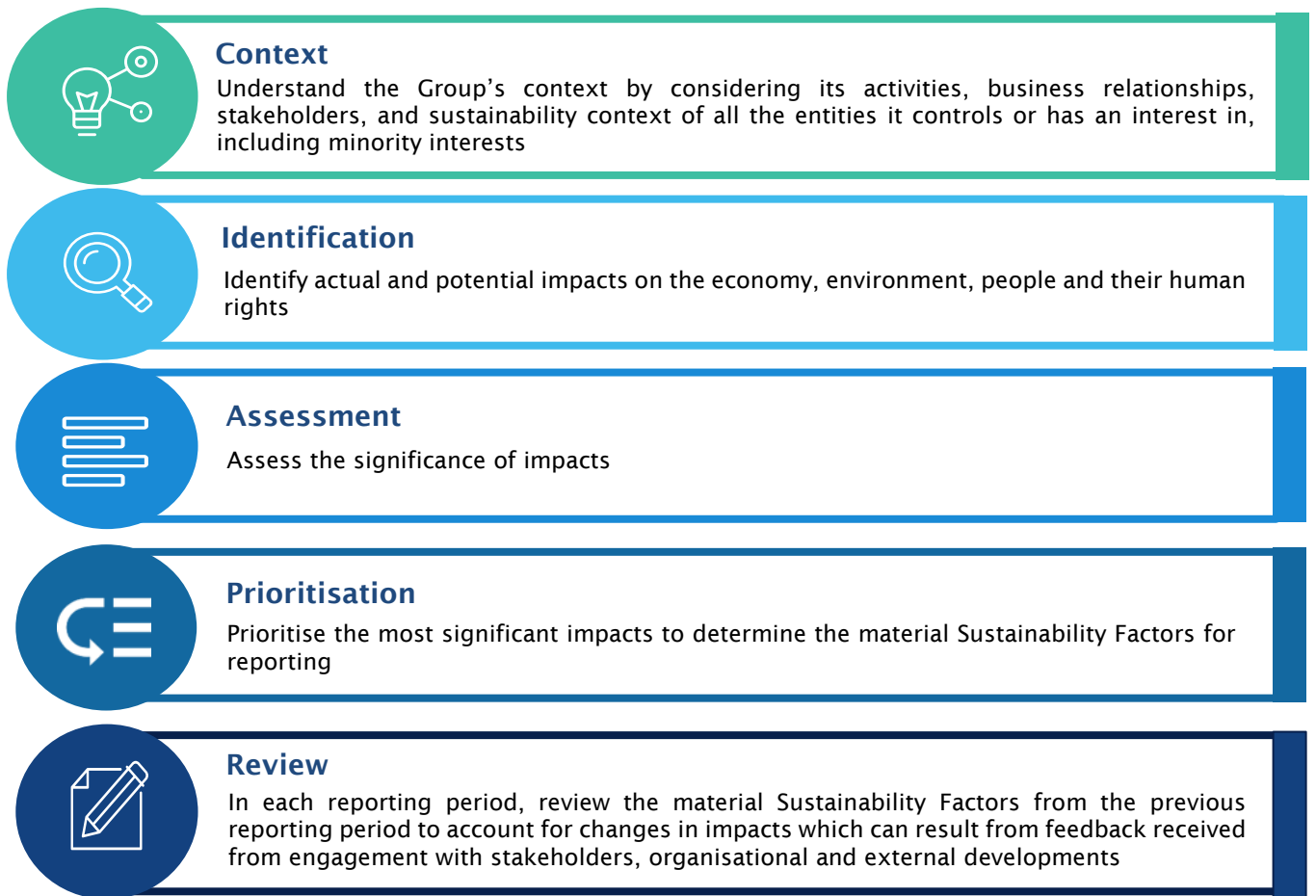
A robust governance structure directs our Group commitment to a sustainable business. As such, the Group’s sustainability drive is spearheaded by the Executive Sustainability Committee (“ESC”) which oversees the Group-wide sustainability strategies and initiatives.



MATERIALITY REVIEW PROCESS

Under our sustainability reporting policy, our sustainability process begins with an understanding of the Group’s context. This is followed by the ongoing identification and assessment of the Group’s impacts. The most significant impacts are prioritised for reporting, and the result of this process is a list of key Sustainability Factors disclosed in this Report.

Processes involved are shown in the chart below:



MATERIALITY ASSESSMENT

The materiality assessment considers the likelihood of the occurrence of actual and potential negative and positive impacts (“**Likelihood of Impact**”) and significance of our impacts on the economy, environment, people and their human rights, which in turn can indicate our contribution (negative or positive) to sustainable development (“**Significance of Impact**”).

PERFORMANCE TRACKING AND REPORTING

To report the Sustainability Report performance, the Group tracks the progress of our key Sustainability Factors by identifying the relevant data points, measuring and monitoring them in a systematic manner. We set performance targets that are aligned with our strategy to ensure that we remain focused on our sustainability path and strategy. We will constantly enhance our performance-monitoring processes and improve our data capturing systems. We believe there is always room for improvement in our sustainability performance and we will constantly seek to improve ourselves in our sustainability journey.

KEY SUSTAINABILITY FACTORS

In FY2022, a materiality assessment was conducted by the ESC to understand the concerns and expectations of our stakeholders. Through the materiality assessment, factors with significant impacts on the economy, environment, people and their human rights were updated. In this Report, we have also reported our progress in managing these factors and set related targets to improve our sustainability performance.

The key Sustainability Factors applicable to the Group are as follows:

S/N	Key Sustainability Factor	SDG	Key Stakeholder
Customer experience			
1	Total customer satisfaction	Decent work and economic growth	Customers
Economic			
2	Sustainable business performance	Decent work and economic growth	<ul style="list-style-type: none"> • Employees • Shareholders • Suppliers
Environment			
3	Water conservation	Clean water and sanitation	<ul style="list-style-type: none"> • Communities • Shareholders
4	Energy conservation and emissions reduction	Affordable and clean energy	<ul style="list-style-type: none"> • Communities • Shareholders
Social			
5	Safe working environment	Good health and wellbeing	Employees
6	Employee retention and development	Quality education	Employees
7	Diversity and equal opportunity	Reduced inequalities	Employees
8	Customer health and safety	Peace, justice and strong institutions	<ul style="list-style-type: none"> • Customers • Supplier
Governance			
9	Robust corporate governance framework	Peace, justice and strong institutions	<ul style="list-style-type: none"> • Regulators • Shareholders

Please refer to the “Supporting the UN SDGs” section in this Report on our efforts in addressing these goals.

CUSTOMER EXPERIENCE

TOTAL CUSTOMER SATISFACTION

As a premium establishment, we cherish our customers and strive to maximise our customers’ experience through the following:

Offering a multi-concept chain of pubs and bars

We operate a multi-concept chain of pubs and bars that caters to different customer segments. We strive to create a welcoming and comfortable environment for our customers to be themselves, be it to socialize, network, appreciate life or simply to relax. To serve customers who are looking for that unique experience, we offer a wide range of premium whiskies, spirits and wines which are sourced by us directly from boutique distilleries, independent bottlers and wholesalers.

We operate our outlets based on five distinct concepts – Quaich Bar, The Other Room, The Other Roof, Signature Reserve, and Capitol Cigar & Whisky Lounge. Their unique characteristics are described as follows:



QUAICH BAR
WHISKY HOUSE - SINGAPORE
SINCE 2007

Quaich Bar offers boutique single malt Scotch whiskies and a sizeable range of selections of world whiskies including American, Irish, Indian, Japanese, and South African whiskies. The outlets of Quaich Bar provide a relaxed environment and a warm respite from the hurried pace of city life that is suitable for friendly gatherings, networking, and whisky appreciation. The outlets at different locations have been individually named as Quaich Bar Collector, Quaich Bar Avant-garde and Quaich Bar Wanderlust to differentiate their offerings.



The Other Room at Marriott Tang Plaza Hotel is a speakeasy-style cocktail bar with interior design inspired by the Prohibition era. The Other Room revolutionises the whisky-and spirit-making worlds. The outlet was awarded the prestigious title of ‘Asia 50 Best Bars’ in 2019. The outlet offers over 300 in-house cask finished products, which is unique in Singapore. These casks allow the creation of bespoke cocktails through the art of finishing, where spirits are transferred into a second barrel that has previously stored a different liquid such as wine, sherry, madeira or port. The Other Room provides discerning drinkers with the opportunity to try their favourites in a way they have never experienced before.



The Other Roof at Ann Siang Hill is an open-air rooftop cafe bar for the working crowd in the central business district looking to entertain and unwind after office hours. The outlet offers a menu that focuses heavily on integrating tea infusions into cocktails with over 400 in-house tea-finished spirits and other alcoholic beverages including champagne, wine, non-alcoholic tea beverages as well as food and snacks.



Signature Reserve at Fullerton Hotel features an extensive range of whisky tasting sets, old and rare or new limited-edition whiskies, avant-garde styled whiskies, whiskies from mainstream and lesser-known boutique distilleries that cater to both the beginners and the connoisseurs. The outlet also has a team of professionally trained whisky butlers to guide customers along their whisky journey or embark on a sensory adventure with curated whisky and food pairing under Whisky Omakase. Apart from being a whisky wonderland, the outlet also has a wide range of boutique wines and bubbly, along with signature cocktails that are inspired from Singapore’s rich gastronomical heritage.



Capitol Cigar & Whisky Lounge at Stamford Road provides a plush and comfortable environment with high-backed leather chairs and private rooms for any special occasion to enjoy the best whisky and wine.

Provide whisky enthusiasts exclusive access to special whiskies

To further enhance customer experience for whisky aficionados and create brand differentiation and greater variety of exclusive whiskies, we purchase full casks of whisky and bottle them under our exclusive Signature Reserve Collection. We collaborated with whisky legends to release our Quaich Bar Signature Reserve Collection, as well as bottled single casks with age of at least 25 years old. These casks include 1972 Glenglassaugh, 1989 Bunnahabhain, etc.

Provide quality and safe products

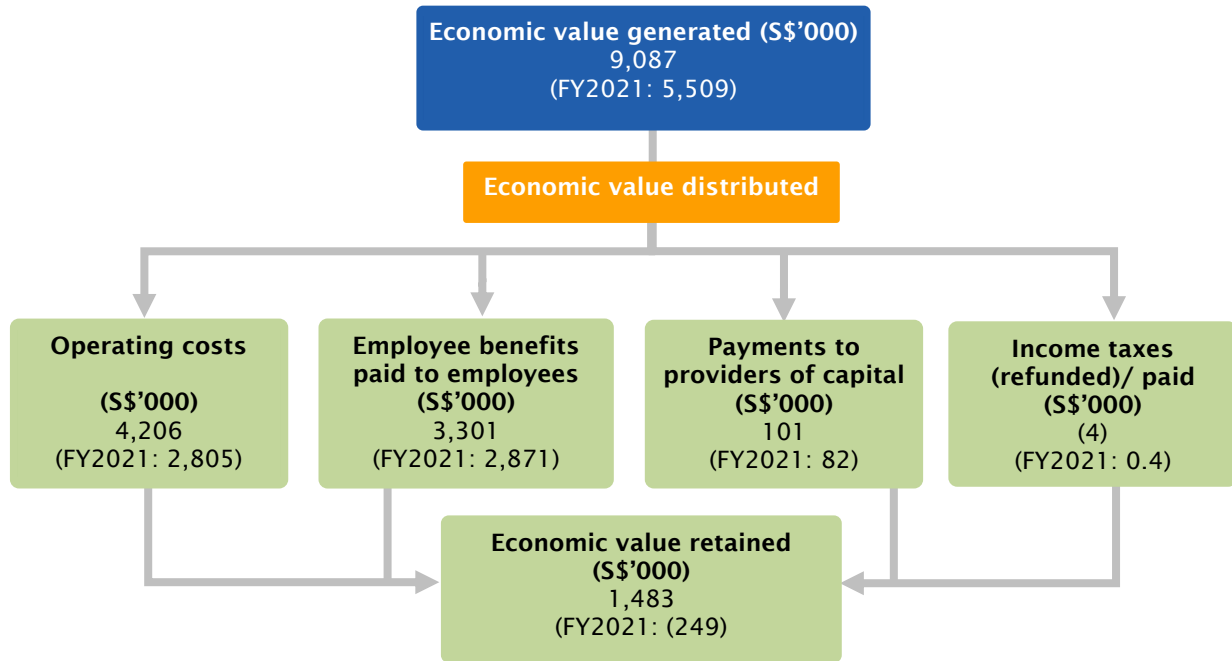
We adopt best practices in our operations to ensure the quality and safety of our products and services. For further details on how we maintain product safety and consistency in quality, please refer to the “Customer Health and Safety” section in this Report.



ECONOMIC

SUSTAINABLE BUSINESS PERFORMANCE

We believe in the creation of long-term economic value and consistent economic performance for the Group. We are committed to providing value to various stakeholders in ways that are relevant and meaningful. In line with this commitment, economic value created in FY2022 is distributed to our relevant stakeholders as follows:



Further details of our Group's economic performance can be found in the "Financial Statements" section of the Annual Report.

ENVIRONMENT

WATER CONSERVATION

Water is precious to Singapore and water management is important to ensure we are consuming water responsibly and efficiently.

We rely on water resources primarily for washing at our outlets and as an ingredient in our products. Key initiatives to reduce our water consumption are as follows:



Running dishwasher at full load or the end of the day



Adopting efficient flow rates or flush volumes



Separating the cleaning of utensils and dishes with grease from glasses.



Placing notices within the premises to remind staff to save water.



Repairing leaks promptly.

Key statistics on water consumption during FY2022 are as follows:

Resource	Water consumption (m ³)		Water consumption intensity (m ³ / revenue \$'000)	
	FY2022	FY2021	FY2022	FY2021
Water	2,571	1,413	0.29	0.27

The increase in water consumption was mainly due to longer operating hours of our outlets, opening of 2 new outlets during the second half of FY2022 and higher capacity after the easing of COVID-19 restrictions. Water consumption intensity increased mainly due to water leakage at an outlet which resulted in more than proportional increase in water consumption compared to the increase in revenue.

ENERGY CONSERVATION AND EMISSIONS REDUCTION

Energy use and the resulting carbon emissions cause heat to be trapped in the atmosphere, leading to climate change and global warming. Accordingly, we are committed to conserving energy and reducing carbon emissions consequentially to preserve the environment we operate in and at the same time, reducing our costs and enhancing returns to shareholders.

In running our operations, we rely mainly on electricity for our equipment used for refrigeration, lighting, office work, cooling and ventilation (Scope 2⁹). Other than indirect GHG emissions (Scope 2), we do not generate material direct GHG emissions (Scope 1¹⁰) from our operations. Therefore, no separate disclosure is made on direct GHG emissions (Scope 1) but we will continue to monitor such emissions and to disclose in future, as and when applicable.

⁹ Scope 2 GHG emissions are indirect emissions arising from the generation of purchased electricity consumed by the Company.

¹⁰ Scope 1 GHG emissions occur from sources that are owned or controlled by the Company.

Key initiatives to reduce our energy consumption and carbon footprint are as follows:



Scheduling regular maintenance and servicing work for our air-conditioning systems to ensure that they are running efficiently



Replacing old and outdated kitchen equipment (excluding commercial products) with energy-efficient equipment



Turning off the dishwasher when not in use. Running the dishwasher at full load or the end of the day



Using LED lights



Reminding our employees to switch off electrical appliances when they are not in use and turn down the temperature of the fryer during off-peak hours.

Key statistics on energy consumption and GHG emissions during FY2022 are as follows:

Performance indicator	Unit of measurement	FY2022	FY2021
Energy consumption			
Electricity consumption	kWh	327,201	284,304
Electricity consumption intensity	kWh/ revenue \$'000	36.72	55.01
GHG emissions			
Indirect GHG emissions (Scope 2)	tonnes CO ₂ e	131.68	115.09
Total GHG emissions	tonnes CO ₂ e	131.68	115.09
GHG emissions intensity	tonnes CO ₂ e/ revenue \$'000	0.015	0.022

The increase in electricity consumption and GHG emissions generated is mainly due to longer operating hours of our outlets, opening of 2 new outlets during the second half of FY2022 and higher capacity after the easing of COVID-19 restrictions. Electricity consumption intensity and GHG emissions intensity decreased as we were able to use electricity more efficiently due to fewer disruptions as a result of the relaxation of the COVID-19 safe management restrictions in FY2022.

To further strengthen the Group's awareness and understanding of climate change impact, the Group adopted in FY2022 a phased approach for climate related disclosure in accordance with the recommendations of TCFD. Please refer to section "Supporting the TCFD" in this report on climate related risks and opportunities disclosures by the Company.

SOCIAL

SAFE WORKING ENVIRONMENT

We prioritise the safety of our employees given that a safe working environment allows our employees to work without the fear of getting injured. We are committed to maintain a safety and security conscious culture amongst our employees at all levels and have established procedures to protect them from any accidents in the workplace.

In line with our commitment to promote a workplace safety culture and healthy and safe work environment, new employees are briefed on safety procedures during orientation and an on-the-job training programme is in place to ensure that employees are well-trained on job handling.

There were zero work-related fatalities, zero high-consequence work-related injuries, 4 recordable work-related injuries and zero recordable work-related ill health cases in FY2022 (FY2021: zero work-related fatalities, zero high-consequence work-related injuries, 1 recordable work-related injuries and zero recordable work-related ill health cases). The recordable work-related injuries mainly relate to minor cut injuries. We have strengthened our relevant procedures to reinforce workplace safety measures.

EMPLOYEE RETENTION AND DEVELOPMENT

Being in the food and beverage industry, human capital is one of our greatest assets. We strongly believe that workplace satisfaction of our employees will reflect the quality of the customer service rendered. Attracting and retaining our employees is of great significance to the Group. The Group has 74 employees as at 31 December 2022 (31 December 2021: 58 employees).

We attract and retain our employees through the following initiatives:

- Provide medical, dental and life insurance coverage;
- Staff welfare through staff discount and birthday gift;
- Regular trainings;
- Empowerment of authority for each area of expertise, for example a bartender can recommend his/her specialty drinks to customers; and
- Provide competitive remuneration based on merit to all employees.

Key information on our new employee hires, employee turnover, training and performance appraisal are as follows:

New Employee Hires

In FY2022, we welcomed 71 new employees into our Group (FY2021: 41). The demographics of new hires are presented below:

Disclosure	FY2022	FY2021
Gender		
Male	76%	68%
Female	24%	32%
Age		
Below 30	52%	49%
30 to 50	31%	24%
Above 50	17%	27%

Employee Turnover

In FY2022, 55 employees resigned from our Group (FY2021: 36) and the demographics of employee turnover are presented below:

Disclosure	FY2022	FY2021
Overall ¹¹	83%	64%
Gender		
Male	76%	58%
Female	24%	42%
Age		
Below 30	46%	58%
30 to 50	36%	26%
Above 50	18%	16%

The increase in turnover rate is mainly attributable to a higher turnover of employees who left the Group to pursue other opportunities.

Employee Training

Our staff are brand ambassadors. We strongly believe that appropriate training programmes for our employees is key in equipping them with relevant skillsets to help them realise full potential in their careers.

As part of our continual efforts to enhance the knowledge of our directors on sustainability reporting and pursuant to Catalist Rule 720(6) of Singapore Exchange Securities Trading Limited (“SGX-ST”), all of our directors have completed the sustainability training as prescribed by the SGX-ST in FY2022.

As the food and beverage industry is a service-based business, the Group actively encourages employees to upgrade their skillset and technical know-how through various training and career development programmes. During the Reporting Period, internal and external training programmes were provided to equip our employees with adequate capabilities, including amongst others:

- Basic food hygiene course;
- In-house wine and whisky training;
- Overseas onsite field training/experience at distilleries; and
- Food safety management system courses and refresher training for food handlers.

Performance appraisal

We provide competitive remuneration based on merit to all employees. Our managerial and non-managerial employees receive regular feedback on their performance and career development. Key statistics on employees who received performance and career development reviews are as follows:

Disclosure	FY2022	FY2021
Overall	84%	79%
Gender		
Male	86%	85%
Female	80%	71%
Employee level		
Managerial ¹²	100%	100%
Non-managerial	74%	71%

The employees not included in the performance appraisal or career development reviews in FY2022 would be reviewed upon confirmation of their employment.

¹¹ Overall turnover rate is calculated by dividing the total number of leavers over the average number of employees at the beginning and end of the financial year.

¹² Managerial employees include managers and above who are responsible for making day-to-day decisions and administering performance review.

DIVERSITY AND EQUAL OPPORTUNITY

Human capital plays an integral role in building the extent of the success of the Group.

Being in the food and beverage industry, our employees, being at the forefront of our business are our most valuable assets.

It is essential that our hiring practices are fair, merit-based, and non-discriminatory so that we can recruit people with the right knowledge and expertise to contribute to the growth of our business. Our workforce is diverse and consists of employees from diverse backgrounds. More importantly, we need to build a conducive and harmonious working environment so that our employees continue to stay with us.

As at 31 December 2022, the Group has a total of 74 (31 December 2021: 58) employees in Singapore, of which 56 (31 December 2021: 47) are full-time employees, 15 (31 December 2021: 8) are permanent part-time employees and 3 (31 December 2021: 3) are hourly rated employees. The breakdown of our employees by gender and age is as follows:

Gender (%)

We view gender diversity in the workplace as an essential element in supporting sustainable development. Key statistics on gender diversity of our employees are as follows:

Disclosure	FY2022		FY2021	
	Male	Female	Male	Female
Overall	59%	41%	59%	41%
Employee level				
Managerial	62%	38%	69%	31%
Non-managerial	59%	41%	57%	43%
Employment contract				
Full-time	64%	36%	66%	34%
Permanent part-time	47%	53%	13%	87%
Temporary (hourly rated)	33%	67%	67%	33%

Age (%)

We value mature workers for their experience, knowledge and skills. Key statistics on age diversity of our employees are as follows:

Disclosure	FY2022			FY2021		
	Below 30	30 – 50	Above 50	Below 30	30 – 50	Above 50
Overall	42%	40%	18%	37%	43%	20%
Employee level						
Managerial	15%	62%	23%	12%	69%	19%
Non-managerial	48%	36%	16%	43%	33%	24%
Employment contract						
Full-time	48%	45%	7%	36%	53%	11%
Permanent part-time	27%	13%	60%	12%	-	88%
Temporary (hourly rated)	-	100%	-	67%	-	33%

During FY2022, there was no (FY2021: zero) reported incident of unlawful discrimination against employees.

CUSTOMER HEALTH AND SAFETY

We are committed to deliver the best to our customers by providing customers with safe and quality food and beverage products for long-term business sustainability. To uphold our standard on food quality and safety, we have implemented the following measures:

- The importance of food safety and hygiene is communicated to outlet employees during orientation;
- Employees handling food at the outlets are required to attend courses and refresher trainings on food and beverage safety and hygiene;
- Food hygiene audits are performed by respective outlet managers;
- A first-in-first-out (“FIFO”) arrangement is in place to minimise the risk of expired ingredients;
- All outlet employees are instructed to label food items with the purchase and expiry dates, or the dates on which the food ingredients were prepared;
- Only authorised personnel are allowed at the food preparation area;
- Proper attire is required when entering controlled areas for food and beverage preparation; and
- Monthly pest control exercises are conducted for all outlets.

During FY2022, there was no (FY2021: zero) incident of non-compliance concerning the health and safety impacts of products and services.

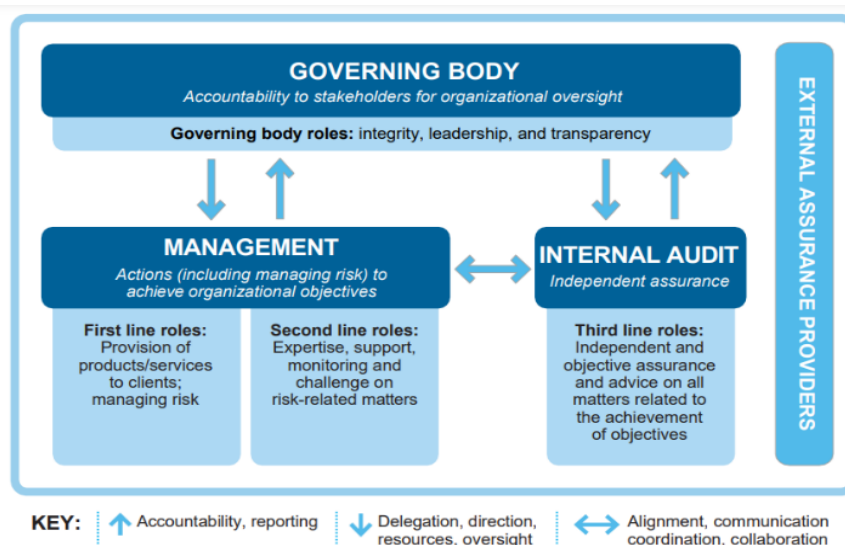
GOVERNANCE

ROBUST CORPORATE GOVERNANCE FRAMEWORK

The Board is committed to fostering a culture of corporate compliance, ethical behaviour and good corporate governance to achieve greater transparency and to protect the interests of Shareholders.

Good corporate governance establishes and maintains an ethical environment in the Group, which strives to enhance the interests of Shareholders. It will lead to sustainable business performance and engender the confidence of investors.

We aligned our corporate governance and risk management approach with the Three Lines Model issued by the Institute of Internal Auditors (“IIA”). The Three Lines Model serves to identify structures and processes that best assist the achievement of organisational objectives and facilitate strong governance and risk management. Under the Three Lines Model, the roles and responsibilities of governing body, management (first and second line roles), internal audit (third line roles) and the relationship among them are defined as follows:



Source: Three Lines Model of the IIA

A good governance includes a proper risk management system. We have in place an enterprise risk management framework (“**ERM Framework**”) to track and manage the risks in which we are exposed. We regularly assess and review our businesses and operational environment to identify and manage emerging and strategic risks that may impact our sustainability. We believe that risks faced by our Group could be converted into opportunities and favourable results.

Anti-Corruption Policy

We take a zero-tolerance approach towards all form of bribery and corruption, including extortion and bribery. We have put in place an anti-corruption policy to:

- Set out our responsibilities, and of those working for us, in observing and upholding our position on bribery and corruption;
- Provide information and guidance to those working for us on how to recognise and deal with bribery and corruption issues; and
- Provide information and guidance on the giving or receipt of gifts and entertainment.

Whistle-blowing Policy

A whistle-blowing policy is in place to enable any party to raise concerns about any possible corporate improprieties in matters of financial reporting or other matters at an early stage and in the right way. The whistle-blowing policy aims to:

- Encourage employees or any parties to feel confident in raising serious concerns and to question and act upon their concerns timely rather than waiting for concrete proof;
- Encourage and provide an avenue for employees or any parties to raise concerns within the Group, rather than ignoring a problem;
- Reassure employees or any parties that if they raise any concerns in good faith and reasonably believe them to be true, they will be protected from possible reprisals or victimisation;
- Ensure appropriate oversight by the Board;
- Protect the rights of the Group; and
- Promote a culture of openness, accountability and integrity.

During FY2022, there was no (FY2021: zero) reported incident of serious offence and no (FY2021: zero) reported incident of non-compliance with laws and regulations for which fines and/or non-monetary sanctions were incurred (FY2021: zero).

For details of our corporate governance practices, please refer to the “Report on Corporate Governance” section in the Annual Report.

TARGET SETTING




For our Sustainability Factors identified, we have set targets as follows:


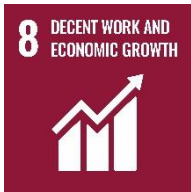


S/N	Sustainability Factor	Target for FY2023
Customer experience		
1	Total customer satisfaction	Maintain zero incident of non-compliance concerning the health and safety impacts of products and services
Economic		
2	Sustainable business performance	Maintain or improve economic value generated subject to market conditions
Environmental		
3	Water conservation	Maintain or reduce water consumption intensity (m ³ /revenue \$'000)
4	Energy conservation and emissions reduction	Maintain or reduce GHG emissions intensity (tonnes CO ₂ e/revenue \$'000)

S/N	Sustainability Factor	Target for FY2023
Social		
5	Safe working environment	<ul style="list-style-type: none"> Reduce the number of recordable work-related injuries Maintain zero work-related fatalities, high-consequence work-related injuries and recordable work-related ill health cases Continuous emphasis on the importance of complying with the safety standards and rules in the workplace to ensure work-related injuries are kept to the minimal
6	Employee retention and development	Continue to provide training opportunities for career development and growth to keep our employees motivated and engaged
7	Diversity and equal opportunity	Maintain zero incident of unlawful discrimination against employees
8	Customer health and safety	Maintain zero incident of non-compliance concerning the health and safety impacts of products and services
Governance		
9	Robust corporate governance framework	Maintain zero incident of serious offence and zero reported incident of non-compliance with laws and regulations

SUPPORTING THE UN SDGs

We have incorporated the SDGs under the 2030 Agenda for Sustainable Development, adopted by all United Nations Member States in 2015, where appropriate, as a supporting framework to shape and guide our sustainability strategy. The results shown below are how our Sustainability Factors relate to these SDGs:

SDG	Our effort (Sustainability Factor)
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Ensure healthy lives and promote well-being for all at all ages</p>	We implement measures such as orientation and on-the-job training programmes on safety procedures to provide a hazard-free workplace for our employees. (Safe working environment)
 <p>4 QUALITY EDUCATION</p> <p>Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all</p>	We invest in training, education and development of our people to enhance our business competencies and improve employee retention. (Employee retention and development)
 <p>6 CLEAN WATER AND SANITATION</p> <p>Ensure availability and sustainable management of water and sanitation for all</p>	We implement measures to reduce water wastage, which in turn help us to work towards achieving sustainable management and efficient use of natural resources. (Water conservation)

SDG	Our effort (Sustainability Factor)
 <p>Ensure access to affordable, reliable, sustainable and modern energy for all</p>	<p>We implement measures to reduce our energy consumption as it helps to improve our energy efficiency, reduce our emissions and save costs incurred to support our business operations. (Energy conservation and emissions reduction)</p>
 <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<ul style="list-style-type: none"> • We place heavy emphasis on customer satisfaction as we understand that a high level of customer satisfaction is essential to the continued success of our business. This also helps to contribute to economic growth as well as the protection and creation of jobs. (Total customer satisfaction) • We contribute to economic growth through creating long-term economic value for our stakeholders. (Sustainable business performance)
 <p>Reduce inequality within and among countries</p>	<p>We ensure equal opportunity and pay fairly for all regardless of gender and age by establishing various human resource related practices to facilitate this goal. (Diversity and equal opportunity)</p>
 <p>Promote peaceful and inclusive societies for sustainable development, provide access to justice for all and build effective, accountable and inclusive institutions at all levels</p>	<ul style="list-style-type: none"> • We are committed to deliver the best to our customers by providing customers with safe and quality food and beverage products for long-term business sustainability. (Customer health and safety) • We are committed to high standards of corporate governance as we believe that a high standard of corporate governance is integral in ensuring sustainability of our businesses as well as safeguarding shareholders' interests and maximising long-term shareholder's value and carry our business with integrity by avoiding corruption in any form. (Robust corporate governance framework)

SUPPORTING THE TCFD

We are committed to support the recommendations by the TCFD and has voluntarily disclosed some of our climate-related financial disclosures in the following key areas as recommended by the TCFD:

Key area	Our approach
Governance	<p>The Board oversees the management and monitoring of the Sustainability Factors and consider climate-related issues in determining the Group’s strategic direction and policies.</p> <p>Our sustainability strategy is developed and directed by the Group’s ESC in consultation with the Board. The Group’s ESC includes representatives from various support units. The responsibilities of the ESC include considering climate-related issues in the development of sustainability strategy, target setting, as well as collection, monitoring and reporting of performance data.</p>
Strategy	<p>The climate-related risks and opportunities identified by the Group during a climate-related risk assessment exercise includes the following:</p> <ul style="list-style-type: none"> • Adverse changes in climate patterns such as rising temperatures and extreme weather events (such as floods and droughts) may affect the availability of ingredients for producing alcoholic beverages. As a result, the Group may face adverse impacts on financial performance due to escalating cost of ingredients and sub-standard product quality; and • With rising concerns over the effects of climate change, key stakeholders such as the regulators and shareholders are demanding climate-related information. Failure to comply with the relevant climate reporting requirements may lead to adverse impacts on the Group’s reputation and financial performance. <p>Conversely, the above-mentioned risks also presented an opportunity for the Group to review and assess its value chain to identify new products and services.</p> <p>We are currently looking into conducting climate-related scenario analysis consistent with the TCFD’s recommendation, wherever possible, using commonly agreed sector/ subsector scenarios and time horizons, to anticipate and manage climate change impacts.</p>
Risk management	<p>The Group’s climate related risks and opportunities are identified and assessed during the climate-related risk assessment exercise. We also manage our climate-related risks by monitoring the trend of climate-related performance indicators.</p>
Metrics and targets	<p>We track, measure and report on our environmental performance, including energy, GHG emissions, water and disclose related metrics in our sustainability report. The Company will also consider reporting our performance on waste management in the future. Monitoring and reporting these metrics help us in identifying areas with key climate-related risks and enabling us to be more targeted in our efforts.</p> <p>To support the climate change agenda, we disclose our Scope 2 GHG emissions¹³ in the Report and set climate-related targets such as those related to energy, GHG emissions and water. We will continue to monitor our emissions and disclose Scope 1 and Scope 3 GHG emissions wherever applicable and practicable.</p>

¹³ Scope 1 GHG emissions is not disclosed as it is not material to the Group.

GRI CONTENT INDEX

Statement of use	The Company has reported the information cited in the GRI content index for the period from 1 January 2022 to 31 December 2022 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021
Applicable GRI Sector Standard(s)	Not applicable as a GRI sector standard is not available for our industry

GRI standard	Disclosure	Location
GRI 2: General Disclosures 2021	2-1 Organisational details	Annual Report 2022 ("AR 22"): Pg 3 - 11, 60, 96
	2-2 Entities included in the organisation's sustainability reporting	Pg 4
	2-3 Reporting period, frequency and contact point	Pg 4
	2-4 Restatements of information	Not applicable as there are no restatements of information to the sustainability report.
	2-5 External assurance	The Group has not sought external assurance for FY2022 and may consider it for future periods.
	2-6 Activities, value chain and other business relationships	Pg 5
	2-7 Employees	Pg 13, 15
	2-8 Workers who are not employees	None
	2-9 Governance structure and composition	Pg 6, AR 22: Pg 19 - 22, 96
	2-10 Nomination and selection of the highest governance body	AR 22: Pg 31 - 33
	2-11 Chair of the highest governance body	AR 22: Pg 19, 29 - 30
	2-12 Role of the highest governance body in overseeing the management of impacts	AR 22: Pg 30
	2-13 Delegation of responsibility for managing impacts	Pg 6, AR 22: Pg 25
	2-14 Role of the highest governance body in sustainability reporting	Pg 6
	2-15 Conflicts of interest	AR 22: Pg 24
	2-16 Communication of critical concerns	Pg 17, AR 22: Pg 40 - 41
	2-17 Collective knowledge of the highest governance body	Pg 14, AR 22: Pg 25
	2-18 Evaluation of the performance of the highest governance body	AR 22: Pg 34
	2-19 Remuneration policies	AR 22: Pg 34 - 36
	2-20 Process to determine remuneration	AR 22: Pg 34 - 36
	2-21 Annual total compensation ratio	Information is not provided due to confidentiality constraints.
	2-22 Statement on sustainable development strategy	Pg 2 - 3, AR 22: Pg 14 -15
	2-23 Policy commitments	Pg 16- 20
	2-24 Embedding policy commitments	Pg 16 - 17
	2-25 Processes to remediate negative impacts	Pg 17, AR 22: Pg 40 - 41
	2-26 Mechanisms for seeking advice and raising concerns	Pg 17, AR 22: Pg 40 - 41
	2-27 Compliance with laws and regulations	Pg 15 - 17
	2-28 Membership associations	Not applicable as the Group is currently not involved in any membership of associations.
	2-29 Approach to stakeholder engagement	Pg 5 - 6
	2-30 Collective bargaining agreements	Not applicable as none of the Group's employees are involved in any union organisations
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Pg 6 - 7
	3-2 List of material topics	Pg 8
	3-3 Management of material topics	Pg 8 - 18

GRI standard	Disclosure	Location
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	Pg 10
GRI 205: Anti-corruption 2016	205-2 Communication and training about anti-corruption policies and procedures	Pg 17
	205-3 Confirmed incidents of corruption and actions taken	Pg 17
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	Pg 12
	302-3 Energy intensity	Pg 12
GRI 303: Water and Effluents 2018	303-5 Water consumption	Pg 11
GRI 305: Emissions 2016	305-2 Energy indirect (Scope 2) GHG emissions	Pg 12
	305-4 GHG emissions intensity	Pg 12
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	Pg 13 - 14
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	Pg 13
	403-2 Hazard identification, risk assessment, and incident investigation	Pg 13
	403-3 Occupational health services	Pg 13
	403-5 Worker training on occupational health and safety	Pg 13
	403-9 Work-related injuries	Pg 13
	403-10 Work-related ill health	Pg 13
GRI 404: Training and Education 2016	404-2 Programs for upgrading employee skills and transition assistance programs	Pg 14
	404-3 Percentage of employees receiving regular performance and career development reviews	Pg 14
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	Pg 15
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	Pg 15
GRI 416: Customer Health and Safety 2016	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	Pg 16