

## SUSTAINABILITY REPORT **2018**

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Camsing Healthcare Limited | Sustainability Report FY 2018

### About this Report

GRI 102-1|102-46 | 102-50 | 102-52 | 102-53 | 102-54

Camsing Healthcare Limited ("Camsing Healthcare") is delighted to present our inaugural annual Sustainability Report for the Financial Year 2018. We have prepared the report in accordance with the Global Reporting Initiative Standards - Core option ("GRI Standards"). The GRI Standards was selected, as they are the first global standards for sustainability reporting. The GRI Content Index on pages 17-18 indicate the full list of GRI references and disclosures used in this report.

The report is also aligned to the SGX Sustainability Reporting Guide set out in Practice Note 7.7 of the Mainboard Listing Rules of Singapore Exchange Securities Trading Limited ("SGX-ST").

#### **Report content and topic boundaries**

The report details our environmental, social and governance performance over the past financial year (February 2017 to January 2018) and covers all business divisions of Nature's Farm. The scope and content boundaries of the report were defined based on the four GRI Principles - stakeholder inclusiveness, sustainability context, materiality, and completeness.

#### Contact

We are fully committed to listening to our stakeholders and welcome any feedback on our sustainability performance or any aspect of our report. Please write to:

Penny Sena pennysena@naturesfarm.com

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### **Sustainability Board Statement**

GRI 102-14



Dear Shareholders,

As we embark on our sustainability journey, we are proud to affirm our commitment to sustainability with the publication of our inaugural sustainability report.

Nature's Farm Private Limited with 36 years of unrivalled passion and commitment in the specialty health supplement industry will continue to spread its wings as one of the leading health supplement brands in Singapore. The company Board of Directors and Officers are committed to continue the safeguarding of shareholder values and interests through a high standard of corporate governance.

Armed with a clear strategic direction to expand our brand into bigger markets, the team is now pursuing opportunities to diversify and grow into a larger and broader business. Backed with the support from its majority shareholder, the company's expansion will not be limited to organic growth, but also growth from acquisitions. Our strategy to sustainability is to expand business while capitalising on our role to the general public and reducing our impact on the environment. For more than three decades, Nature's Farm has provided consumers with the finest health products backed with the best service in the industry. This is one of the main reasons for our sustained position in the market. As a yardstick of consumer's trust in the brand, Nature's Farm's leading product "**Pycnogenol**®" continues to enjoy robust sales and is proof of the longstanding support from our beloved customers. This serves as an inspiration to our team to constantly innovate and seek to incorporate new technology in our products to keep our customers satisfied. Our company's team of Nutritionists are also devoted to ensuring only products with excellent quality are put into the market.

As measures to reduce the environmental burden of using plastic carrier bags, Nature's Farm has been using woven carrier bags for more a decade now and will continue to use it as part of our campaign to support ecology.

We are committed to maintaining our company's social responsibility by continuously creating a better environment to live and work. We strive to conduct our business at the highest ethical standards and at the same time support the values of our community. This can be seen in our support for all initiatives put in place for the good of the community, natural environment and the promotion of human rights.

We always believe that the real fuel and energy behind the company's growth and success comes from its people. We reciprocate to their efforts by developing their abilities and skills, providing an excellent working environment and providing equal opportunity in a diverse workforce.

The challenging part now is how we can further contribute to environmental awareness such as climate change and accessibility to healthcare in order to improve the health of people worldwide. We will remain committed to improving our environmental performance, and continue to seek ways to enhance our collection of data so as to bring our subsequent sustainability report to the next level.

Thank you for giving us the chance to highlight our challenges and approaches, and I hope that this helps you to understand our business perspective.

We appreciate your continued support as we strive to bring a positive impact to our business, society and the environment.

Lo Ching (Ms), Director and Chairman of CAMSING Healthcare

### **About Camsing Healthcare**

GRI 102-2 | 102-3 | 102-4 | 102-5 | 102-6 | 102-7 | 102-8



Camsing Healthcare Limited is listed on the Mainboard of the Singapore Exchange Securities Trading Limited. We also conduct investment activities in healthcare businesses.

Headquartered in Singapore, the principal activities of the Group include the distribution and retailing of health supplements in Singapore, Southeast Asia, and China. Nature's Farm is the exclusive distributor for Haddrell's of Cambridge®, NOW® Foods, Pycnogenol®, Wakunaga®, Norwegian Fish Oil<sup>®</sup>, Senseiro<sup>®</sup>, and Bluebonnet<sup>®</sup>.

Nature's Farm® was incorporated in 1982 and has established itself as a reputable brand in imported health supplements, honey, and health foods. Today we operate 18 retail stores across major shopping centres in Singapore. We have also made our products available to our customers 24/7 through our e-store and other e-commerce platforms such as Redmart, Lazada, and Qoo10. We have also expanded our supplement and health food business to China, by providing our products through two of China's biggest e-commerce websites.

### Scale of our organisation



**Stock Keeping Units** 



### **Total Employees**<sup>1</sup> 74

### Male: 14

Permanent: 14 Temporary: 0



### Female: 60

Permanent: 58 Temporary: 2

<sup>1</sup> Note: All our Full-time employees are under Permanent contract and Parttime employees are under Temporary contract.

### **Sustainability at Camsing Healthcare**

GRI 102-9 | 102-11 |102-12 | 102-13 | 102-16 | 102-18



Camsing Healthcare firmly believes sustainability is integral to achieving lasting commercial success. As we embark on our sustainability journey, we commit to conducting our business in a responsible manner. We acknowledge our role in minimising the environmental and social impact from our business operations, by supporting the precautionary principles.

### Sustainability governance

At Camsing Healthcare, we are committed to maintaining high standards of corporate governance across all functions of our organisation. We strive to put in place a robust governance framework to maintain integrity, accountability, and transparency in our operations.

Sustainability is ingrained at various levels in our organisation. We have set up a committee responsible for overseeing our sustainability targets. This committee is led by our Chief Operating Officer and consists of a Finance and Administration Manager, HR & Administration Executive, Sales and Product Senior Manager, and Assistant Purchasing Manager as its members. They ensure the alignment of our business objectives with our sustainability targets and further hold the responsibility to communicate our sustainability progress to the Board.

### **External Initiatives**

 Good Distribution Practice for Medical Devices (GMPMDS)

### Memberships of Associations

- Health Sciences Authority (HSA)
- Health Supplements Industry Association Singapore
   (HSIAS)
- Singapore Business Federation (SBF)
- Singapore Retailers Association
- Singapore Chinese Chamber of Commerce
- China Enterprises Association (Singapore)
- Singapore China Business Association
- Children's Cancer Foundation (Appreciation Award 2007)
- Lions Recycle for Sight (Appreciation Award 2012)

### **Supply Chain**

Sustainability is a business strategy to help us conduct business the right way. Therefore, we endeavor to embed sustainability across our value chain including the communities and societies where we operate as well as where we sell our products.

In FY2018, we have a pool of 62 active suppliers covering 13 geographical locations namely Singapore, USA, New Zealand, China, Taiwan, Japan, Germany, Norway, France, Italy, Canada, Sweden, and Korea. In the future, we aim to embed sustainability measures into our value chain and integrate environmental factors wherever possible.

We have a simple supply chain structure consisting of three parties as shown below:





### Vision and Mission

### **Our Core Values:**

### Quality with Value

To be a modern health supplement and health food brand, catering to a large consumer market with our reasonable prices, yet never compromising on the quality delivered.

#### Passion & Commitment

To have a fiery passion in health and wellness, our heart lies in delighting customers with quality products and services to help them achieve optimum health for themselves and their loved ones.

#### Integrity & Respect

To always make it a point to treat each and every individual, both within and outside the organisation, with utmost respect and dignity.

### Lasting Relationships

To take our relationships with our consumers and business associates one step further, establishing mutual trust, understanding and a familiarity that keeps us close at heart – for now and the future.

### Mission:

It is our mission at Nature's Farm to deliver only the highest quality dietary health supplements and health foods at the best value to our customers. We will remain committed in our focus as specialty health supplements and health foods retailer, distributor, and wholesaler by bridging lasting customer relationships with commendable customer service and by providing superiorly safe products.

As we continue growing across the region, we make it a point to remain loyal and true to the core values that have built us the foundation of where we stand today. Along our journey, our goal has been to inculcate a set of firm values that will act as guiding principles in the way we operate, communicate and build relationships.

At Nature's Farm, we take pride in what we do, and that is precisely why our customers continue patronising us.

### **Awards and Recognition**







### **Corporate Social Responsibility**

We work closely with the local charity organisation for products sponsorship. An example of our charitable outreach is the S3 (Stroke Support Station®), where health supplements were donated to people with special needs to help them maintain their overall wellbeing. We firmly believe it is our responsibility to help those in need whenever we can.



### **Stakeholder Engagement**

GRI 102-40 | 102-42 | 102-43 | 102-44

At Camsing Healthcare, we consider stakeholder engagement essential to understand the impact of our business. We are committed to identify the issues most important to our stakeholders and address their concerns while formulating our business strategies and policies.

We identified and selected our key stakeholders based on importance, representation, responsibility, dependency, and proximity to our business. The table below showcases our stakeholder engagement mechanisms.

We continuously seek to improve stakeholder engagement by enhancing our communication channels and embedding their valuable feedback into our strategy.



Stakeholder	Mode of Engagement	Frequency of Engagement	Key Topic Raised
Investors	<ul> <li>Direct engagement between the company and its investors. To promote transparency of information regarding the company's performances and operations</li> </ul>	<ul> <li>Ad-hoc meetings and Annual General Meeting (AGM) &amp; Extraordinary General Meeting (EGM)</li> </ul>	
Suppliers	Email/Teleconference call follow- up on order-related queries/issues, new products and reduce product quality issues	<ul> <li>Purchase Order Submission (monthly)</li> <li>Request for Quotation (as required)</li> <li>Product Enquiry (as required)</li> <li>Product Feedback/Complaint (as required)</li> <li>Yearly Supplier Evaluation (Annual)</li> </ul>	
Customers	<ul> <li>Front line team members</li> <li>Customer Feedback Forms (Instore)</li> <li>Customer Service Hotline/Email to improve the customer shopping experience</li> </ul>	• We will revert to the customers within 24 hours either by phone or email	Economic     Performance
Regulators	<ul> <li>Enquiry forms (to HAS for product classification before sale)</li> <li>Application forms/Renewal of license(wholesaler and importer)/Declaration letter/other relevant documents required by regulators</li> <li>Email Communications</li> <li>Phone Conversation via call centre/hotline, HAS &amp; AVA Officer (for issues such as product recall)</li> <li>HAS Routine Audit (to ensure Non-Conformance matters have been resolved)</li> </ul>	<ul> <li>For new applications, as and when the new requirements arise or initiated by Management</li> <li>For renewal (annual), email notification will be sending out by relevant authority 2 months before the license expired</li> <li>For other enquiries/ad-hoc matters, direct emails/ phone calls will be made whenever necessary</li> </ul>	Performance     Supplier     Environmental     Assessment     Occupational     Health and Safet     Training and     Education
Management	Open-minded and approachable management	<ul> <li>Monthly Management Meeting.</li> <li>Ad hoc meetings requested by particular department heads to address urgent matters/issues.</li> </ul>	
Employees	<ul> <li>Direct communication between employees and management to provide feedback related to any particular issue/situation</li> </ul>	<ul> <li>Weekly Area Managers meetings</li> <li>Monthly meeting of all Shop In-Charge</li> <li>Regular staff meeting in the shop with designated Area Manager</li> <li>Company Team Building, Karaoke with employees, Christmas and Lunar New Year buffet with employees</li> </ul>	



GRI 102-46 | 102-47 | 103-1

The content of our Sustainability Report has been shaped by the key material issues identified in our materiality assessment process. To determine our material issues, we undertook a process of identification, prioritisation, and validation with our senior management.

We first conducted a thorough peer benchmarking exercise to list the sustainability topics reported by them in their sustainability reports. We further prioritised the key material topics by their importance to our stakeholders and the environment, social and governance impact created by our business. The selected topics were then endorsed by the senior management and the Board.

Economic Performance	Training and Education
Occupational Health and	Supplier Environmental
Safety	Assessment

### **Material Topics and Indicators Identified**

Categories	Material Topics	List of Indicators	Aspect Boundary <sup>2</sup>
Economic	Economic Performance	GRI 201-1: Direct economic value generated and distributed	Within organisation
Environment	Supplier Environmental Assessment	GRI 308-1: New suppliers that were screened using environmental criteria	Within organisation
	Training and Education	GRI 404-1: Average hours of training per year per employee	Within organisation
Social	Occupational Health and Safety	GRI 403-2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Within organisation

<sup>&</sup>lt;sup>2</sup> Aspect Boundary is a description of where the impacts occur for a material topic and the organisation's involvement with those impacts. Organisations might be involved with impacts either through their own activities or as a result of their business relationships with other entities.

### Economic

### **Economic Performance**

GRI 103-1| 103-2 | 103-3 | 201-1



#### Why is this a material issue?

Measuring our economic and financial performance is important to evaluate our business and ensure we are on track to achieve our financial goals. We strive to continuously enhance our financial performance and create long-term value for our investors and stakeholders.

#### Our approach to managing

Despite a challenging market environment and disruptions in the global economic landscape, we have sustained profitability in the previous financial year.

As our primary business is retail and distribution, therefore initiatives focused on increasing our sales are very important for our business strategy. In order to boost our sales, we organised several marketing and promotional activities. We also conducted themed initiatives, which were aligned with the health awareness initiatives organised by the Health Promotion Board. In addition, we held exclusive members only events to better engage our loyal customers. Such initiatives helped boost our sales and increased visibility of our products among the targeted customer base.

Through these initiatives coupled with our prudent business strategy, we aim to maintain our strong financials to achieve long-term growth and profitability. The table below highlights our financial performance in 2018.

More information on our financial performance is disclosed in Camsing Healthcare's Annual Report 2018 available online.

#### FY18 performance

	Singapore	China
Direct Economic Value Generated (S\$'000)	11.1	3.8
Economic Value Distributed (S\$'000)	9.1	0.0
Economic Value Retained (S\$'000)	2.0	3.8

### **Environment**

### **Supplier Environmental Assessment**

GRI 103-1| 103-2 | 103-3 | 308-1



### Why is this a material issue?

As a local healthcare retailer, which specialises in dietary supplements, Camsing Healthcare recognises that we can minimise environmental impacts that occur during each stage of our health product's life cycle. To do so, we ensure the products we sell are sourced from GMP certified manufacturing plants and comply with the local regulatory requirements.

Product quality and purity are our biggest concern, hence we review all our new suppliers and work closely with them to establish or bring in the products that can meet the criteria of environmentally friendly materials such as Organic, Non-GMO, vegetarian-friendly, gluten-free etc. Currently, most of our products are free of preservatives and artificial components to safeguard our consumer's health and safety.

### Our approach to managing

We have adopted the industry standards for health products, which include GDP (Good Distribution Practice) and GDPMDS (Good Distribution Practice for Medical Devices). The stringent audit procedures ensure that we comply with all the processes from purchasing, transportation, goods handling, and storage to disposal. We also engage an accredited company in assisting the working procedures for disposal of recyclables.

As the health products come with a recommended shelf life, we adopt First-In and First-Out (FIFO) practice to minimise product write-off and wastage.

While working with suppliers, we conduct regular "Vendor Evaluation". We also follow-up with them for necessary changes to ensure better product management and workflow in the future.

Over the years, Nature's Farm has maintained our commitment to invest in practical solutions to mitigate and prevent adverse environmental impacts. From progressive recycling programs to community-based activities, we will continue to do our part to promote a higher level of social responsibility.

Nature's Farm has been awarded the Superbrands<sup>®</sup> for the year 2018 by Singapore's choice. This recognition helps to strengthen our brand position, adds prestige, and reassures our consumers and suppliers that they are buying the best brand in its category.

FY18 performance and targets

	FY18 Performance	FY19 Targets
Number of new supplier for FY17/18	16	12
Number of new suppliers screened using environmental criteria	5	5
Percentage of new suppliers screened using environmental criteria	31%	41%

The environmental criteria used for screening new suppliers is given below:

Environmental Criteria	Description
Corporate Social Responsibility	Partnership with a non-profit organisation dedicated to take commitment to society and community.
Environmental Design	Use of environmental friendly technology and materials (e.g. green packaging, etc.), design capability for reduced consumption of material/energy, reuse, recycle of material, the design of products to avoid or reduce the use of harmful materials.
Environment Management Systems	Environmental related certificates such as ISO 14001, environmental policies, checking and control of environmental processes.
Environment Competencies	Clean technology availability, pollution reduction capabilities, etc.

### Social

### **Training and Education**

GRI 103-1 |103-2 | 103-3 | 404-1



FY18 performance and targets

#### Why is this a material issue?

We recognise that our employees are instrumental in the success and growth of our Group. We, therefore, invest in providing training and development opportunities to enable them to provide the highest quality service to our customers. Nature's Farm will continue to help our employees to be more competitive towards productivity and sales.

As one of the leading providers of nutrition and health supplements, it is our responsibility to help our customers or potential customers receive proper as well as accurate information. We, therefore, train our employees on how to advise customers about their supplementary requirements according to their body needs. We want to transform our sales staff into nutrition advisor. By helping them learn about the product content and origin, we want them to develop a deeper understanding of the products. Our goal is to complement the products we sell with advice from well-equipped and trained retail nutrition advisors.

#### Our approach to managing

We conduct in-house training of our products to all retail employees from frontlines to Area Managers. This training is conducted by our qualified Nutritionists in English or Mandarin depending on the type of audience. It aims to help new employees fully understand the purpose, usage and health benefits of our products.

All our new employees are required to attend a three day product skills and knowledge workshop. We have set a minimum standard of understanding that all employees need to achieve for completing the workshop.

We also provide training to existing employees in the form of refresher courses once each month. This provides a good opportunity for discussion between Nutritionists and Area managers. In the event of introduction of a new product, suppliers, and Nutritionists, join forces to conduct new products skills training to all retail employees. In addition to these, public health talks are also provided by our team in collaboration with our suppliers.

After these training sessions, our Nutritionists team allocates time each morning to ensure new employees practice correct pronunciation of the products. They also conduct shops visits to check on the performance of our new employees. Performance feedback and review from Shop Manager or Area Manager are also key to monitoring our employee performance. Average hour of training per employee<sup>3</sup>: 7.7



<sup>&</sup>lt;sup>3</sup> The above numbers are exclusive of office employees.

### Social

### **Occupational Health and Safety**

GRI 103-1 |103-2 | 103-3 | 403-2



### Why is this a material issue?

At Camsing Healthcare, the well-being and safety of our employees is one of our top concerns. We are committed to providing them with a safe and healthy work environment. Our management team consistently educates our employees about proper workplace safety procedures, practices, and behavior to prevent any potential injuries and illness.

### Our approach to managing

We ensure that all our employees across different operations are aware of the Workplace Safety and Health Act and we aim to continue to educate our employees about it.

In our warehouses, the Warehouse Assistant Supervisor regularly conducts simple briefing about road safety, loading, and unloading safety procedures to our drivers. He also conducts sessions for our warehouse personnel regarding safety practices while handling of stocks, lifting, and transferring products.

New employees are required to attend a one-week onboarding training conducted by the Shop Manager. The onboarding training includes a Safety and Health module. Once an employee is assigned to a particular shop, the respective Shop Managers conducts briefing on the daily retail operations. Our Marketing and Operations personnel, who are often traveling to support our sales team, are also aware of the safety measures to be adopted while working outside office premises.

We are proud to report that in the past three years, no serious work-related injuries have been recorded.

All employees are covered with insurance benefits such as Group Hospitalisation, Work Injury Compensation Act, Personal Accident and Personal Accident with Reimbursement. As part of management initiative, non-jobrelated accidents are also covered under PA with reimbursement, irrespective of the location of the incident.

Health products are given to employees at almost no cost to help them improve their health and job performance. As part of company initiative, employees with zero sick leave receive a quarterly monetary incentive, and for zero annual leave receive additional monetary incentive.

# FY18 PerformanceFY19 TargetInjury Rate: 1,282 per 100,000 employees.<br/>(One case of workplace injury for the reporting period)To be able to achieve a zero injury rate and maintain<br/>zero Occupational Disease Rate, Lost Day Rate,<br/>Absentee Rate, and number of Work-related Fatalities

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### **GRI Content Index**

		General Disclosures	
GRI Standard	Disclosure		Chapter, Page Reference, Performance and/or Explanation for Omissions
	ORGANI	SATIONAL PROFILE	<b>•</b>
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	102-2	Activities, brands, products, and services	Page 5
	102-3	Location of headquarters	Page 5
	102-4	Location of operations	Page 5
	102-5	Ownership and legal form	Page 5 Please refer to Annual Report for more information.
	102-6	Markets served	Page 5
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	102-8	Information on employees and other workers	Page 5
	102-9	Supply chain	Page 6
	102-10	Significant changes to organisation and its supply chain	Not Applicable as this is our inaugural report.
	102-11	Precautionary Principle or approach	Page 6
GRI 102: General	102-12	External initiatives	Page 6
Disclosures 2016	102-13	Membership of associations	Page 6
	STRATEG	ĠY	
	102-14	Statement from senior decision-maker	Page 4
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	102-16	Values, principles, standards, and norms of behaviour	Page 8
	GOVERN	IANCE	
	102-18	Governance structure	Page 6
	STAKEHOLDER ENGAGEMENT		
	102-40	List of stakeholder groups	Page 11
	102-41	Collective bargaining agreements	Not Applicable
	102-42	Identifying and selecting stakeholders	Page 11
	102-43	Approach to stakeholder engagement	Page 11
	102-44	Key topics and concerns raised	Page 11
	REPORT	ING PRACTICE	

	102-45	Entities included in the consolidated financial statements	Please refer to Annual Report.
	102-46	Defining report content and topic Boundaries	Page 3 and 12
	102-47	List all material topics	Page 12
	102-48	Restatements of information	Not Applicable as this is our inaugural report
	102-49	Changes in reporting	Not Applicable as this is our inaugural report.
	102-50	Reporting period	Page 3
	102-51	Date of the most recent report	Not Applicable as this is our inaugural report.
	102-52	Reporting cycle	Page 3
	102-53	Contact point for questions regarding this report	Page 3
	102-54	Claims of reporting in accordance with the GRI Standards	Page 3
	102-55	GRI content index	Page 19
	102-56	External assurance	We have not sought external assurance for this reporting period.
		Material Topics	
	1	ECONOMIC	
GRI 103:	103-1	Explanation of the material topic and its Boundary	
Management Approach 2016	103-2	The management approach and its components	Page 12 and 13
	103-3	Evaluation of the management approach	
GRI 201: Economic Performance 2016	201-1	Direct economic value generated and distributed	Page 13
		ENVIRONMENT	I
GRI 103:	103-1	Explanation of the material topic and its Boundary	_
Management Approach 2016	103-2	The management approach and its components	Page 12, 14 and 15
	103-3	Evaluation of the management approach	
GRI 308 Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	Page 14 and 15
SOCIAL			
	103-1	Explanation of the material topic and its Boundary	
GRI 103: Management Approach 2016	103-2	The management approach and its components	Page 12, 16 and 17
	103-3	Evaluation of the management approach	
GRI 404: Training and Education 2016	404-1	Average hours of training per year per employee	Page 16 and 17
	103-1	Explanation of the material topic and its Boundary	Page 12 and 18

GRI 103:	103-2	The management approach and its components	
Management Approach 2016	103-3	Evaluation of the management approach	
GRI 403: Occupational Health and Safety 2016	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Page 18 The Occupational Disease Rate, Lost Day Rate, Absentee Rate, and number of Work- related Fatalities were zero for the reporting period.