

FoodEmpire

SUSTAINABILITY REPORT 2023

Global Edition ▼



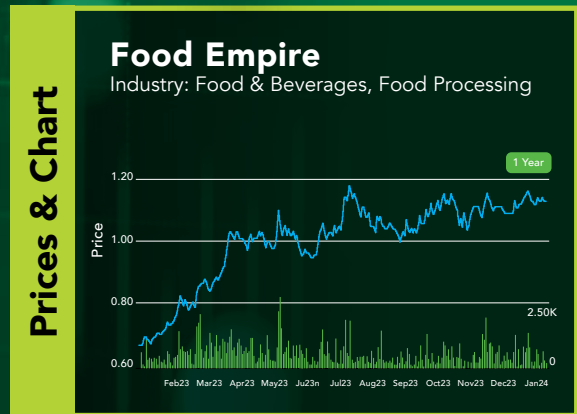
FoodEmpire TV

FOOD EMPIRE FOCUS:

Our Journey Towards Sustainability

FoodEmpire News

- ▶ Installed and begun generation of solar energy on two factories to reduce our carbon emissions
- ▶ Implemented local community engagement and development programmes
- ▶ Installed skylights to further reduce electrical lighting and the consumption of electricity



Food Empire

FEH:SP
Singapore (SGD)

▲ **STI** 3,201.54
+14.52 +0.46%

▲ **NIKKEI*** 33,169.05
+28.58 +0.09%

▲ **HSI*** 16,385.15
+235.98 +1.42%

▲ **DOW JONES** 37,683.01
+216.90 +0.58%

▲ **DAX** 16,716.47
+122.26 +0.74%

▲ **IBEX 35** 10,180.50
+42.00 +0.41%

Asia markets mixed ahead of the long holiday weekend.

Stock exchange indexes are for illustration purposes only.

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BOARD STATEMENT

Food Empire Holdings Limited Board Statement



The Board of Directors (the “Board”) is pleased to present the annual Sustainability Report of Food Empire Holdings Limited (“Food Empire” or together with its subsidiaries, “the Group”) for the financial year ended 31 December 2023 (“FY2023”). The report highlights the Group’s efforts and achievements in environmental, social, and governance (“ESG”) performance.

In FY2023, Food Empire continues to advance our sustainability goals and we are proud to have achieved all sustainability targets for the year. The Board will continue to provide oversight of the Group’s ESG impacts and climate-related risks and opportunities by ensuring that appropriate policies and processes are established. In line with SGX’s phased approach on implementing the recommendations of the Task Force on Climate-related Financial Disclosures (“TCFD”), Food Empire will continue to enhance its climate-related disclosures and provide greater transparency about the Group’s climate-related risk exposures and opportunities.

The Board collectively holds responsibility for the company’s long-term success, which includes establishing sustainability-focused strategic objectives. Additionally, the Board retains ultimate responsibility for Food Empire’s sustainability reporting. We conducted a reassessment of our existing material topics to ensure their relevance in the ever-changing business landscape. With the increasing spotlight on the ESG performance of businesses, we have revised and expanded several key material topics which include 13 new GRI Topic Standards to meet growing stakeholder expectations on business ethics, climate change, environmental stewardship, and social factors. The Board remains dedicated to ensuring that these material sustainability matters are monitored and managed appropriately and remains committed to collaborating with management to drive sustainable growth and deliver long-term value for all our stakeholders.

ABOUT FOOD EMPIRE

About Food Empire Holdings Limited (Bloomberg Code: FEH:SP)

A Trusted Leader in the Global F&B Markets

SGX Mainboard-listed Food Empire Holdings Limited (“Food Empire”) is a multinational food and beverage manufacturing and distribution group headquartered in Singapore. Our mission is to be a leading global food and beverage company providing quality products and services. We will achieve this goal as we have the people, the passion and the enterprising spirit to make a difference.

With a portfolio spanning instant beverages, snack food, and a growing segment in food ingredients, Food Empire’s products are sold in over 60 countries across North Asia, Eastern Europe, South-East Asia, South Asia, Central Asia, Middle East, and North America.

Supported by 8 manufacturing facilities in 5 countries and 23 offices worldwide, Food Empire is poised for even greater success.

Our Award-Winning Brands

Aiming to deepen our presence in existing markets and expand our global customer base, Food Empire is continually enhancing customers' experience with innovative and high-quality product offerings.

Food Empire offers an enticing range of branded beverages and snacks, including classic and flavoured coffee mixes and cappuccinos, chocolate drinks, fruit-flavoured tea, bubble tea, instant cereal blends, and crispy potato snacks. Its food ingredients business features the finest freeze-dried and spray-dried instant coffee, as well as non-dairy creamer.

Food Empire owns a family of proprietary brands – including MacCoffee, CaféPHÓ, Petrovskaya Sloboda, Klassno, Hillway and Kracks. MacCoffee – the Group's flagship brand – has been consistently ranked as the leading 3-in-1 instant coffee brand in the Group's core markets. The Group employs innovative brand-building activities, localised to match the flavour of the local markets in which its products are sold.

Since its public listing in 2000, Food Empire has won numerous accolades and awards, including being recognised as one of the “Most Valuable Singapore Brands” by IE Singapore (now known as Enterprise Singapore), while MacCoffee has been ranked as one of “The Strongest Singapore Brands”. Forbes Magazine has thrice named Food Empire as one of the “Best Under A Billion” companies in Asia and the company has also been awarded as one of Asia's “Top Brands” by Influential Brands. Food Empire is dedicated to sustainability, as evidenced by the receipt of the Sustainability Award at the Securities Investors Association (Singapore) 20th Investors' Choice Award – and it also emerged as the winner of The Enterprise Award at the Singapore Business Awards 2020/2021.

Our Key Brands

INSTANT BEVERAGES

CaféPHÓ	Klassno	MacChocolate	MacFito
CaféRite	MacTea	MacChoco	NutriRite
FesAroma	MacCereal	MacCoffee	Petrovskaya Sloboda
Hillway			

SNACK FOOD

Kracks Chizzpa

COFFEE CAPSULES

Tazzanera

ABOUT OUR REPORT

REPORTING PRINCIPLES AND STATEMENT OF USE

This Report is prepared with reference to GRI Standards 2021, covering our Group's performance from 1 January 2023 to 31 December 2023.

The following GRI reporting principles were applied to guide the Group in ensuring the quality and proper presentation of the information in this Report: Accuracy, Balance, Clarity, Comparability, Completeness, Sustainability Context, Timeliness and Verifiability. For more information on GRI disclosures, please refer to the GRI Content Index.

To provide transparency on our climate-related risk exposures and opportunities, this Report discloses the Group's climate-related disclosures in line with the TCFD Recommendations. The Sustainable Development Goals ("UN SDGs") have also been incorporated into the Report to highlight the Group's contributions to sustainable development. This report is compliant with Singapore Exchange Securities Trading Limited ("SGX-ST") Listing Rule 711A and 711B. Reference has also been drawn from the SGX's Practice Note 7.6 Sustainability Reporting Guide.

The Board has reviewed and approved the reported information, including the material topics.

REPORTING SCOPE

The report covers information on the sustainability performance of our headquarters in Singapore, as well as our operations in Russia and Vietnam. As we mature in our Sustainability Reporting journey, we will reassess our reporting scope to include more of our operations. The ultimate goal is for us to publish a comprehensive Sustainability Report that covers the full spectrum of Food Empire's operations.

The following table summarises the entities covered in this report.

Country	Entities and Activities
Singapore	Future Enterprises Pte Ltd - Sales and marketing of instant food and beverages
Vietnam	FES (Vietnam) Co., Ltd - Manufacturing and distribution of instant food and beverages
Russia	FES Products LLC - Manufacturing and distribution of instant food and beverages

Our Malaysian entities have not been included in this report. However, we have included details on our solar panel projects in Food Excellence Specialist Sdn Bhd to highlight our efforts in utilising renewable energy to reduce our carbon footprint.

ASSURANCE

Internal controls and verification mechanisms have been established by the management to ensure the accuracy and reliability of narratives and data. We have also considered the recommendations of an external Environmental, Social and Governance ("ESG") consultant for the selection of material topics as well as compliance with GRI Standards, SGX-ST Listing Rules and alignment to TCFD recommendations.

To further enhance the credibility of the Group's sustainability reporting, we have subjected our sustainability reporting process to internal review by our internal auditors, as required by SGX-ST Listing Rules 711B (3).

The Sustainability Steering Committee has determined that external assurance is not required at this juncture.

FEEDBACK

Food Empire is fully committed to providing clear and transparent disclosures for our stakeholders. We welcome all feedback, views and comments to improve our sustainability practices and reporting process. Please send your views and suggestions to corporate@foodempire.com.

SUSTAINABILITY AT FOOD EMPIRE



OUR SUSTAINABILITY FOCUS

At Food Empire, our sustainability ambitions surrounding Planet, Principles and People guide our business practices and decision-making processes. Commitment to all our stakeholders drives us to conduct our activities with a focus on sustainability, to serve their needs and interests the best we can.

The following three focus areas form our sustainability strategy:





SUSTAINABILITY GOVERNANCE

A well-defined structure with clear delegation of responsibilities is vital in achieving strong sustainability governance and enabling the advancement of Food Empire's sustainability strategy. The Group's ESG governance structure, roles and responsibilities is outlined below.

Board of Directors ("the Board")	Sustainability Steering Committee ("SSC")	Group
<ul style="list-style-type: none"> Collectively hold responsibility for the Group's long-term success, which includes establishing ESG-focused strategic objectives. Hold ultimate responsibility for the Group's sustainability reporting. Determine the ESG factors identified as material to the business and ensure that they are monitored and managed. Provide oversight of the Group's ESG impacts and climate-related risks and opportunities by ensuring that the Sustainability Working Committee has established appropriate policies and processes. To assist the Board, the Board has established the Sustainability Steering Committee. Receive regular updates from the SSC. Address any question raised regarding the Group's sustainability reporting. 	<ul style="list-style-type: none"> Comprise members of the Board and Management as approved by the Board. Develop the Group's ESG strategy. Lead the development, implementation, continuous improvement and measurement of relevant ESG policies, procedures, initiatives, targets and metrics. Oversee the escalation of ESG-related matters to the Board. Receive regular updates from the Sustainability Working Committee. 	<ul style="list-style-type: none"> Comprise sustainability coordinators from the headquarters in Singapore as well as from Vietnam and Russia. The Committee is chaired by the Chief Operating Officer. Identify and manage the Group's ESG impacts and climate-related risks and opportunities. Coordinate the annual sustainability reporting process. Ensure the Group's compliance with SGX's listing rules for sustainability reporting and international sustainability reporting standards.

SUSTAINABILITY TOPIC CHAMPIONS

Climate Change	Consumer Safety	Anti-corruption	Occupational Health and Safety	Employment Practices
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The Group adopts a precautionary approach in strategic decision making and day-to-day operations by implementing a comprehensive enterprise risk management ("ERM") framework.

Please refer to the Corporate Governance Report in our FY2023 Annual Report for more information on the Group's corporate governance practices and risk management structure.




All Board of Directors have attended sustainability training recognised by SGX in FY2022.

ESG PERFORMANCE HIGHLIGHTS

- ✓ Zero confirmed cases of corruption.
- ✓ Zero non-compliance with all laws and regulations.
- ✓ Zero work-related fatalities in all our operations.
- ✓ Installed and begun generation of solar energy on two factories to reduce our carbon emissions.

CONTRIBUTION TO THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (“UN SDGs”)

The Group contributes to the UN SDGs through our daily operations, strategy development and collaboration with our stakeholders. We have aligned our ESG disclosures with the United Nations’ 17 SDGs which set out global targets for sustainable development by 2030. The attainment of the UN SDGs is a continuing global effort and forms part of the Group’s long-term focus on sustainability. The following table highlights the Group’s contributions to the attainment of the relevant UN SDGs.

▼ Relevant UN SDGs	▼ The Group’s contribution	▼ Read more in the following sections
 Goal 1: No Poverty End poverty in all its forms everywhere	Provide fair wages and promote equal rights to ownership, basic services, technology and economic resources	<ul style="list-style-type: none"> • People
 Goal 3: Good Health and Well-Being Ensure healthy lives and promote well-being for all at all ages	Provide access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines	<ul style="list-style-type: none"> • People
 Goal 4: Quality Education Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all	Promote relevant skills development and provide adequate training opportunities	<ul style="list-style-type: none"> • People



▼ Relevant UN SDGs	▼ The Group's contribution	▼ Read more in the following sections
 <p>Goal 5: Gender Equality Achieve gender equality and empower all women and girls</p>	<p>Promote gender equality by providing equal opportunities for females in leadership positions at all decision-making levels</p>	<ul style="list-style-type: none"> • People
 <p>Goal 8: Decent Work and Economic Growth Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<p>Contribute to economic growth in our operational locations and improve resource efficiency in consumption and production.</p> <p>Eradicate modern slavery, trafficking, and child labour, and protect labour rights and promote safe working environments</p>	<ul style="list-style-type: none"> • Principles • People
 <p>Goal 10: Reduced Inequalities Reduce inequality within and among countries</p>	<p>Provide equal opportunity to all employees regardless of race, gender, religious beliefs, nationality, or other differences</p>	<ul style="list-style-type: none"> • People
 <p>Goal 12: Responsible Consumption and Production Ensure sustainable consumption and production patterns</p>	<p>Practise sustainable management and efficient use of natural resources through reduction of food waste and loss, and promotion of sustainable lifestyles</p>	<ul style="list-style-type: none"> • Principles • Planet
 <p>Goal 13: Climate Action Take urgent action to combat climate change and its impacts</p>	<p>Identification of climate-related risks and opportunities and integration of adaptation measures to enhance climate change resilience</p>	<ul style="list-style-type: none"> • Planet • Climate-related Disclosures
 <p>Goal 16: Peace, Justice and Strong Institutions 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>	<p>Promote effective corporate governance structures and accountability and transparency throughout the organisation.</p>	<ul style="list-style-type: none"> • Principles

STAKEHOLDER ENGAGEMENT AND MATERIALITY



KEY STAKEHOLDERS

Food Empire is committed to aligning our company with the interests of our stakeholders. We focus on building strong relationships with our stakeholders, engaging with them frequently to better understand their needs and concerns. An overview of our key stakeholders, their expectations, and our engagement channels are presented below.

Stakeholder	Key interests	Our response and engagement platforms
Shareholders	<ul style="list-style-type: none"> • Financial and operational performance • Good corporate governance • Sustainability performance • Transparency 	<ul style="list-style-type: none"> • Cultivate a culture of transparent and timely communications • Provide reliable and relevant information to investors through: <ul style="list-style-type: none"> » Annual Report and Sustainability Report (Annual) » Annual shareholder meeting (Annual) » Announcements and circulars (Regular) » Investor relations channel (Active) » Investor presentations, roadshows, dialogue sessions (Regular) » Quarterly reports (Quarterly)
Regulators	<ul style="list-style-type: none"> • Compliance to relevant laws and regulations • Contributions to economic and social development • Environmental impacts of operations 	<ul style="list-style-type: none"> • Comply with all applicable environmental and socioeconomic regulations • Contribute to the local economy through local employment and tax payments to the government • Engage regulators through: <ul style="list-style-type: none"> » Annual Report and Sustainability Report (Annual) » Industry sector participation channels (Ad hoc) » Participation in conferences, meetings and discussions » Site visits and audits/ checks
Employees	<ul style="list-style-type: none"> • Equal opportunities and non-discrimination • Health, safety and well-being • Job satisfaction • Remuneration • Training and development 	<ul style="list-style-type: none"> • Establish a fair and diverse working environment • Provide competitive remuneration and employment benefits • Engage employees through annual performance appraisals, employee engagement surveys • Provision of trainings and volunteering opportunities • Engage employees through: <ul style="list-style-type: none"> » Company events and activities (Regular) » Human resource channel (Active) » Staff appraisal (Regular) » Surveys and interviews (Ad hoc) » Training and development programs (Regular) » Volunteer and Community activities (Ad hoc)



Stakeholder	Key interests	Our response and engagement platforms
Customers	<ul style="list-style-type: none"> • Business ethics and sustainable practices • Food safety and hygiene • Innovation • Product quality and nutritional value • Responsible marketing and labelling 	<ul style="list-style-type: none"> • Continue to deliver quality products • Engage customers through: <ul style="list-style-type: none"> » Annual Report and Sustainability Report (Annual) » Consumer enquiries channel (Active) » Marketing and labelling of products (Active) » Mass media and social media (Regular) » Point of sale (Active) » Surveys and market research (Ad hoc)
Financiers	<ul style="list-style-type: none"> • Financial and operational performance • Good corporate governance • Sustainability of Food Empire • Timely repayment of loan principal and interest 	<ul style="list-style-type: none"> • Cultivate a culture of transparent and timely communications • Provide reliable and relevant information to financiers through: <ul style="list-style-type: none"> » Annual Report and Sustainability Report (Annual) » Direct communication, meetings and discussion (Annual) » Announcements and circulars (Regular)
Suppliers and business partners	<ul style="list-style-type: none"> • Business ethics and sustainable practices • Long-term business relationship with Food Empire • Financial and operational performance • Sustainability performance 	<ul style="list-style-type: none"> • Close collaboration with our suppliers to achieve a long, sustainable relationship • Regular communications and meeting with suppliers • Conducting supplier audits annually • Engage suppliers through: <ul style="list-style-type: none"> » Annual Report and Sustainability Report (Annual) » Direct communication, meetings and discussions (Regular) » Evaluation and monitoring (Ad hoc) » Joint initiatives and programmes (Ad hoc) » Site visits and audits/checks (Ad hoc) » Survey (Ad hoc)
Community	<ul style="list-style-type: none"> • Contribution to economic and social development • Environmental impact of operations • Local employment 	<ul style="list-style-type: none"> • Supporting local communities through corporate sustainability programmes • Engage community through: <ul style="list-style-type: none"> » Annual Report and Sustainability Report (Annual) » Corporate social responsibility initiatives (Adhoc) » Sponsorship and philanthropy (Ad hoc)



MATERIALITY ASSESSMENT

To identify our material ESG topics and focus areas, we begin with gaining an understanding of the Group's overall risk environment and subsequently identifying the actual and potential impacts to our stakeholders. The significance of these impacts are assessed in relation to the key concerns raised by our internal and external stakeholders gathered during stakeholder engagements.

We have taken the steps as summarised in the chart below to identify and present the relevant material topics in this Report, facilitated by an external ESG consultant.



In FY2023, we have expanded the scope of our sustainability matters and have included the following new GRI topic disclosures to address the growing stakeholder expectations on business ethics, climate change, environmental stewardship and social factors.

- Disclosure 201-2 from GRI 201: Economic Performance 2016
- Disclosure 202-1 and 202-2 from GRI 202: Market Presence 2016
- Disclosure 204-1 from GRI 204: Procurement Practices 2016
- Disclosure 205-1 from GRI 205: Anti-corruption 2016
- Disclosure 207-1 and 207-2 from GRI 207: Tax 2019
- Disclosure 306-1, 306-3, 306-4 and 306-5 from GRI 306: Waste 2020
- Disclosure 403-8 and 403-10 from GRI 403: Occupational Health and Safety 2018
- Disclosure 404-2 from GRI 404: Training and Education 2016
- Disclosure 405-1 from GRI 405: Diversity and Equal Opportunity 2016
- Disclosure 406-1 from GRI 406: Non-discrimination 2016
- Disclosure 407-1 from GRI 407: Freedom of Association and Collective Bargaining 2016
- Disclosure 408-1 from GRI 408: Child Labour 2016
- Disclosure 409-1 from GRI 409: Forced or Compulsory Labour 2016
- Disclosure 413-1 from GRI 413: Local Communities 2016
- Disclosure 414-2 from GRI 414: Supplier Social Assessment 2016
- Disclosure 417-3 from GRI 417: Marketing and Labelling 2016
- Disclosure 418-1 from GRI 418: Customer Privacy 2016



The table below lists the Group's focus areas, GRI Topic Standards and their relevance to each of the Group's operating segments.

Focus Areas	Material Topics	GRI Topic Standards	Applicable Countries of Operations
Principles	Anti-corruption	GRI 205: Anti-corruption 2016	• Group-wide
	Customer Privacy	GRI 418: Customer Privacy 2016	• Group-wide
	Tax Compliance	GRI 207: Tax 2019	• Group-wide
	Local Procurement Practices	GRI 204: Procurement Practices 2016	• Russia • Vietnam
GRI 414: Supplier Social Assessment 2016		• Russia	
Planet	Waste Management	GRI 306: Waste 2020	• Russia • Vietnam
	Energy and Emissions	GRI 302: Energy 2016	
GRI 305: Emissions 2016			
People	Our Employment Practices	GRI 406: Non-discrimination 2016	• Singapore (HQ) • Russia • Vietnam
		GRI 407: Freedom of Association and Collective Bargaining 2016	• Vietnam
		GRI 408: Child Labour 2016	• Group-wide
		GRI 409: Forced or Compulsory Labour 2016	• Group-wide
	Employee Diversity	GRI 401: Employment 2016	• Singapore (HQ) • Russia • Vietnam
		GRI 405: Diversity and Equal Opportunity 2016	• Singapore (HQ) • Russia • Vietnam
	Employment Benefits	GRI 401: Employment 2016	• Singapore (HQ) • Russia • Vietnam
	Market Presence	GRI 202: Market Presence 2016	• Russia • Vietnam
	Staff Training	GRI 404: Training and Education 2016	• Russia • Vietnam
	Occupational Health and Safety	GRI 403: Occupational Health and Safety 2018	• Russia • Vietnam
	Product Labelling and Marketing	GRI 417: Marketing and Labelling 2016	• Russia • Vietnam
	Food Safety and Quality Management	GRI 416: Customer Health and Safety 2016	• Russia • Vietnam
	Local Communities	GRI 413: Local Communities 2016	• Singapore (HQ) • Russia • Vietnam
Climate-related Disclosures	Climate-related Disclosures	GRI 201: Economic Performance 2016	• Group-wide

PRINCIPLES

Food Empire believes that upholding high standards of corporate governance is of utmost importance to our continued success and is a key enabler for the achievement of the Group's sustainability aspirations across all levels of the organisation.

OUR BUSINESS ETHICS

The Group prioritises strong corporate governance which has enabled us to navigate and manage key sustainability issues. We consider the interests of all relevant stakeholders when making business decisions.

Corporate Compliance

The laws and regulations that are applicable to the Group include the Code of Corporate Governance 2018, Listing Rules of the SGX-ST, the Accounting and Corporate Regulatory Authority ("ACRA") and the Securities and Futures Act, amongst others.

Review of new regulations and updates to existing regulations are regularly conducted by our employees, our secretarial firm and our auditors. Updates are disseminated to relevant staff and processes are in place to monitor the activities and associated performance on a regular basis.

Additionally, updates on relevant legal, accounting and regulatory developments are typically provided to Directors by email, or by way of briefings and presentations. The Company Secretary also circulates articles, reports and press releases issued by the SGX-ST and the ACRA which are relevant to the Directors.

There were no incidents of non-compliance with environmental, social and economic laws and regulations in FY2023.

Anti-Corruption

Unethical and corruptive practices have serious legal and monetary ramifications with severe repercussions on business operations and an organisation's reputation. Food Empire recognises the importance of good governance and integrity to retain the confidence of our communities and shareholders.

In efforts to maintain the trust of our stakeholders, we have adopted a strict zero-tolerance policy towards fraud, bribery and corruption. Furthermore, we are committed to investigate and resolve any incidence that may occur within the organisation by taking appropriate disciplinary action against them.

We have an internal reporting structure, procedure and channels that are secure and accessible for all employees to raise concerns and report violations or suspicious activity. The Group will avoid engaging in business dealings with those known or reasonably suspected to be engaging in corruption and bribery. As of FY2023, all employees and Board members have been informed of the Group's anti-corruption policies and procedures. All Board members have received training on anti-corruption.

In FY2023, there have been no incidents of corruption and no public legal cases brought against the organisation or its employees. We have assessed all operations for risks related to corruption and have found no significant risks. The Group will continue to be vigilant in ensuring that our employees conduct themselves with the highest integrity.



Customer Data Privacy

The Group aims to protect our customers' privacy and data, and strives for full compliance with the Personal Data Protection Act (2012). We strive to manage data responsibly and ethically and avoid using data and technology in ways that are unethical or could lead to discrimination and exploitation or cause harm. There were no reported breaches in FY2023.

Tax Compliance

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

The Group identifies tax-related risks as part of its enterprise risk management framework which is reported regularly to the Group's Board of Directors. Implementation of tax compliance-related policies and procedures are delegated to the respective business units and are monitored by the Group's Chief Financial Officer.

Relevant staff attend tax related trainings to keep updated on key changes. The Group also engages qualified professional tax advisors in all jurisdictions to ensure compliance at the transaction levels as well as fulfilling required tax filings. Any instances of non-compliance are reported to the Board of Directors and resolved promptly.

Local Procurement Practices

We aim to advance and promote respect for human rights in all of our endeavours. As a responsible business, the Group strives to ensure that suppliers throughout our supply chain meet our expected practices and standards and assesses our supply chain for social risks, including discrimination and forced labour.

We expect our suppliers to conduct business with high standards of integrity and human rights. As part of our supplier due diligence process in FY2023, 72 suppliers in Food Empire Russia were screened and no suppliers were identified to have significant actual or potential negative social impacts.

In addition, we strive to procure our materials and raw ingredients locally. In FY2023, 25% and 66% of our procurement budget was spent on local suppliers for Food Empire Russia and Vietnam, respectively.



Management Approach & Policy

Food Empire is determined to continue maintaining high standards of corporate governance and business conduct. We ensure our conduct is in alignment with Food Empire's Business Ethics and Code of Conduct Policy, which is communicated to all employees and members of leadership. The table below provides a summary of the key aspects of this code. Food Empire also issues periodic advisories to employees to remind them of the company's strict business ethics.

Policies and procedures	Summary
Legal compliance	Employees and directors are expected to comply with the local laws and regulations (e.g., Anti-Corruption, Labour, Immigration Act etc.) in all the countries we operate in.
Product quality and safety	Products must meet all applicable food safety and hygiene standards required by law in the countries we manufacture and supply to.
Gifts, loans and entertainment	Employees and directors should not, directly or indirectly, accept gifts of cash, favours or anything of value which could impair, or appear to impair their ability to perform their duties or exercise their judgment in a fair and unbiased manner.
Interest in other business and organisations	Employees and directors should not, directly or indirectly, engage in any work or business other than those in connection with their duties. This includes not having any deemed interest in any transaction, competitor or supplier which could influence objectivity and create a conflict of interest.
Indirect interests and relationships	Employees and directors should not be in a position to make or influence any decision made pertaining to any transaction or business endeavour which might involve their relatives.
Confidentiality and use of company information	Employees and directors should not use for personal benefit or disclose any company information and data to any other person or entity, even after termination of employment.
Diversion of Corporate opportunities	Employees and directors should not appropriate or divert any business or financial opportunity to any other person or entity.
Safeguarding Company property	Employees and directors should utilise the company's resources and assets in a most efficient manner, to increase competitiveness and provide the best possible service to customers.
Code of Conduct	Employees and directors are expected to follow the Code of Conduct, which covers: <ol style="list-style-type: none"> High Standard of Honesty and Integrity Loyalty to Company Conflict of Interest Cost Effectiveness



Grievance Procedures

A Group-wide grievance mechanism has been implemented via our Whistleblowing Policy. The Whistleblowing Policy enables employees to voice concerns in a safe and confidential manner on wrongdoings, financial malpractice, illegal acts or business practices that go against Food Empire's code of conduct. Employees can report any breach of trust through this mechanism without worrying about retaliation and victimisation.

The Audit Committee ("AC") oversees and implements this Policy. Specifically, the AC Chairman ("ACC") handles the following functions:

- Receive complaints
- Perform a preliminary review of the complaints and report valid complaints to the AC
- Set up and maintain a Complaints Register

No reports were received by the Group during FY2023.

Targets

Perpetual target	FY2023 Performance
Zero cases of non-compliance with applicable code of corporate governance, listing rules, tax regulations and Personal Data Protection Act ("PDPA") ¹	Met
Zero confirmed incidents of corruption	Met

¹ Changes have been made to target to reflect the applicable laws and regulations. Target was originally worded "Zero cases of non-compliance with all socio economic laws and regulations."



OUR ENVIRONMENT

As a food manufacturing business, Food Empire recognises the importance of improving resource use efficiency and reducing emissions throughout its global operations and value chain. Climate change presents a complex challenge that will have a long-lasting impact on us and future generations.

Food Empire is committed to being part of the solution to support and manage physical and transitional risks. By implementing these climate change mitigation initiatives, we aim to draw on our unique business competencies and create greater value for all our stakeholders. Food Empire is fully aware of the threat climate change poses on the Group’s business operations and remains committed to enhancing our resilience to the effects of climate change by striving for more efficient production planning, replacing obsolete and inefficient equipment, and recycling where possible. In playing our part to combat climate change, we also avoid potential negative impacts such as business disruptions brought about by extreme weather events.

ENVIRONMENTAL STEWARDSHIP

The Group recognises the role of our business in protecting the environment. We believe that adopting circularity practices can present opportunities to create business value as well as reduce environmental impacts. We strive to pursue environmental efficiency in all of our operations through management of our energy use.

Waste Management

The Group’s main waste streams consist of packaging waste generated throughout all stages of production, along the supply chain and in our direct operations. Knowing that the environmental impacts of single-use packaging to the environment, we have been optimising packaging designs and careful in selecting materials of packaging.

The Group aims to effectively manage our waste by reducing and diverting our operational waste. This helps us to achieve resource efficiency and potentially create cost savings for the organisation.

Food Empire Vietnam and Food Empire Russia generated a total of 1,094.84 tonnes of waste in FY2023 with the breakdown as follows:

Waste Generated	Russia	Vietnam	Total
Total amount (tonnes)	846.05	248.79	1,094.84
Non-Hazardous waste (tonnes) Consists primarily of carton, plastics and other packaging material	845.87	247.93	1,093.80
Hazardous Waste (tonnes) Includes fluorescent light bulbs, lubricants, waste ink, batteries, oil filters and used oils, as well as chemical containers and packaging.	0.18	0.86	1.04
Amount of Hazardous waste treated before disposal (tonnes)	0.18	0.86	1.04

In Vietnam, all hazardous waste (0.86 tonnes) is collected by an external service provider from our factories daily and sent for treatment before disposal. Treatment methods include rinsing and recycling of metal and plastic packaging waste, and burning and solidifying of waste ink.

Similarly, all hazardous waste in Russia (0.18 tonnes) is collected by a licensed service provider and transferred for disposal. All non-hazardous waste (468.39 tonnes) not diverted from disposal are sent to landfills.

Waste Diverted from Disposal	Russia	Vietnam	Total
Total amount of Non-Hazardous waste sent to offsite locations (tonnes)	377.48	247.93	625.41
Amount sent for reuse (tonnes)	377.40	0.00	377.40
Amount sent for offsite recycling (tonnes)	0.08	121.74	121.82
Amount sent for other offsite operations (metric tonnes)	0.00	126.19	126.19

ENERGY AND EMISSIONS

Food Empire acknowledges the importance of doing our part to reduce our carbon footprint in order to mitigate the worst effects of climate change. We continuously monitor our energy consumption and have implemented various energy conservation initiatives across our global operations, including leveraging on solar energy where possible. We always strive to align our energy and emissions management with the various country-specific energy regulations and policies, and we continue to explore innovative ways to increase our overall resource efficiency.

In FY2023, Russia and Vietnam has consumed a total of 1,551 GJ direct energy and 3,770 MWh electricity, which has produced a total of 2,756 tonnes of Scope 1 and Scope 2 CO₂e emissions, with breakdown as table below:

Descriptions	Russia	Vietnam	Total
Direct Energy (Gigajoule)	1,362	189	1,551
Electricity Consumption (Megawatt hour)	2,735	1,035	3,770
Scope 1 GHG Emissions (tonnes)	98	12	110
Scope 2 GHG Emissions (tonnes)	1,690	956	2,646

RUSSIA

Direct Energy Consumption

We used diesel and motor gasoline to fuel our forklifts, company vehicles and company buses. The direct energy consumed from this was 1,362 GJ, which produced 98 tonnes of CO₂e emissions in FY2023.

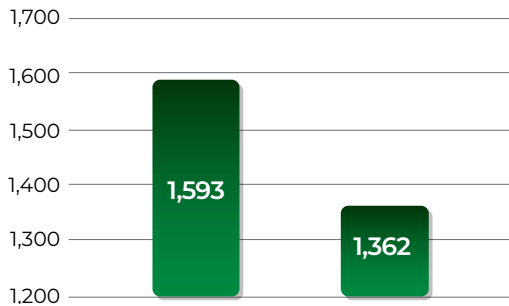
The lower direct energy consumption was due to:

- Reduction in diesel consumption: One company bus which was not in operation for two months in 2023 and one diesel-operated forklift was broken down for one month in 2023
- Reduction in motor gasoline consumption: Shifting of physical meetings to virtual meetings, coupled with the increased use of courier mail for the delivery of consumables and documents, resulted in lower utilisation of company cars



The direct energy intensity and Scope 1 GHG Emission intensity are 0.0368 GJ/ tonnes of products and 0.0027 tCO₂e / tonnes of product respectively.

Direct Energy Consumption (in GJ)



Direct Energy Intensity (GJ/ Tonnes of Product)	FY2022	FY2023
	0.0525	0.0368

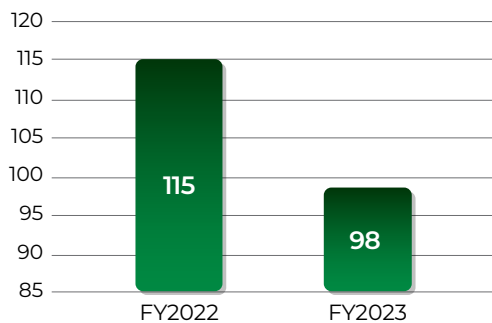
Direct Energy Consumed (GJ)	FY2023
Motor Gasoline [#]	557
Diesel ^{##}	805
Total	1,362

[#] Energy consumed from using motor gasoline of 557 GJ was calculated using 17,003.6 liters of gasoline x fuel density of 0.74 kg/liter x net calorific value 44.3 Terajoules/Gigagrams x 1 Gigajoules/1,000 Terajoules ("TJ").

^{##} Energy consumed from using diesel of 805 GJ was calculated using 22,283.3 liters of diesel x fuel density of 0.84 kg/liter x net calorific value 43.0 TJ/ Gigagrams x 1 GJ/1,000 TJ

Fuel density and Net Calorific Value ("NCV") used are prescribed by IPCC Guidelines for National Greenhouse Gas Inventory (2006).

Direct (Scope 1) GHG Emissions (in tCO₂e)



Direct (Scope 1) GHG Emissions (tCO ₂ e/ Tonnes of Product)	FY2022	FY2023
	0.0038	0.0027

Direct Scope 1 GHG Emissions (tCO ₂ e)	FY2023
Motor Gasoline ^α	39
Diesel ^{αα}	59
Total	98

^α Direct (Scope 1) GHG emissions arising from the use of motor gasoline of 39 tonnes CO₂e was calculated using the direct energy of 557 GJ x CO₂e emission factors of 69.3 tonnes of CO₂e/ TJ x 1 GJ/1,000 TJ.

^{αα} Direct (Scope 1) GHG emissions arising from the use of diesel of 60 tonnes CO₂e was calculated using the direct energy of 805 GJ x CO₂e emission factors of 74.1 tonnes of CO₂e/ TJ x 1 GJ/1,000 TJ.

CO₂e emission factors used are prescribed by IPCC Guidelines for National Greenhouse Gas Inventory (2006).

Electricity

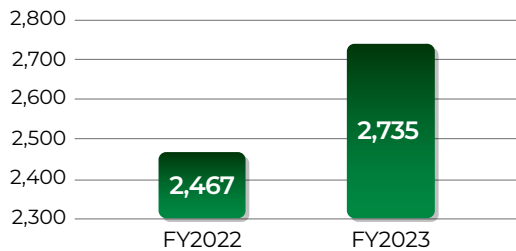
We have consumed 2,735 MWh of electricity which produced 1,690 tonnes of CO₂e emissions in FY2023². Our electricity and Scope 2 GHG emission intensity are 0.0740 MWh/tonnes of products and 0.0457 tCO₂e / tonnes of products respectively.

The 11% rise in electricity consumption is associated with a 20% increase in production, resulting in a 9% reduction in electrical consumption intensity.

² Scope 2 GHG emissions were calculated using electricity consumed (in kWh) x grid emissions factors as prescribed by the Institute of Global Environmental Strategies 2023. Grid emission factor used for Russia is 0.618kg CO₂e /kWh and 0.9239kg CO₂e / kWh for Vietnam.

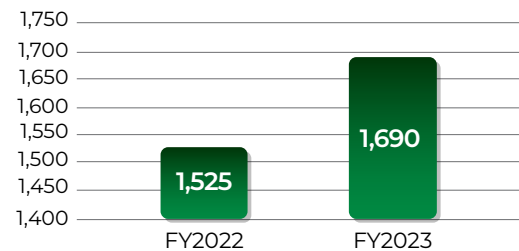


Electricity Consumption (in MWh)



Electricity Intensity (MWh/ Tonnes of Product)	FY2022	FY2023
	0.0813	0.0740

Indirect (Scope 2) GHG Emissions



Indirect (Scope 2) GHG Emissions Intensity (tCO ₂ e/ Tonnes of Product)	FY2022	FY2023
	0.0503	0.0457

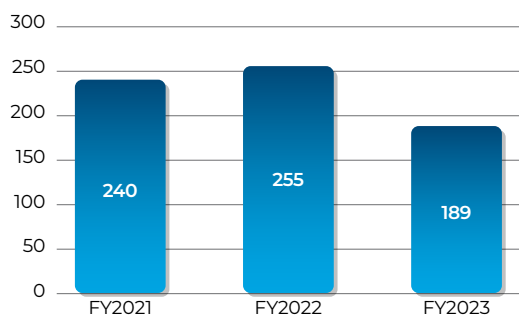
VIETNAM

Direct Energy Consumption

In FY2023, we used liquefied petroleum gases (LPG) for forklifts in our warehouse. With direct energy consumption of 189 GJ, it has emitted 12 tonnes of CO₂e emissions³. There was a decrease of 26% in direct energy consumed compared to FY2022. In FY2023, we consolidated loading activities primarily to the warehouse's front area, compared to FY2022 where loading positions were spread across three location, thus reducing forklift movement and amount of LPG required in FY2023.

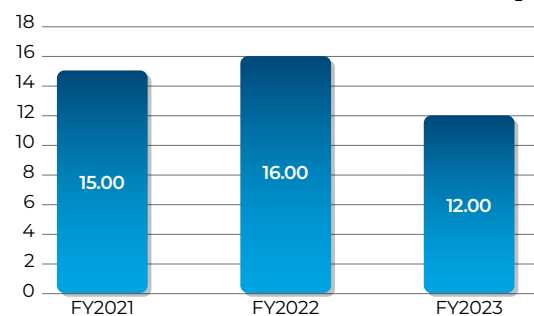
Our direct energy intensity and Scope 1 GHG Emission intensity are 0.0187 GJ / tonnes of products and 0.0012 tCO₂e / tonnes of products respectively.

Direct Energy Consumption (in GJ)



Energy Intensity (GJ/ Tonnes of Product)	FY2021	FY2022	FY2023
	0.0256	0.0301	0.0187

Direct (Scope 1) GHG Emissions (in tonnes CO₂e)



Scope 1 GHG Emissions intensity (tCO ₂ e/ Tonnes of Product)	FY2021	FY2022	FY2023
	0.0016	0.0019	0.0012

³ Direct energy consumption of 189 GJ was calculated using 7,407.41 liters of LPG x fuel density of 0.54 Kg/liter x net calorific value 47.3 Terajoules/ Gigagrams x 1 GJ/1,000 TJ.

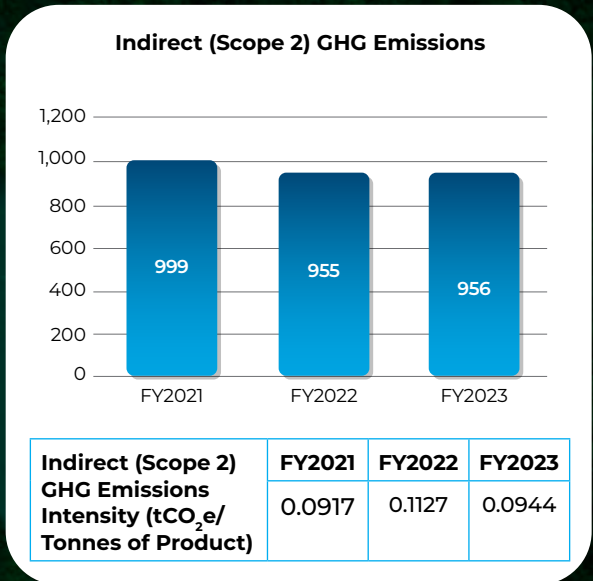
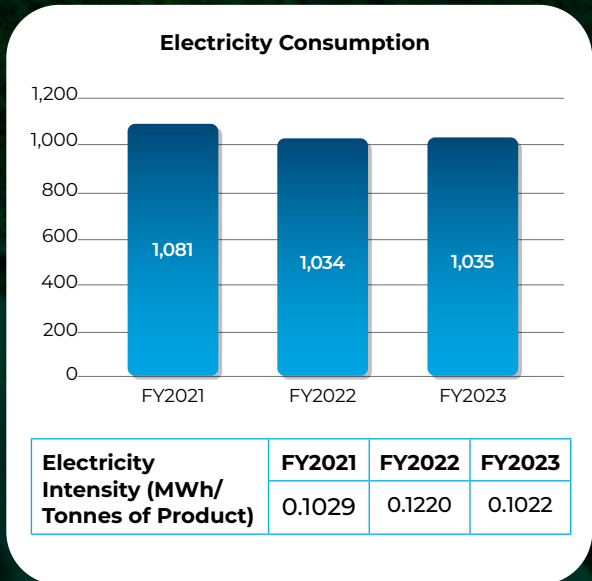
Direct (Scope 1) GHG emissions of 12 tonnes CO₂e was calculated using the direct energy of 189 GJ x CO₂e emission factors of 63.1 tonnes of CO₂e/ Terajoules x 1 GJ/1,000 TJ.

Density, Net Calorific Value and CO₂e emission factors used are prescribed by IPCC Guidelines for National Greenhouse Gas Inventory (2006).



Electricity

We consumed a total of 1,035 MWh of electricity which produced 956 tonnes of CO₂e emissions. The total electricity consumption has remained relatively constant, while electricity intensity has decreased by 16% as compared to FY2022. Our electricity and Scope 2 GHG emission intensity are 0.1022 MWh / tonnes of products and 0.0944 tCO₂e / tonnes of products respectively. The decrease in the electricity intensity was mainly because an increase in our efficiency resulting in more sachets being produced per unit of electrical energy consumed. In addition, Food Empire Vietnam has installed skylights which have further assisted the reduction in electricity consumption.



MALAYSIA

In line with our commitment to protect the environment, the Group's operations in Malaysia have initiated a solar energy investment project starting FY2023 in three phases. The solar panels, to be installed on the roofs of our factories producing potato chips and non-dairy creamer, will supply renewable energy to reduce our indirect (Scope 2) GHG emissions and carbon footprint. Phase One solar panels have begun running from 1 September 2023 and have generated about 871.4 MWh of renewable energy over four months till 31 December 2023. Phase Two solar panels have been completed and will start supplying electricity from January 2024. We will update more details of the entire investment and renewable energy used over the next couple of years.

PEOPLE

As a business that prioritises the well-being and joy of our consumers and employees, we centre our purpose on caring for people. At Food Empire, we aim to positively impact consumers' lives by providing high-quality food and beverages and bringing greater value to our consumers, stakeholders, partners, and community at large through our brands. We also pride ourselves on our commitment to diversity and inclusion, and we provide equal opportunity to all employees regardless of race, gender, religious beliefs, nationality, or other differences.

OUR EMPLOYMENT PRACTICES

Food Empire recognises that our employees are our most valuable assets and are essential for the business's long-term success. We are committed to creating a fair and inclusive work environment that provides equal opportunities for continual development to achieve high retention levels and overall productivity in our workforce. We believe in hiring practices that are non-discriminatory, objective, and solely based on merit. In 2023, we observed zero reported cases of discrimination.

Across our operations, the Group has identified no significant risks for incidents of discrimination, use of forced labour, child labour and violation of workers' rights to exercise freedom of association or collective bargaining.

Our employees are completely free to join trade unions and similar organisations. At Food Empire Vietnam, 100% of employees are covered by collective bargaining agreements alongside with Food Empire Vietnam's Labour Policy.

Food Empire understands the importance of employee learning and development for career advancement and is committed to providing equal opportunities for our workforce's career development. Our strong employment practices prevent potential negative impacts, such as the Group's reputation as a fair employer being impacted by disgruntled employees.

Management Approach and Policy

Our employment policies cover a wide range of employment practices which includes recruitment, employment benefits and career development. The table below lists our Group's key policies and procedures.

Policies and procedures	Summary
Recruitment	This policy serves as the basis of our recruitment practices. It embodies our commitment to providing equal employment opportunities regardless of race, national origin, religion, age, or gender.
Employment benefits	This policy sets out the guidelines and procedures of employee benefits which include but not limited to leave policy, healthcare benefits such as medical, hospitalisation and dental, long-service awards and recreational activities.
Career development	This policy provides guidelines to ensure that a consistent and systematic approach is taken to manage career development activities for employees, through activities such as performance appraisals, succession planning, and training and development.



Daily HR operations are managed by the local HR team in each country of operation, who is also responsible for adopting the Group's employment policies and tailoring them to meet their local regulations. HR Policies are accessible to employees and are disseminated in different forms based on the region. For example, Singapore and Vietnam's HR Policies are available on internal online portals respectively.

To ensure effective implementation of these policies, key stakeholders will be informed of any changes or updates. In Singapore, employees will be informed via email of changes to the policy, while in Vietnam employees would be informed via email and updated during Townhall meetings. Monthly management meetings are also carried out to discuss progress on HR-related matters.

This arrangement ensures consistency in HR practices across the Group, while still providing local HR teams with the flexibility to adapt the practices to the different regulatory requirements in each country.

Grievance Procedures

In line with our commitment to creating a fair and inclusive working environment, Food Empire takes any allegations of harassment and discrimination seriously.

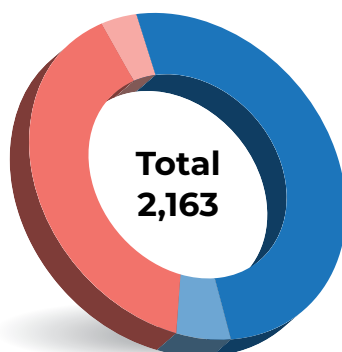
We have implemented a framework for employees' grievances to be heard. Through the informal grievance procedure, employees can raise their grievances to their immediate superior who will identify possible resolution methods with the employees. If the matter is unable to be resolved, the case will be escalated to the formal grievance procedure.

In the formal grievance procedure, employees will submit an official report to their superior or the head of Group HR. A grievance manager will conduct the investigations and close them only when the matter has been resolved, or if the employee decides to withdraw their complaint. Employees may also appeal against the decision if they feel that the matter has not been sufficiently resolved.

PROFILE OF OUR WORKFORCE

As at 31 December 2023, Food Empire had a total of 2,163 employees across our operations in Singapore, Russia and Vietnam. Workforce numbers are calculated by headcount at the end of FY2023.

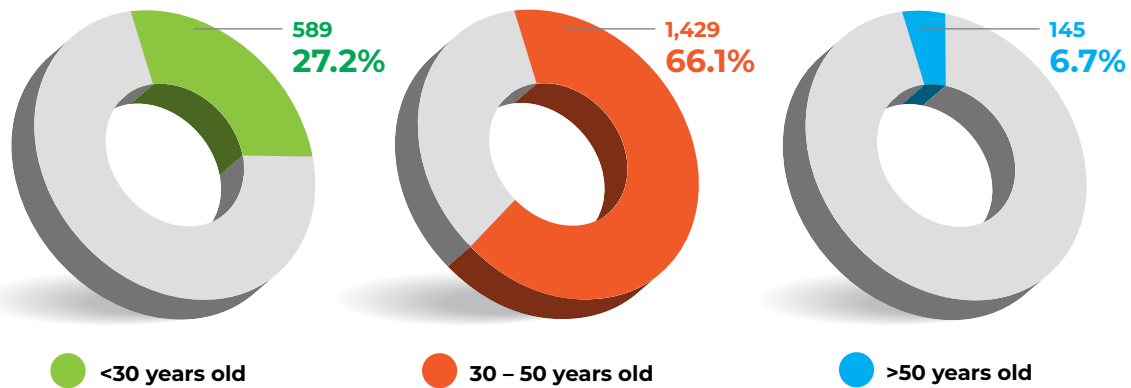
Group's employee profile by gender and employment type



	Group				Total
	Male ("M")		Female ("F")		
	Headcount	Percentage	Headcount	Percentage	
Total	1,224	56.6%	939	43.4%	2,163
Permanent	1,100	56.2%	859	43.8%	1,959
Temporary (Russia only)	124	60.8%	80	39.2%	204



Group's employee profile by age group



	Singapore		Russia		Vietnam		Group Wide		
	M	F	M	F	M	F	M	F	Total
Total headcount	17	28	382	367*	825	544	1,224	939	2,163
Percentage of employees by gender⁴	37.8%	62.2%	51.0%	49.0%	60.3%	39.7%	56.6%	43.4%	

* Three of them are part-timers.

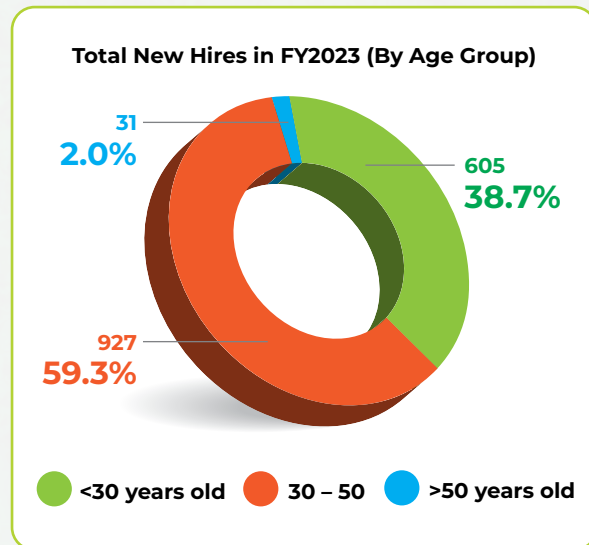
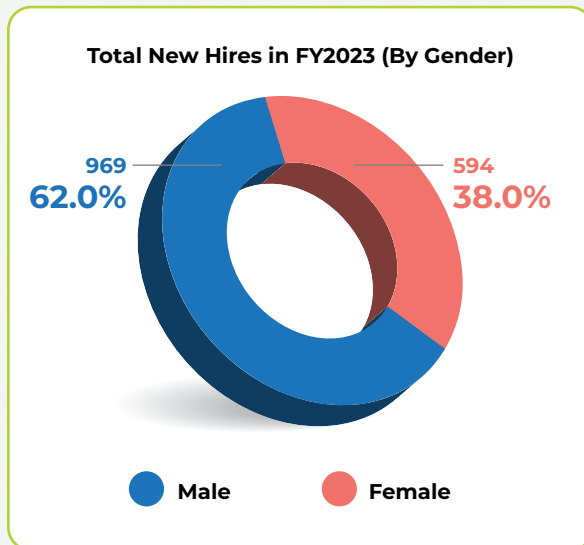
In Singapore, where our headquarters are located, the number of employees in 2023 remained relatively stable throughout the year at 45 permanent employees. The majority of employees in Singapore are working in corporate support functions.

In Vietnam, we had 1,369 permanent employees and most of them are working in sales and production to support business growth.

The majority of employees in Russia are involved in production. In 2023, Russia had a total of 749 employees, consisting of 545 permanent and 204 temporary staff. Out of the 749 employees, 746 are full-time employees (Male = 382, Female = 364 females) and three are part-timers (3 females). Since Russia faces manpower shortages regularly, it is the industry practice for manufacturing companies to employ temporary workers. All our temporary employees are entitled to a full-benefits package comparable to that of permanent employees. The entitlements include free meals, company transport, and payment of primary and periodic medical examinations.

In FY2023, there were 1,563 new hires and 1,323 leavers across our reported operations. This translates to a new hire rate of 72.3% and a turnover rate of 61.2%.

⁴ Percentage of employees by gender: Total employees of respective gender groups in each country/ total number employees of each country



Group's new hires by gender⁵ and age group (by country)⁶

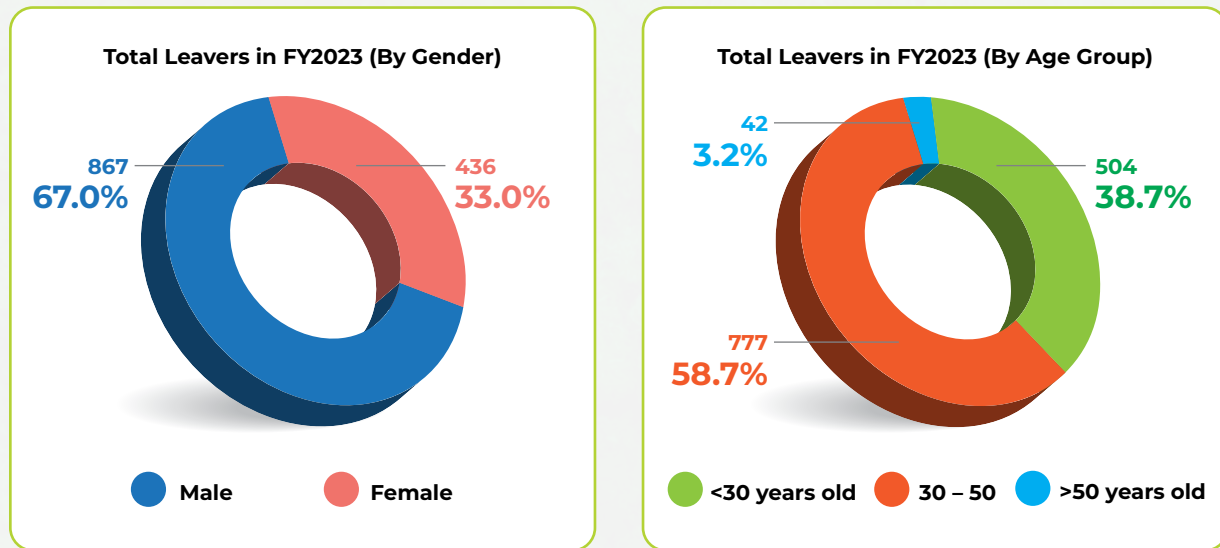
		Singapore		Russia		Vietnam		Group Total	
		M	F	M	F	M	F	M	F
Total	Headcount	1	1	88	92	880	501	969	594
	Percentage	50.0%	50.0%	48.8%	51.2%	63.8%	36.2%	62.0%	38.0%
<30 years old	Headcount	0	1	22	10	392	180	414	191
	Percentage	0.0%	50.0%	12.2%	5.6%	28.4%	13.0%	26.5%	12.2%
30-50 years old	Headcount	1	0	58	61	486	321	545	382
	Percentage	50.0%	0.0%	32.2%	33.9%	35.2%	23.2%	34.9%	24.4%
> 50 years old	Headcount	0	0	8	21	2	0	10	21
	Percentage	0.0%	0.0%	4.4%	11.7%	0.2%	0.0%	0.6%	1.4%

⁵ Total new hire rate of Food Empire by gender is calculated based on:
 Total new hires of respective gender groups across Food Empire Singapore, Vietnam and Russia / total new hires in Food Empire Singapore, Vietnam and Russia

⁶ Total new hire rate of each country by gender and age group is calculated based on:
 • Gender: total new hires of respective gender groups of each country/ total new hires of each country
 • Age Group: total new hires of each age group of each country/ total hires of each country



Vietnam accounted for most of our new hires and turnovers in 2023. Most of these changes in our employees occurred within our sales division which has grown from 803 employees in FY2022 to 1,003 employees in FY2023. Similar to previous years, it has been an industry trend in Vietnam for sales jobs to have a high turnover rate. Nonetheless, the large number of employees working for Food Empire in Vietnam has remained stable throughout the years, especially in manufacturing and middle management level up. Food Empire is committed to further improve the employee retention rates within the company.



Group's Turnover by Gender⁷ and Age group⁸ (by Country⁹)

		Singapore		Russia		Vietnam		Group Total	
		M	F	M	F	M	F	M	F
Total	Headcount	1	1	113	88	773	347	887	436
	Percentage	50%	50%	56.2%	43.8%	69.1%	30.9%	67.1%	32.9%
<30 years old	Headcount	0	0	26	10	340	128	366	138
	Percentage	0.0%	0.0%	12.9%	5.0%	30.4%	11.4%	27.7%	10.4%
30-50 years old	Headcount	1	1	73	54	429	219	503	274
	Percentage	50.0	50.0	36.3%	26.9%	38.3%	19.5%	38.0%	20.7%
> 50 years old	Headcount	0	0	14	24	4	0	18	24
	Percentage	0.0%	0.0%	7.0%	11.9%	0.4%	0.0%	1.4%	1.8%

⁷ Total turnover rate of Food Empire by gender is calculated based on: Total turnover of respective gender groups across Food Empire Russia, Singapore and Vietnam / total turnover of Food Empire Russia, Singapore and Vietnam

⁸ Total turnover rate of Food Empire by age group is calculated based on: Total turnover of each age group across Food Empire Russia, Singapore and Vietnam / total turnover of Food Empire Russia, Singapore and Vietnam

⁹ Total turnover of each country by gender and age group is calculated based on:

- Gender: Total turnover of respective gender groups of each country / total turnover of each country
- Age Group: total turnover of each age group of each country / total turnover of each country



Employee Diversity

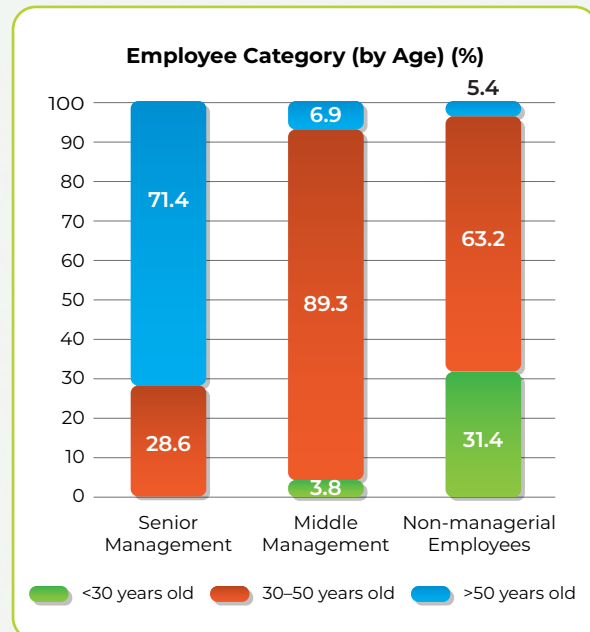
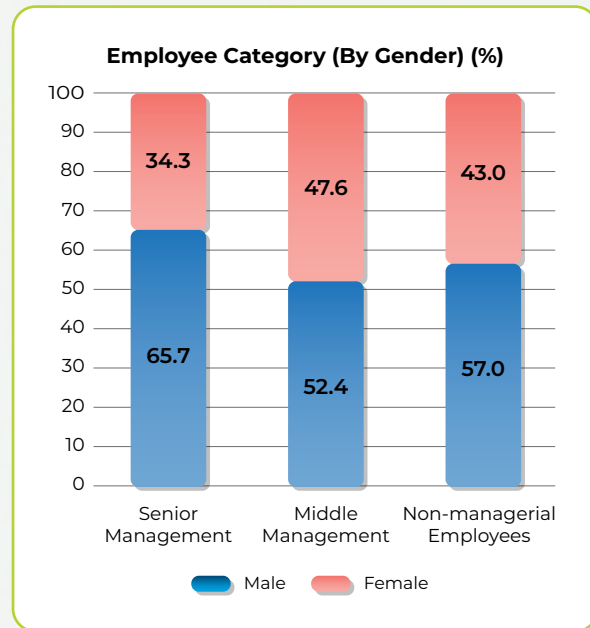
The Group recognises that its success depends on our employees and the contributions they make. We are an employer that believes in providing equal opportunities and remain fully committed to maintaining an organisation that embraces diversity.

Employees are recruited based on merit, regardless of age, ethnicity, gender, religion, marital status and disability, and the Group treats each individual with equal respect. Diversity allows the Company access to a greater pool of talent and can help to drive better business performance over time.

The table below provides a breakdown of our Board's diversity by age and gender as at 31 December 2023:

	Number	%
Board Directors	8	100.0
Independent Directors	3	37.5
<30 years old	0	0.0
30-50 years old	0	0.0
>50 years old	8	100.0
Male	7	87.5
Female	1	12.5

The table below provides the breakdown of our workforce diversity in FY2023 by employee category¹⁰ and age:



¹⁰ Food Empire has defined each employee category as the following:

- **Senior Management:** This category includes department heads and above, including General Manager, Senior Manager and Director. Two members of Singapore's Senior Management are also serving as members of the Board.
- **Middle Management:** This category includes Managers and Assistant Managers.
- **Non-managerial employees:** This category includes executives, supervisors and others.



Workers who are not Employees

The number of workers who are not employees¹¹, who are not included in the total headcount, is 62 as at 31 December 2023, with details tabulated as below:

Country*	Number	Workers' responsibilities
Singapore	1	Cleaner to maintain cleanliness and hygiene in headquarter office
Vietnam	61	Workers hired through agency as substitution of headcount, less than 5% of our employees in Vietnam.

*We do not have workers who are not employees in Russia.

Employment Benefits

In line with our commitment to our employees, all Food Empire employees enjoy comprehensive healthcare benefits. Recognising the importance of a balanced lifestyle, employees are also entitled to annual paid leave, parental leave and statutory retirement provisions. On top of this, other benefits include transport reimbursements, recreation activities, mobile phone subscription reimbursements, parental benefit-related gifts, overtime meal allowance, and service awards. Food Empire's benefits package complies with local laws and regulations in the regions of operation.

FOOD EMPIRE VIETNAM: CARING FOR EMPLOYEES HEALTH AND WELL-BEING

As part of our effort to care for our employees' physical and mental health, we have carried out activities to bring some fun to our work lives and boost employee morale, which include internal engagement activities, townhall, team-building exercises, Christmas celebration, and innovation award.

¹¹ As per GRI's definition, 'workers' are defined to be people who work for Food Empire, but are not in an employment relationship with Food Empire (e.g., third party agencies, contractors, etc.).

MARKET PRESENCE

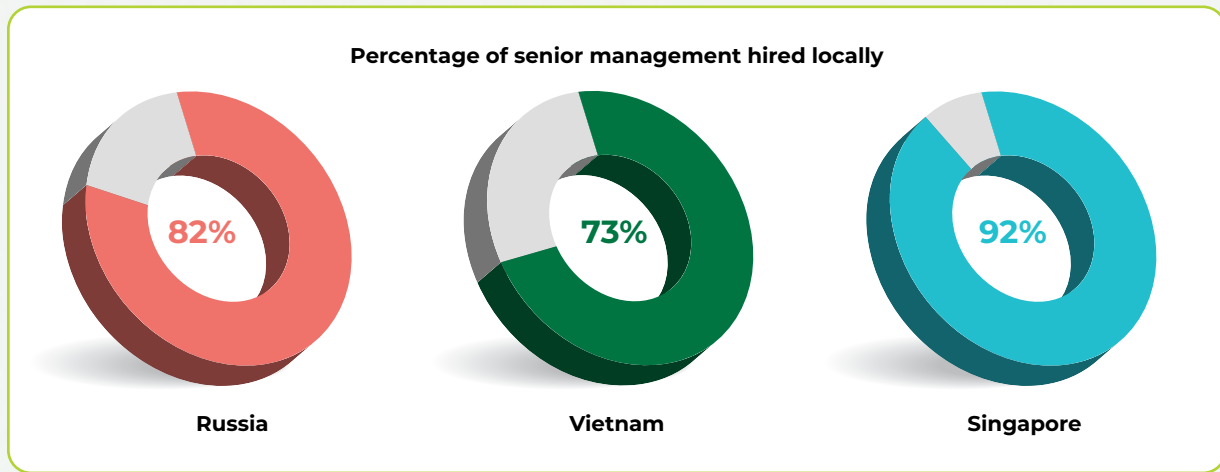
The Group focuses on engaging local talent in countries of our operations and upholds a strong commitment to develop a workforce that reflects the diversity of the communities we serve. We ensure that our employment contracts are compliant with local laws and regulations.

We implement and adhere to best practices regarding employee engagement, including fair remuneration. We comply with local labour regulations, and our employees are remunerated above minimum wage. The ratio of the entry level wage to the local minimum wage, where applicable, for both female and male staff in FY2023 is as provided in the table at the right.

Country*	Ratio of entry level wage to local minimum wage	
	Male	Female
Russia	2.1:1	1.8:1
Vietnam	1:1	1:1

*Singapore does not have a minimum wage law.

The Group believes that hiring locals can bring about intangible benefits to our business operations as we contribute economically to the respective jurisdictions. We actively seek to hire local senior management staff in each country where we operate, particularly where our operation is sizeable. This includes individuals either born or who have the legal right to reside indefinitely (i.e. naturalized citizens or permanent visa holders) in the same geographic market as the operation. The percentage of our senior management across our locations who are hired from the local community is detailed in the table below.

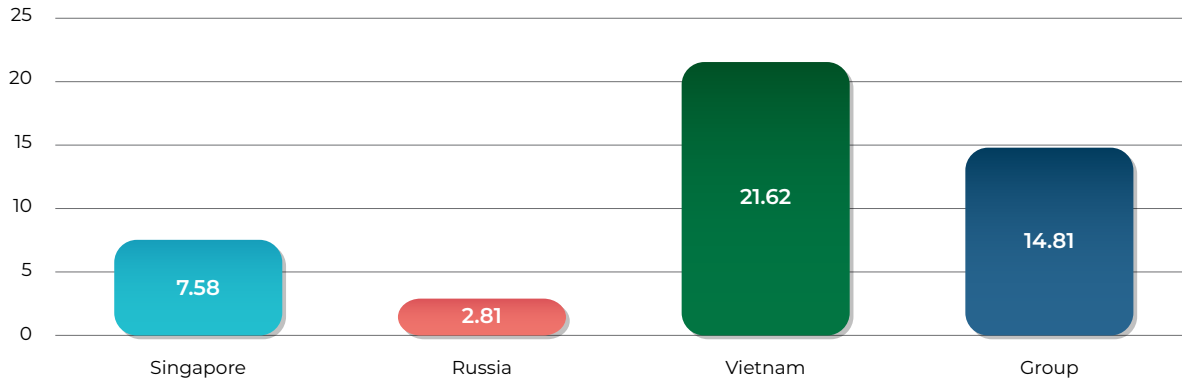


STAFF TRAINING

As a conscientious employer who values our staff, Food Empire recognises that training and development are key to equipping our employees with the competencies needed to excel at their roles. As such, we offer our employees a variety of training opportunities to develop their technical and management skills. The following section details our performance on this front, covering the trainings received by Food Empire employees across our global operations.



Average Training Hours per Employee (By Country)



An overview of the training hours – By Country

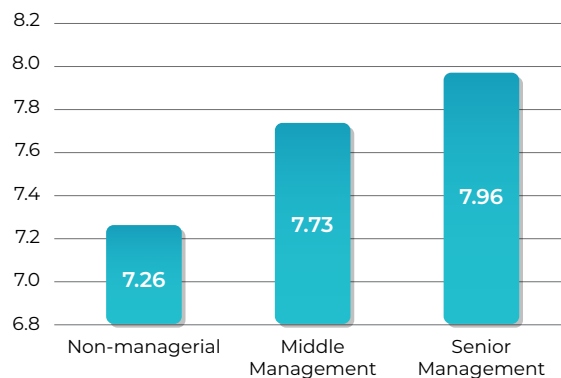
Region	Total Training Hours Provided to Employees	Average Training Hours*					
		Per Employee	Male	Female	Non-managerial	Middle Management	Senior Management
Singapore	341	7.58	5.03	9.13	7.26	7.73	7.96
Russia	2,104	2.81	2.86	2.75	3.87	0.64	Nil
Vietnam	29,595	21.62	22.44	20.37	21.81	18.56	13.00
Total	32,040	14.81	16.09	13.15	16.15	7.23	7.04

*Average training hours subject to rounding.

SINGAPORE

In FY2023, Food Empire Singapore provided ad-hoc training programmes that were tailored to employees and their job scope. These training sessions were mostly in collaboration with and held by external training institutions. In line with our commitment to sustainability, our management staff have attended the course on “Upholding ESG with Strong Governance” and we have also provided in-house training sessions that include courses such as “Anti-Corruption briefing”, “Personal Data and Cyber Risk Awareness training” and Whistle-blow training”.

Average Training Hours (Singapore - by Employee Category)



GENERAL HR TRAININGS

General Training Programmes:

- New Employee Induction Program for all categories of employees
- Professional Development and Knowledge & Skills based training program

TAILORED TRAININGS

FY2023 Special Training Programmes:

- Anti-Corruption briefing for staff
- “Personal Data and Cyber Risk Awareness Training” for staff
- Whistle-blow Training” for staff
- “Upholding ESG with Strong Governance” for management staff

RUSSIA

Training programs include ISO 9001 training, and training on equipment operations as well as product quality checks.

VIETNAM

The increase in average training hours of 21.62 hours in FY2023 (FY2022: 4.25 hours) was attributed to the increased training and talks conducted to help our employees’ transition back to post-pandemic market. Training programs for employees include safety training, training on regulations, allergen awareness, among others.

Targets

Perpetual target	FY2023 Performance
100% of new employees in operation departments received GMP, Food Safety, HACCP, Quality management system and Occupational health and safety training.	Not applicable as this is a new target set, effective from FY2024.

OCCUPATIONAL HEALTH AND SAFETY

Food Empire strongly emphasises the health and safety of our employees. We recognise the need to create and maintain a healthy and safe work environment for all employees. The Group has incorporated best practices proposed by local governments to execute measures to ensure the safety of employees. Food Empire recognises the safety of our people as a salient human rights issue.

Management Approach & Policy

The safety of our staff remains our top priority and we are committed to working towards our goal of zero work-related fatalities. To achieve this goal, country-specific safety committees, safety management systems and policies are established in each operating country to provide greater flexibility in responding to different regulations on health and safety. The Group's occupational health and safety management systems covers all employees and workers who are not employees on site.

Policies and procedures	Coverage of Policies	Summary
Accident management procedures	<ul style="list-style-type: none"> Russia Vietnam 	This procedure outlines the steps that need to be taken when an accident occurs, which includes accident reporting process.
Emergency response procedures	<ul style="list-style-type: none"> Russia Vietnam 	This procedure provides the appropriate protocols that should be followed in the case that there are emergencies occur.
Safety, health, and Environment ("SHE") policy	<ul style="list-style-type: none"> Vietnam 	This policy and frameworks serves as a framework to protect the safety and health of our employees and outlines the company's principle "all occupational accident, disease, and environmental incident shall be prevented".
Labour Safety Management System ("LSMS")	<ul style="list-style-type: none"> Russia 	

Grievance Procedures

At the operational level, employees would have greater visibility over any potential workplace hazards. As such, it is important to ensure that proper grievance mechanisms are in place for employees to flag any potential issues. For example, Food Empire Vietnam has a STOP card programme for employees to report any safety or environmental issues.

RUSSIA

In Russia, a Labour Safety Management System ("LSMS") has been developed in accordance with the Labour Code of the Russian Federation and other federal laws concerning workforce safety, and has been externally certified.

Standards certified	Description of standard
GOST¹² 12.0.230-2007 Occupational safety standards system	This standard outlines the general requirements of the occupational safety and health management system.
GOST R 12.0.007-2009 Labour protection management systems in organisations	This standard sets out the requirements for the development and implementation of safety management system and its audit and improvement plan.

¹² Gosudarstvennyy Standart (GOST) refers to a set of technical state standards maintained by the Euro-Asian Council for Standardisation, Metrology and Certification (EASC), a regional standards organisation operating under the auspices of the CIS. These state standards are an analogue of the corresponding International Organisation for Standardisation (ISO) standards.

The LSMS acts as a framework to support implementation of our safety management systems in Russia and covers all employees in Russia. A safety committee oversees the application of the LSMS. This committee meets up regularly to conduct safety inspections and discuss potential areas of improvement when safety breaches are identified.

To ensure that all employees have the necessary knowledge to carry out their work in a safe manner, Food Empire has established an annual training programme for our employees. All employees undergo mandatory safety training sessions. Safety training is carried out in accordance with the Regulations on occupational safety training. Once every three years, the Heads of Departments are trained in government organisations while specialists are trained by the labour protection commission. Workers are trained once every six months during repeated briefings.

Regular surveys are conducted with workers during workplace inspections to facilitate the identification of hazards and risks. Comprehensive training at the State Training Center ensures the competency of employees engaged in risk identification. Results from risk assessments are actively used to evaluate and improve the occupational health and safety management system. Employees are informed about hazards during induction, and the state Labour Code protects their right to refuse dangerous work without reprisals. In the event of work-related incidents, a commission investigates, identifies causes, and determines corrective actions according to regulations, underscoring Food Empire's commitment to a safe work environment.

All employees have been made aware of results of a special assessment of working conditions and occupational risk assessment. Instances of unsafe practices at work are communicated and highlighted to our employees during routine pre-work briefings. In addition, in compliance with the Labour Code, all workers are permitted to refuse any dangerous work without consequences.

Employees and workers are also given annual health screenings while working for Food Empire Russia. All personal health related information are kept confidential and not used unfavourably in the treatment of workers.

As of FY2023, there were no fatalities, high-consequence injuries, major injuries or occupational injuries.

VIETNAM

In Vietnam, all employees and workers are covered by a Safety, Health, and Environment (“SHE”) policy.

Safety, Health, and Environment Policy			
Management Committee	Committee Responsibility	Reporting Line and Policy Applicability	Reporting Frequency
Health and Safety Committee	<ul style="list-style-type: none"> Discuss potential areas for improvement Highlight any identified unsafe practices <p>In the event of workplace incident:</p> <ul style="list-style-type: none"> Discuss and implement corrective action in a timely manner Using hierarchy of control management system to minimize further occurrence of any workplace incidents 	<p>Receive reporting / sharing of materials from:</p> <ul style="list-style-type: none"> Members of various departments who are responsible for planning, implementing, and reporting of safety issues within their respective departments Applicable to all contractors who operate within Food Empire premises 	<ul style="list-style-type: none"> Various committees meet on a monthly basis Policy reassessed on an annual basis to ensure continued relevance



To further ensure workplace safety, all employees and workers are to attend mandatory general safety training and role specific safety training. For our new hires, Food Empire has implemented an occupational health and safety orientation programme that requires mandatory attendance prior to the start of their duties. In addition, all employees are eligible for regular healthcare services as well as health insurance.

In FY2023, Vietnam reported zero fatalities and zero lost time accidents. The factory proudly reports that up to today it has worked 775 days without a lost time accident. This was achieved through commitments from all employees, continuous training and management routines to inspect the factory. Management inspections include daily safety walks, weekly safety audits, and weekly KPI measuring. These inspections would identify safety issues and correct them.

In 2023, we have begun monitoring our health and safety metrics for employees and workers who are not employees, respectively. A summary of hours worked and work-related injury rate (serious injury) in 2023 for Vietnam and Russia are shown below:

Health and Safety Metrics	Russia		Vietnam	
	2022	2023	2022	2023
Total number of hours worked	1,271,591	1,300,636	2,906,256	2,645,080
Number of hours worked (Employees)	1,271,591	1,300,636	-	2,523,568
Number of hours worked (Workers who are not employees)	-	NA*	-	121,512
Total number of fatalities	0	0	0	0
Total fatality rate	0.00	0.00	0.00	0%
Total number of high consequence Injuries ¹³	0	0	0	0
Total rate of high consequence injuries	0.00	0.00	0.00	0%
Total number of work-related injuries	2	0	0	0
Total work-related injury rate ¹⁴	1.57	0.00	0.00	0
Total number of work-related ill health	-	0	-	0

*We do not have workers who are not employees in Russia.

Targets

Perpetual target	FY2023 Performance
Perpetual target of zero confirmed work-related fatalities in all our operations	Met
100% of workers receive at least one safety training annually	Met

¹³ Under GRI Standards 2021, "high consequence injuries" refer to injuries where the worker cannot, does not, or is not expected to fully recover to pre-injury health status within 6 months.

¹⁴ Work-related injury rate is calculated based on the number of injuries per 1,000,000 hours worked.

$$\text{Work-related injury rate} = \frac{\text{Number of work-related injuries (excluding fatalities)}}{\text{Number of hours worked}} \times 1,000,000$$

PRODUCT QUALITY AND SAFETY

Consumer Safety

As a food manufacturing company, we place significant emphasis on ensuring that our products are safe for consumption with no inaccurate labelling. We understand that mismanagement of our products can result in a loss of reputation, financial penalties, and possible breach of product safety laws in affected markets. Breach of product safety can also have serious effects on consumer well-being, for example by causing food poisoning or other related illness.

Product Labelling and Marketing

The Group communicates information about our product quality, nutrition, safety, and disposal methods primarily through packaging and labelling and we strive to do so in a transparent manner. We aim to ensure that our labelling is accurate and clear for our customers to make informed purchasing decisions.

In Vietnam and Russia, all significant products are covered by and assessed for compliance with relevant labelling and marketing requirements. Throughout our product information, labelling and marketing communications efforts in FY2023, there were zero confirmed cases of non-compliance with regulations or voluntary codes resulting in a fine, penalty or warning.

Management Approach and Policy

Our food safety and quality policies are constantly reviewed to ensure that they satisfy new regulatory requirements and customer preferences. These policies enable us to continue to produce products of the highest quality that are implemented at country level to ensure compliance with local regulations.

Policies and procedures	Summary
Russia	
Quality and Food Safety	<ul style="list-style-type: none"> • Manufacture products that meet or exceed our quality and food safety standards and statutory and regulatory requirements • Develop and implement the Quality Management System and Product Safety System and validate their effectiveness through internal and external verification processes • Engage with vendors on their quality systems and specifications for inspection, handling, storage, and dispatch of raw materials and packaging materials • Communicate with consumers on product stage and other consumer guidelines
Vietnam	
Food Safety Policy	<ul style="list-style-type: none"> • Outline food safety and quality management system and guidelines to meet the food safety standard
Quality manual	<ul style="list-style-type: none"> • Set out the key steps in quality control procedures
Good manufacturing practices (“GMP”) manual	<ul style="list-style-type: none"> • Provide guidance on best practices in manufacturing process to ensure the health and safety of our product
Supplier control manual	<ul style="list-style-type: none"> • Outline the controls to ensure the quality of the supply
Warehouse standard manual	<ul style="list-style-type: none"> • Set out the requirements for safe storage, for example: hygiene practices, humidity level and temperature.
Transportation manual	<ul style="list-style-type: none"> • Provide guidelines to our drivers on how to maintain the quality of our supply and product during transportation



Food Safety and Quality Management

RUSSIA

Our Food Safety and Quality Management system in Russia is certified by the GOST standards, a regulatory requirement for food manufacturers in Russia. The following table summarises our current food safety and quality certifications¹⁵.

Standards certified	Description of standard
GOST R ISO 22000-2019 (ISO 22000:2018) Food Safety Management Systems	This standard sets out the requirements for a food safety management system and maps out what an organisation needs to do to demonstrate its ability to control food safety hazards and ensure food safety.
GOST ISO 9001-2015 (ISO 9001:2015) Quality Management Systems – Requirements	This standard sets out the criteria for an effective quality management system and it is designed to help organisations ensure that they meet the needs of stakeholders, and statutory requirements.

To ensure zero cases of non-compliance with the regulations concerning consumer safety, we have conducted safety impact assessment of all of our products across its whole lifecycle. Additionally, Food Empire Russia's food safety management system is based on the principles of the Hazard Analysis and Critical Control Points ("HACCP"). We have also been open in taking feedback from our stakeholders and have made improvements to our manufacturing process to ensure its safety and quality.

VIETNAM

In Vietnam, our Food Safety and Quality Management system is certified and in compliance with ISO 22000:2005. Policies and practices in Vietnam have been constantly updated to ensure continued relevance.

Standards certified	Description of standard
ISO 22000: 2005 Food Safety and Quality Management Systems	This standard sets out the requirements for a food safety management system and maps out what an organisation needs to do to demonstrate its ability to control food safety hazards and ensure food safety.

To maintain compliance to our Group's food safety standards, we have mobilised a team comprising of members from various operation units to oversee the management of these standards. Specifically, this team is responsible for the tracking and reviewing of the performance of products. To ensure high quality review of product is carried out, the team has undergone training for international standards. These trainings include, ISO certification, GMP training, HACCP training, that are assessed frequently for improvements.

¹⁵ These certifications relate to the entity FES Products LLC in Russia, whose principal activities include the manufacturing and distribution of our products.



We have also conducted supplier audits annually to review the food safety performance of our suppliers. This enables us to uphold our high standards in managing food safety across our entire supply chain. We have also conducted a comprehensive assessment to identify operational prerequisite programmes (“ORP”) and critical control point (“CCP”) in our key processing steps. Food Empire was able to implement a robust monitoring procedure to maintain the highest standards for our products by identifying ORP and CCP.

As of 2023, we have assessed 100% of our products for consumer safety impacts and there were no cases of non-compliance with all applicable laws and regulations concerning consumer safety in Vietnam and Russia.

Targets

Perpetual target	FY2023 Performance
Zero confirmed incidents of non-compliance with all applicable laws and regulations concerning consumer product quality and safety ¹⁶	Met
Zero confirmed incidents of non-compliance with applicable regulations concerning product information and labelling	Met

OUR COMMUNITY

The Group recognises that our activities can have significant economic, social, cultural, and environmental impacts on local communities. We strive to anticipate and avoid any negative impacts on local communities where possible and remain committed to practicing ethics and social responsibility. In FY2023, there were no operations with significant actual and potential negative impacts on local communities to the best of our knowledge.

Community building is a key pillar of our sustainability strategy and we have implemented local community engagement and development programmes across all our operations.

¹⁶ Changes have been made to the target to reflect the actual assessment. Target was originally worded “Zero confirmed incidents of non-compliance with all applicable laws and regulations concerning consumer health and safety”.



FOOD EMPIRE SINGAPORE

Food Empire Supported Dazhong Primary School's Junior Orchestra Programme

Food Empire supported the Junior Orchestra ("JO") Programme at Dazhong Primary School, which aims to identify students who show an aptitude and interest in the performing art. Selected students will be invited to further develop their skills and deepen their passion through the JO programme. This programme helps to inspire students to share their love of music and to bring joy to the community.



Showing Care to the Elderly in Singapore

Food Empire Singapore organised a monthly volunteering activity for the staff to visit and show care to the seniors in a nursing home last year. We hope this simple act will encourage social connection with the residents and encourage staff to have a caring heart for the community. More activities were planned to reach out to these seniors to alleviate their loneliness.



Rebuilding the Lives of the Reformed Offenders with ISCOS & NeuGen

In an effort to support and empower the lives of the reformed offenders and their families in Singapore, Food Empire was humbled to be one of the sponsors of the appreciation event held by ISCOS & NeuGen - organisations that provide holistic and empathetic support to reformed offenders, their children and families to prevent intergenerational offending.



FOOD EMPIRE VIETNAM

Charity Event at THIÊN BÌNH Orphanage in Đồng Nai Province

In December 2023, CSR Committee of Food Empire Vietnam called for donation of cash, consumable goods, used and good conditions household and kids' items for the compassionate drive to Thiên Bình orphanage located in Dong Nai province where there are shelters for hundreds of vulnerable and unfortunate individuals, including orphans, disabled children, sick and lonely elderly people with no one to rely on.

Along with a few members of the local authorities and a group of 20 Food Empire Vietnam staff and family members, we travelled down to the Thiên Bình orphanage to hand deliver and share the love with the people there. Food Empire products were distributed such as CaféPHỐ, MacCereal, Oat Cereal, Hillway Bubble Tea, L'Amore Cookie, and many more items. We also distributed goods like diapers, toothpaste, food (rice, milk, daily edible items), used clothes, stationery, books, notebooks, and toys.





FOOD EMPIRE RUSSIA

Contributing to the Community

To care for our community, Food Empire Russia has implemented programmes to care for the livelihood of families who are in need.

Throughout 2023, we have actively engaged in various charitable initiatives, demonstrating our commitment to social responsibility. In September and December 2023, we provided essential support to low-income families affiliated with the "A.P. Light of the Soul" programme by delivering coffee products. We also organised a special tour of our production facility in December for veterans from the Council of Veterans of the Dmitrovsky District and presented them with gifts from our factory.



Recognising the importance of supporting families facing challenges, we extended financial assistance to five large families especially those with disabled children. Each of these families received a monthly contribution of 5,000 Russian Ruble, contributing to their well-being and alleviating financial burdens.

On Children's Day 2023, we actively participated in and distributed 100 gifts to children with disabilities at a boarding school. As part of our ongoing commitment to the community, we initiated monthly excursions for children from schools in Dmitrov and Yakhroma, accompanied by special gift presentations. These endeavours reflect our dedication to making a positive impact in the lives of individuals and families within our community.



CLIMATE-RELATED DISCLOSURES



As part of our commitment to increase transparency of climate-related reporting, Food Empire will be progressively enhancing our climate-related disclosures and adopting the TCFD recommendations with reference to SGX's phased approach.

In accordance with the recommendations of TCFD, we have assessed the impact of climate-related risks and opportunities, and have proposed mitigating responses to cushion against the impact of climate change on our operations. In FY2023,

- An assessment was performed at Group level by the Sustainability working committee so as to develop a good understanding of Food Empire's key climate-related risks.
- All identified climate-related risks have been reviewed by the respective entity's risk owners including sustainability impact owners. The likelihood assessment of each risk occurring were aligned between respective impact and risk owners.

The four core elements of the TCFD Recommendations provide an appropriate structure to identify, disclose and manage climate-related risks and opportunities. The following table summarises our considerations of each element in our disclosures.

● Implemented ● Commenced, In-progress ● Not commenced

TCFD Recommended Disclosures	FY2023 Status	Summary and Next Steps
Governance		
a. Describe the Board's oversight of climate-related risks and opportunities	●	<p>At Food Empire, governance of climate-related issues falls within the broader sustainability governance structure. The Board meets bi-annually to discuss relevant updates on climate-related risks and opportunities. Climate risks are considered as part of Food Empire's Enterprise Risk Management's material risks, which are financial, strategic, operational, compliance and IT risks.</p> <p>All targets are approved by the Board, who is also responsible for reviewing targets on a half-yearly basis and monitoring of performance. The SSC provides updates on the performance of these targets on a half-yearly basis.</p>



TCFD Recommended Disclosures	FY2023 Status	Summary and Next Steps
<p>b. Describe management's role in assessing and managing climate-related risks and opportunities</p>	<p>●</p>	<p>The SSC is responsible for the overall management of climate risks and opportunities, as well as the implementation of climate policies, initiatives and targets by business units. Climate risks are identified through workshop facilitated by the ESG consultant and are reviewed annually through internal and external data analysis. All identified risks are managed by different business units with an assigned material impact owner, which have their own risk register.</p> <p>Additionally, the SSC reviews the management of climate risks and climate initiatives, policies and targets half-yearly by business units. All material climate issues are discussed and reviewed with respective material impact owner. The SSC provides the Board with an update on the performance against targets half-yearly.</p>
<p>Strategy</p>		
<p>a. Describe the climate-related risks and opportunities the organisation has identified over the short, medium and long term</p>	<p>●</p>	<p>Please refer to the “Climate-related risks and opportunities” section below for more information.</p>
<p>b. Describe the impact of climate-related risks and opportunities on the organisation's business, strategy and financial planning</p>	<p>●</p>	
<p>c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2C° or lower scenario</p>	<p>●</p>	<p>In line with SGX's phased implementation approach for TCFD adoption, the Group will incorporate scenario analysis in our subsequent sustainability reports.</p>



TCFD Recommended Disclosures	FY2023 Status	Summary and Next Steps
Risk Management		
a. Describe the organisation's processes for identifying and assessing climate-related risks	●	<p>The Group has commenced discussions on climate change risks and opportunities involving senior management across business units in FY2023. This is facilitated by an independent ESG consultant to determine the key sustainability issues that are crucial to our stakeholders.</p> <p>The Group has identified the relevant climate-related risks and opportunities as outlined in the Climate Risks and Opportunities section below. Each identified risk is assessed based on: 1) the likelihood of occurrence; and 2) the severity of potential impacts arising from the risk.</p>
b. Describe the organisation's processes for managing climate-related risks	●	<p>The climate risk assessment process detailed above provides input for the Group to determine our risk management strategy. In addition to the likelihood and impact of the risk, we have also taken into consideration other relevant factors such as cost and time period involved.</p>
c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management	●	<p>In FY2023, an assessment is performed at Group level, by the Sustainability working committee, so as to develop a good understanding of Food Empire's key climate-related risks. All the identified climate-related risks have been reviewed by the respective entity's risk owners including sustainability impact owners. The likelihood assessment of each risk occurring were aligned between respective impact and risk owners.</p> <p>The climate-related risks are treated the same way as other risks at Food Empire. Further, they have been considered as part of our ERM framework.</p>



TCFD Recommended Disclosures	FY2023 Status	Summary and Next Steps
Metrics and Targets		
a. Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	●	<p>The Group tracks and reports a number of climate-related metrics including energy consumption, and Scope 1 and Scope 2 GHG emissions.</p> <p>The Group is evaluating other metrics that may potentially warrant inclusion as targets to manage climate-related risks.</p>
b. Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	●	<p>Scope 1 GHG emissions: 110 tCO₂e Scope 2 GHG emissions: 2,646 tCO₂e</p> <p>In line with SGX's phased implementation approach for TCFD adoption, the Group shall evaluate the need to quantify and monitor Scope 3 emissions in subsequent sustainability reports.</p>
c. Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	●	<p>The Group has determined targets concerning the reduction of our energy consumption and GHG emissions. The Group is also evaluating other metrics that may potentially warrant inclusion as targets to manage climate-related risks.</p>

CLIMATE-RELATED RISKS

In line with our commitment to align with the TCFD recommendations, our identification and assessment of climate-related risks considers:

- **Transition risks:** include changes to policy and legal obligations, technological innovation, changing market demand for products, and changing stakeholder expectations.
- **Physical risks:** risks relating to the physical impacts of climate change (both acute and chronic). Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods, while chronic physical risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves.



The table below presents our analysis of our most significant and relevant climate-related risks. The Group recognises that the list is not exhaustive, and we will continue to enhance our understanding and responses to these risks.

Transition Risks	Descriptions	Mitigation Responses
Policy and Legal	<p>Introduction of carbon tax in key manufacturing locations.</p> <p>Increased actions by governments to reduce GHG emissions may lead to increased pricing of GHG emissions which could result in increased electricity prices</p>	<p>Food Empire shall implement energy efficiency measures where possible.</p> <p>We will also continue to leverage and integrate renewable energy in our operations where possible. Please see section Planet – Energy and Emissions, for more details on efforts to decarbonise our operations.</p>
	<p>Time period¹⁷: Medium, Long</p> <p>Likelihood¹⁸: Possible</p> <p>Financial impact: Increased operational expenses</p> <p>Value Chain and Impact Region: Manufacturing</p> <ul style="list-style-type: none"> Malaysia (FESSB) India (Indus Coffee) 	
	<p>Introduction of environmental regulations to target reduction of non-recyclable packaging waste in key manufacturing locations and markets.</p> <ul style="list-style-type: none"> Increased actions by governments to regulate materials such as plastic and packaging materials Increased costs associated with procuring substitutes and sustainable packaging materials due to constraint in supplies This may also result in increased capital costs and investment in replacing packaging equipment. 	<ul style="list-style-type: none"> The Group shall continue to keep abreast of environmental regulations in key manufacturing locations and markets We will also continue to explore more sustainable packaging solutions where feasible.
	<p>Time period: Medium, Long</p> <p>Likelihood: Possible</p> <p>Financial impact: Increased operational expenses</p> <p>Value Chain and Impact Region: Manufacturing</p> <ul style="list-style-type: none"> Russia (FESP) Vietnam (FESV) Malaysia (EMSB, FESSB) 	

¹⁷ Definition of time period used in this Report:
 • Short: Less than 5 years (2023 – 2027)
 • Medium: Between 5 and 10 years (2028 – 2033)
 • Long: More than 10 years (2034 – 2050)

¹⁸ Three categories of likelihood have been used in this Report (in decreasing order of likelihood): Certain, Likely and Possible.



Transition Risks	Descriptions	Mitigation Responses
Market	Consumer preferences shifting in favour of more environmentally conscious brands <ul style="list-style-type: none"> • Evolving consumer and market preferences towards products and packaging with green credentials • Some consumers may avoid specific categories, brands or materials due to controversies or lack of green credentials 	The Group shall continue to monitor environmental regulations and market trends.
	Time period: Medium, Long	
	Likelihood: Possible	
	Financial impact: Loss of revenue, Missed growth opportunities	
	Value Chain and Impact Region: Sales and Marketing for all markets where Food Empire is present	
Technology	Transitioning to lower emissions technologies in manufacturing and packaging plants <ul style="list-style-type: none"> • There will be costs associated with decarbonising the Group's value chain • This may include replacing and substituting emission-intensive assets, materials and services • More efficient technology that have higher production capacity per unit of energy consumption. 	Food Empire shall continue to leverage and integrate renewable energy in our operations where possible. Please see section Planet - Energy and Emissions, for more details on efforts to decarbonise our operations.
	Time period: Medium, Long	
	Likelihood: Possible	
	Financial impact: Asset write-downs, Increased capital and financing required for investment in low-emission technologies	
	Value Chain and Impact Region: Manufacturing <ul style="list-style-type: none"> • Malaysia (EMSB and FESSB) • Vietnam (FESV) • India (Indus Coffee) 	



Physical Risks	Description	Risk Mitigation
Acute: Extreme rainfall and increased flooding and drought events	Extreme weather events such as floods or droughts may cause damage to key crops such as coffee, potentially increasing the price or disrupting yields	The Group maintains a flexible and nimble procurement strategy to react quickly to price changes.
	Time period: Short, Medium, Long	
	Likelihood: Likely	
	Financial impact: Increased operational expenses	
	Impact Area: Sourcing	<ul style="list-style-type: none"> • All manufacturing sites shall ensure that the facility has adequate response mechanisms to reduce impacts during extreme weather events. • The Group has implemented a business continuity plan. • Business interruption insurance. • The Group has multiple production facilities, in different countries, to buffer against operational disruptions.
	Extreme weather events such as storms or flash floods could impact the Group's plants by potentially causing operational disruptions and requiring additional capital expenditure to retrofit existing plants to withstand weather events	
	Time period: Short, Medium, Long	
	Likelihood: Possible	
Financial impact: Potential damage to assets, Increased capital expenditure		
Value Chain and Impact Region: Manufacturing and Sales <ul style="list-style-type: none"> • Vietnam (FESV) • India (Indus Coffee) 		
Chronic: Increasing mean temperatures	Extreme temperature spells or changes in average temperature could impact Food Empire's plants, requiring additional provisions (e.g., cooling equipment in hot regions) to ensure a safe and productive working environment for staff	Given that certain regions have already seen extreme temperature spells (e.g., Russia), Food Empire has systems in place to adjust the temperature of factory to ensure safe and productive working environment.
	Time period: Short, Medium, Long	
	Likelihood: Certain	
	Financial impact: Increased capital expenditure, Increased operational expenses	
	Value Chain and Impact Region: Manufacturing and Sales and Distribution <ul style="list-style-type: none"> • Russia (FESP) 	



CLIMATE-RELATED OPPORTUNITIES

The Group is well-positioned to seize opportunities in the green economy as businesses shift towards adoption of low carbon technologies. The Group has several avenues to capture such opportunities outlined below:

Opportunities	Description	Management's Response
Energy Source, Resilience	Adopting renewable energy as an additional energy source <ul style="list-style-type: none"> Increase the adoption of low-carbon technologies in production sites and renewable energy sources to power operations and reduce exposure to future carbon taxes By adopting energy-efficient equipment and processes and decarbonising operations, the Group can enhance its resilience to electricity price fluctuations and reduce operational costs through energy savings 	<ul style="list-style-type: none"> The Group has installed renewable energy technologies and shall continue to adopt more energy efficient measures and processes to reduce electricity consumption and lower emissions. The Group will keep track of advancements in low-carbon and energy-efficient technologies available and assess potential adoption opportunities where appropriate.
	Time period: Short, Medium, Long	
	Likelihood: Certain	
	Financial impact: Reduced direct costs from lower-emissions sources of energy	
Products and Services	Offer customers products made with sustainable ingredients and packaging materials of higher recyclability opportunities <ul style="list-style-type: none"> Increase the adoption of packaging materials with higher recyclability opportunities to promote material circularity and meet evolving consumer expectations Consumers are more environmentally conscious and expect companies to consider environmental issues. 	<ul style="list-style-type: none"> The Group shall also start to assess materials and suppliers based on environmental factors.
	Time period: Medium, Long	
	Likelihood: Likely	
	Financial impact: Increased revenue resulting from increased demand for low-emission/ more sustainable products	

SGX SIX PRIMARY COMPONENTS INDEX

S/N	Primary Component	Addressed in this Report
1	Material ESG Factors	Materiality Assessment
2	Climate-related disclosures consistent with the TCFD recommendations	Climate-related Disclosures
3	Policies, Practices and Performance	<ul style="list-style-type: none"> • Board Statement • Sustainability at Food Empire • Principles • Planet • People • Climate-related Disclosures
4	Board Statement	Board Statement
5	Targets	<ul style="list-style-type: none"> • Principles • People
6	Framework	<ul style="list-style-type: none"> • About Our Report – Reporting Principles and Statement of Use

GRI CONTENT INDEX

Statement of use	Food Empire Holdings Ltd has reported the information cited in this GRI content index for the period 1 January 2023 to 31 December 2023 with reference to the GRI Standards.
GRI 1 used	GRI 1: Foundation 2021

GRI Standards	Disclosure	Reference and/or Reason for Omission
GRI 2: General Disclosures 2021	2-1 Organizational details	About Food Empire
	2-2 Entities included in the organization's sustainability reporting	About Our Report – Reporting Scope
	2-3 Reporting period, frequency and contact point	About Our Report – Reporting Principles and Statement of Use
	2-4 Restatements of information	There are no restatements of information made from previous reporting periods
	2-5 External assurance	About Our Report – Assurance
	2-6 Activities, value chain and other business relationships	<ul style="list-style-type: none"> About Food Empire About Our Report
	2-7 Employees	People – Profile of our workforce
	2-8 Workers who are not employees	People – Profile of our workforce
	2-9 Governance structure and composition	Please refer to Corporate Governance Report 2023
	2-10 Nomination and selection of the highest governance body	Please refer to our Corporate Governance Report 2023
	2-11 Chair of the highest governance body	Please refer to our Corporate Governance Report 2023
	2-12 Role of the highest governance body in overseeing the management of impacts	Principles – Sustainability Governance
	2-13 Delegation of responsibility for managing impacts	Principles – Sustainability Governance
	2-14 Role of the highest governance body in sustainability reporting	Principles – Sustainability Governance
	2-15 Conflicts of interest	Please refer to our Corporate Governance Report 2023
	2-16 Communication of critical concerns	Principles – Grievance procedures



GRI Standards	Disclosure	Reference and/or Reason for Omission
	2-17 Collective knowledge of the highest governance body	Please refer to our Corporate Governance Report 2023
	2-18 Evaluation of the performance of the highest governance body	Please refer to our Corporate Governance Report 2023
	2-19 Remuneration policies	Please refer to our Corporate Governance Report 2023
	2-20 Process to determine remuneration	Please refer to our Corporate Governance Report 2023
	2-21 Annual total compensation ratio	Confidentiality – Commercial confidentiality reasons
	2-22 Statement on sustainable development strategy	Board Statement
	2-23 Policy commitments	<ul style="list-style-type: none"> Principles Planet People
	2-24 Embedding policy commitments	<ul style="list-style-type: none"> Principles Planet People
	2-25 Processes to remediate negative impacts	<ul style="list-style-type: none"> Principles Planet People
	2-26 Mechanisms for seeking advice and raising concerns	Principles – Grievance procedures
	2-27 Compliance with laws and regulations	Principles – Corporate compliance
	2-28 Membership associations	FES Products LLC: Member of RusteaCoffee Association
	2-29 Approach to stakeholder engagement	Stakeholder Engagement and Materiality
	2-30 Collective bargaining agreements	People – Our Employment Practices
Disclosure of Material Topics		
GRI 3: Material Topics 2021	3-1 Process to determine material topics	Stakeholder Engagement and Materiality
	3-2 List of material topics	Stakeholder Engagement and Materiality



GRI Standards	Disclosure	Reference and/or Reason for Omission
Principles		
GRI 3: Material Topics 2021	3-3 Management of material topics	Principles
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	Principles – Local Procurement Practices
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	Principles – Anti-Corruption
	205-2 Communication and training about anti-corruption policies and procedures	Principles – Anti-Corruption
	205-3 Confirmed incidents of corruption and actions taken	Principles – Anti-Corruption
GRI 207: Tax 2019	207-1 Approach to tax	Principles – Tax Compliance
	207-2 Tax governance, control, and risk management	Principles – Tax Compliance
GRI 414: Supplier Social Assessment 2016	414-2 Negative social impacts in the supply chain and actions taken	Principles – Local Procurement Practices
GRI 418: Customer Privacy 2016	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	Principles – Customer Data Privacy
Planet		
GRI 3: Material Topics 2021	3-3 Management of material topics	Planet
GRI 302: Energy 2016	302-1 Energy consumption within the organization	Planet – Energy and emissions
	302-3 Energy intensity	Planet – Energy and emissions
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	Planet – Energy and emissions
	305-2 Energy indirect (Scope 2) GHG emissions	Planet – Energy and emissions
	305-4 GHG emissions intensity	Planet – Energy and emissions
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	Planet – Waste
	306-3 Waste generated	Planet – Waste
	306-4 Waste diverted from disposal	Planet – Waste
	306-5 Waste directed to disposal	Planet – Waste



GRI Standards	Disclosure	Reference and/or Reason for Omission		
People				
GRI 3: Material Topics 2021	3-3 Management of material topics	Planet		
GRI 3: Material Topics 2021	3-3 Management of material topics	People		
GRI 202: Market Presence 2016	202-1 Ratios of standard entry level wage by gender compared to local minimum wage	People – Market Presence		
	202-2 Proportion of senior management hired from the local community	People – Market Presence		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	People – Profile of our Workforce		
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	People – Our Employment Practices; Employment Benefits		
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	People – Occupational Health and Safety		
	403-2 Hazard identification, risk assessment, and incident investigation	People – Occupational Health and Safety		
	403-3 Occupational health services	People – Occupational Health and Safety		
	403-4 Worker participation, consultation, and communication on occupational health and safety	People – Occupational Health and Safety		
	403-5 Worker training on occupational health and safety	People – Occupational Health and Safety		
	403-6 Promotion of worker health	403-6 (a)	People – Occupational Health and Safety	
		403-6 (b)	Not applicable. Food Empire does not provide any voluntary health promotion services.	
403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	People – Occupational Health and Safety			



GRI Standards	Disclosure	Reference and/or Reason for Omission	
	403-8 Workers covered by an occupational health and safety management system	People – Occupational Health and Safety 403-8 (a)(ii) and (iii) Russia: The system has not been internally or externally audited in FY2023. Vietnam: The system has not been externally audited in FY2023.	
	403-9 Work-related injuries	People – Occupational Health and Safety	
	403-10 Work-related ill health	People – Occupational Health and Safety	
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	People – Staff Training	
	404-2 Programs for upgrading employee skills and transition assistance programs	404-2 (a)	People – Staff training
		404-2 (b)	Not applicable. Food Empire does not have any transition assistance programs for Employees.
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	People – Employee Diversity	
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	People – Our Employment Practices	
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	People – Our Employment Practices Information relating to our suppliers is not available – our current supplier evaluation system does not include our suppliers’ practices and/or policies relating to freedom of association and collective bargaining.	



GRI Standards	Disclosure	Reference and/or Reason for Omission
GRI 408: Child Labour 2016	408-1 Operations and suppliers at significant risk for incidents of child labor	People – Our Employment Practices Information relating to our suppliers is not available – our current supplier evaluation system does not include our suppliers' practices and/or policies relating to child labor.
GRI 409 Forced or Compulsory Labor 2016	409-1 Operations and suppliers at significant risk for incidents of forced or compulsory labour	People – Our Employment Practices Information relating to our suppliers is not available – our current supplier evaluation system does not include our suppliers' practices and/or policies relating to forced or compulsory labor.
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	People – Our Community
GRI 416: Customer Health and Safety 2016	416-1 Assessment of the health and safety impacts of product and service categories	People – Product Quality and Safety: Food Safety and Quality Management
	416-2 Incidents of non-compliance concerning the health and safety impacts of products and services	People – Product Quality and Safety: Food Safety and Quality Management
GRI 417: Marketing and Labelling 2016	417-2 Incidents of non-compliance concerning product and service information and labelling	People – Product Quality and Safety: Product Labelling and Marketing
	417-3 Incidents of non-compliance concerning marketing communications	People – Product Quality and Safety: Product Labelling and Marketing
Climate-related Disclosures		
GRI 201: Economic Performance 2016	201-2 Financial implications and other risks and opportunities due to climate change	Climate-related Disclosures

TCFD INDEX

Please refer to section “**Our Planet – Our Environment**” for our climate-related disclosures in line with TCFD recommendations.



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