

NAVIGATING CHALLENGES SUSTAINING PROGRESS

Sustainability Report 2024



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CORPORATE PROFILE

Kimly Limited (the “Company” or “Kimly”, and together with its subsidiaries, the “Group”) is one of the largest traditional coffee shop operators in Singapore with more than 30 years of experience.

The Group operates and manages an extensive network of 86 food outlets, 176 food stalls, 11 Tonkichi and Tenderfresh restaurants and four (4) Tenderfresh kiosks across the heartlands of Singapore. It operates its own central kitchen that supplies sauces, marinades and semi-finished food products to its food stalls, which enables better control over business processes and generates cost savings. Tenderfresh Group's central kitchen also engages in manufacturing, processing and sale of food products to customers.

Its Food Retail division – comprising Mixed Vegetable Rice, Teochew Porridge, Dim Sum, Seafood “Zi Char”, Japanese Food and Western Food – operates within the Group's coffee shops, third parties' coffee shops, food courts, F&B kiosks and full-service restaurants. These food products are also available for online ordering through multiple delivery platforms.

Kimly was listed on the Catalist of the Singapore Exchange Securities Trading Limited on 20 March 2017.



BOARD'S STATEMENT



As we look to the future, we remain dedicated to improving our ESG performance, building partnerships that drive positive change and innovating to meet the evolving needs of our stakeholders.

The Board is pleased to present Kimly Limited's Sustainability Report for 2024 ("SR2024"). This report highlights our ongoing commitment to sustainable growth and responsible business practices as we serve our customers, employees and the broader community.

The financial year 2024 ("FY2024") was a period of steadily growing our presence while optimising operations in Singapore against a challenging business environment of increasing competition, rising costs and manpower shortages. At Kimly, we recognise the value of integrating environmental, social, and governance ("ESG") considerations into all aspects of our business. These efforts reflect our belief that long-term success is built on balancing financial performance with meaningful social impact, good governance and environmental stewardship.

The Group views organisational sustainability as a long-haul journey in which we learn from market practices to make incremental improvements to our ESG practices. The Board regularly reviews the sustainability framework to ensure that we identify the relevant material economic, environmental, social and governance factors facing our business, track these material factors on an ongoing basis, and manage them effectively.

On the economic front, the Group recorded net profit attributable to the shareholder of the Company, excluding the corporate income tax rebate of S\$1.5 million, of S\$31.7 million for FY2024. The performance remained comparable to FY2023 and aligned with the long-term corporate objective of financial sustainability.

On the environmental front, we continued to manage and report Scope 1 and Scope 2 greenhouse gas ("GHG") emissions. We are mindful of the Singapore Exchange ("SGX")'s announcement in September 2024 for all issuers to adopt the new International Financial Reporting Standards ("IFRS") Sustainability Disclosure Standards for climate-related disclosures. The Group will comply with the new reporting requirements in due course.



On the social front, we adopted a holistic approach to taking care of our workforce in terms of competitive compensation, comprehensive benefits, financial incentives, and training and development opportunities. This included implementation of the Progressive Wage Model ("PWM") to raise the salaries of Singapore workers in our workforce. We continued our longstanding practice of supporting various charitable organisations and causes.

On the governance front, we remained steadfast in our zero-tolerance approach towards any form of dishonest or corrupt behaviour or practices. In FY2024, there were no whistleblowing complaints and no reported cases of corruption.




As we look to the future, we remain dedicated to improving our ESG performance, building partnerships that drive positive change and innovating to meet the evolving needs of our stakeholders. The Board would like to express our gratitude to all employees, customers, business partners, food stall operators, suppliers and shareholders for their continued support on this journey. Together, we will work toward a more sustainable, resilient and prosperous future for all.

SUSTAINABILITY PERFORMANCE

The table below summarises our FY2023 and FY2024 performance on key sustainability indicators and the targets for FY2025. Our FY2024 sustainability performance had largely met targets and either maintained or improved upon last year's performance in areas such as gender and age diversity of the workforce, training provided, electricity and water consumption, and community contributions. The short-term annual targets will be supplemented by medium and long-term targets for specific material factors where relevant and practical, as highlighted throughout this report.

INDICATORS	FY2023 PERFORMANCE	FY2024 PERFORMANCE	FY2025 TARGETS
Sustainable, Committed and Competent Workforce 	<ul style="list-style-type: none"> 2,603 employees (including part-timers, as of 30 September 2023) 	<ul style="list-style-type: none"> 2,700 employees (including part-timers, as of 30 September 2024) 	<ul style="list-style-type: none"> Sustain the gender and age diversity of the workforce
	<ul style="list-style-type: none"> Gender ratio of 48% female to 52% male 	<ul style="list-style-type: none"> Gender ratio of 46% female to 54% male 	
	<ul style="list-style-type: none"> 50% of the workforce were aged 50 and above 	<ul style="list-style-type: none"> 51% of the workforce were aged 50 and above 	
	<ul style="list-style-type: none"> 6,280 hours of training for staff in various functional roles 	<ul style="list-style-type: none"> 6,004 hours of training for staff in various functional roles 	<ul style="list-style-type: none"> Provide timely and effective training
	<ul style="list-style-type: none"> 220 employees (8.5% of staff strength) were promoted 	<ul style="list-style-type: none"> 147 employees (5.4% of staff strength) were promoted 	<ul style="list-style-type: none"> Promote staff who are ready for additional responsibilities
Food Health and Safety 	<ul style="list-style-type: none"> Zero food safety and contamination incidents at food outlets 	<ul style="list-style-type: none"> Zero food safety and contamination incidents at food outlets 	<ul style="list-style-type: none"> Maintain zero food safety and contamination incidents at food outlets
	<ul style="list-style-type: none"> 53 recorded offences arising from onsite inspections at our food establishments 	<ul style="list-style-type: none"> 75 recorded offences arising from onsite inspections at our food establishments 	<ul style="list-style-type: none"> Enhance our internal hygiene, cleanliness and housekeeping policies and procedures to minimise such offences
	<ul style="list-style-type: none"> 23 incidents of work injuries that resulted in work injury insurance claims 	<ul style="list-style-type: none"> 44 incidents of work injuries that resulted in work injury insurance claims 	<ul style="list-style-type: none"> Reduce the risk of workplace safety incidents and maintain zero incidents of workplace fatalities

SUSTAINABILITY PERFORMANCE

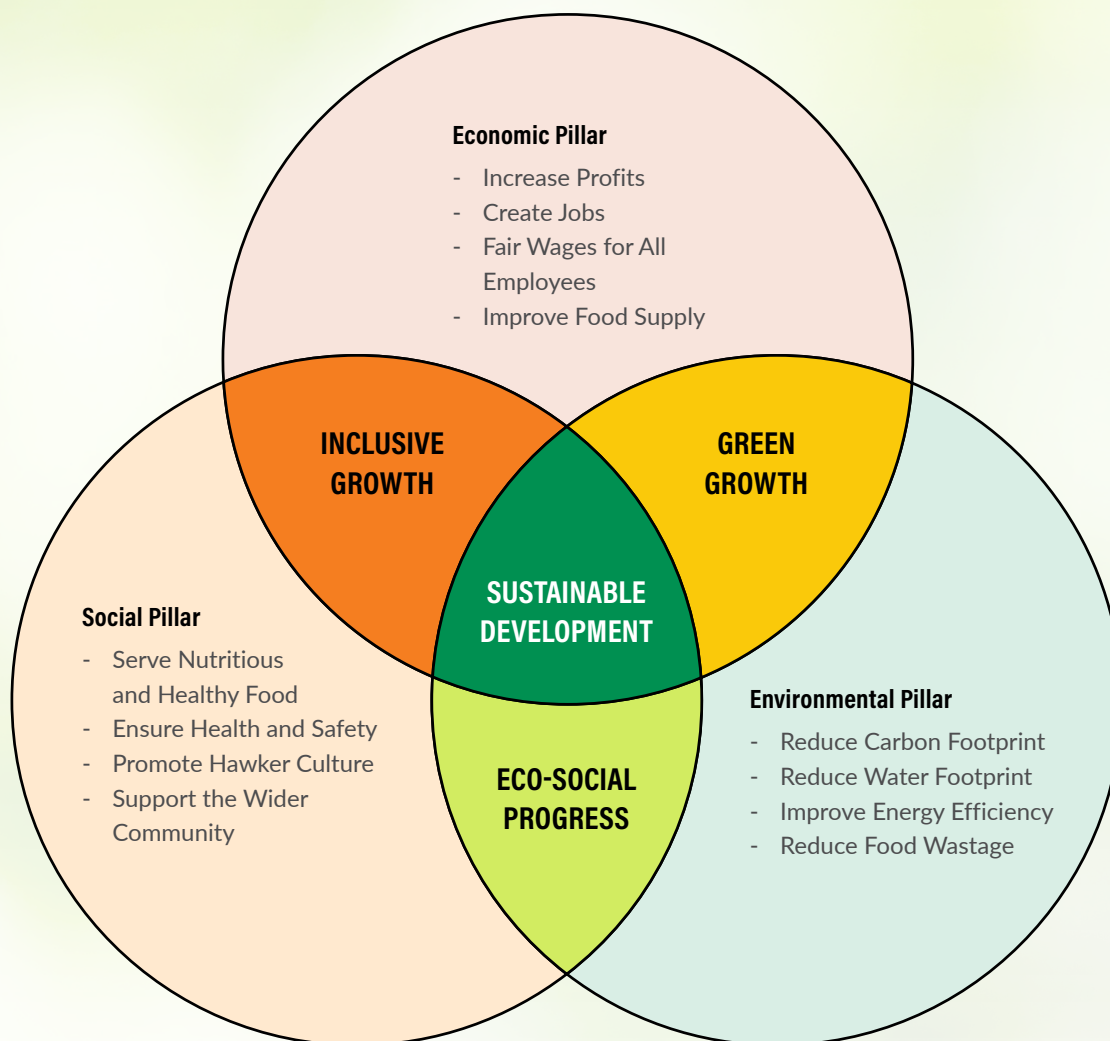
INDICATORS	FY2023 PERFORMANCE	FY2024 PERFORMANCE	FY2025 TARGETS
Customer Satisfaction 	<ul style="list-style-type: none"> Active monitoring of customer feedback. There were no serious complaints that warranted immediate handling and escalation 	<ul style="list-style-type: none"> Active monitoring of customer feedback. There were no serious complaints that warranted immediate handling and escalation 	<ul style="list-style-type: none"> Achieve a positive trend in feedback on product quality, service and cleanliness
	<ul style="list-style-type: none"> 5 customer-related safety incidents at our outlets 	<ul style="list-style-type: none"> 5 customer-related safety incidents at our outlets 	<ul style="list-style-type: none"> Minimise customer-related safety incidents at our outlets
	<ul style="list-style-type: none"> 1,665,401 Meta accounts reached with 7,277,669 impressions via ads 	<ul style="list-style-type: none"> 1,467,464 Meta accounts reached with 6,407,805 impressions via ads 	<ul style="list-style-type: none"> Improve our social media engagement performance
Minimising Environmental Impact 	<ul style="list-style-type: none"> Zero incidence of environmental non-compliance 	<ul style="list-style-type: none"> Zero incidence of environmental non-compliance 	<ul style="list-style-type: none"> Maintain zero incidence of environmental non-compliance
	<ul style="list-style-type: none"> 35,457,380 kWh of electricity was consumed on a group-wide level with energy intensity of 0.113 kWh per S\$ of revenue¹ 	<ul style="list-style-type: none"> 37,074,866 kWh of electricity was consumed on a group-wide level with energy intensity of 0.116 kWh per S\$ of revenue 	<ul style="list-style-type: none"> Reduce electricity consumption and intensity
	<ul style="list-style-type: none"> 621,159 m³ of water was used on a group-wide basis with usage intensity of 0.002 m³ per S\$ of revenue¹ 	<ul style="list-style-type: none"> 646,982 m³ of water was used on a group-wide basis with usage intensity of 0.002 m³ per S\$ of revenue 	<ul style="list-style-type: none"> Reduce water consumption and intensity
	<ul style="list-style-type: none"> Total Scope 1 and Scope 2 emissions of 18,636 tonnes CO₂e with emission intensity of 0.06 kgCO₂e per S\$ of revenue¹ 	<ul style="list-style-type: none"> Total Scope 1 and Scope 2 emissions of 19,097 tonnes CO₂e with emission intensity of 0.06 kgCO₂e per S\$ of revenue 	<ul style="list-style-type: none"> Track and mitigate overall emissions and emission intensity
Supporting the Local Community 	<ul style="list-style-type: none"> Regular promotions and bundled pricing to provide affordable meals to the community 	<ul style="list-style-type: none"> Regular promotions and bundled pricing to provide affordable meals to the community 	<ul style="list-style-type: none"> Ensure that our prices remain affordable and competitive
	<ul style="list-style-type: none"> S\$165,800 in donations to social and charitable programmes 	<ul style="list-style-type: none"> S\$203,120 in donations to social and charitable programmes 	<ul style="list-style-type: none"> Continue to support worthy community organisations and causes

1 The FY2023 Sustainability Report contained errors in FY2023 figures for water consumption, water intensity, LPG and diesel consumption, Scope 1 direct emissions, electricity consumption, electricity intensity, Scope 2 indirect emissions from purchased electricity, and total Scope 1 and Scope 2 emissions. These figures have been corrected in this report to ensure accuracy and comparability across reporting periods.

KIMLY'S SUSTAINABILITY STRATEGY

SUSTAINABILITY PHILOSOPHY IN FOOD SERVICE

Our sustainability philosophy is anchored by the pillars of Economic, Social and Environmental responsibility. We adopt a double materiality perspective in our value chain, considering how external factors financially impact our business at every stage of production and service processes. In turn, we focus on creating economic value, providing broad-based benefits to the community and minimising negative impacts.



KIMLY'S SUSTAINABILITY STRATEGY



ECONOMIC PILLAR

Our long-term goal is to achieve financial sustainability, ensuring we have resources and reserves to invest in future opportunities and weather any economic downturns. For FY2024, the Group reported a net profit attributable to the shareholders of the Company, excluding the corporate income tax rebate of S\$1.5 million, of S\$31.7 million, continuing our trend of positive financial performance since FY2016. Our robust FY2024 Balance Sheet, with total assets of S\$400.5 million against total liabilities of S\$210.4 million, demonstrates our capability to operate efficiently and grow our revenue streams and network of food outlets through organic growth, joint ventures, and strategic mergers and acquisitions.

Beyond delivering strong returns for our shareholders, we also generate economic value and contribute to societal well-being by providing stable employment for 2,700 full-time and part-time employees.

In response to the increase in FY2024 payroll expenses from implementation of the PWM, management worked on optimising the workforce within the Group by implementing self-service at the drink stalls and allowing natural attrition to right-size the workforce in some food outlets. Other measures to manage rising costs included closing down underperforming food stalls and redeploying the manpower to other growth areas.

SOCIAL PILLAR

For over thirty years, we have consistently aimed to serve nutritious, delicious and affordable meals across Singapore. We are committed to providing a safe and welcoming environment for both our employees and customers, actively engaging with grassroots organisations and residents to keep Singapore's hawker culture vibrant, and contributing to charitable causes to support those in need.

In FY2024, the Group successfully expanded our network by opening three (3) new food outlets at Woodlands Link, Marsiling Road and Orchard Road; two (2) Tenderfresh restaurants at Kallang Bahru and Hougang Avenue 8; and 11 food stalls. Kimly Group's first food court at Lucky Plaza, located in the heart of Orchard Road, features 11 food stalls and a drink stall, accommodating over 260 patrons. This new outlet offers a diverse array of popular local and international dishes at affordable prices, ensuring a delightful dining experience. Additionally, three (3) of our existing Kimly coffee shops were refurbished and revitalised as part of our Outlet Revitalisation Program to enhance the customers' dining experience and hygiene standards.

ENVIRONMENTAL PILLAR

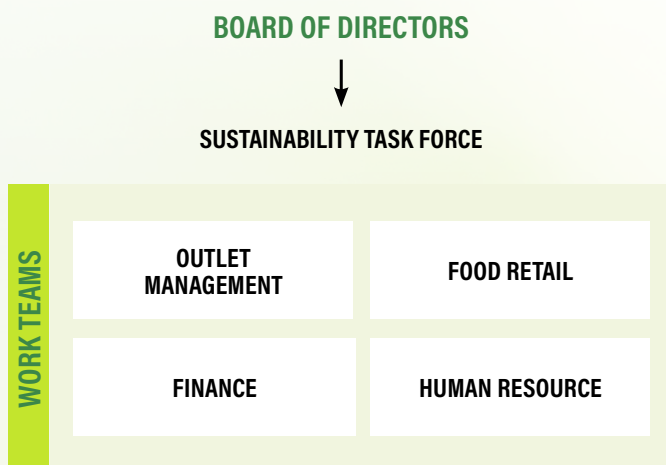
We carefully manage the use of resources such as food ingredients, water, electricity, liquified petroleum gas ("LPG") and fuel. This strategy not only helps optimise our operating expenses but also reduces our ecological footprint and waste generation. We also monitor and report GHG emissions in line with the SGX's reporting requirements, supporting Singapore's climate change initiatives. Additionally, we continuously seek innovative solutions and new technologies to improve efficiency and enhance the customer experience across various aspects of our business.

SUSTAINABILITY GOVERNANCE

OVERSIGHT AND STRUCTURE

Kimly's Board of Directors plays a key role in guiding our sustainability strategy and its execution. The Board has integrated sustainability considerations into the Group's business and strategy, identified material sustainability factors, and actively overseen their management, monitoring and reporting. The Board consistently advises Management on the effective implementation, prioritisation and tracking of the relevant sustainability initiatives and metrics. Moreover, Board Members frequently interact with staff, customers and partners to stay connected with ground sentiments and shifting market dynamics.

The Group-wide Sustainability Task Force, chaired by the Director of Operations, Outlet Management division, regularly reports its progress and any critical concerns to the Board of Directors. This Task Force, consisting of management personnel and representatives from the key functional units, is responsible for implementing sustainability plans, coordinating specific initiatives and monitoring sustainability performance.



RISK MANAGEMENT AND SOCIOECONOMIC COMPLIANCE

Risk management is a fundamental aspect of good corporate governance. The Board, supported by the Audit Committee ("AC"), oversees the Group's risk governance, risk management and internal control systems and framework. The Board has established a system of internal controls within the Group to protect shareholders' interests, safeguard the Group's assets and manage risks effectively.

The Group has established and implemented a risk management framework to identify, assess, monitor and report significant risks. The Board oversees the Management in formulating, updating and maintaining an effective risk management framework. Annually, the AC reviews the adequacy and effectiveness of the risk management and internal control systems, covering financial, operational, compliance and information technology controls.

The Group maintains a risk register that identifies the material risks it faces and the internal controls in place to manage or mitigate those risks. Business heads within the Group update the risk register, and the AC reviews it annually. The Internal Audit considers the risks identified in the risk register when preparing the audit plan for the upcoming financial year. In line with SGX's latest requirements, the sustainability reporting process is subject to internal review by the Internal Auditor. The audit plan is approved by the AC. The Internal Audit function reports all audit findings and recommendations to the AC annually and follows up on all recommendations to ensure timely remediation of audit issues.

Sustainability-related risks, including climate-related risks, are part of the overall risk universe covered in the risk management framework and processes.

The Group adheres strictly to all relevant national and local laws and regulations, covering areas such as labour and employment, child labour, non-discrimination, occupational health and safety, and the environment. Additionally, the Group does not procure or use any prohibited chemicals or ingredients.

SUSTAINABILITY GOVERNANCE

ANTI-CORRUPTION

Kimly's corporate policy strictly enforces zero tolerance for any form of corrupt behaviour or practices. This aligns with our principles of integrity, responsibility and accountability, and ensures full compliance with all anti-corruption laws and regulations.

Our Employee Code of Conduct outlines clear guidelines for all staff to follow in their interactions with customers, business partners and colleagues. We also ensure that our stand against corruption and bribery is clearly communicated to all our business partners and suppliers, both before and during their engagements with our Group.

The Group has established whistle-blowing procedures that allow employees to report and raise any concerns about possible wrongdoing in good faith and with confidentiality. All concerns can be reported directly to the AC, which will determine if action or review is necessary.

In FY2024, there were no reported cases of corruption.

REPORTING SCOPE

This report covers the Group's operations in Singapore - namely Outlet Management, Food Retail and Outlet Investment Business - for the period 1 October 2023 to 30 September 2024 ("FY2024"). Data from the previous financial year (i.e. FY2023) has been included where relevant for meaningful comparisons.

This report has adopted the Global Reporting Initiative ("GRI") Reporting Standards as the GRI is globally recognised and it allows Kimly to identify and report topics relevant to our industry and context. This report has been prepared in accordance with the latest GRI Universal Standards as well as with Rule 711B and Practice Note 7F of the Singapore Exchange Securities Trading Limited Section B: Rules of Catalyst.

The report covers all six primary components of report content as set out in Practice Note 7F. The report components are mapped against specific sections in this report:

PRIMARY

COMPONENT SECTION REFERENCE IN THIS REPORT

1. Material ESG Factors	<ul style="list-style-type: none"> • Materiality Assessment • Sustainable, Committed and Competent Workforce • Food Health and Safety • Customer Satisfaction • Pioneering Innovation • Minimising Environmental Impact • Supplier Social Management • Supporting the Local Community
2. Climate-related Disclosures	<ul style="list-style-type: none"> • Climate-related Risks and Opportunities
3. Policies, Practices and Performance	<ul style="list-style-type: none"> • Kimly's Sustainability Strategy • Sustainability Governance
4. Targets	<ul style="list-style-type: none"> • Sustainability Performance
5. Sustainability Reporting Framework	<ul style="list-style-type: none"> • Reporting Scope
6. Board's Statement	<ul style="list-style-type: none"> • Board's Statement

The FY2023 Sustainability Report contained errors in FY2023 figures for water consumption, water intensity, LPG and diesel consumption, Scope 1 direct emissions, electricity consumption, electricity intensity, Scope 2 indirect emissions from purchased electricity, and total Scope 1 and Scope 2 emissions. These figures have been corrected in this report to ensure accuracy and comparability across reporting periods.

Kimly had not sought external assurance for this year's report. We welcome feedback on our sustainability reporting. Comments and enquiries can be emailed to: marcomm@kimlygroup.sg.

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

STAKEHOLDER ENGAGEMENT

Engaging with stakeholder and addressing their feedback and needs are ongoing priorities. Stakeholders' feedback and suggestions assist Kimly in adjusting our business strategy and operating transparently and accountably. The table below summarises our key stakeholders, engagement platforms and areas of concern in FY2024.

STAKEHOLDERS	ENGAGEMENT PLATFORMS	AREAS OF CONCERN	SECTION REFERENCE IN THIS REPORT
Employees	<ul style="list-style-type: none"> • Regular dialogues • Team bonding events • Service appraisal and staff recognition 	<ul style="list-style-type: none"> • Remuneration and benefits • Training and development • Health and safety • Career development opportunities • Customer relationship management skills • Job security and health 	<ul style="list-style-type: none"> • Employment Profile and Diversity • Employee Benefits • Training and Development • Occupational Health and Safety
Customers	<ul style="list-style-type: none"> • Customer surveys and reviews • Advertisements and media campaigns • Online channels 	<ul style="list-style-type: none"> • Food safety and hygiene • Variety of food • Customer service and food quality • Purchase channels 	<ul style="list-style-type: none"> • Food Health and Safety • New Products and Services • Customer Engagement and Feedback • Customer Safety • Broadening e-Commerce Channels
Stall holders	<ul style="list-style-type: none"> • Daily interactions • Regular feedback sessions 	<ul style="list-style-type: none"> • Physical environment and maintenance • Health and safety • Sustaining customer brand loyalty 	<ul style="list-style-type: none"> • Food Health and Safety
Suppliers	<ul style="list-style-type: none"> • Regular interactions • Supplier evaluation • Supplier management 	<ul style="list-style-type: none"> • Positive supplier relationship management 	<ul style="list-style-type: none"> • Food Health and Safety • Supplier Selection • Suppliers' Employment Practices
Community	<ul style="list-style-type: none"> • Corporate social responsibility programmes • Corporate donations • Sponsorships 	<ul style="list-style-type: none"> • Community engagement services • Supporting the community economically 	<ul style="list-style-type: none"> • Providing Affordable Meals for All • Paying It Forward • Creating Employment Opportunities
Government and Regulators	<ul style="list-style-type: none"> • Industry seminars and feedback sessions • Focus group discussions 	<ul style="list-style-type: none"> • Food safety compliance • Economic performance 	<ul style="list-style-type: none"> • Food Health and Safety • Risk Management and Socioeconomic Compliance • Minimising Environmental Impact
Shareholders and Investors	<ul style="list-style-type: none"> • SGX announcements • Annual reports • Half-yearly reports and updates • Annual General Meetings 	<ul style="list-style-type: none"> • Economic performance • Anti-corruption policy • Business performance plans • Capital management strategy • Response to climate change 	<ul style="list-style-type: none"> • Risk Management and Socioeconomic Compliance • Pioneering Innovation • Climate-related Risks and Opportunities

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

MATERIALITY ASSESSMENT

The Group believes that sustainable growth depends on meeting and exceeding the expectations of our key stakeholders. We adopt a double materiality approach by assessing how sustainability factors could impact value creation for shareholders and how our operations could have broader impacts for multiple stakeholders.

We adopt an annual process for reviewing the material factors:



- We use our Sustainable Food Value Chain as a starting point to identify specific economic, social and environmental issues.
- We take into consideration our stakeholders' current concerns and feedback.
- We review external developments and trends, such as inflationary pressures that affect our business costs and consumers' preferences in FY2024.
- The Management identifies and shortlists the material factors for the Board's inputs and approval.

For FY2024, the Group decided to maintain the same material factors from FY2023 as these factors remained pertinent in supporting our sustainability and corporate strategies. The material factors are as follows:

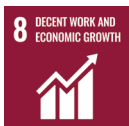


- Sustainable, Committed and Competent Workforce
- Food Health and Safety
- Customer Satisfaction
- Pioneering Innovation
- Minimising Environmental Impact
- Supplier Social Management
- Supporting the Local Community

ALIGNMENT WITH THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

At Kimly, we are dedicated to aligning our business practices with the United Nations Sustainable Development Goals ("SDGs") and contributing to a better world through economic prosperity, good health, workforce equality and environmental protection. We have identified five SDGs that align with our core business of providing affordable and accessible meals and where we can positively impact the community's well-being.

SDGs	ALIGNMENT WITH KIMLY'S MATERIAL FACTORS	OUR CONTRIBUTIONS
 <p>3 GOOD HEALTH AND WELL-BEING</p> <p>Ensure healthy lives and promote well-being for all at all ages</p>	<ul style="list-style-type: none"> • Sustainable, Committed and Competent Workforce • Food Health and Safety • Customer Satisfaction 	<ul style="list-style-type: none"> • We provide a safe working environment for our employees and encourage them to stay healthy • We focus on food safety and hygiene • Through our commitment to providing affordable nutritious meals, we support good health and well-being for our customers
 <p>5 GENDER EQUALITY</p> <p>Achieve gender equality and empower all women and girls</p>	<ul style="list-style-type: none"> • Sustainable, Committed and Competent Workforce 	<ul style="list-style-type: none"> • Kimly is committed to gender equality with females comprising 46% of our workforce in FY2024 • We promote equal opportunities, support career development, and create an inclusive environment to advance the goal of gender equality

STAKEHOLDER ENGAGEMENT AND MATERIALITY ASSESSMENT

SDGs	ALIGNMENT WITH KIMLY'S MATERIAL FACTORS	OUR CONTRIBUTIONS
 <p>Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all</p>	<ul style="list-style-type: none"> • Sustainable, Committed and Competent Workforce • Pioneering Innovation • Supplier Social Management • Supporting the Local Community 	<ul style="list-style-type: none"> • We adhere to fair and progressive labour regulations and practices to attract, retain and reward our employees • We encourage innovation in the workplace to raise productivity • We support the growth of small and medium enterprises (“SMEs”) that are in our network of suppliers and partners • Our outlets across Singapore generate steady employment for a cross-section of local residents
 <p>Reduce inequality within and among countries</p>	<ul style="list-style-type: none"> • Sustainable, Committed and Competent Workforce 	<ul style="list-style-type: none"> • Kimly actively promotes diversity and inclusivity within our workforce • We have a group-wide Non-Discrimination Policy • We provide equal training and development opportunities, and adopt a transparent and merit-based system to recognise and reward all employees regardless of their age, gender, ethnicity or country of origin
 <p>Ensure sustainable consumption and production patterns</p>	<ul style="list-style-type: none"> • Minimising Environmental Impact 	<ul style="list-style-type: none"> • Kimly is actively reducing food waste and adopting eco-friendly packaging options to reduce downstream waste and pollution • We focus on the sustainable management and efficient use of natural resources throughout our operations

SUSTAINABLE, COMMITTED AND COMPETENT WORKFORCE

As a service sector business, we rely on capable individuals at every levels to oversee and manage the various aspects of our round-the-clock operations in Singapore, including our corporate headquarters, central kitchens and food outlets across the island. Our approach to building a strong workforce is comprehensive, focusing on recruiting, motivating, rewarding and retaining a diverse team in terms of gender, age, nationality, skills and educational backgrounds.

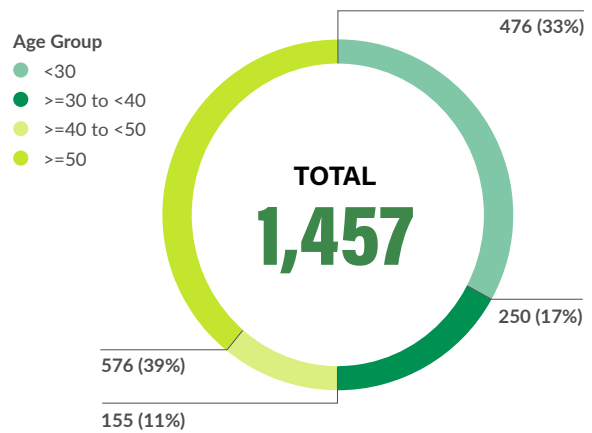
EMPLOYMENT PROFILE AND DIVERSITY

As of 30 September 2024, Kimly employed a total of 2,700 employees, including part-timers, an increase of 3.7% as compared to 2,603 employees from the previous year. We do not have any employees represented by an in-house or industry union. In FY2024, we outsourced 26 manpower positions and ensured that clear and comprehensive agreements were in place with the service providers. The outsourcing complied with labour laws and regulations, with regular checks conducted on ongoing compliance and performance. A feedback mechanism was set up for the outsourced workers, and there were proactive engagements with the service providers to identify areas for improvement and implement corrective actions when necessary.

In FY2024, the gender ratio was 46% female and 54% male, compared to 48% female and 52% male in FY2023. Additionally, 51% of our workforce were aged 50 and above, consistent with the previous year. We value our mature workers for their experience, reliability and ability to mentor younger colleagues.

A breakdown of our workforce by gender and age groups in FY2024 is shown in the charts below.

MALE EMPLOYEES BY AGE GROUPS



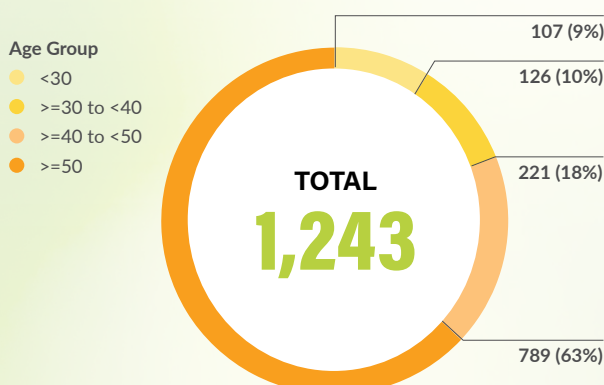
Kimly is committed to being an equal opportunity employer, treating all staff fairly regardless of age, race or gender. We have a group-wide Non-Discrimination Policy, and any staff that feels unfairly treated can seek assistance from our Human Resources Department. In FY2024, we did not receive any complaints from staff about discriminatory practices in the workplace.

We have a transparent system to recognise and reward all employees based on their demonstrated performance, competence and experience. This system ensures that their performance and incentives are aligned and contributed to the overall performance of the Group. Staff remuneration is determined by employees' performance, roles and responsibilities, and the Group's financial performance.

As annual remuneration levels for different categories of employees are driven by the job value, the Group's performance and market conditions, we do not track the annual total compensation ratio between senior management and the median compensation for all employees. Such a ratio may not effectively gauge whether our employees are fairly compensated and well taken care of. Instead, the Group has made every effort to ensure that all employees, especially those with lower incomes, are paid in accordance with the Ministry of Manpower ("MOM")'s guidelines and programmes for fair and sustainable real wage increases such as the Progressive Wage Model and Local Qualifying Salary scheme.

We conduct annual appraisals for employees using measurable factors and qualitative criteria, including team spirit, interpersonal skills and creativity. In FY2024, 2,075 staff (76.9%) underwent a performance appraisal.

FEMALE EMPLOYEES BY AGE GROUPS



SUSTAINABLE, COMMITTED AND COMPETENT WORKFORCE

EMPLOYEE BENEFITS

The Group offers comprehensive and attractive employee benefits in line with statutory requirements and industry norms. These include medical insurance, annual and parental leave, and monthly transport and meal allowances for eligible employees. Our employee benefits help us to attract and retain talented individuals, positioning Kimly as a caring employer with a family-centric corporate culture.

In FY2024, 368 staff were awarded the School Textbook subsidy, totalling S\$78,544. Each staff would receive a subsidy of either S\$208 or S\$308, depending on the eligibility criteria, to help cover their children's education expenses. Additionally, 55 staff were awarded long service awards, amounting to a total of S\$42,000. Birthday Dining vouchers worth S\$348,100 were distributed to 1,948 staff to celebrate with their families and friends.



The Group has a Performance Incentive Scheme in which business units can reward high-performing staff with cash incentives on a monthly or quarterly basis. A monthly average of 878 staff qualified for the award in FY2024 with total cash payout of approximately S\$1.28 million for the full year.

The Company first adopted the Kimly Performance Share Plan ("PSP") on 15 February 2017. The objective is to share the Group's success with more of our employees and strengthen the link between performance and compensation. In FY2024, a total of 2,400,631 share awards were granted under the Kimly PSP, compared to 2,003,759 share awards granted in FY2023.

SUSTAINABLE, COMMITTED AND COMPETENT WORKFORCE

TRAINING AND DEVELOPMENT

As a service-based business, Kimly's employees are our most valuable asset. Given our diverse workforce and operational nature of our business, our employees participate in relevant functional training and learn on the job to enhance their skills, improve their lifelong employability, and foster pride and loyalty.

In FY2024, we provided a total of 6,004 hours of training to our employees to enhance their competencies and boost productivity. Additionally, corporate training and employee investment can boost motivation and engagement. The table below provides an overview of the types of courses delivered in FY2024.



Functional Training

- Basic and refresher food hygiene courses
- Environmental Control Coordinator training
- Finance and IT training
- On-the-job training for the in-house Time Management System
- Eco Ambassador Starter

Skills Training

- Workforce Skills Qualifications in workplace safety and health
- Automation for workplace productivity and creativity
- Managing sustainability projects
- Leadership development courses

Compliance Training

- Enhancing management capabilities in compliance with the Progressive Wage Model

147 employees, i.e. 5.4% of the total staff strength of 2,700, were recognised for their good performance and promoted to take on additional responsibilities.



FOOD HEALTH AND SAFETY

As an established food service provider, maintaining high standards in food health and safety is our top priority. The Group is stringent in its food safety standards and practices, complying with all applicable regulations and ensuring that all relevant certifications are current and valid. We strive for a zero-incident rate by prioritising cleanliness and food hygiene in daily operations. Achieving and maintaining high quality and safety standards along our food value chain is essential in delivering nutritious and safe cooked food for consumption.

FROM FARM TO FORK

Food health and safety starts with what and how we buy our food ingredients and processes. The procurement process covers the following areas:

- Inventory control
- Storage of goods
- Vendors' feedback
- Receipt of goods
- Products purchased from approved suppliers' list
- Month-end inventory report

For FY2024, the Group sourced from approved suppliers who produce, package, store and deliver products according to established manufacturing and handling practices and standards. To ensure the freshness and quality of our food ingredients, we prioritise local suppliers licensed by the Singapore Food Agency ("SFA"). Suppliers are expected to consistently meet our required specifications, particularly regarding product quality and timely delivery.

To offer our customers healthier food choices, we have consistently sourced from suppliers of fresh and quality ingredients. Our main supplier of vegetable oil and rice has participated in the Health Promotion Board ("HPB")'s Healthier Ingredient Development Scheme ("HIDS"). In FY2024, we continued to offer a wide variety of non-meat dishes at our Mixed Vegetable Rice stalls, allowing customers to choose balanced meals of less than 500 calories. Health-conscious customers can also request for less oil at our Seafood "Zi Char" stalls and opt for hot drinks with less or no sugar at our coffee shops and food courts.

In support of the Health Promotion Board's Nationwide Sodium Intake Reduction campaign, our central kitchens have switched to reduced sodium iodized salt, which contains 30% less sodium. This shift aims to help lower the risk of high blood pressure, stroke and heart disease. The initiative has been successfully rolled out across the central kitchens and stalls/restaurants of Kimly Dim Sum, Kimly Mixed Vegetable Rice and Tenderfresh, without compromising the flavour standards.

FOOD STORAGE

The Group continuously updates and implements comprehensive food storage policies to ensure our food products remain fresh and wholesome. Our central kitchen adopts a minimum inventory policy, preparing and delivering most semi-finished food products daily to our food stalls via chilled delivery trucks to maximise freshness.

At our food stalls, ingredients are stored in chillers and freezers with daily temperatures monitoring. Expiry dates on the food and ingredient packaging are checked before use. These measures optimise storage and usage to maintain ingredient freshness.

FOOD PREPARATION

Kimly adopts strict food hygiene practices and guidelines during food preparation. All staff involved in food preparation must adhere to hygiene policies and practices, and those handling food are required by the SFA to pass the accredited Basic Food Hygiene Course.

Daily checks are conducted to monitor the health and personal hygiene for all food handlers. Supervisors check food handlers returning from medical leave to ensure their symptoms have cleared before they resume work. The food manufacturing division, food delivery vehicles and food storage areas are inspected daily for cleanliness and orderliness.

Assistant Executive Chefs monitor each food stall to ensure that the food products sent from our central kitchens are handled properly according to Standard Operating Procedures ("SOPs").

OUTLET MANAGEMENT

Kimly ensures that all third-party food stall operators are thoroughly informed about the importance of health and safety compliance before leasing a stall to them. This promotes consistent food safety awareness and practices.

We have a quality and compliance assurance team ("QC Team") comprising executive chefs of each food division and headed by the Director of Operations, Outlet Management division. The QC Team periodically conducts surprise visits at each outlet and food stall. Photographs of non-compliance with regulations are taken with supporting notes recorded by our administration team. Immediate rectification actions have to be taken, and these actions are monitored, recorded and verified before closing the case. This ensures food vendors' expeditious compliance with the SOPs for food storage and handling.

FOOD HEALTH AND SAFETY

In FY2024, there were 75 recorded non-compliance offences arising from SFA's on-site inspections at our food outlets, compared to 53 offences in FY2023. For all recorded offences, prompt corrective actions were implemented to address the issues and prevent recurrence. These measures included issuing formal warning where necessary and reinforce adherence to established policies and procedures. Additionally, we have conducted periodic checks to ensure ongoing compliance.

OCCUPATIONAL HEALTH AND SAFETY

The Group has comprehensive policies and operating procedures to ensure the safety and health of all employees. These guidelines are reviewed periodically to align with prevailing regulations and best practices.

Safety is a top priority, and we spare no efforts to mitigate workplace and occupational safety risks. The Group provides guidelines to all employees on how to respond to various workplace incidents. If an employee suffers an injury, she or he will receive immediate medical attention, and the incident will be reported to the Executive Director. The head of the department will raise a Corrective Preventive Action Report detailing the nature of the incident and the measures taken to reduce the risk of future recurrences.

Safety measures were sustained in FY2024, in line with the guidelines issued by the Workplace Safety and Health Council ("WSHC"), which included the following:



Provision of replacement attire and gear for our central kitchen staff every six months. Daily checks are conducted at the premises, and key areas such as ventilation, lighting, storage space and kitchen space are inspected.



New employees receive a basic safety briefing during their onboarding process, while regular briefing sessions and meetings are conducted to revisit fundamental safety practices and verify the implementation of safety measures based on our risk assessment.



Workers are strongly encouraged to report any safety risks or concerns they encounter to their immediate supervisor or the designated person in charge.



In addition to general workplace risks, we place special emphasis on reinforcing vehicular safety measures to reduce accidents and incidents.



Our workers are educated on the key learning points from the WSHC's recent WSH Alerts and fatal accidents to further improve their safety awareness.

In FY2024, a series of Workplace Safety and Health In-House Briefings were conducted across all business units' outlet operations. These briefings involved studying work-related incidents, providing analysis and training for operational staff. The objective was to equip employees with the knowledge and skills needed to enhance safety throughout the organisation. These efforts reflect our commitment to fostering a safer workplace and cultivating a culture of safety awareness throughout the Group.

EMPLOYEE WELLNESS AND WORKMEN'S COMPENSATION INSURANCE

The Group provides workmen's compensation insurance to cover work-related injuries sustained by employees during their working hours. There is also medical insurance for our foreign employees to cover their non-work-related medical treatment outside working hours. In FY2024, 44 incidents of work injuries resulted in claims made against work injury compensation insurance, compared to 23 incidents in FY2023. All affected staff were cared for, with their medical bills covered either by the Group or the Group's insurance. Each case was thoroughly investigated, and safety procedures were reviewed and improved to guard against preventable risks such as cuts, scalds, slips and trips. Staff were also reminded to prioritise safety.

CUSTOMER SATISFACTION

At Kimly, customer satisfaction is a central focus and a key driver to our growth and success. We are committed to providing a comfortable, safe and enjoyable dining experience for our customers, and we continuously strive to improve our service standards through their feedback.

NEW PRODUCTS AND SERVICES

In FY2024, self-ordering takeaway kiosks were introduced at three (3) Tenderfresh outlets in Punggol Park, Punggol East and Woodleigh Mall. This initiative aims to improve queue management and efficiency, reduce waiting times, and provide a more convenient and contactless payment experience for customers.



CUSTOMER ENGAGEMENT AND FEEDBACK

In FY2024, the Group maintained an active presence on social media channels as part of our marketing and customer engagement efforts. The Kimly Coffeeshop's and Tenderfresh Group's pages on Facebook and Instagram collectively garnered more than 88,000 fans. Our online marketing efforts reached 1,467,464 Meta accounts with 6,407,805 impressions.

We regularly receive customer feedback through social media and other channels. Our goal is to achieve a positive trend in feedback regarding product quality, service and cleanliness at all outlets. We actively monitor feedback, respond promptly to key complaints and take corrective actions where necessary. We also incorporate customer suggestions into our service planning, such as offering healthier food options and identifying new locations for our outlets.

Below are some written feedback from our customers in FY2024:



"I noticed that the supervisor is hardworking and a team player, courteous and always helping his fellow workers whenever there is a need. He does not hesitate to clean and clear out the tables, and greets everyone with a warm and friendly smile. He truly leads by example."



"Counter staff is always full of smiles to both young and old, while the other staff are all very efficient as well! The whole team works seamlessly and in a harmonious fashion! This is by far my favourite Kimly outlet! Pls convey my compliments to all!"



"One of staff (guy) at cash counter is rude and I am going to write to social media on the rudeness of the guy. When your machine is slow don't blame on customer and his tone was bad."



"China lady service abruptly rude when I feedback to her my hot coffee wasn't hot. I ordered extra cup of hot tea no issue. As a regular customer, sincerely hope your company will address to this mentioned staff."

CUSTOMER SAFETY

Kimly is committed to ensuring a safe dining environment for our customers. We implement preventive and operational measures to protect them from safety hazards, such as use of non-slip floor tiles in all outlets and placing warning signs when floors are mopped or prone to water spillage.

A dedicated maintenance team of general cleaners visits each of our outlets at least once a month to scrub the floors and remove excessive dirt and oil using professional cleaning equipment. Daily checks are conducted to ensure that there is no pest breeding or contamination in food storage, preparation and consumption areas.

In FY2024, there were five (5) customer-related public liability claims due to injuries sustained by our customers (FY2023: 5 incidents). All incidents were thoroughly investigated and resolved with the claimants.

In September 2024, the SFA directed the recall of Fish Burger Ikan Sultan, a product manufactured by the Company's subsidiary, Tenderfresh Fried & BBQ Chicken Pte. Ltd. due to egg allergen present in the product, which was not stated on the packaging label. Under Singapore's food regulations, food products containing ingredients that are known to cause hypersensitivity to consumers with food allergies must be declared on food packaging labels.

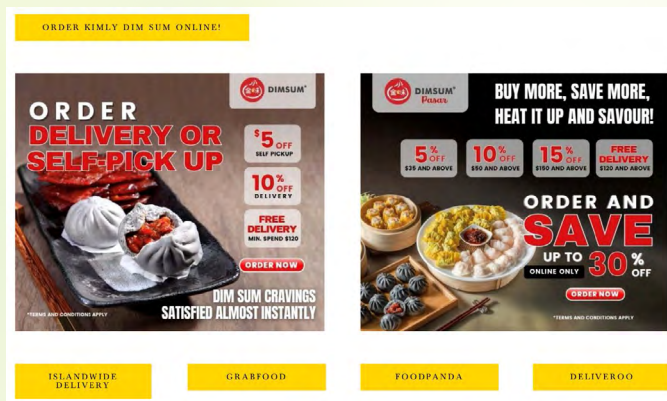
The Group promptly responded and arranged for the immediate recollection of the affected product from all retail shelves. The Group also initiated a thorough review of internal quality control processes to further improve and enhance allergen labelling, and ensure full compliance with food regulatory requirements. The sale of Fish Burger Ikan Sultan resumed on 17 October 2024.

PIONEERING INNOVATION

In FY2024, the Group advanced its digitalisation initiatives to enhance operational efficiency, while our new product development capabilities enabled us to design and offer innovative products and menus that cater to evolving customers preferences.

BROADENING E-COMMERCE CHANNELS

In FY2024, Kimly sustained its partnerships with major food delivery platforms. This boosts the Group's visibility in the competitive food delivery market and improve conversion rates by engaging diverse customer bases. By maintaining a customer-centric presence on these platforms, Kimly ensures that our varied offerings are readily accessible, allowing us to expand our reach beyond traditional dine-in patrons.



DIGITAL PAYMENTS AND SYSTEMS INTEGRATION

Since FY2020, we have deployed NETS' Unified Payment terminals across our island-wide network, enabling a single terminal to accept various forms of payment, including NETS bank cards, mobile wallets, and debit and credit cards.

The adoption of NETS' system provides multiple benefits, such as offering our customers the added convenience of payment options, replacing multiple payment vendors' terminals and freeing up counter-top space, lowering monthly costs, integrated oversight of e-payment transactions, and reducing training time for our frontliners by eliminating the risk of swiping cards on the wrong terminals.

INTRODUCTION OF QR CODE GENERATION FOR PAYMENTS

In FY2024, the Kimly Food Court at Lucky Plaza introduced a new QR code-based payment system that generates unique QR codes for payment, integrated with relevant payment gateways. Customers can choose to print receipts, reducing paper waste. This pilot system reduces human error and improves the customer experience.

PRODUCT AND MENU INNOVATION

Leveraging behavioural and time-based market data, along with qualitative insights from both customers and our front-line staff, the central kitchen team consistently analyses and creates customised seasonal limited-time offers, food packages, refreshed menus and promotional campaigns.



MINIMISING ENVIRONMENTAL IMPACT

The Group consistently monitors the environmental impacts of its various operations and implements measures and policies to minimise energy and water consumption, as well as ensure proper management of effluents and waste.

The Group has adopted a phased approach in climate-related disclosures ("CRDs") starting with last year's Sustainability Report. This includes tracking and reporting Scope 1 and Scope 2 greenhouse gas ("GHG") emissions.

ENVIRONMENTAL COMPLIANCE

The Group strictly complies with local environmental laws and regulations in all our operational locations. We require both new and existing suppliers to comply strictly with environmental laws and regulations, including those related to waste disposal, air emissions and pollution.

In FY2024, we fully complied with the Singapore Civil Defence Force ("SCDF") requirements for the cleaning and maintenance of Kitchen Exhaust Ducts in our outlets. We engaged a qualified specialist to perform thorough cleaning to reduce fire risk and air pollution. There were no reported cases of environmental non-compliance in the Group and among our suppliers in FY2024, maintaining our achievement of zero environmental non-compliance since FY2018.

CLIMATE-RELATED RISKS AND OPPORTUNITIES

Since FY2023, Kimly began identifying climate-related risks and opportunities relevant to our business. Timely identification allows the Group to assess the impact and develop appropriate response measures. The accelerating pace of climate change exposes many aspects of our operations to both physical risks and transition risks. Physical risks include damage from extreme weather events (e.g. water damage to our food establishments from heavy rain and floods), business disruptions and costs/provisions for repairs. Transition risks are business-related risks pursuant to societal and economic shifts toward a low-carbon future, including policy and regulatory risks, rising compliance and insurance costs, obsolete infrastructure, technological risks, market risks and reputational risks.

As part of assessing climate risks and opportunities, the Group has considered two divergent scenarios based on the Sixth Assessment Report on climate change published by the Intergovernmental Panel on Climate Change ("IPCC") in March 2023:

- An optimistic scenario C1 whereby the world would reach or exceed 1.5°C during the 21st century with a likelihood of $\leq 67\%$, and limit warming to 1.5°C in 2100 with a likelihood $> 50\%$, in line with the Paris Agreement. The impacts of climate change would be relatively less adverse. Extreme weather events become less frequent and less severe, reducing the physical risks associated with climate change for businesses. Additionally, companies that have proactively invested in climate resilience measures and sustainable practices benefit from enhanced operational efficiency and reduced exposure to regulatory and reputational risks. This scenario assumes the implementation of strict carbon mitigation regulations, a societal shift toward renewable energy and increased market demand for sustainable products and services.
- A pessimistic scenario C6 whereby the world would limit peak warming to 3°C throughout the 21st century with a likelihood of $> 50\%$, exacerbating climate-related risks such as sea-level rise, extreme temperatures, and natural disasters. Companies could face escalating physical risks from climate change, including damage to infrastructure, disruption of supply chains and loss of assets. This scenario assumes that global mitigation efforts fall short with geopolitical tensions in place. Climate policies exist in a fragmented manner and are significantly less aggressive than in the Paris-aligned scenario. The physical impacts of climate change worsen, transition risks are moderate, and companies will need to focus on climate adaptation as much as if not more so than emission mitigation.

In the optimistic scenario, the Group may need to comply with stricter decarbonisation mandates, rapidly transition to renewable energy, and take advantage of the growing demand for sustainable products and services. Conversely, in the pessimistic scenario, the Group may need to focus on risk mitigation and invest in adaptation measures, particularly to protect the safety and well-being of employees and customers. Both scenarios were considered when assessing potential impact and mitigation measures. Short-term refers to within 5 years, medium-term refers to 5-10 years, and long-term refers to beyond 10 years.

MINIMISING ENVIRONMENTAL IMPACT

The divergent scenarios would help the Group to frame the physical risks, transition risks and climate-related opportunities in terms of assessing potential impacts and identifying possible mitigation measures, as detailed in the tables below.

CLIMATE-RELATED PHYSICAL RISKS	TIME PERIOD	POTENTIAL IMPACT	MITIGATION MEASURES
1. Catastrophic extreme weather events – such as heat spells, heavy rain and flash floods	Short to medium term	<ul style="list-style-type: none"> • Extreme heat and heavy rain may affect customer comfort and turnout, especially for outdoor dining areas • Extreme heat can impact outlet staff's health and wellness as well as equipment reliability • Disruption to operations • Adverse impacts are often unpredictable and location-specific • Costs to repair or replace damaged or destroyed assets, value impairment • Property downtime and business disruption • Potential for increased insurance costs or reduced/no insurance availability 	<ul style="list-style-type: none"> • Ongoing monitoring of our food operations' exposure under the two different scenarios • Ensure that outdoor dining areas are well-ventilated with thermal comfort • In the pessimistic scenario, we will need to re-evaluate our risk assessment matrix on the increased likelihood of such events happening • Close monitoring of weather forecasts to ensure worker safety and adequate preparation • Increase resilience through contingency plans and insurance arrangements
2. Deterioration in ambient air quality – such as arising from increased incidences of forest fires in neighbouring countries	Short to medium term	<ul style="list-style-type: none"> • Impact to the dining experience and working environment in our outlets, particularly areas that are not air-conditioned 	<ul style="list-style-type: none"> • Deploy additional fans and air purifiers if necessary, and provide protective masks • Be prepared to ramp up food delivery in the event of severe and prolonged haze that affects dining out
3. Gradual changes in weather patterns – such as higher temperatures, increasing frequency of heavy rain and wind, volatile rainfall levels and water stress	Medium to long term	<ul style="list-style-type: none"> • Increased heat-related safety risks for workers, especially those working outdoors • Increased wear and tear or damage to equipment and assets, leading to increasing maintenance costs • Potential shortages and increased prices for key food items, bearing in mind that Singapore imports 90% of its food sources 	<ul style="list-style-type: none"> • In both scenarios, we will need to prioritise climate-resilient infrastructure and equipment • Implement energy-efficient processes and adopt renewable energy sources to improve operational resilience • Diversify our food supply sources and explore the use of alternative ingredients

MINIMISING ENVIRONMENTAL IMPACT

CLIMATE-RELATED TRANSITION RISKS	TIME PERIOD	POTENTIAL IMPACT	MITIGATION MEASURES
1. Policy and regulation risks – E.g. climate risk disclosure, tougher environmental standards, carbon pricing and emissions caps	Medium to long term	<ul style="list-style-type: none"> • Governments are increasingly implementing regulations to mitigate climate change. These regulations can impact operations through requirements for energy efficiency, waste reduction and sustainable sourcing practices • Increased cost of doing business due to new disclosure requirements and compliance measures 	<ul style="list-style-type: none"> • Stay informed of regulatory developments • Look out for suppliers and partners that are conversant with new climate-related regulations • In the pessimistic scenario, the regulatory changes may happen quickly. We will need to adapt our business processes to be flexible
2. Changing consumer preferences – E.g. as the public becomes more conscious of ESG issues, this may impact their food choices and which companies they choose to support	Short to medium term	<ul style="list-style-type: none"> • Businesses whose core products and services are not aligned with eco-friendly practices may experience decline in sales • Potentially higher operational costs from adopting green practices such as sustainable packaging and obtaining environmental certifications 	<ul style="list-style-type: none"> • Adapt our menu offerings and business practices to cater to changing consumer preferences • Look out for opportunities to collaborate with companies offering green innovations that can enhance Kimly's business
3. Reputational risks – Growing stakeholder preference to work with companies incorporating climate risk into investment decisions and operations	Short to medium term	<ul style="list-style-type: none"> • Risk to brand and market perception if the company is not on par with industry peers in managing climate risks • Damage to reputation and market position if green claims are unsubstantiated or false 	<ul style="list-style-type: none"> • Build up internal knowledge of climate-related risks over time, integrate them into business decisions and operations • Ensure ESG-related statements and disclosures are validated and transparently communicated • Engage with stakeholders, customers and investors to share our action plans
4. Financial risks – Financial institutions may be less likely to provide financing to businesses that do not manage their climate risks proactively	Medium to long term	<ul style="list-style-type: none"> • Reduced access to capital, higher borrowing rates and increased financing costs 	<ul style="list-style-type: none"> • Improve sustainability practices to align with investor and lender expectations, making the company more attractive to investors • Explore green bonds, sustainability-linked loans, and other financial instruments that reward climate-friendly practices, reducing the cost of capital

MINIMISING ENVIRONMENTAL IMPACT

CLIMATE-RELATED OPPORTUNITIES	TIME PERIOD	POTENTIAL BENEFITS	POSSIBLE MEASURES
1. Menu diversification	Short to medium term	<ul style="list-style-type: none"> • Providing sustainable menu options can attract environmentally conscious consumers, and increase consumer satisfaction and loyalty 	<ul style="list-style-type: none"> • Monitor customer feedback and provide sustainable menu options subject to market demand and affordability
2. Energy efficiency	Short to long term	<ul style="list-style-type: none"> • Adopting energy-efficient equipment and processes practices – such as LED lighting, solar rooftops and leasing of electric vehicles for deliveries – can reduce operating costs and carbon emissions • Integrating renewable energy sources into the operations can reduce GHG emissions and energy costs while enhancing long-term sustainability 	<ul style="list-style-type: none"> • Explore the technical and operational feasibility of implementing energy efficiency measures on an ongoing basis
3. Circular economy	Short to medium term	<ul style="list-style-type: none"> • Explore opportunities to recycle and reuse equipment and materials in our operations, which will minimise waste and reduce purchasing expenses • Minimising food waste and other forms of waste (e.g. packaging) can reduce pollution and minimise disposal-related emissions 	<ul style="list-style-type: none"> • Look for new opportunities to optimise use of resources and innovate circular practices

Aligned with SGX's Practice Note 7F Sustainability Reporting Guide, the Group adheres to the TCFD recommendations for reporting our climate-related disclosures across the four areas of governance, strategies, risk management, and metrics and targets. In FY2024, we began reviewing the new IFRS Sustainability Disclosure Standards for climate-related disclosures. We will comply with SGX's requirements and timeline for issuers to adopt these standards.

We use Scope 1 and Scope 2 GHG emissions as the primary metrics to assess climate-related risks and opportunities. As an increase in these emissions would expose the Group to higher levels of climate-related risks, as detailed in the preceding section of the report. Scope 1 and Scope 2 emissions result from the use of fossil fuels and purchased electricity. Therefore, our annual goal is to optimise resources use by transitioning from LPG to electric kitchen equipment and food processing operations. Our long-term goal is to switch to greener fuels and renewable energy where practical, considering availability, cost-effectiveness, government regulations, market norms and operational needs.

MINIMISING ENVIRONMENTAL IMPACT

ENERGY AND EMISSIONS MANAGEMENT

The Group relies on various energy sources to power its daily operations. Electricity from the national grid is used for lighting, air-conditioning and running of equipment and machinery. LPG is used for cooking while diesel is used for the Group's vehicles. We constantly monitor and optimise our energy consumption to ensure resources are used economically and responsibly. We also encourage employees to contribute, such as turning off equipment when not in use.

In FY2024, we continued our efforts to reduce energy consumption at all outlets, such as replacing fluorescent lamps with energy-efficient LED lights. We regularly serviced existing equipment to improve energy efficiency and maximise the effective lifespan. Older equipment would be progressively replaced with new, energy-efficient equipment.

The Group had also installed solar panels on the rooftop of Kimly's headquarters at 13 Woodlands Link through a solar leasing model from an established vendor. From end November 2023 to September 2024, a total of 158,257 kWh of solar electricity was utilised for the Group's operational consumption. The Group does not own the Renewable Energy Certificates from the solar photovoltaic system and the associated emissions are computed using location-based emission factors.



The Group's electricity consumption for FY2023 and FY2024 is as follows:

	FY2023 ¹	FY2024
Electricity consumption in kilowatt-hour (kWh)	35,457,380	37,074,866 (+4.6%)
Electricity intensity, i.e. consumption per dollar of revenue (kWh/\$)	0.113	0.116

In FY2024, the Group consumed 1,156,252 kg (FY2023: 1,165,005 kg¹) of LPG and 159,176 litres (FY2023: 162,895 litres¹) of diesel.

Estimated Scope 1 and Scope 2 emissions for FY2024 are as follows:

TYPE OF EMISSIONS	EMISSIONS	REMARKS
Scope 1 direct emissions	Emissions from LPG consumption = 3,398,641 kgCO ₂ e (FY2023: 3,424,371 kgCO ₂ e ¹) Emissions from diesel consumption = 423,656 kgCO ₂ e (FY2023: 433,199 kgCO ₂ e ¹)	LPG emission factor = 2.94 kgCO ₂ e per kg Diesel emission factor = 2.66 kgCO ₂ e per litre Emission factors are sourced from the UK Government's website for GHG reporting
Scope 2 indirect emissions from purchased electricity	Emissions from purchased electricity = 15,274,845 kgCO ₂ e (FY2023: 14,778,636 kgCO ₂ e ¹)	Grid emission factor = 0.412 kgCO ₂ e per kWh Location-based emission factor is sourced from the Energy Market Authority ("EMA")'s website. Emission factor in kgCO ₂ e per kWh is not available

1 The FY2023 Sustainability Report contained errors in FY2023 figures for water consumption, water intensity, LPG and diesel consumption, Scope 1 direct emissions, electricity consumption, electricity intensity, Scope 2 indirect emissions from purchased electricity, and total Scope 1 and Scope 2 emissions. These figures have been corrected in this report to ensure accuracy and comparability across reporting periods.

MINIMISING ENVIRONMENTAL IMPACT

TYPE OF EMISSIONS	EMISSIONS	REMARKS
Total of Scope 1 and Scope 2 emissions	19,097,141 kgCO ₂ e	1.1% higher than 18,636,206 kgCO ₂ e ¹ emissions in FY2023
Scope 1 and Scope 2 emission intensity per dollar of revenue	0.06 kgCO ₂ e/S\$	Consistent with 0.06 kgCO ₂ e/S\$ emission intensity in FY2023

WATER CONSERVATION




The Group endeavours to reduce water wastage in our business to make our operations more efficient. In FY2024, we continued to implement water-saving practices such as the deployment of dishwashing machines in our outlets to wash glasses and cups.

The Group's water consumption for FY2023 and FY2024 is as follows:

	FY2023 ¹	FY2024
Water consumption in m ³	621,159	646,982 (+4.2%)
Water intensity, i.e. consumption in m ³ per dollar of revenue (m ³ /S\$)	0.002	0.002

OPTIMISING USE OF RESOURCES

Our approach is to continuously identify opportunities to optimise resource use and minimise waste. This not only reduces costs but also benefits the environment by reducing the amount of downstream waste. In FY2024, the Group continued to practice the 3Rs: Reduce, Reuse and Recycle across our operations.

 Reduce	<p>We minimise wastage of food ingredients and raw materials by using an e-ordering system, Kimly Procurement & Inventory System. This system streamlines orders to match outlets' needs, ensuring the ingredients are fresh when delivered to the outlets.</p> <p>Staff at the corporate office are encouraged to view and share documents electronically and print only when necessary. This includes using laptops and tablets to view materials during meetings. Additionally, paperless web-based payslips have been implemented throughout the Group.</p> <p>Frontliners at the Mixed Vegetable Rice and Seafood "Zi Char" stalls encourage customers to reduce food waste by ordering only what they can eat, requesting smaller portions, packing home any leftovers and bringing their own containers and reusable utensils for takeaways.</p>
 Reuse	<p>We use reusable food-grade delivery boxes to deliver semi-finished food products from our central kitchens to food stalls across Singapore. These boxes can be used multiple times, significantly reducing the amount of packaging materials needed.</p>
 Recycle	<p>The Group segregates paper cartons and aluminium from other waste for recycling and reuse. Empty aluminium drink cans are recycled, and empty bottles are repurposed to store various sauces.</p> <p>We encourage our food stalls to store used cooking oils in separate containers. Licensed collectors then recycle these oils to recycle them into industrial soaps and detergents.</p>



Seafood "Zi Char" has an ongoing "Bring Your Own Container" initiative, to encourage customers to use their own food containers by offering a discount of S\$0.30 per takeaway bill. This initiative aims to reduce the usage of single-use containers.

SUPPLIER SOCIAL MANAGEMENT

Over the years, Kimly has established a strong network of reliable, quality and cost-effective suppliers. In FY2024, as the Singapore economy recovered from pandemic-induced supply chain disruptions, we continued working closely with all our suppliers to ensure a steady and cost-effective supply of produce and ingredients, despite the challenges posed by global inflationary pressures, seasonal demand and extreme weather.

SUPPLIER SELECTION

In FY2024, the Group sourced only from approved suppliers who produce, package, store and deliver products in accordance with the prevailing manufacturing practices in their respective industries. To ensure the freshness of our food, we prioritise local suppliers with at least a “B” Grade from the SFA. Suppliers are expected to consistently meet our required specifications, particularly regarding product quality and timely delivery.

Each business unit’s Head of Department actively searches for and assesses at least two suppliers for each required supply. Through evaluations of price, quality and service, they select the most suitable supplier partner. A key criterion in supplier assessment is the total pricing, which includes unit price, payment terms and offered rebates, ensuring the economic sustainability of our food value chain.

SUPPLIERS’ EMPLOYMENT PRACTICES

To enhance the social aspects of our sustainable food value chain, we have requested our suppliers to implement fair employment practices and policies to protect their employees.

Aligned with the social pillar of our sustainability philosophy and adopting a sustainable food value chain perspective, the Group requires our suppliers to provide a safe and healthy working environment for their employees. Suppliers must assure compliance with all employment-related and applicable laws and regulations. They are also encouraged to implement policies that promote the general health of employees and prevent work-related injuries and illnesses.

In FY2024, there were no reported negative social impacts along the supply chain. The close relationships built over the years between Kimly and our suppliers ensured the smooth functioning of our supply chain. Our practice of using a group of suppliers, rather than relying on a single supplier, also contributed to this stability. Additionally, we maintained our longstanding practice of paying our suppliers on time to avoid any adverse impact on their cash flow.



SUPPORTING THE LOCAL COMMUNITY

PROVIDING AFFORDABLE MEALS TO ALL

We regularly review our pricing to ensure that our meals are affordable and provide good value for money. Aligned with the government's Budget Meal Initiative launched in March 2023, which aims to provide Singaporeans with more affordable food options, we have introduced Budget Meals at most of our food stalls to help customers manage rising inflation and expenses. Additionally, Kimly Seafood "Zi Char" offers more affordable options on food delivery platforms, ensuring that customers seeking the convenience of home delivery can still enjoy lower-cost meals. These efforts reflect our commitment to supporting the community during challenging economic times.

Furthermore, the Group offers special dishes and discounts during national holidays and festive periods in Singapore so that everyone in the local community can partake in the joy of these special occasions without financial constraints. This fosters a sense of inclusivity and strengthens the bond with our customers, reflecting our belief that sharing good food should be a universal experience.

PAYING IT FORWARD

In FY2024, Kimly donated S\$203,120 to various charitable and community initiatives. This included supporting fundraising for Hao Ren Hao Shi's Mobile Groceries Initiative, providing 500 'Care Bags' for Food Distribution at Block 3 Jalan Bukit Merah, and sponsoring the NUS Faculty of Science 95th Anniversary Charity Golf and NUSS 70th Anniversary Charity Golf. Additionally, we supported NTU's Traditional Chinese Medicine Education & Research Fund. These contributions underscore our unwavering commitment to giving back and making a positive impact on the communities we serve.

CREATING EMPLOYMENT OPPORTUNITIES

In FY2024, our food outlets in various localities across Singapore enabled us to offer in-community job opportunities to local residents. Our policy is to actively hire locals for the various job positions that arise with the opening of a coffee shop. Most of the local employees were placed in our food outlets/stalls near their homes, including part-timers who needed flexible schedules to accommodate their personal and other commitments.



GRI CONTENT INDEX

Statement of use	Kimly Limited has reported in accordance with the GRI Standards for the period 1 October 2023 to 30 September 2024.
GRI 1 used	GRI 1: Foundation 2021

GRI STANDARDS		REPORT REFERENCE	PAGE
GRI 2: GENERAL DISCLOSURES 2021			
2-1	Organisational details	Corporate Profile	2
2-2	Entities included in the organisation's sustainability reporting	Reporting Scope	9
2-3	Reporting period, frequency and contact point	Reporting Scope	9
2-4	Restatements of information	Reporting Scope	9
2-5	External assurance	Reporting Scope	9
2-6	Activities, value chain and other business relationships	Corporate Profile	2
2-7	Employees	Employment Profile and Diversity	13
2-8	Workers who are not employees	Employment Profile and Diversity	13
2-9	Governance structure and composition	Oversight and Structure	8
2-10	Nomination and selection of the highest governance body	Corporate Governance, Annual Report	27
2-11	Chair of the highest governance body	Corporate Governance, Annual Report	27
2-12	Role of the highest governance body in overseeing the management of impacts	Oversight and Structure	8
2-13	Delegation of responsibility for managing impacts	Oversight and Structure	8
2-14	Role of the highest governance body in sustainability reporting	Oversight and Structure	8
2-15	Conflicts of interest	Corporate Governance, Annual Report	28
2-16	Communication of critical concerns	Oversight and Structure	8
2-17	Collective knowledge of the highest governance body	Corporate Governance, Annual Report	34
2-18	Evaluation of the performance of the highest governance body	Corporate Governance, Annual Report	41-42
2-19	Remuneration policies	Corporate Governance, Annual Report	44
2-20	Process to determine remuneration	Corporate Governance, Annual Report	44-45
2-21	Annual total compensation ratio	Employment Profile and Diversity	13
2-22	Statement on sustainable development strategy	Board's Statement	3
2-23	Policy commitments	Risk Management and Socioeconomic Compliance	8
2-24	Embedding policy commitments	Risk Management and Socioeconomic Compliance	8
2-25	Processes to remediate negative impacts	Risk Management and Socioeconomic Compliance	8
		Anti-Corruption	9

GRI CONTENT INDEX

GRI STANDARDS		REPORT REFERENCE	PAGE
2-26	Mechanisms for seeking advice and raising concerns	Oversight and Structure	8
2-27	Compliance with laws and regulations	Oversight and Structure Environmental Compliance	8 20
2-28	Membership associations	Kimly is a member of the Singapore Business Federation	
2-29	Approach to stakeholder engagement	Stakeholder Engagement	10
2-30	Collective bargaining agreements	Employment Profile and Diversity	13
GRI 3: MATERIAL TOPICS 2021			
3-1	Process to determine material topics	Materiality Assessment	11-12
3-2	List of material topics	Materiality Assessment	11-12
3-3	Management of material topics	Stakeholder Engagement Materiality Assessment	10 11-12
TOPIC-SPECIFIC STANDARDS			
Sustainable, Committed and Competent Workforce			
GRI 205: Anti-Corruption			
205-1	Operations assessed for risks related to corruption	Anti-Corruption	9
205-2	Communication and training about anti-corruption policies and procedures	Anti-Corruption	9
GRI 404: Training and Education			
404-2	Programs for upgrading employee skills and transition assistance programs	Training and Development	15
404-3	Percentage of employees receiving regular performance and career development reviews	Employment Profile and Diversity	13
GRI 406: Non-Discrimination			
406-1	Incidents of discrimination and corrective actions taken	Employment Profile and Diversity	13
GRI 408: Child Labour			
408-1	Operations and suppliers at significant risk for incidents of child labour	Risk Management and Socioeconomic Compliance	8
GRI 401: Employment			
401-2	Benefits provided to the full time employees that are not provided to temporary or part-time employees	Employee Benefits	14
401-3	Parental leave	Employee Benefits	14

GRI CONTENT INDEX

GRI STANDARDS		REPORT REFERENCE	PAGE
Food Health and Safety			
GRI 403: Occupational Health and Safety			
403-1	Occupational health and safety management system	Occupational Health and Safety	17
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	17
403-3	Occupational health services	Occupational Health and Safety	17
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	17
403-5	Worker training on occupational health and safety	Training and Development Occupational Health and Safety	15 17
403-6	Promotion of worker health	Occupational Health and Safety Employee Wellness and Workmen's Compensation Insurance	17 17
403-8	Workers covered by an occupational health and safety management system	Occupational Health and Safety	17
403-9	Work-related injuries	Employee Wellness and Workmen's Compensation Insurance	17
GRI 416: Customer Health and Safety			
416-1	Assessment of the health and safety impacts of product and service categories	From Farm to Fork Food Storage Food Preparation Outlet Management Customer Safety	16 16 16 16 18
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Customer Safety	18
Minimising Environmental Impact			
GRI 302: Energy			
302-1	Energy consumption within the organisation	Energy and Emissions Management	24-25
302-3	Energy intensity	Energy and Emissions Management	24-25
GRI 303: Water and Effluents			
303-5	Water consumption	Water Conservation	25
GRI 305: Emissions			
305-1	Direct (Scope 1) GHG emissions	Energy and Emissions Management	24-25
305-2	Energy indirect (Scope 2) GHG emissions	Energy and Emissions Management	24-25
305-4	GHG emissions intensity	Energy and Emissions Management	24-25

GRI CONTENT INDEX

GRI STANDARDS		REPORT REFERENCE	PAGE
GRI 306: Waste			
306-2	Management of significant waste-related impacts	Optimising Use of Resources	25
GRI 308: Supplier Environmental Assessment			
308-1	New suppliers that were screened using environmental criteria	Environmental Compliance	20
Supplier Social Management			
GRI 414: Supplier Social Assessment			
414-1	New suppliers that were screened using social criteria	Supplier Selection	26
414-2	Negative social impacts in the supply chain and actions taken	Suppliers' Employment Practices	26
Supporting the Local Community			
GRI 203: Indirect Economic Impacts			
203-2	Significant indirect economic impacts	Creating Employment Opportunities	27
GRI 413: Local Communities			
413-1	Operations with local community engagement, impact assessments, and development programs	Providing Affordable Meals to All Paying It Forward	27 27

TCFD DISCLOSURES

TCFD THEMATIC AREAS	RECOMMENDED DISCLOSURES	REFERENCES AND REMARKS	PAGE
1. Governance Disclose the organisation's governance around climate-related risks and opportunities	a) Describe the board's oversight of climate-related risks and opportunities	The Board oversees the corporate governance structure and sustainability strategy of the Group, including climate-related issues. See the Sustainability Governance section.	8-9
	b) Describe management's role in assessing and managing climate-related risks and opportunities	The Management implements, monitors and reports on ESG performance, including climate-related issues. See the Sustainability Governance section.	8-9
2. Strategy Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's businesses, strategy, and financial planning where such information is material	a) Describe the climate-related risks and opportunities the organisation has identified over the short, medium, and long term	Kimly is adopting a progressive strategy towards managing climate-related risks. See the Climate-related Risks and Opportunities section.	20-23
	b) Describe the impact of climate-related risks and opportunities on the organisation's business, strategy, and financial planning	Kimly is adopting a progressive strategy towards managing climate-related risks. See the Climate-related Risks and Opportunities section.	20-23
	c) Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario	See the Climate-related Risks and Opportunities section.	20-23
3. Risk Management Disclose how the organisation identifies, assesses, and manages climate-related risks	a) Describe the organisation's processes for identifying and assessing climate-related risks	See the Risk Management and Socioeconomic Compliance section.	8
	b) Describe the organisation's processes for managing climate-related risks	See the Risk Management and Socioeconomic Compliance section.	8
	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organisation's overall risk management	See the Risk Management and Socioeconomic Compliance section.	8
4. Metrics and Targets Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.	a) Disclose the metrics used by the organisation to assess climate-related risks and opportunities in line with its strategy and risk management process	See the Climate-related Risks and Opportunities section.	20-23
	b) Disclose Scope 1, Scope 2, and if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks	See the Energy and Emissions Management section.	24-25
	c) Describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets	See the Climate-related Risks and Opportunities section.	20-23

This report has been reviewed by the Company's sponsor, PrimePartners Corporate Finance Pte. Ltd. (the "**Sponsor**"). It has not been examined or approved by the Singapore Exchange Securities Trading Limited (the "**Exchange**") and the Exchange assumes no responsibility for the contents of this document, including the correctness of any of the statements or opinions made or reports contained in this document.

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Sustainability Report 2024

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