KODA™ LTD

SUSTAINABILITY REPORT 2021

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1 MESSAGE FROM THE EXECUTIVE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

It gives me great pleasure to present our Sustainability Report for the financial year ended 30 June 2021 ("FY2021"). In our Forth Sustainability Report, we highlight the progress and achievements of our organisation over the previous 12 months, with particular focus on our commitment to working alongside our valued stakeholders to build a sustainable business based on our resilience, adaptability and innovation.

COVID-19 pandemic has accelerated the existing environmental sustainability trend and its integration with corporate social responsibility for the furniture industry. The supply chain sustainability has emerged again to call for more insight into development of the related eco-system, ranging from traceability of timbers, certification process, waste management energy consumption to carbon emission reduction. It is a business imperative which drives us to develop socially responsible brands for our products.

It is our belief that building a sustainable business is vital to our continued success and that we must be fully accountable for our impact on the environment, our customers, our people and our community as well as its financial performance.

The delivery of sustainable results is a critical aspect of our ability to remain strong and financially stable. Acknowledging this helps to put into focus our commitment to principles laid out in our Corporate Sustainability Policy. Our responsibility to society is to ensure that sustainable practices are incorporated into every steps of our value chain. We must meet the needs not only of our customers, employees and the community we operate in, but also those of our environment and our future generations.

This report provides details about how we have met our responsibilities with our key stakeholders during FY2021 and beyond.

2   ABOUT THE REPORT

This sustainability report articulates our commitment to sustainability and transparency. The report is designed to provide a transparent and balanced view of Koda Ltd (the "**Company**") and its subsidiaries (the "**Group**"), to reflect the interests of our key stakeholders, and to address those interests pragmatically. This report aims to include comprehensive and accessible information on the Company's strategy towards sustainability, key issues as well as data according to recognized international standards.

2.1   Report Scope

The report covers the performance of our consolidated entities in financial year 2021 ("**FY2021**") from 1 July 2020 to 30 June 2021. The content of this report will focus on the sustainability performance, activities and initiatives that are under our direct control, including our Singapore offices and operations, our local supply chain as well as any overseas activities directly associated with us. Material issues and topics described in this report have been selected according to their level of significance within the Group boundaries, the sustainability context and the expectations of stakeholders which are reflective of our core business in a consistent manner for comparability of our performance indicators across time. In this respect, this report covers our core businesses in our material operational boundaries in Singapore, Malaysia, Vietnam and China based on which relevant material aspects of activities are disclosed in this report. Our corporate governance and sustainability approaches are drawn from the policies and practices set at Group level. The list of entities under the report scope is shown below.

Country	Entity
Singapore	Koda Ltd
	Commune Lifestyle Pte Ltd
Malaysia	Koda Woodcraft Sdn Bhd
	Jatat Furniture Industries Sdn Bhd
	Commune Lifestyle Sdn Bhd
Vietnam	Koda Saigon Company Ltd
China	Commune (Dongguan) Trading Co Ltd
	Commune (Chongqing) Trading Co Ltd

This sustainability report focuses on the Group's sustainability strategies and practices whilst highlighting the economic, environmental, and social and governance aspects of our activities and developments. The report aims to provide an overview of our approach, priorities and targets, as well as a performance review for our key sustainability areas.

2.2   Report Methodology

This report has been prepared in accordance with the Global Reporting Initiative ("**GRI**") Standards Core option. We have chosen the GRI Standards reporting guidelines for its robust guidance which offers an international reference for the disclosure of governance approach and of the environmental, social and economic performance as well as impacts of organizations. This report also takes into consideration the primary components of the report content as set out by the Singapore Exchange's ("**SGX's**") "Comply or Explain" requirements for sustainability reporting. Our data are reported in good faith and to the best of our knowledge. As part of our continuous data quality improvement initiatives, we have used FY2021's sustainability data as base year. We will continue to improve our internal processes to enhance sustainability reporting.

We did not seek external assurance for this report.

2.3 Report Structure

This Sustainability Report is structured to reflect the interests of our key stakeholders. We have identified six key stakeholder groups, namely, the environment and future generations, employees, customers, suppliers, government and regulators, and communities. For each stakeholder group, we lay out our management approaches that govern how our material issues are identified as well as how the issues are prioritized and managed. Further, we will present our initiatives relating to sustainability in the areas of environmental, social and economic issues relevant to our aspects and boundaries. Finally, we will provide the information of our key performance indicators, performance targets and outcomes.

The information regarding the basis for report boundaries and our materiality assessment is provided in section 4.

Altogether, this report provides the basis for our responses and disclosures to the GRI-Standards 'In-Accordance' - Core requirements. Relevant sections in the report are referenced in the GRI Content Index provided in section 7.

2.4 Report Contact and Feedback

We welcome and value your feedback on the content of this report and encourage you to contact us through the following channels:

❖ In writing to:
   Investor Relations
   Koda Ltd
   28 Defu Lane, Defu Industrial Park
   Singapore 539424

❖ Via email to sustainability@kodaltd.com.

This report is provided in PDF format only and is available for download on the following page of our website: www.kodaonline.com.

3 CORPORATE PROFILE

3.1 Values and Mission

We believe it is our responsibility to manage the Group successfully on a sustainable long-term basis. We are committed to deliver greater value and returns to our shareholders, business partners and employees.

Our employees operate according to a set of core values that guide all aspects of our business. We recognise that cooperation, communication and trust are essential for us to collaborate to compete, and that care and concern through respect, patience, empathy and consideration are paramount, both between each other and among the communities in which we operate.

3.2 Governance

3.2.1 Board Diversity

Board diversity characteristics in terms of gender, age, board composition are ones of the key influences towards Company's sustainability practice. The board diversity of our Group is shown below.

Board Diversity	Unit	Group Total

Directorship Concentration

Board of Director Positions	Number of Headcount	10

Type of Directorships

Number		
Executive Directorship	Number of Headcount	6
Independent Non-Executive Directorship	Number of Headcount	4
Percentage (%)		
Executive Directorship	Proportion	60.0%
Independent Non-Executive Directorship	Proportion	40.0%

Gender Diversity

Number		
Male	Number of Headcount	9
Female	Number of Headcount	1
Percentage (%)		
Male	Proportion	90.0%
Female	Proportion	10.0%

3.2.2 Corporate Sustainability Committee ("CSC")

Our Board of Directors (the "**Board**") oversees all corporate governance and operational matters relating to our business. For corporate sustainability, the Board is supported by the Corporate Sustainability Committee ("**CSC**") which is chaired by our Executive Director and includes other Executive Director and the designated senior executives. CSC provides leadership and approval over corporate sustainability matters such as Corporate Social Responsibility ("**CSR**") plan, community investment and environmental initiatives. Supported by CSC, our Corporate Sustainability Champion

(the Champion) is our Subject Matter Expert ("**SME**") in the area of corporate sustainability, and pro-actively raises awareness through education and training across the organization. Through the Corporate Sustainability Work Group ("**CSWG**"), our Champion engages businesses and functions collectively in executing the CSR plan, identifying and managing the Environment, Social and Governance ("**ESG**") Factors as well as engaging sustainability stakeholders. Businesses and functions provide back-to-back assurance over the quality of information for sustainability reporting.

Board

Corporate Sustainability Committee (CSC)

Corporate Sustainability Champion

SGX 711A/B Sustainability Reporting

Corporate Sustainability Workgroup (CSWG)

ESG Management
- *Materiality & Boundaries*
- *ESG Factors and Metrics*

Education, Training and Communication

Corporate Sustainability Oversight
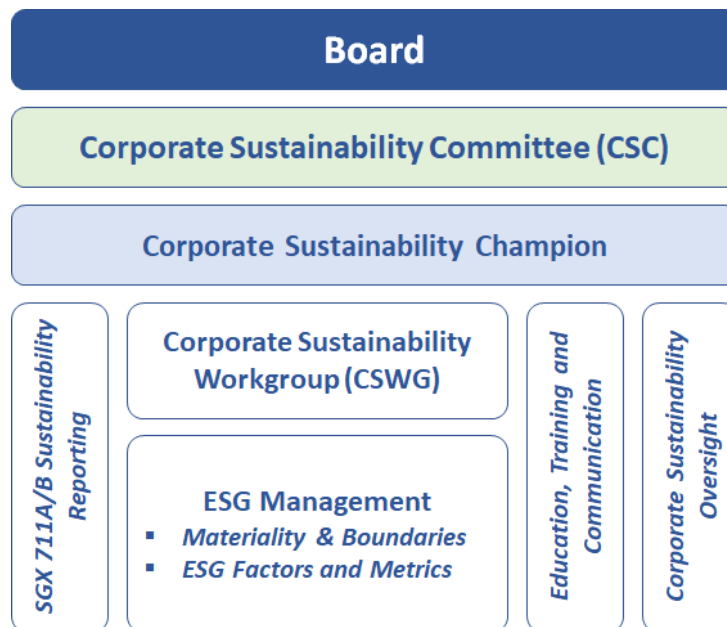
4 INTEGRATING SUSTAINABILITY INTO OUR BUSINESS

Koda is a leading Original Design Manufacturer ("**ODM**") of high-quality furniture for the global markets. Our ability to design, develop and produce high-grade furniture in an environmentally responsible manner has been one of the key drivers of our international success.

We believe corporate social responsibility is a key driver towards long-term sustainability. Such responsibility is pragmatically integrated into our business practices as one of the core values in our corporate culture. Embedding such responsibility into our management processes across the value chain allows us to establish credibility among our stakeholders. Through our action today, we play a part in influencing the environment for our future generations. Through integrating the notion of sustainability in our business, we ensure that our business strategy and operations are in line with a long-term vision towards a conducive and sustainability future.

We purchase our wood from sustainable sources to offer furniture that has the least negative impact on the environment. Our furniture is designed to be durable for extended life. Our manufacturing plants follow stringent policies to ensure workplace health and safety and decent working conditions and labour standards.

Our sustainability initiatives cover the following areas:

- ❖ Careful selection of materials to minimise environmental impact
- ❖ Maximise resource efficiency by reducing, recycling and reusing waste
- ❖ Ensuring occupational health and safety in our manufacturing operations
- ❖ Customer satisfaction, which is a direct result of our ability to stay design-relevant, product quality and craftsmanship, productivity and timely delivery
- ❖ Attracting, developing and retaining the right talent

We closely watch evolving consumer preferences as an increasing number of customers look for sustainable furniture. We remain committed to working closely with our trade partners to offer sustainable choices to end customers.

4.1 Sustainability Management Framework

We have taken the initiative to establish our sustainability reporting framework. We performed an analysis on our business and operation models as the basis for our stakeholder mapping and materiality assessment. In the context of end-to-end enterprise value creation, we identified six key stakeholder groups within our sustainability context and their respective material issues are shown in section 5 of this report.

4.2 Key Stakeholders and Material Issues

We have regular reviews, assessments and feedback processes in relation to ESG topics. Key to this is our regular Risk Assessment and Control Self-Assessment exercise which entails the identification, assessment and documentation of material risks and corresponding internal controls. Such material risks include fraud and corruption, environmental, health and safety, and human capital risks which are ESG-relevant. We are continuously improving the adequacy and effectiveness of our Risk Assessment and Control Self-Assessment processes in response to changing business and operation environment.

Through regular stakeholder engagement, we identify and review material issues that are most relevant and significant to us and our stakeholders. For external stakeholders, priority is given to issues important to society. We then prioritize our sustainability efforts and report issues that are

most material to our business and stakeholders. Considering that specific stakeholders and material issues are specific in countries and locations, we are reporting the stakeholder engagement and material issues for our Group operations in this report.

Stakeholders	Material Issues	Significance
Future Generation	❖ Materials, recycling of product material and packaging ❖ Environmental education of our employees and customers ❖ Reduction of carbon emissions ❖ Energy consumption ❖ Compliance with best practices and standards.	Our sustainability agenda for the environment and future generation is embedded into the day-to-day business activities among our staff. We continue to strive to improve from a holistic perspective through the Company culture and practices. Within the wide spectrum of sustainability, we take steps to focus on key goals such as curbing global warming, conserving and recycling resources. Such areas are crucial to a sustainability economic ecosystem for our customers which are keys to our business sustainability.
Employee	❖ Employee well-being through workplace health & safety and work life balance ❖ Regular training of employees on critical skillsets to sustain competitiveness ❖ Competitive compensation scheme to retain talents ❖ Non-discrimination, diversity and equality ❖ Senior management engagement with employees ❖ Pandemic and Post-Pandemic/Endemic COVID-19 Measures	An ethical and professional working environment is crucial in cultivating a corporate culture which motivates and empowers our employees to meet their full potential both professionally and personally.
Customer	❖ Safety of our customers in our services delivery ❖ Customer data privacy ❖ Customer satisfaction and customer-centric approach ❖ Climate change impacts on customer demands and revenue ❖ Change of product profile	The quality and safety of our services and products to our customers are the core focuses of our commitments. Through our quality and safety commitments to our customer, we will, in turn, be contributing to their own successful sustainable development.
Supplier	❖ Environmental, labour and human rights impact in the supply chain	To effectively and meaningfully implement our sustainability agenda, it is important that our suppliers and partners share our values in their business practices in the areas such as the environment, human rights, labour practices and corporate ethics. Such alignment of values is a crucial part of building mutually beneficial relations with supplier and channel partners to enhance both their own competitiveness and that of ours.
Government and Regulators	❖ Compliance with prevailing laws and regulations ❖ Good corporate governance & ethics, transparency and non-financial reporting ❖ Ethical business practices such as anti-corruption ❖ Grievance mechanisms	Legal compliance and ethical practices are the core foundation of our business. Our such culture is established and sustained through strong corporate governance, transparent reporting and open communications with all our stakeholder groups.
Community	❖ Impact on communities and local economies, and future generation education ❖ Economic value generated and distributed to local community	As a responsible corporate citizen, we remain committed to contribute towards community development. Over the years, we have carried out a range of community programs through donation, sponsorship, fundraising and voluntary activities.

4.3 Alignment with International Initiatives

4.3.1 Sustainable Development Goals ("SDGs")

Established in 1945 under the Charter of the United Nations ("**UN**"), the General Assembly occupies a central position as the chief deliberative, policymaking and representative organ of the United Nations. Comprising all 193 Members of the United Nations, it provides a unique forum for multilateral discussion of the full spectrum of international issues covered by the Charter. It also plays a significant role in the process of standard-setting and the codification of international law.

On 25 September 2015, the UN General Assembly adopted the 17 Sustainable Development Goals ("**SDGs**") to end poverty, protect the planet, and ensure prosperity for all as part of a new sustainable development agenda. Each goal has specific targets to be achieved over the next 15 years. Although the SDGs are primarily aimed at governments, they represent an important opportunity for businesses to also act for a more sustainable world. We will use SDGs as one of the guiding principles for our sustainability initiatives.

As we advance on our sustainability journey, we will continue to assess our alignment with the SDGs and, whenever possible, redirect our internal priorities and sustainability strategy to more effectively and comprehensively address the goals.

SDGs Logo Source: http://www.un.org/sustainabledevelopment/news/communications-material

SDG Goal	Relevant Targets to Our Businesses *(Source: http://sustainabledevelopment.un.org)*	Our Participation
13 CLIMATE ACTION	13.3: Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.	We have our own internal processes and environmental policies to reduce electricity and fuel consumption. Our approach to mitigating climate change risk includes staff training and implementing energy-efficient measures. We monitor and report our GHG emissions and set reduction targets.
15 LIFE ON LAND	15.1: By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.	Certain amount of paper used in our offices are certified for environmentally responsible sources such as Forest Stewardship Council ("**FSC**") certified. We actively promote the use of such papers across our organisation. Through that, the Company supports efforts in mitigating global warming and the creation of positive rural community engagement, job opportunity, and better livelihood for the farmers and members of the community.

3 GOOD HEALTH AND WELL-BEING	4 QUALITY EDUCATION	5 GENDER EQUALITY	8 DECENT WORK AND ECONOMIC GROWTH	These SDG goals are relevant to our business, operations and value chain. They are addressed in our various policies at group level. Such goals are also embedded in various initiatives carried out across the organization.
9 INDUSTRY, INNOVATION AND INFRASTRUCTURE	10 REDUCED INEQUALITIES	11 SUSTAINABLE CITIES AND COMMUNITIES	12 RESPONSIBLE CONSUMPTION AND PRODUCTION	
13 CLIMATE ACTION	15 LIFE ON LAND	16 PEACE, JUSTICE AND STRONG INSTITUTIONS	17 PARTNERSHIPS FOR THE GOALS	
6 CLEAN WATER AND SANITATION	7 AFFORDABLE AND CLEAN ENERGY			

1 NO POVERTY	2 ZERO HUNGER	14 LIFE BELOW WATER		We do not believe these goals are relevant to our business or industry. They are not within our boundaries and scope of influence; therefore, we are currently unable to make noticeable contributions to such goals other than providing employment to the community.

4.3.2 United Nations Global Compact ("UNGC")

The UNGC is a United Nations initiative to encourage businesses worldwide to adopt sustainable and socially responsible policies, and to report on their implementation. The UNGC is a principle-based framework for businesses, stating ten principles in the areas of human rights, labour, the environment and anti-corruption.

Below are the references of our report to the 10 principles of the UNGC.

Principle		Report Section
Human Rights		
Principle 1	Businesses should support and respect the protection of internationally proclaimed human rights.	5.2.2.1, 5.2.6
Principle 2	Make sure that they are not complicit in human rights abuses.	5.2.2.1, 5.2.6
Labour		
Principle 3	Businesses should uphold the freedom of association and the effective recognition of the right to collective bargaining.	5.2.2.1, 5.2.6
Principle 4	Elimination of all forms of forced and compulsory labour.	5.2.2.1, 5.2.4.1
Principle 5	Effective abolition of child labour.	5.2.1, 5.2.2.1
Principle 6	Elimination of discrimination in respect of employment and occupation.	5.2.2.1, 5.2.6
Environment		
Principle 7	Businesses should support a precautionary approach to environmental challenges.	5.1.1
Principle 8	Undertake initiatives to promote greater environmental responsibility.	5.1.1
Principle 9	Encourage the development and diffusion of environmentally friendly technologies.	5.1.1
Anti-Corruption		
Principle 10	Businesses should work against corruption in all its forms, including extortion and bribery.	5.5.1

4.4 Accolades and Associations

4.4.1 Awards

Year	Award	Organization
2021	Asia Pacific High Growth Companies 2021	Nikkei Asia, The Financial Times and Statista

4.4.2 Memberships and Associations

Company Names	Trade Associations	Expiry Date
Koda Ltd	1) Singapore Furniture Industries Council 2) Singapore Business Federation 3) Singapore Chinese Chamber of Commerce & Industry	1) 30 June 2021 2) 31 December 2021 3) 31 December 2023
Commune Lifestyle Pte Ltd	1) Singapore Retailers Association 2) Franchising and Licensing Association (Singapore) 3) Singapore Furniture Industries Council	1) 30 September 2021 2) 31 December 2021 3) 30 June 2021
Koda Woodcraft Sdn Bhd	1) Malaysia Timber Industry Board 2) Johor Bahru Chinese Chamber of Commerce and Industry 3) Malaysia Furniture Council	1) 30 September 2025 2) Life Member 3) 31 December 2025
Jatat Furniture Industries Sdn Bhd	1) Malaysia Timber Industry Board 2) The Timber Exporters Association of Malaysia	1) 30 September 2022 2) 1 January 2022
Koda Saigon Company Ltd	1) Handicraft and Wood Industry Association ("**HAWA**")	1) 31 December 2021

5   STAKEHOLDER ENGAGEMENT

We believe that good CSR practice goes hand-in-hand with sound corporate management practice. We also recognize that it is vital that our management approaches are adaptable to the dynamics of business and operation environment in such a way that we can continuously assess our impacts, develop sustainability objectives and respond in a proper manner to meet our stakeholders' expectations. Our CSR framework is based on our approach to sustainability and includes policies and measurement mechanisms to monitor the impacts made by our businesses and operations.

Key to the success of our sustainability programme is regular and up-to-date communication about our CSR policies and activities to all our stakeholders, and the provision of appropriate feedback mechanisms so that we can monitor and evaluate how we are doing and explore new possibilities stimulated by stakeholder responses. We see our sustainability reports as being a critical component of this continuous cycle of communication and evaluation. The overall sustainability context of the stakeholder engagements is managed through our CSR plan for our sustainability governance oversight.

Stakeholder	Management Approach	Initiatives	Outcome and Responses	Boundaries
Future Generation	Environmental Management System ("EMS"), Environmental policy, EMS guidelines, Waste Recycling/Management.	Internal Awareness and Education	Solar energy, Energy Efficient Lighting (e.g. LED), Digital Filing and Document to Reduce Paper Consumption.	Boundary Scope as stated in section 2.1
Employee	Code of Conduct, Fair Employment Practices, Training and Career Development, Flexible Work Policy, Pension Scheme, WHS Framework, Performance Appraisal review	Staff Communication Sessions, Staff Feedback Process, Staff Exit Interviews	Work Life Balance Programmes, Training Programmes, Employee Benefits, Re-engagement	Boundary Scope as stated in section 2.1
Customer	Customer Relationship Management System, Policies on Quality Assurance, Data Security for Customer Information, Privacy policy	Customer Feedback Process, Competitive Benchmarking survey, Customer Data Protection Awareness and Education Program	Constantly Engaging the Customers on the Feedback	Boundary Scope as stated in section 2.1
Supplier	Supplier Selection and Regular Review Process	Feedback and Communication with Suppliers through Supplier Performance Review	Incident Register, Supplier Engagement	Boundary Scope as stated in section 2.1
Government and Regulators	Whistle Blowing Policies and Processes	Compliance Incident Log and Escalation Process,	Compliance Escalation and Oversight by Governance Committees	Boundary Scope as stated in section 2.1
Community	Selection of Community Initiatives in Alignment with Organization Goals	CSR Programme, Awards and Accolades, Corporate Rebranding	Increase Visibility of Company's CSR Efforts, Internship Programmes (Support Young Talents who are Disciplined, Creative, and Innovative)	Boundary Scope as stated in section 2.1

5.1 Protecting Our Environment for the Future Generations

5.1.1 Our Approach

We are committed to maintaining and building on the same stringent environmental policies and standards within our Group. We continually seek new and innovative ways to reduce the environmental impact of our products and services while maintaining the highest levels of quality. We recognise our responsibility to protect the environment for the health and wellbeing of future generations.

Our policy is to minimise our environmental footprint across our value chain. We use the precautionary principle in proactively managing our environmental issues. Our material environmental impacts primarily relate to our furniture manufacturing operations. We have identified carbon emissions and waste generated as well as energy, water and paper consumption as our significant environmental impacts.

The following sections list the key areas where we have put in place processes and performance metrics in our reporting scope to improve the environmental impacts of our business and operational activities. Such performance metrics are established across the respective entities, which collectively strive towards our sustainability performance targets for the Company. The performance metrics and targets are shown in section 6.1.

To address our impacts, we have made continuous improvement in resource consumption, energy efficiency and waste and emissions reduction. Our efforts include promoting environmental responsibility across our value chain including our customers and suppliers. In line with our environmental policy, we strive to reduce our environmental footprint through process redesign, increasing recycling practices and using eco-friendly alternatives where possible.

5.1.2 Reduction of Carbon Footprint

Our Greenhouse Gas ("**GHG**") emissions are mainly from electricity. We recognize that the effective management and monitoring of carbon footprint can reduce operating costs, raise brand profile, create a competitive edge and increase stakeholder value. Our carbon footprint is measured in terms of GHG emission. However, GHG emission is an absolute measure of how much carbon dioxide equivalent ("**CO2e**") is emitted. Our GHG emission is predominantly direct (Scope 1) and indirect (Scope 2) emission. We do not include the GHG emissions generated by our suppliers (Scope 3). We measure and monitor the CO2 emissions, the main GHG gas, from our operations to identify opportunities for reduction. Improving energy efficiency remains an important aspect of our efforts to minimise our carbon print.

Our GHG emission profile for current reporting year is shown as follows.

GHG Emission	Unit	Group Total
Total GHG Emission	tCO2e	257.15

GHG Scope

Emission		
GHG Scope 1	tCO2e	219.62
GHG Scope 2	tCO2e	37.53
Percentage (%)		
GHG Scope 1	Proportion	85.4%
GHG Scope 2	Proportion	14.6%

Intensity (GHG Emission / US$ Revenue)

Total GHG Emission	tCO2e / US$ 1,000,000	3.11
GHG Scope		
GHG Scope 1	tCO2e / US$ 1,000,000	2.66
GHG Scope 2	tCO2e / US$ 1,000,000	0.45

5.1.3   Reduction of Energy Consumption

Our production facilities in Malaysia and Vietnam account for majority of total energy consumption. Electricity is used in our office, warehouse and stores for lighting, air-conditioning and to operate the equipment. Aside from electricity, we also use petrol and diesel. Company vehicles use both petrol and diesel while equipment use mainly diesel.

To minimise energy consumption, our Vietnam factories are partnering with a reputable solar service company and in the process of installing solar panels on the roof of plants in Vietnam. This is expected to significantly reduce our energy consumption which is currently procured from the public electricity utilities. In addition, the Group promotes using energy efficient lighting (e.g. LED) and digitalisation of the filing and documents to reduce paper consumptions.

Energy consumption is measured in Megawatt Hours ("**MWh**") and our profile is shown as follows.

Energy Consumption	Unit	Group Total
Total Energy Consumption	MWh	7,885.98

Consumption Type

Consumption		
Electricity	MWh	7,885.98
Percentage (%)		
Electricity	Proportion	100.0%

Consumption Location

Consumption		
Inside Organization	MWh	7,885.98
Percentage (%)		
Inside Organization	Proportion	100.0%

Renewable Type

Consumption		
Non-Renewable	MWh	7,885.98
Percentage (%)		
Non-Renewable	Proportion	100.0%

Intensity (MWh / US$ Revenue)

Total Energy Consumption	MWh / US$ 1,000,000	95.42
Consumption Type		
Electricity	MWh / US$ 1,000,000	95.42
Consumption Location		
Inside Organization	MWh / US$ 1,000,000	95.42
Renewable Type		
Non-Renewable	MWh / US$ 1,000,000	95.42

5.1.4   Reduction of Waste Generated

Our policy is to reduce, reuse and recycle waste where possible. Water is mainly from generated in our manufacturing facilities and comprises both hazardous and non-hazardous materials. The former includes chemical waste like solvents, paints, inks, lacquer, contaminated cotton rags and chemical drums. Non-hazardous waste consists of mainly wood, packaging and waste water (after due processing).

Resource efficiency is one of the key principles that we apply from the product design stage. Our furniture products are designed to minimise wastage. Out intelligent product design and structured manufacturing processes help us to achieve efficient use of materials.

We have implemented procedures for segregation, storage, recycling and eventual disposal of waste. We ensure the safe disposal of hazardous waste is in accordance with local regulations.

Waste generated is measured in Tonnes and our profile is shown as follows.

Waste Generated	Unit	Group Total
Total Waste Generated	Tonnes (t)	41,470.09

Hazardous Type

Generated		
Hazardous	Tonnes (t)	25.13
Non-Hazardous	Tonnes (t)	41,444.96
Percentage (%)		
Hazardous	Proportion	0.1%
Non-Hazardous	Proportion	99.9%

Recyclable Type

Generated		
Recyclable	Tonnes (t)	41,444.96
Non-Recyclable	Tonnes (t)	25.13
Percentage (%)		
Recyclable	Proportion	99.9%
Non-Recyclable	Proportion	0.1%

Intensity (Tonnes (t) / US$ Revenue)

Total Waste Generated	Tonnes (t) / US$ 1,000,000	501.79
Hazardous Type		
Hazardous	Tonnes (t) / US$ 1,000,000	0.30
Non-Hazardous	Tonnes (t) / US$ 1,000,000	501.49
Recyclable Type		
Recyclable	Tonnes (t) / US$ 1,000,000	501.49
Non-Recyclable	Tonnes (t) / US$ 1,000,000	0.30

5.1.5 Reduction of Water Consumption

Our approach is to implement measures for saving and conserving water across our facilities. Our manufacturing facilities in Malaysia and Vietnam account for the most of our water use.

We closely monitor our water consumptions and wastewater discharged on monthly basis. Our entire water supply comes from public water utilities.

Water consumption is measured in Cubic Meter (m3) and our profile is shown as follows.

Water Consumption	Unit	Group Total
Total Water Consumption	Cubic Meter (m3)	92,360.50

Source Type

Consumption		
Not Classified	Cubic Meter (m3)	92,360.50
Percentage (%)		
Not Classified	Proportion	100.0%

Recyclable Type

Consumption		
Not Classified	Cubic Meter (m3)	92,360.50
Percentage (%)		
Not Classified	Proportion	100.0%

Intensity (MWh / US$ Revenue)

Total Water Consumption	Tonnes (t) / US$ 1,000,000	1,117.58
Source Type		
Not Classified	Tonnes (t) / US$ 1,000,000	1,117.58
Recyclable Type		
Not Classified	Tonnes (t) / US$ 1,000,000	1,117.58

5.1.6   Reduction of Paper Consumption

All our employees are urged to minimize paper wastage at work by adhering to our Internal Paper Usage Reduction Guidelines. For example, double-sided printing is set as a default, lower grammage paper is used for daily printing, and blank sides of unneeded single-sided copies are used for printing drafts. Paper re-use and recycling habits are also cultivated through initiatives such as our in-house reminders posted near the copy machines.

All waste paper from our own offices is collected for recycling. Further, we encourage all employees to adopt digital documents instead of paper documents with an aim to further reduce paper consumption.

For the collection and disposal of wastepaper, we work with our office cleaning personnel for handling and reselling of wastepaper to recovery companies for pragmatic reasons. Every individual is responsible for the shredding all papers, including confidential documents, before disposing into paper recycling boxes situated near photocopiers and printers. Such practice established within our office provides us with the confidence that sensitive information is protected during the whole life cycle of our documents.

Paper consumption is measured in Kilograms and our profile is shown as follows.

Paper Consumption	Unit	Group Total
Total Paper Consumption	Kilograms (kg)	10,851.00

Environmental Certification

Consumption		
Certified	Kilograms (kg)	3,368.00
Not Certified	Kilograms (kg)	7,483.00
Percentage (%)		
Certified	Proportion	31.0%
Not Certified	Proportion	69.0%

Intensity (Tonnes (t) / US$ Revenue)

Total Paper Consumption	Kilograms (kg) / US$ 1,000,000	131.30
Environmental Certification		
Certified	Kilograms (kg) / US$ 1,000,000	40.75
Not Certified	Kilograms (kg) / US$ 1,000,000	90.55

5.1.7 Promoting Green Practices

Sustainability is a key business imperative. At Koda, we use technology as one of the green practices. Advanced technology has been used at manufacturing and retail fronts. Computer Numeric Control ("**CNC**") machines have been widely used to increase process automation levels for our factories and use QR codes for our inventory management. At Commune retail level, big data helps us to gain useful marketing insights on consumer-specific contents. Cloud computing improves our back-office efficiency. Commune's virtual showrooms (via virtual and augmented reality) help to propel consumer experiences while trying to change deep-seated in-store shopping habits. These green technologies have contributed greatly to the economic and social sustainability, as well as the quality of products and services.

Regular sustainability audits by our international customers have kept us fully abreast of the latest requirements of our customers. By understanding customers better, this has contributed positively to the sustainability by lesser re-work and hence reducing raw material and energy consumptions.

Recently, the Group has embarked a Scale-Up Project, partnering with Singapore Government Agency and a reputable consultant. The objective of the Scale-Up Project is to build up Group's sustainability capability and excel the Group to a new height as a result of sustainability competitiveness.

5.2 Caring for Our Employees

5.2.1 Our Approach

Our people are our most valuable resource and investing in their professional and personal well-being is vital to our business sustainability. Our goal is to establish work ethics among our employees, which are in line with our core values and code of conduct. They are the foundation upon which we build all our business initiatives and conduct our day-to-day activities.

We recognise that a motivated workforce will convey a positive and powerful message to all our key stakeholders, such as our customers, suppliers and the members of the community. By attracting, nurturing, empowering and rewarding our employees, we create an environment conducive for innovation and inspiration flourish to further boost our competitiveness. Such commitment to our employees promotes a corporate culture of passion, quality, excellence and trust within the organization which reflect in our ability to create values to our stakeholders.

Our Human Resource ("**HR**") management principles and policies have been developed and established based on fair employment practices with the goal of attracting, supporting and maintaining a motivated workforce. Our HR policies cover key areas such as remuneration, benefits, health and safety, career development and training. Such policies are communicated to all employees through our comprehensive Employee Handbook which is regularly reviewed by our management. We constantly seek feedback from our staff to ensure that management decisions are aligned as much as possible with their needs.

Our business operates in an environment which comprises diverse races, cultures and geographic locations. With this in mind, our HR polices are implemented across the organization with pragmatism, taking into consideration of the prevailing laws and regulations as well as local culture, norms and racial sensitivity.

5.2.2 Employment Practices

Our employment practices focus on maximizing the strength of our employees by providing equal opportunities based on merits, and help our employees to develop strength through our comprehensive training and development programme. We regularly review the performance and development of our employees to effectively match their strength to their job specifications. Our performance-based reward scheme provides guidance and motivation to our employee to perform to their potentials in alignment with the objectives of the Company.

5.2.2.1 The Tripartite Guidelines on Fair Employment Practices

We proactively pursue and adopt best practices in HR management. Our HR practices are guided by the Singapore Tripartite Alliance for Fair and Progressive Employment Practices. The Singapore Tripartite Alliance comprises the Ministry of Manpower, Singapore National Employers Federation and National Trades Union Congress. The Tripartite Alliance has formulated guidelines on fair employment practice for adoption by Singapore employers, embracing the recruitment, training, treatment and reward of employees.

5.2.2.2 Communications

As our Group grows, effective communications across the organizations are crucial to ensure continuous alignment of objectives of the employees and the organizational objectives. We achieve this through our various communication sessions customized based on targeted employees. Communication sessions for our managers are held on a regular basis. Agendas covered at these sessions are customized in appropriate to the target functional scope of the managers. For example,

in weekly managers' meeting, operational agendas such as sales and marketing, shipping, production, procurement, warehousing and HR matters are discussed while at our quarterly sessions, high level topics including strategic business directions, new products launches, new initiatives and key project reviews are deliberated among the management team.

5.2.2.3 Employee Feedback

We value our employee's expertise in their areas of responsibilities. Therefore, their feedbacks are important in the improvement of overall management and operation of the organization. Through various established processes of employee engagement, such as employee objective setting, performance review as well as exit interview in the case of resignations, we gather such valuable feedbacks for the continuous improvement of our organization.

In addition, there are other feedback channels for areas specific to business and function, such as health and safety issues and compliance issues. Such feedbacks are managed by the leaders and managers of their specific business and function domain. We have also established reporting and escalation channel should the feedback requires the attention of higher management.

5.2.2.4 Career Development and Training

We recognise that consistent and ongoing education is critical to maintaining a competitive, skilled, productive and motivated workforce. Employee career development and performance management established based on merits and contributing skill sets towards the organization objectives through objective settings and regular performance reviews. We continue to review and improve our career development and performance review process in light of the changing business and operation environment.

In consultation with the respective heads od department, the HR department prepares an annual training plan for the employees. Our training programme covers a variety of areas catering for employees with different job scopes and skills set requirements. Our core training curriculum and contents are developed based on well-established industry and international standards. In addition, specific training curriculums are developed based on the specific requirements of the specific businesses and functions. Training topics range from soft skills development in areas such as communications and leadership, to technical programmes covering project management and office productivity tools.

Our training programs in FY2021 have been temporarily affected due to COVID-19 pandemic. With the increasingly high vaccination rates, the Group is expecting to improve training hours in the future years. Our training profile for FY2021 is shown as follows.

Training	Unit	Group Total
Total Training Hours	Hours	8,123.25
Total Number of Employees (Full Year) (Note 1)	Number of Persons	3,222
Average Training Hours per Employee	Hours / Person	2.52

Average Training Hours

Employment Position		
Senior Management	Hours / Person	0.01
Manager	Hours / Person	18.13
Non-Manager	Hours / Person	1.66
Gender		
Male	Hours / Person	1.58
Female	Hours / Person	2.96
Age Group		
< 30	Hours / Person	2.06
30 to 50	Hours / Person	2.00
> 50	Hours / Person	2.32
Employment Status		
Active	Hours / Person	3.69
Resignee	Hours / Person	0.01
New Hire	Hours / Person	0.41

Note 1: This includes resignees during the year.

5.2.3   Workforce Diversity and Other Profiles

Our business thrives on diversity. As such, we leverage on a host of strengths and skills that can only come from a diverse workforce embracing employees from various ethnic groups, religion, age and gender.

In addition to the human resources we managed under our payroll internally, we also engage external contracted companies as our outsourced vendors which provide outsourced personnel, such as certain production workers and security guards who work within our premises. Although we supervise these people, they are employed by contracted companies and are not included in our head count. We do not employ other types of un-contracted workers.

We expect that all the contracted companies we work with will share our core principles of HR management practices. In our vendor selection process, we take into consideration of their HR management practices as one of the key selection and performance criteria. We regularly review the performance of our vendors based on these criteria as a key basis to determine whether to continue to engage the vendors with their services.

Our workforce diversity, employment position and employment status are shown as follows. We have put in place processes and performance metrics across our operational boundaries in our reporting scope to improve the employee engagement of our business and operational activities. Such performance metrics are established across the respective entities, which collectively strive towards our sustainability performance targets for the Company. The performance metrics and targets for certain parameters are shown in section 6.2 of this report.

Workforce Diversity	Unit	Group Total
Total Number of Employees (Full Year) (Note 1)	Number of Persons	3,222
Total Number of Employees (Year End)	Number of Persons	2,404
Turnover	Number of Persons	33.0%

Gender

Number of Employee		
Male	Number of Persons	2,144
Female	Number of Persons	1,078
Percentage (%)		
Male	Proportion	66.5%
Female	Proportion	33.5%

Age Group

Number of Employee		
< 30	Number of Persons	1,120
30 to 50	Number of Persons	1,898
> 50	Number of Persons	204
Percentage (%)		
< 30	Proportion	34.8%
30 to 50	Proportion	58.9%
> 50	Proportion	6.3%

Note 1: This includes resignees during the year.

Employment Position	Unit	Group Total
Total Number of Employees (Full Year) (Note 1)	Number of Persons	3,222
Total Number of Employees (Year End)	Number of Persons	2,404
Turnover	Number of Persons	33.0%

Employment Position

Number of Employee		
Senior Management	Number of Persons	21
Manager	Number of Persons	76
Non-Manager	Number of Persons	3,125
Percentage (%)		
Senior Management	Proportion	0.7%
Manager	Proportion	2.4%
Non-Manager	Proportion	96.9%

Employment Position [Senior Management]

Gender		
Male	Number of Persons	17
Female	Number of Persons	4
Other	Number of Persons	-
Percentage (%)		
Male	Proportion	81.0%
Female	Proportion	19.0%
Other	Proportion	-

Age Group		
< 30	Number of Persons	4
30 to 50	Number of Persons	10
> 50	Number of Persons	7
Percentage (%)		
< 30	Proportion	19.0%
30 to 50	Proportion	47.7%
> 50	Proportion	33.3%

Note 1: This includes resignees during the year.

Employment Position	Unit	Group Total
Total Number of Employees (Full Year) (Note 1)	Number of Persons	3,222
Total Number of Employees (Year End)	Number of Persons	2,404
Turnover	Number of Persons	33.0%

Employment Position [Manager]

Gender		
Male	Number of Persons	44
Female	Number of Persons	32
Percentage (%)		
Male	Proportion	57.9%
Female	Proportion	42.1%

Age Group		
< 30	Number of Persons	1
30 to 50	Number of Persons	60
> 50	Number of Persons	15
Percentage (%)		
< 30	Proportion	1.3%
30 to 50	Proportion	79.0%
> 50	Proportion	19.7%

Employment Position [Non-Manager]

Gender		
Male	Number of Persons	2,083
Female	Number of Persons	1,042
Percentage (%)		
Male	Proportion	66.7%
Female	Proportion	33.3%

Age Group		
< 30	Number of Persons	1,115
30 to 50	Number of Persons	1,828
> 50	Number of Persons	182
Percentage (%)		
< 30	Proportion	35.7%
30 to 50	Proportion	58.5%
> 50	Proportion	5.8%

Note 1: This includes resignees during the year.

Employment Status	Unit	Group Total
Total Number of Employees (Full Year) (Note 1)	Number of Persons	3,222
Total Number of Employees (Year End)	Number of Persons	2,404
Turnover	Number of Persons	33.0%

Employment Status

Number of Employee		
Active	Number of Persons	1,698
Resignee	Number of Persons	818
New Hire	Number of Persons	706
Percentage (%)		
Active	Proportion	52.7%
Resignee	Proportion	25.4%
New Hire	Proportion	21.9%

Employment Status [Active]

Gender		
Male	Number of Persons	1,157
Female	Number of Persons	541
Percentage (%)		
Male	Proportion	68.1%
Female	Proportion	31.9%

Age Group		
< 30	Number of Persons	493
30 to 50	Number of Persons	1,064
> 50	Number of Persons	141
Percentage (%)		
< 30	Proportion	29.0%
30 to 50	Proportion	62.7%
> 50	Proportion	8.3%

Note 1: This includes resignees during the year.

Employment Status	Unit	Group Total
Total Number of Employees (Full Year) (Note 1)	Number of Persons	3,222
Total Number of Employees (Year End)	Number of Persons	2,404
Turnover	Number of Persons	33.0%

Employment Status [Resignee]

Gender		
Male	Number of Persons	584
Female	Number of Persons	234
Percentage (%)		
Male	Proportion	71.4%
Female	Proportion	28.6%

Age Group		
< 30	Number of Persons	325
30 to 50	Number of Persons	445
> 50	Number of Persons	48
Percentage (%)		
< 30	Proportion	39.7%
30 to 50	Proportion	54.4%
> 50	Proportion	5.9%

Employment Status [New Hire]

Gender		
Male	Number of Persons	403
Female	Number of Persons	303
Percentage (%)		
Male	Proportion	57.1%
Female	Proportion	42.9%

Age Group		
< 30	Number of Persons	327
30 to 50	Number of Persons	360
> 50	Number of Persons	19
Percentage (%)		
< 30	Proportion	46.3%
30 to 50	Proportion	51.0%
> 50	Proportion	2.7%

Note 1: This includes resignees during the year.

5.2.4   Employee Benefits

All non-managerial employees in Singapore are covered by the Employment Act, which provides basic employment terms and working conditions including contract requirements, remuneration, hours of work, overtime, rest days and annual leave entitlement.

In addition to the statutory benefits outlined in the Employment Act, we provide beyond-compliance-level benefits to our fulltime employees. Examples of these benefits include paternity leave and compassionate leave.

5.2.4.1   *Work–Life Balance*

While developing the talents of our employees and providing equal opportunities for them to excel are the key drivers for our Company, we also recognize that well-being and contentment of our employees are pivotal to the success and sustainability of our business and performance. Our employees are our most valuable asset, and we appreciate that their overall well-beings need to be well looked after in order for them to sustain their performance and realize their full potential.

To support our employees to strike a work-life balance, we aim to create an environment that allows our employees to achieve harmony in their personal and professional life. We achieve this through the adoption of a flexible approach to work arrangements and offering programmes to support health and wellness.

We understand that workplace could be at times stressful due to the competitiveness of our workforce and our business. To support our employees in their effort of pursuing excellence, we have various programmes and initiatives to balance their work with fun, and to develop an environment and culture of mutual support. In addition, we also organise team-building activities across our operations. We celebrate local festival events together with our staff. The Koda annual dinner continues to be an important event on the Company's social calendar.

5.2.4.2   *Retirement and Healthcare*

Our Group has presence in various geographic locations where there are various local laws and regulations on pension and healthcare for employees. Our HR management practices comply with such laws and regulations. For example, in Singapore, we participate in the Central Provident Fund (CPF) personal savings scheme, which helps employees fund their retirement, home ownership, healthcare and education. Under this scheme, monthly deductions from employees' gross salaries are paid into their CPF savings accounts. The Company makes employer contributions to these accounts, according to rates stipulated in the CPF Act. In addition to CPF contributions, we provide comprehensive medical coverage for all employees. For more information on the CPF scheme and contribution rates, please go to www.cpf.gov.sg.

5.2.5   Safety and Health in the Workplace

We are committed to Workplace Safety and Health ("**WSH**") and take every precaution to prevent occupational injuries among employees. We believe that optimum work conditions not only make our employees safer, but also boost morale. As an essential requirement we are in compliance with the Ministry of Manpower's Workplace Safety & Health Act. These well recognized standards provide us with the frameworks to manage risks associated with safety and health in our workplace.

At our factories, we have established a health and safety committee which includes representatives of workers and management to oversee the implementation of relevant policies and ensure they are in place.

We have appointed qualified Safety & Health Officers in our factories to ensure the relevant policies are complied with and to report recommendations to the safety committees.

Potential safety and health hazards in our factories include improper use of machinery and tools, movement of heavy items, wood dust and chemical fumes from spraying operations. We require our employees to use suitable personal protective equipment ("**PPE**") to ensure their own safety as well as of their colleagues. We ensure that our employees have access to the right PPE such as facemasks, respiratory masks, safety glasses and safety gloves.

All machines used are regularly serviced and checked against a prescribed schedule to ensure good working order. To ensure legal compliance, our facilities conduct a wide range of periodic tests and evaluations that cover audiometric test, drinking water test, local exhaust ventilation, chemical exposure monitoring, chemical health risk assessment and noise risk assessment.

Wood dust is a common health hazard in furniture manufacturing. Our facilities are fitted with dust collector systems and local exhaust ventilation mechanisms to remove dust from the air. We have implemented operating procedures to ensure chemical and paint spraying are conducted in a secure environment.

COVID-19 Responses

In the view of COVID-19 pandemic outbreak which has affected the health and well-being of society and people around the world, the Group has undertaken social distancing and prevention measures in compliance with local guidelines. These include applying COVID-19 specific standard operating procedures such as, mask wearing, daily temperature checks and hand sanitisation practices, regular sterilisation of the factory environment, limiting outstation visitors, registration of visitors/suppliers. In addition, the Group has arranged vaccination for our employees at our factory.

Our employees' health and safety incidents profile are shown as follows.

Employee Health and Safety	Unit	Group Total

Health and Safety Incident - Cases

Number of Health and Safety Incidents		
Recordable Injuries	Number of Cases	30
Recordable Work-Related Ill Health Cases	Number of Cases	-
High-Consequence Injuries	Number of Cases	-
Fatalities	Number of Cases	-
Percentage (%)		
Recordable Injuries	Proportion	100.0%
Recordable Work-Related Ill Health Cases	Proportion	-
High-Consequence Injuries	Proportion	-
Fatalities	Proportion	-

Health and Safety Incident - Persons

Number of Health and Safety Incidents		
Recordable Injuries	Number of Persons	30
Recordable Work-Related Ill Health Cases	Number of Persons	-
High-Consequence Injuries	Number of Persons	-
Fatalities	Number of Persons	-
Percentage (%)		
Recordable Injuries	Proportion	100.0%
Recordable Work-Related Ill Health Cases	Proportion	-
High-Consequence Injuries	Proportion	-
Fatalities	Proportion	-

5.2.6   Individual Rights

Respecting and protecting basic human rights is fundamental to all our operations and deeply ingrained in our Code of Conduct, which applies to all employees. Labour rights, the prohibition of discrimination and harassment, protection of privacy, prohibition of forced and child labour, and workplace health and safety are all strictly observed within the work environment and discrimination and harassment of any kind is not tolerated at our Group.

We also respect our employees' rights to freedom of association as well as their membership of trade unions and other professional bodies.

Our profiles for local and foreign employees, union members, collective bargaining and pension coverage are shown as follows.

Employee Profile	Unit	Group Total
Total Number of Employees (Full Year) (Note 1)	Number of Persons	3,222
Total Number of Employees (Year End)	Number of Persons	2,404
Turnover	Number of Persons	33.0%

Local Employee

Number of Employee		
Local	Number of Persons	2,868
Foreign	Number of Persons	354
Percentage (%)		
Local	Proportion	89.0%
Foreign	Proportion	11.0%

Union Member

Number of Employee		
Union Member	Number of Persons	2,526
Not Union Member	Number of Persons	696
Percentage (%)		
Union Member	Proportion	78.4%
Not Union Member	Proportion	21.6%

Collective Bargaining

Number of Employee		
Collective Bargaining	Number of Persons	2,526
Not Collective Bargaining	Number of Persons	696
Percentage (%)		
Collective Bargaining	Proportion	78.4%
Not Collective Bargaining	Proportion	21.6%

Pension Covered

Number of Employee		
Pension Covered	Number of Persons	2,706
Not Pension Covered	Number of Persons	516
Percentage (%)		
Pension Covered	Proportion	84.0%
Not Pension Covered	Proportion	16.0%

Note 1: This includes resignees during the year.

5.3   Focusing on Our Customers' Needs

5.3.1   Our Approach

Quality products, highest level of customer service and product safety have always been our priorities, with customer satisfaction being the goal of all our corporate activities. Customer retention begins with trust. We place the utmost importance on training our employees in customer service excellence as well as in continuously striving to improve the quality and safety of our products and services.

Open and frequent communication and responsive feedback are ingrained into our daily activities with customer interaction. In addition to striving for excellence in product service and support, we attach enormous importance to data privacy. We have process and controls in place over confidential and sensitive data related to our customers such as contracts.

Koda puts our customers first in all we do, with a focus on delivering exceptional customer experiences. Due to COID-19 pandemic, business around the world have been impacted. We continued to maintain close contact with our customers via electronic communications in meeting their needs, including updating on the latest product progress and expected delivery schedules.

5.3.2   Customer Feedback and Satisfaction

We listen to our customers and take their views very seriously. We consolidate customer feedback through a range of communication channels including our website, customer survey, and our customer service personnel.

Regular audits are conducted by the Group's international customers covering the aspects of ESG to ensure our manufacturing process are in compliance with industry standards and in sustainably way. This has become one of the effective way of engaging our customers.

5.3.3   Product Quality and Safety

Reliability and quality of our products are of paramount importance to us. Health and safety of our customers is always our priority.   We use only high quality wood and materials to produce aesthetically appealing furniture. Our furniture designs exhibit a high degree of individuality, sophistication and elegance. Product design remains our core strength. Over the decades, we have built significant in-house design expertise to focus on product development and to stay design-relevant. Our profound commitment to quality is reflected in every piece of furniture produced by us. From design to production, every Koda product is manufactured to the exact specifications. Extensive checks are carried out at all stages to ensure high quality. Our factories follow stringent quality control and assurance processes that eliminate defects across the production chain. Together with the skills of highly trained craftsman, we are able to achieve high level of quality for every piece of furniture that is shipped from our factories.

To ensure product safety to our customers, we have in place a set of key quality assurance processes and standards to ensure compliance with regulations and international standards. For example, we ensure that our furniture and upholstery material have the fire safety information label as required by our customers. Ultimately, we aim to totally eliminate product safety incidents so as to foster a 'Safety First' culture through employee training and quality control.

5.3.4 Data Safety and Privacy

Ensuring safety and privacy of our customers' data is of great priority to us. We have processes and controls in place for handling and communicating sensitive and confidential information of our customers such as contracts, customer orders and service delivery orders. Our information security policies ensure our customers' data are managed in accordance with the level of confidentiality. We strictly observe all local laws and internal regulations applicable to personal information protection.

5.4 Partnering Our Suppliers

5.4.1 Our Approach

We rely on our supply chain for the supplies of the necessary raw material to manufacture our products. Our approach is to build a reliable and sustainable supply chain through active engagement. Our supply chain comprises suppliers of raw material, mainly wood, components, fabric and paint products. We support local procurement wherever feasible.

As a part of our ambition to realize sustainability throughout our value chain, we extend the application of responsible business practices to our partners and suppliers.

Most of our woods are sourced from sustainable sources, of which FSC or PEFC (Programme for the Endorsement of Forest Certification) certification being the most prominent. Suppliers must meet our set criteria for social and environment standards in order to be qualified as a vendor of Koda.

Our supplier screening profile is shown as follows.

Supplier Screening	Unit	Group Total
Total Number of Sample Suppliers	Number of Suppliers	60

Sustainability Criteria

Number of Sample Suppliers		
Satisfied Sustainability Criteria	Number of Suppliers	52
Not Satisfied Sustainability Criteria	Number of Suppliers	8
Percentage (%)		
Satisfied Sustainability Criteria	Proportion	86.7%
Not Satisfied Sustainability Criteria	Proportion	13.3%

5.4.2 Supplier Selection

Our key suppliers are carefully selected through our supplier selection process. When selecting our key suppliers, we examine criteria such as financial health, quality of products and services, as well as competitiveness of pricing. In addition, we also take into consideration of the overall sustainability policies adopted by our suppliers. Our final decision on supplier selection is based on the overall assessment which takes a balanced view across all selection criteria.

5.4.3 Supplier Review

We regularly review the performance of our key suppliers to determine whether to extend our partnership with them. During the key supplier review process, we engage with our key suppliers to communicate our expectations and mutual feedbacks. Such review process ensures alignment of our key suppliers' services and products to our business requirements and sustainability objectives through pragmatic and continuous improvement in our partnership with our key suppliers.

5.5 Government and Regulators

5.5.1 Our Approach

Being a listed company on the Singapore Exchange ("**SGX**"), we benchmark to the highest standards of corporate governance as required by the listing rules. We strictly comply with prevailing laws and regulations. We conform to local and international best practices. Our corporate governance framework covers ethics and compliance through a Code of Conduct as well as action guidelines which are to be adhered by the officers and employees across the organization. Every new employee is introduced to our Code of Conduct and our policies on ethics and compliances which includes areas such as anti-corruption. Communication channels, such as whistle blowing policy and Board escalation process, are in place to enable all employees and individuals engaged in business activities to report complaints of unethical behaviour.

5.5.2 Regulatory Compliance Oversight

We have a dedicated officer who maintains a register of incidences regarding ethics and compliance issues and escalates to the management where appropriate.

Our whistle blowing policy aims to encourage the reporting of possible corporate improprieties or other matters such as suspected fraud, corruption, dishonest practices and etc in good faith, with the confidence that any employees making such reports will be treated fairly and be protected from reprisals. To ensure independent investigation into such matters and for appropriate follow-up, all whistle-blowing reports are reviewed by the Audit Committee and the Board of the Company.

5.5.3 Financial Assistance

Financial assistance from government mainly pertains to the job support scheme and rental rebate extended by the Government due to COVID-19 pandemic. It also includes government grant for certain projects which the Group has been undertaking. Financial assistance during FY2021 is detailed as follows:

Finance	Unit	Group Total
Financial Assistance		
[GRI 201-4] Financial assistance received from government	US$	905,524

5.6   Supporting Our Community

5.6.1   Our Approach

We have been providing support to the communities. The key motivation driving all our community engagement initiatives is to enable and empower young people. By supporting young people today and helping to educate them about the world they are to inherit, our goal is to benefit not only the current generation, but also the next.

We also recognize that meeting the needs of today's youth goes beyond their own education, security and well-being, extending to that of their families, homes and neighbourhoods as well. To this end, our engagement programmes also encompass financial and practical support in carefully selected communities, through donation, voluntary activities and fundraising.

In FY2021, we have supported NTUC-U Care Fund as one of the sponsors. NTUC-U Care Fund is the charity arm of the Labour Movement that aims to better the welfare of low-income union members and their families, children and youth, elderly and the underprivileged community.

HERProject at our Vietnam factory focusing on the health and nutrition of our workers has achieved satisfactory outcome. It has helped the factory to reduce workers' absenteeism and enhanced work efficiency due to better health of our workers.

6 PERFORMANCE METRICS AND TARGETS

6.1 Stakeholder: Environment for the Future Generations

The intensity of GHG emission, energy consumption, waste generated, water consumption and paper consumption are measured in tCO2e per US$ million, MWh per US$ million, Tonnes per US$ million, Cubic Meters per US$ million and Kilograms per US$ million respectively.

Our target is to reduce each of this intensity by 10% by FY2030 from FY2021 level and it is shown as follows:

Performance Metrics (FY2021)

GHG Emission			
GHG Emission - Total	Intensity	tCO2e / US$ 1,000,000	3.11
Energy Consumption			
Energy Consumption - Total	Intensity	MWh / US$ 1,000,000	95.42
Waste Generated			
Waste Generated - Total	Intensity	Tonnes (t) / US$ 1,000,000	501.79
Water Consumption			
Water Consumption - Total	Intensity	Cubic Meters (m3) / US$ 1,000,000	1,117.58
Paper Consumption			
Paper Consumption - Total	Intensity	Kilograms (kg) / US$ 1,000,000	131.30

Performance Targets (By FY2030)

GHG Emission			
GHG Emission - Total	Intensity	tCO2e / US$ 1,000,000	2.80
Energy Consumption			
Energy Consumption - Total	Intensity	MWh / US$ 1,000,000	85.88
Waste Generated			
Waste Generated - Total	Intensity	Tonnes (t) / US$ 1,000,000	451.61
Water Consumption			
Water Consumption - Total	Intensity	Cubic Meters (m3) / US$ 1,000,000	1,005.82
Paper Consumption			
Paper Consumption - Total	Intensity	Kilograms (kg) / US$ 1,000,000	118.17

6.2 Stakeholder: Employees

Employee turnover stood at 33.0% in FY2021. Our target is to reduce employee turnover by 10% to 29.7% by FY2030 from FY2021 level.

The number of health and safety incidents was 30 in FY2021 which related to recordable injuries only. Our target is to reduce recordable injuries by 10% to 27 numbers by FY2030 from FY2021 level. There has been no recordable work-related ill heath cases, high-consequences injuries and facilities in FY2021. The Group endeavours to maintain this achievement in the future.

Performance targets by FY2030 is shown as follows.

Employee	Unit	Group Total

Performance Metrics (FY2021)

Turnover		
Employee Turnover	%	33.0%
Health and Safety Incidents - Number of Cases		
Recordable Injuries	Number of Cases	30
Recordable Work-Related Ill Health Cases	Number of Cases	-
High-Consequence Injuries	Number of Cases	-
Fatalities	Number of Cases	-

Performance Targets (By FY2030)

Turnover		
Employee Turnover	%	29.7%
Health and Safety Incidents - Number of Cases		
Recordable Injuries	Number of Cases	27
Recordable Work-Related Ill Health Cases	Number of Cases	-
High-Consequence Injuries	Number of Cases	-
Fatalities	Number of Cases	-

7 GRI CONTENT INDEX

This report has been prepared in accordance with the Global Reporting Initiative (GRI) Standards Core option. We did not seek external assurance for this report.

N.B.: *AR = Annual Report, SR = Sustainability Report (i.e., this report)*

GRI Reference		Disclosure	Response
General Standard Disclosure			
Organization Profile	102-1	Name of the organization	*SR Section* 3
	102-2	Activities, brands, products, and services	*AR Page 4*
	102-3	Location of headquarters	*AR Page 142*
	102-4	Location of operations	*AR Page 6*
	102-5	Ownership and legal form	*AR Page 143*
	102-6	Markets served	*AR Page 7*
	102-7	Scale of the organization	*AR Pages 13-15*
	102-8	Information on employees and other workers	*SR Section 5.2.3*
	102-9	Supply chain	*SR Section 5.4, 5.4.1, 5.4.2, 5.4.3*
	102-10	Significant changes to the organization and its supply chain	*Not significant changes*
	102-11	Precautionary Principle or approach	*SR Section 3.2, 4, 4.1, 5, 5.1.1, 5.2.1, 5.3.1, 5.4.1, 5.5.1, 5.6.1*
	102-12	External initiatives	*SR Section 4.4*
	102-13	Membership of associations	*SR Section 4.4*
Strategy	102-14	Statement from senior decision-maker	*SR Section 1*
Ethics and Integrity	102-16	Values, principles, standards, and norms of behaviour	*AR Pages 23-71 (Code of Governance), SR Section 3.1*
Governance	102-18	Governance structure	*AR Pages 23-71 (Code of Governance), SR Section 3.2*
Stakeholder Engagement	102-40	List of stakeholder groups	*SR Section 5, 5.1, 5.2, 5.3, 5.4, 5.5, 5.6*
	102-41	Collective bargaining agreements	*SR Section 5.2.6*
	102-42	Identifying and selecting stakeholders	*SR Section 5*
	102-43	Approach to stakeholder engagement	*SR Section 5*
	102-44	Key topics and concerns raised	*SR Section 4.2, 5*
Reporting Practice	102-45	Entities included in the consolidated financial statements	*AR Page 120*
	102-46	Defining report content and topic boundaries	*SR Section 2.1, 2.2, 2.3*
	102-47	List of material topics	*SR Section 4.2*
	102-48	Restatements of information	*SR Section 2*
	102-49	Changes in reporting	*SR Section 2*
	102-50	Reporting period	*SR Section 2.1*
	102-51	Date of most recent report	*SR Section 2.1*
	102-52	Reporting cycle	*SR Section 2.1*
	102-53	Contact point for questions regarding the report	*SR Section 2.4*

GRI Reference		Disclosure	Response
	102-54	Claims of reporting in accordance with the GRI Standards	*SR Section 2.2*
	102-55	GRI content index	*SR Section 7*
	102-56	External assurance	*SR Section 2.2*
Management Approach	103-1	Explanation of the material topic and its Boundary	*SR Section 4.2*
	103-2	The management approach and its components	*SR Section 4.1*
	103-3	Evaluation of the management approach	*SR Section 4*
Economic			
Economic Performance	201-1	Direct economic value generated and distributed	*AR Pages 13-15*
	201-2	Financial implications and other risks and opportunities due to climate change	*SR Section 4.2*
	201-3	Defined benefit plan obligations and other retirement plans	*SR Section 5.2.4.2*
	201-4	Financial assistance received from government	*SR Section 5.5.3*
Anti-corruption	205-1	Operations assessed for risks related to corruption	*SR Section 4.2*
	205-2	Communication and training about anti-corruption policies and procedures	*SR Section 5.5.1*
	205-3	Confirmed incidents of corruption and actions taken	*SR Section 5.5.1*
Anti-competitive Behaviour	206-1	Legal actions for anti-competitive behaviour, anti-trust, and monopoly practices	*SR Section 5.5.1*
Environment			
Energy	302-1	Energy consumption within the organization	*SR Section 5.1.3*
	302-3	Energy intensity	*SR Section 5.1.3*
	302-4	Reduction of energy consumption	*SR Section 5.1.3*
Emissions	305-1	Direct (Scope 1) GHG emissions	*SR Section 5.1.2*
	305-2	Energy indirect (Scope 2) GHG emissions	*SR Section 5.1.2*
	305-3	Other indirect (Scope 3) GHG emissions	*SR Section 5.1.2*
	305-4	GHG emissions intensity	*SR Section 5.1.2*
	305-5	Reduction of GHG emissions	*SR Section 5.1.2*
Environmental Compliance	307-1	Non-compliance with environmental laws and regulations	*SR Section 5.5.1*
Supplier Environmental Assessment	308-1	New suppliers that were screened using environmental criteria	*SR Section 5.4.3*
Social			
Employment	401-1	New employee hires and employee turnover	*SR Section 5.2.3*
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	*SR Section 5.2.4*
	401-3	Parental leave	*SR Section 5.2.1, 5.2.2.1, 5.2.4*

GRI Reference		Disclosure	Response
Labor/Management Relations	402-1	Minimum notice periods regarding operational changes	*SR Section 5.2.2*
Occupational Health and Safety	403-1	Workers representation in formal joint management–worker health and safety committees	*SR Section 5.2.5*
Training and Education	404-1	Average hours of training per year per employee	*SR Section 5.2.2.4*
	404-2	Programs for upgrading employee skills and transition assistance programs	*SR Section 5.2.2.4*
	404-3	Percentage of employees receiving regular performance and career development reviews	*SR Section 5.2.2.1, 5.2.2.4*
Diversity and Equal Opportunity	405-1	Diversity of governance bodies and employees	*SR Section 5.2.3*
Non-discrimination	406-1	Incidents of discrimination and corrective actions taken	*SR Section 5.5.1*
Rights of Indigenous Peoples	411-1	Incidents of violations involving rights of indigenous peoples	*SR Section 5.5.1*
Human Rights Assessment	412-2	Employee training on human rights policies or procedures	*SR Section 5.2.2.1, 5.2.6, 5.5.1*
Supplier Social Assessment	414-1	New suppliers that were screened using social criteria	*SR Section 5.4.1, 5.4.2, 5.4.3*
Public Policy	415-1	Political contributions	*SR Section 5.5.3*
Customer Health and Safety	416-1	Assessment of the health and safety impacts of product and service categories	*SR Section 5.3.3*
	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	*SR Section 5.3*
Marketing and Labelling	417-2	Incidents of non-compliance concerning product and service information and labelling	*SR Section 5.3*
	417-3	Incidents of non-compliance concerning marketing communications	*SR Section 5.3*
Customer Privacy	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	*SR Section 5.3, 5.5*
Socioeconomic Compliance	419-1	Non-compliance with laws and regulations in the social and economic area	*SR Section 5.5*