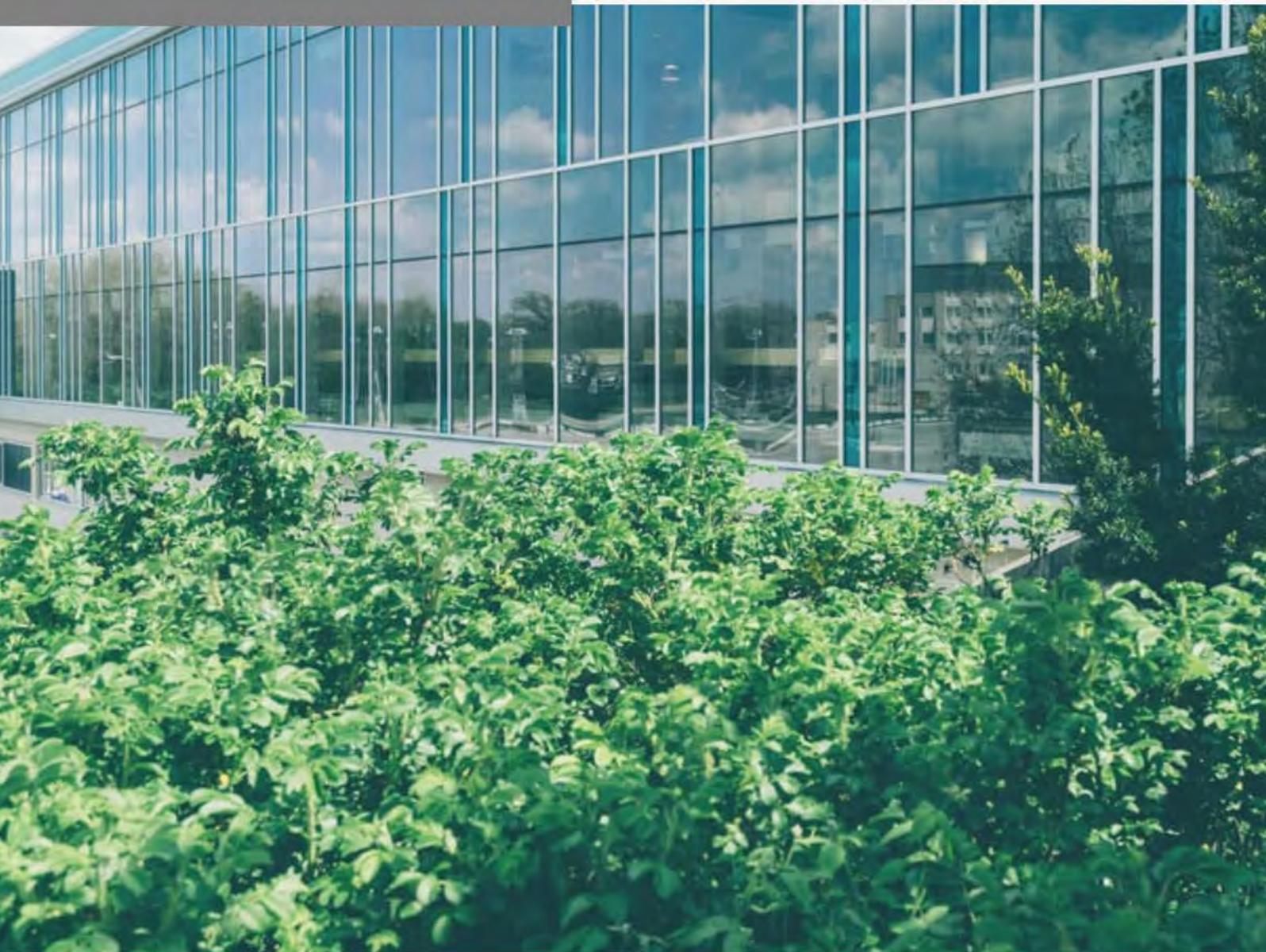




# 2021 SUSTAINABILITY REPORT

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Sakae Holdings Ltd





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# 01 BOARD'S STATEMENT

The Board of Directors (the "Board") is pleased to present the Sustainability Report ("Report") for Sakae Holdings Ltd. and its subsidiaries ("Sakae", or "the Group") for the financial year ended 30 June 2021. Sakae believes that sustainable growth strategies and practices are important for our business.

The Board has overseen the development of this Report with the support of the management team. This involved a materiality assessment on the key Environmental, Social and Governance factors ("ESG factors") that are important to Sakae's business, developing performance indicators and targets, and ensuring that they are managed and monitored for their risks and opportunities on our future growth.

This Report provides Sakae's various stakeholders with insights into our business operations and our sustainability efforts and initiatives. Guided by our sustainability reporting policy ("SR policy"), the management team has conducted a review of our material ESG factors for the year. We believe the following factors-improving customer satisfaction, ensuring food safety, hygiene and quality, training and development of our people, safe and inclusive workplace, recruitment and retention, occupational health and safety, local communities engagement / corporate social responsibility, energy and water conservation and anti-corruption, remain relevant and critical to the long-term sustainability of our business. We will continue to monitor and review our sustainability efforts periodically. As we progress along our sustainability journey, we aim to incorporate sustainability initiatives in our business processes to enhance our reporting capabilities.

The ongoing Covid-19 pandemic has added unprecedented complexity to the Group's businesses and operations. The evolving Covid-19 situation has resulted in the implementation of various stringent Covid-19 preventive measures over the last two years, causing great disruptions to many businesses, including the Food and Beverage industry. The Group has recalibrated our business strategy by digitalising its online sales channels and enhancing efforts for optimising delivery and takeaway revenue, all while ensuring continuous sustainability of the Group's business and safeguarding the health and safety of our customers and employees.

As Covid-19 enters into an endemic phase, there is optimism that consumer demand and market sentiment will improve. However, given the uncertain nature of the evolution of the Covid-19 virus, the Group will continue to remain cautious in seeking new and innovative ways to reduce the environmental impact of our business operations while continuing to deliver high quality products and services.

We will endeavour to overcome the challenges for the year ahead and work towards achieving our sustainability goals.

We would like to thank our frontline team for their relentless contributions, commitment and hard work to continue to serve our customers amidst the Covid-19 pandemic. We would also like to express our gratitude to all our shareholders, business associates and valued customers for their continuous support and understanding.



# VISION, MISSION AND CORE VALUES

At Sakae, we are guided by our Core Values, Mission and Vision in everything we do. Driven by our Core Values and Mission, we build strategies for our sustainable growth and development, and constantly work towards attaining our Vision: to build global brands.

## MISSION

To provide safe quality food with excellent service at great value.



## VALUES

- E - Excellence is our minimum standard
- P - Productivity in everything we do
- I - Innovation to simplify and compete
- C - Compassion to all

## VISION

To build global brands

# 03

## REPORTING FRAMEWORK

The Sustainability Report is prepared in accordance with the requirements set out in SGX Listing Rule 711B. We strive to provide a balanced view of the matters in the Sustainability Report. The Sustainability Report is prepared using the Global Reporting Initiative (GRI) Standards: Core option. The GRI Standards are used as an internationally recognised sustainability reporting framework. Adherence to the GRI Standards allows comprehensive disclosure and coverage of topics that inform our key stakeholders of our sustainability efforts.

# 04

## REPORTING PERIOD AND SCOPE

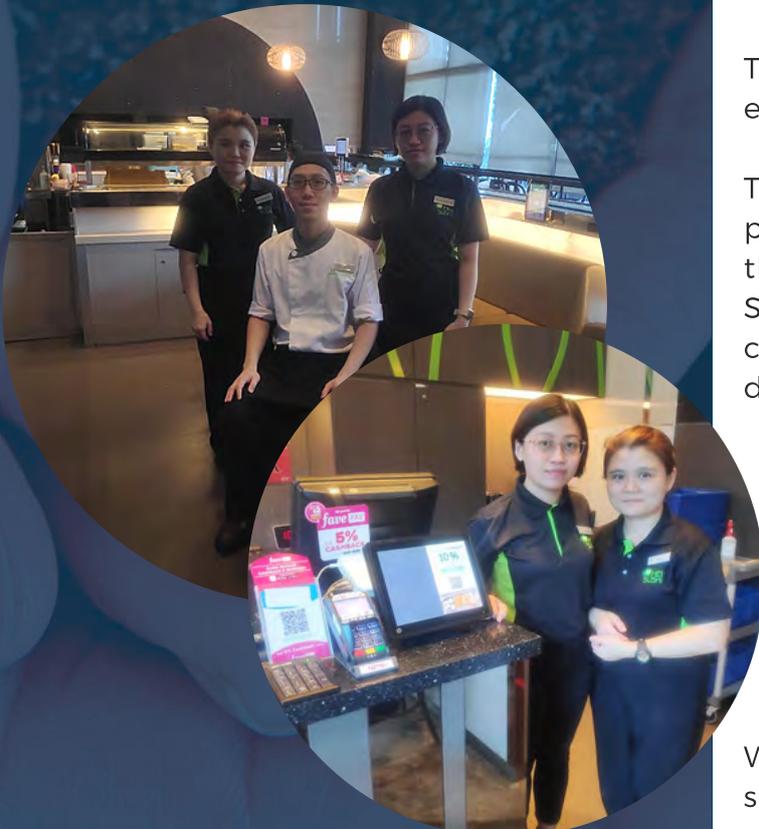
This report is based on the Group's financial year ended 30 June 2021 ("FY2021").

The scope of this Report is based on the policies, practices, performance and employment data of the Group's various business segments in Singapore comprising 13 directly owned outlets, 1 central kitchen and the Group's headquarters during FY2021.

# 05

## FEEDBACK

We are fully committed to listening to our stakeholders. We welcome feedback on this report and any aspect of our sustainability performance. Please send all feedback to [ir@sakaeholdings.com](mailto:ir@sakaeholdings.com).



# 06

## STAKEHOLDER'S ENGAGEMENT



We strive to provide sustainable value for our stakeholders. Recognising that sustainability is a collaborative effort, we ensure that the frequency of communication is adequate and that communications are two-way. Through our various modes of engagement, we are better able to understand the impact that Environmental, Social and Governance (ESG) factors will have on our business. With that, we are able to formulate effective responses to the issues raised by our stakeholders. We will endeavour to have active and meaningful engagement with our key stakeholders.

S/ N	KEY STAKEHOLDER	MODE OF ENGAGEMENT	FREQUENCY OF ENGAGEMENT
1	Customers	<ul style="list-style-type: none"> <li>• Loyalty programme - Sakae card</li> <li>• Social media</li> <li>• Interaction with diners at outlet</li> <li>• Survey and market research</li> <li>• Website feedback</li> <li>• Customer care communications</li> <li>• Annual reports</li> </ul>	All the time
2	Business Partners and Suppliers	<ul style="list-style-type: none"> <li>• Constant communication in the course of business</li> <li>• Vendor assessment</li> <li>• Site visits and monitoring</li> <li>• Audits and checks</li> <li>• Constant feedback from procurement team to suppliers</li> </ul>	All the time
3	Community	<ul style="list-style-type: none"> <li>• Sakae Foundation</li> <li>• Sponsorships and donations</li> <li>• Corporate volunteering</li> <li>• Corporate Social Responsibility programmes</li> </ul>	Occasionally
4	Employees	<ul style="list-style-type: none"> <li>• Orientation programme</li> <li>• Regular department meeting and communications/ discussions</li> <li>• Training and development programmes</li> <li>• Surveys and interviews</li> <li>• Emails and memorandum</li> <li>• Company events and activities</li> <li>• Annual reports</li> </ul>	All the time
5	Government and Regulators	<ul style="list-style-type: none"> <li>• Participation in consultations and briefings organised by government and regulators</li> </ul>	Regularly
6	Investors	<ul style="list-style-type: none"> <li>• Annual General Meetings</li> <li>• Information through announcements on SGXNet</li> <li>• Annual Reports</li> <li>• Corporate website [updated on a regular basis]</li> </ul>	When required

# 07 POLICIES, PRACTICES AND PERFORMANCE REPORTING

## REPORTING STRUCTURE

Our Sustainability Committee is led by our Chief Executive Officer. Its members comprise key management personnel. In consultation with the Board, the Sustainability Committee monitors and manages our policies, practices, and performance pertaining to sustainability matters.

## SUSTAINABILITY REPORTING PROCESS

Under our Sustainability Reporting Policy, we have identified our material ESG factors through stakeholder engagement. These factors are prioritised and ranked according to the importance of their Environmental, Social and Governance impact. Management validates the material ESG factors through internal discussion and feedback. The materiality of our ESG factors is reviewed periodically to ensure that they are current.

For this Report, we have reviewed last year's reported material ESG factors and determined that they continue to be relevant to our business and stakeholders.



# 08

## MATERIALITY ASSESSMENT

### 8.1 MATERIALITY ASSESSMENT

Based on our SR Policy, each sustainability factor will be assigned a reporting priority. The levels of reporting priorities, their respective descriptions and reporting criteria are as follows:

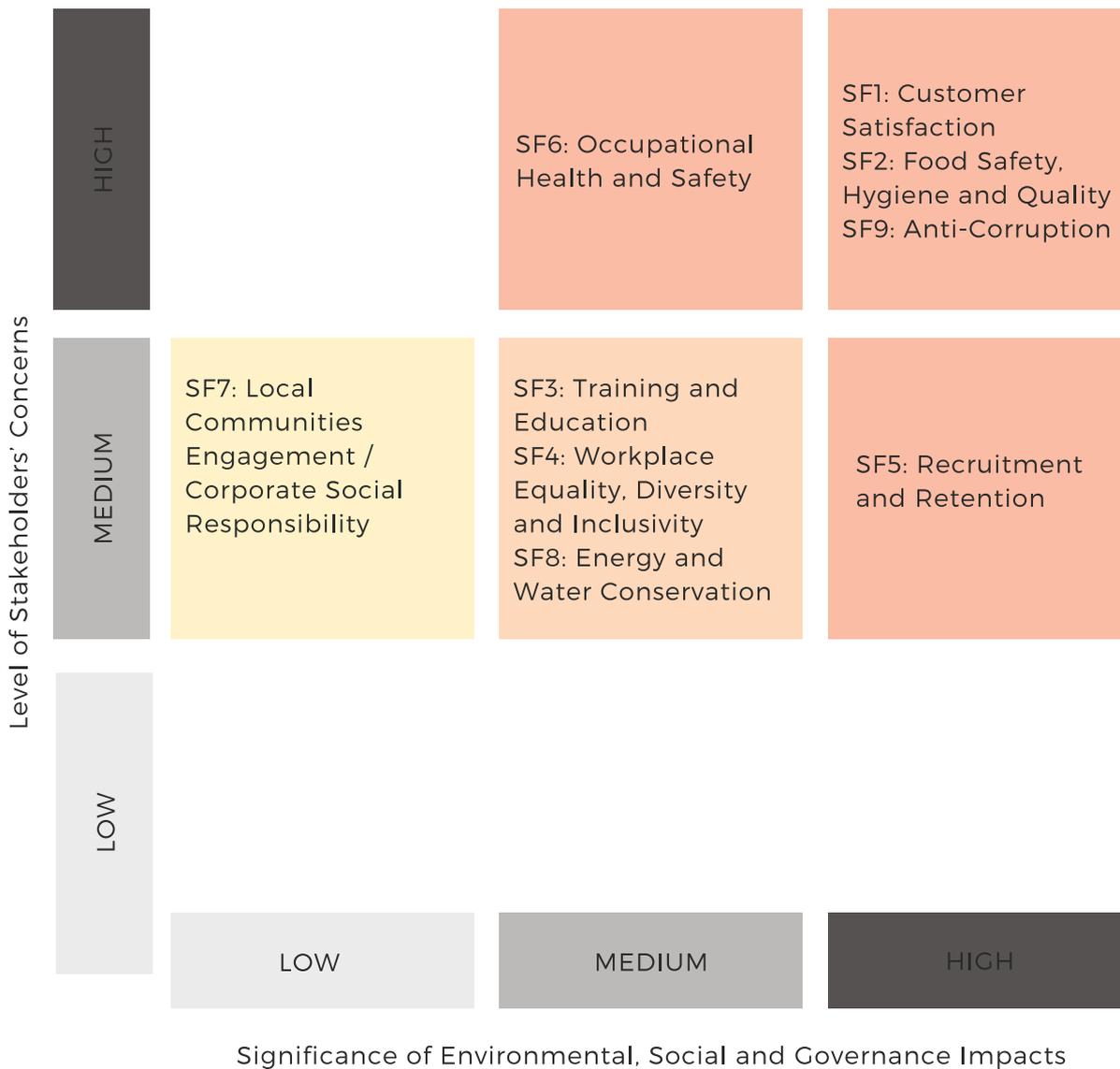
REPORTING PRIORITY	DESCRIPTION	CRITERIA
I	HIGH	Factors with high reporting priority are reported in detail.
II	MEDIUM	Factors with medium reporting priority are considered for inclusion in this Report. They may not be included in this Report if not material.
III	LOW	Factors with low reporting priority may be reported to fulfil regulatory or other reporting requirements. They are not included in this Report if not material.

Our material ESG factors and their reporting priorities are shown below:

S/N	MATERIAL FACTOR	MISSION OR CORE VALUE	KEY STAKEHOLDER	REPORTING PRIORITY
<b>SOCIAL</b>				
1	Customer Satisfaction	To provide safe quality food with excellent service at great value	Customers	I
2	Food Safety, Hygiene and Quality	To provide safe quality food with excellent service at great value	Customers, Business Partners and Suppliers	I
3	Training and Education	People development - Innovation to simplify and compete	Employees	II
4	Workplace Equality, Diversity and Inclusivity	Compassion to all	Employees	II
5	Recruitment and Retention	People focused - Productivity in everything we do	Employees	I
6	Occupational Health and Safety	People focused - Compassion to all	Employees	I
7	Local Communities Engagement / Corporate Social Responsibility	Compassion to all	Community	III
<b>ENVIRONMENTAL</b>				
8	Energy and Water Conservation	Social and environmental responsibility - Compassion to all	Community, Government and Regulators	II
<b>GOVERNANCE</b>				
9	Anti-Corruption	Excellence is our minimum standard	Government and Regulators, Investors	I

## MATERIAL FACTORS MATRIX

Each material ESG factor (“SF”) is plotted into a matrix to determine the prioritisation of these factors based on the level of stakeholders’ concerns and the significance of the factors’ ESG impacts. Our completed material factors matrix is shown below:





# 09

## MATERIAL FACTORS

### 9.1 CUSTOMER SATISFACTION

Customer satisfaction is crucial to customer retention. We seek to provide customer service that goes beyond taking and serving orders. We view customer service as part of a holistic customer experience that is capable of providing us with a distinguishing advantage in today's increasingly cluttered and competitive market.

In alignment with our mission - To provide safe quality food with excellent service at great value, we are committed to retain and build a loyal customer base for our long term sustainability by enhancing our customers' experiences through:

#### (A) PROVIDING EXCELLENT CUSTOMER SERVICE

Customer service is the experience we deliver to our customers. It's the promise we keep to the customer. It's how we follow through for the customer. It's how we make them feel when they do business with us.

Our frontline service employees are always the first customer "touchpoint". We conduct refresher training for them to ensure that high service standards are maintained. Our customers can be assured that our employees are trained to resolve customer issues promptly and amicably. Also, we have implemented a service recovery programme with close follow-up with our customers to provide them with better customer service outcomes.

## **(B) PROACTIVELY ENCOURAGING CUSTOMERS TO GIVE FEEDBACK**

We value our customers' feedback as they provide us with insight into which aspects of our operations are working well and which aspects can be improved. We have multiple channels to gather customer feedback, including our sales teams, delivery teams, online social media, our websites, and our customer relationship management system that allows for analytical understanding of our customers' preferences. From such channels, we can then work towards product and service improvements and enhance our operational effectiveness and efficiencies. Based on the 2020 Customer Satisfaction Index of Singapore (CSISG), our customer satisfaction score was 73.5, as compared to the national average score of 73.6 for the Food and Beverage sector. Over the years, we have made constant improvements and will continue to strive towards meeting our customers' needs.

## **(C) BUILDING CUSTOMER LOYALTY THROUGH REGULAR PROMOTIONS AND MEMBERSHIP PROGRAMME**

We strive to improve customer retention and are constantly exploring ways to reward customer loyalty. With the launch of the CandyBar membership system, we have managed to grow our customer base through offering attractive deals to our customers. We will support this by increasing our social media and online presence to reach out and engage the online community further. In addition to our revamped membership programme, regular promotions ensure that we are constantly offering something new and special to our customers to meet market demands.

## **(D) ENSURING A SAFE DINING ENVIRONMENT**

We have followed the prevailing safe management measures throughout the Covid-19 pandemic to ensure that our customers can dine safely. These measures include proper table and seating arrangements, queue management, customer check-ins with SafeEntry and TraceTogether, and health checks at entrances. All persons are required to put on their masks properly at all times, except while eating and drinking.

We have heightened our cleanliness and hygiene protocols at our restaurants. Common spaces and items, frequent-touch surfaces as well as the interactive iPad menus are frequently disinfected. We also provide hand sanitisers for customers at each restaurant entrance.

## **(E) MEETING CUSTOMERS' EVOLVING NEEDS**

Innovation has been one of our core values and we are constantly exploring new brands and offerings to meet ever-changing F&B consumer needs and preferences. To meet the growing demand for fresh Japanese cuisines, Japanmartsg was created to provide our customers with the convenience of shopping online for affordable premium raw Japanese ingredients from the comfort of their homes. Offering a wide variety of products at competitive prices and with plans to expand product categories, Japanmartsg is poised to become our customer's top choice when shopping for premium Japanese products.

## 9.2 FOOD SAFETY, HYGIENE AND QUALITY

Being an established Food & Beverage Japanese cuisine brand in Singapore, we prioritise and value food safety and hygiene by delivering the best to our customers. Serving great, safe and high-quality food has always been an important emphasis of our business.

### (A) OUR STANDARDS

Through the adoption of industry certified standards, we are able to better gauge and monitor the safety and quality of our food. We place much emphasis on consistency and constantly work towards improving food quality standards of our products.



We have implemented a food safety management system (FSMS) for our central kitchen which supports our food catering and restaurant operations. Our central kitchen's FSMS has attained certification based on the Hazard Analysis Critical Control Point (HACCP) standard. With our stringent monitoring process, we are able to reduce and prevent risks in food safety.

All our restaurant outlets have achieved 'A' Grade certification from the Singapore Food Agency (SFA). Additionally, our Hei Sushi restaurants are Halal-certified by Majlis Ugama Islam Singapura (MUIS). We have attained the SG Clean quality mark for some of our outlets and are working towards getting certified for the other outlets.

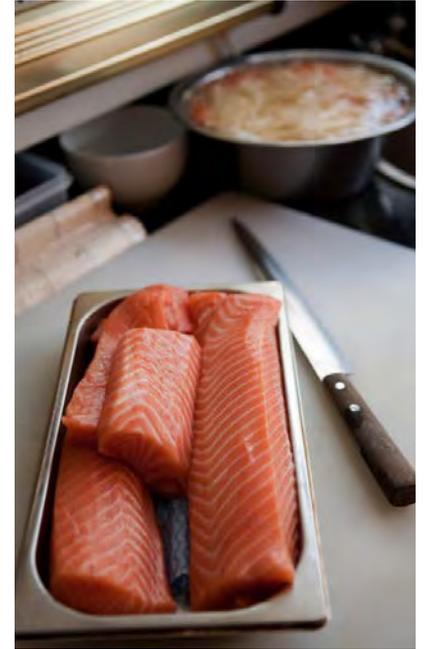
Here are some measures that have been adopted to ensure the quality, hygiene and safety of the food we serve:

## (B) OPERATIONS

We have always been vigilant in our efforts to maintain food safety and quality in our operations at our restaurant outlets, central kitchen or production floors.

Measures that we have put in place:

- All employees that handle food are required to attend and pass WSQ Food Safety Course Level 1.
- A manual on food safety serves as a guide for our staff to adhere to.
- As part of Covid-19 measures, communal amenities are not used and self-service food samples are not provided.
- Our internal food safety and quality control team conducts regular checks on product quality and food handling procedure.
- We regularly send food samples to an accredited laboratory for microbiological testing to ensure quality and safety of our products.



## (C) FOOD SUPPLY CHAIN



We recognise that food suppliers play a major role in food safety and quality. As part of our food procurement process, our suppliers' food supply chain must meet stringent food safety and quality criteria. This may involve visits to farms and factories where the food comes from. At the other end of the food supply chain, we monitor the feedback from our outlet kitchens with regard to the food supplies they receive.

We constantly communicate and work with our suppliers to remedy any issues that may impact the quality and safety of our food.

For FY2021, with our strong emphasis on food safety and quality, all of our restaurants are graded "A" by the Singapore Food Agency (SFA) for the overall hygiene, cleanliness and housekeeping standards of the restaurant outlets. We are pleased to report that there were no major food safety incidents during the reporting period.

FY2021 TARGET	FY2021 PERFORMANCE
To maintain all restaurant outlets' 'A' grade	All restaurant outlets achieved 'A' grade
To procure from established suppliers with approvals from SFA	All our food suppliers have relevant SFA approvals

## 9.3 TRAINING AND EDUCATION

At Sakae, people are our number one asset. Every year, we send our people for training and skills development and seek to guide them to be more enterprising and innovative. We started inter-department projects to exchange ideas and experience so as to create a think-tank that allows Sakae to scale to greater heights.

We believe in empowering our employees to perform in their jobs through training and education. Equipping them with the necessary skills and competencies for their jobs will add to productivity, confidence and work satisfaction.

All our restaurant outlet employees will undergo a training programme which consists of two parts: the WSQ Food Safety Course Level 1 and on-the-job training covering key line functions conducted by our trainers in their respective outlets. We also conduct refresher training for our employees as and when required.

Depending on organisational requirements, we also conduct in-house seminars at our corporate headquarters for employees to impart knowledge and build up their skills in areas such as customer service, up-selling, supervising at work and effective communications. We also advocate personal development and lifelong learning by encouraging and sponsoring our employees to attend approved external courses.

Some of the other courses that our employees have attended include: training in SAP system, Halal Foundation Programme and Supervisory Training in Antigen Rapid Test Self-Swab.



## 9.4 WORKPLACE EQUALITY, DIVERSITY AND INCLUSIVITY

Sakae aims to provide a work environment that fosters fairness, equality, and respect for social and cultural diversity, regardless of their gender and age. We recognise that people from different backgrounds have different talents, skills, and experience. We find ways for them to complement one another at work. We are strong proponents of equal opportunity and do not allow for discrimination on any grounds at the workplace.

We value the experience of our senior staff as well as the passion and flexibility of the younger staff. Sakae rewards employees based on a series of attributes that include performance, competence, commitment and experience, along with Company performance. We conduct annual appraisals for all employees using a holistic set of criteria including interpersonal skills and innovation, besides their individual performance indicators based on their roles and responsibilities.

In line with fair employment practices, age, race, gender, nationality, or religion do not factor into the evaluation of job applications that we receive.

For FY2021, female employees made up 44% of our workforce while male employees made up 56%. In terms of age diversity among employees, 53 were aged 30 and below, 74 were aged between 31 and 49, 43 were aged between 50 and 69, and 7 were aged 70 and above. We will continue to offer employment based on fair hiring practices and ensure that our workplace provides opportunities for all our employees to contribute and grow.



Female  
44%



Male  
56%



### (B) NUMBER OF EMPLOYEES BY AGE GROUP

Age 30 & Below: 53



AGE 31 - 49: 74



AGE 50 - 69: 43



AGE 70 & ABOVE: 7



## 9.5 RECRUITMENT AND RETENTION



We value everyone's contributions and we are dedicated to our employee's well-being. All employees are entitled to a range of benefits that promote staff well-being and productivity, including medical insurance and parental leave. Sakae ensures that its staff is engaged and rewarded with competitive benefits that are in line with industry standards. Staff members are also entitled to exclusive privileges when they dine at our restaurants. For employee engagement,

Although remuneration and other staff benefits are key factors to retain employees, we also recognise that job satisfaction is an important factor. Our staff development programme seeks to provide all employees with clear career pathways that lead to better job prospects, greater responsibilities, and learning opportunities as well.

We have implemented flexible work arrangements such as working from home and staggered work hours for employees whose roles allow for these arrangements. These arrangements allow our employees to have a greater work-life balance. We will continue to study the outcomes and review our flexible work arrangement policy as part of our efforts to bolster recruitment and retention.

We strive to increase employees' job satisfaction by providing a conducive, open and honest work environment and empowering them to make decisions, as well as setting organisational goals. We value our employees' ideas and opinions and have in place appropriate channels to receive their feedback. Our Employee Suggestion Scheme lets employees provide constructive input in all areas including the Company's business and work environment. We address these feedback through consultations with employees and Management with a view to implement ideas that will benefit the Company's business and employees. We hope that this will cultivate a sense of belonging and pride at work for our employees.

Sakae hopes to forge closer ties with its employees and will continue to review our employee retention strategies. In FY2021, our average employee monthly turnover rate is lower than the national industry average monthly turnover rate. We will continue to maintain the employee turnover rate.

## 9.6 OCCUPATIONAL HEALTH AND SAFETY

### (a) COVID-19: TAKING CARE OF OUR WORKERS

In light of Covid-19, the government introduced a slew of safe management measures for the workplace. We continue to do our part and have in place these measures to take care of our employees, our workplaces, and those that may become unwell at the workplaces.

Due to the nature of F&B operations, most of our employees are required to work on-site to perform essential tasks. We provide sufficient masks and other personal protective equipment for the safety of our employees. To prevent any incipient Covid-19 outbreaks at our workplaces, we advise our employees to minimise socialising at the workplace, observe good personal hygiene and monitor their own health regularly. We have also stepped up cleaning and sanitation of our workplace premises and we maintain adequate cleaning and disinfecting agents and ensure they are available where necessary.

### (b) ACHIEVING ZERO WORKPLACE SAFETY INCIDENTS

Sakae adheres closely with the guidelines provided by the Ministry of Manpower to ensure the health and safety of our employees. All employees are briefed regarding basic workplace health and safety.

In Sakae, we practice risk management in our daily activities. Risk management is a process by which the Management assesses the risks, determines the control measures, and takes appropriate actions to reduce such risks. Risk assessment is a key instrument to reduce risk at our workplace. We will conduct risk assessments regularly so as to keep them relevant to our work processes.

We also send our employees for safety courses such as occupational first aid course and work-at-height course to enhance their safety awareness. Employees are encouraged to highlight safety and health hazards to the management as we believe everyone has a part to play in ensuring workplace safety and health.





In compliance with the Singapore Civil Defence Force (SCDF) regulations, we have a Fire Safety Manager (FSM) and a Fire Emergency Plan for Sakae Building. Our FSM's duties and responsibilities include:

- Preparing the Emergency Response Plan (ERP) in accordance with the guidelines issued by SCDF.
- Forming a Fire Safety Committee to plan and conduct fire safety programmes including fire evacuation drills and Table Top Exercises (TTE) TTE are scenario driven exercises where participants derive solutions to likely emergency scenarios in the building.
- Reviewing and updating the ERP annually.

For restaurant outlet renovations, we choose appropriate materials such as non-slip tiles that reduce the risk of accidents from happening in our kitchen and service areas. This is in addition to our employees having to wear safety boots in the restaurant. Renovation workflows are also discussed with relevant employees so as to minimise potential hazards. We also choose to work with contractors who have attained bizSAFE level 3 as well.



We recognise the importance of having an effective workplace health and safety management system in place. To address this, we adopted a Permit-To-Work (PTW) System. It is a formal authorisation system used to control selected work tasks thereby ensuring safe and proper execution of work at the worksite. The system allows all parties involved in or affected by the renovations to communicate dangers involved in the work activities so as to enable safe onsite execution.

There were no workplace accidents resulting in death or permanent disability in FY2021. We will continue to ensure that our working environment remains safe for our employees and maintain our workplace safety record.

FY2021 TARGET	FY2021 PERFORMANCE
No workplace accidents resulting in death or permanent disability	No workplace accidents resulting in death or permanent disability



## COMPASSION TO ALL

Sakae is committed to an active and socially responsible corporate culture. We recognise that the long-term success of our business is closely related to the well-being of the community which we operate in. In line with our core value “Compassion to All”, we hope to win the hearts and minds of the community and also encourage other individuals and businesses to give and serve in the spirit of public duty.

### (a) CARING FOR THE COMMUNITY

Sakae cares deeply for the community and believes in giving back to the community. One of the existing problems in Singapore is food insecurity in which many low-income families and elderly people need helping hands. Unfortunately, this problem worsened since the Covid-19 outbreak, and Sakae is determined to give back to the community. This year, Sakae has pledged to commit at least 100 Japanese bento meals monthly to low-income beneficiaries of Thye Hua Kwan (THK) Moral Charities. By caring for the community, Sakae hopes to cheer on these underprivileged families and individuals by giving them meals support.

Sakae launched a new initiative “Gift-A-Meal” which aims to provide meal assistance to those in need, especially those who face food insecurity. Whenever someone purchases a “Gift-A-Meal” e-voucher through our website or from e-commerce platforms, they can redeem a Teriyaki Chicken Donburi/Salad at any of our participating outlets for their own consumption. Concurrently on each voucher purchased by the public, Sakae will give a meal to an individual who is a beneficiary of Thye Hua Kwan Family Service Centre @ MacPherson. Sakae believes “Gift-A-Meal” is a very meaningful initiative and aspires to do our part to build a stronger and more inclusive community in Singapore.



### (b) SAKAE FOUNDATION

Sakae Foundation contributes and supports several charitable beneficiaries. We have supported the community through sponsorships and visits to various organisations including Radin Mas Senior Citizens' Home and schools. Our Foundation will continue to pursue philanthropic and volunteer efforts, leaving happy frog prints through our involvement with the community. We launched our Facebook page - "Project Happy Frog Prints", with the hope of fortifying our relationship with global communities and continue bringing joy, one frog print at a time.

### (c) SUPPORTING NATIONAL DEFENCE

At Sakae, we strongly believe in contributing towards Singapore's national security. National Service (NS) is a vital component of national defence, and we support our employees' NS commitments by implementing NS-friendly policies. With our close supportive team culture, many employees are willing to step up to cover duties of their colleagues who needed to be away. Sakae also regularly takes part in Singapore Armed Forces Day, by encouraging their NSmen colleagues to take part in the SAF Day Rededication Ceremonies. Going beyond that, Sakae also offers attractive SAF Day promotions at our dining establishments to servicemen representing our nation.

### (d) FOOD WASTE MANAGEMENT

Food waste accounts for a significant portion of the total waste generated in Singapore. To do our part to save the environment, Sakae adopts multiple approaches to sustainable waste and resource management. Efficient food purchases and processes, Central Kitchen preparation and centralised cold chain storage have helped to improve efficiency and reduce food wastage. In support of the Zero Waste initiatives, Sakae has installed a food waste digester machine at our group headquarters to treat and recycle food waste sustainably. The compost produced will be used in turn as fertilisers for our greenery landscape around our headquarters. We will continue our best efforts as we sustain and support these Zero Waste initiatives.



We are committed to protect our environment and are exploring new ways to reduce our environmental footprint through energy and water conservation. We leverage on environmentally-friendly technologies and practices to ensure that we lessen our operations' impact on the environment. Our Go Green efforts include:

### (a) LIGHTING

Suitable lightings in our building have been fitted with motion sensors to reduce electricity usage. We have also adopted the use of energy-efficient LED lights in our stores as a means to save electricity.

### (b) SOLAR POWER SYSTEM

A 270 kilowatt-peak photovoltaic system was installed on the roof of our building. It has 1,400 solar panels and is able to generate up to one-third of the building's energy needs. With this, it helps to lower our carbon emissions and also reducing our energy costs.

### (c) RAINWATER IRRIGATION SYSTEM

The prominent water fountain located at the front of our building is fitted to a rainwater irrigation system. The feature is thus aesthetically pleasing and environmentally friendly.

### (d) SPICE GARDEN

In addition to the ornamental plants that make up the green landscaping surrounding our building, we have incorporated a spice garden in the landscaping plan as well. Spices like aloe vera plants, yellow ginger, pandan leaves, mint leaves and many other spices that are grown in the garden can be used as seasonings in the food preparation. We will constantly study more ways to include the farm-to-fork approach in our restaurant outlet operations as well.





### (e) KITCHEN EQUIPMENT AND APPLIANCES

We use state-of-the-art equipment and appliances in our restaurant kitchens and central kitchen. Not only do they consume less energy, but they also produce less ambient heat and have very low carbon emissions.

We have managed to reduce our electricity, gas and water consumptions in FY2021. Our electricity and gas consumptions were 2.9 million kWh and 0.8 million kWh respectively in FY2021, a decrease from 3.2 million kWh and 1.5 million kWh in FY2020. Our water consumption was 23 thousand m<sup>3</sup> in FY2021, a decrease from 36 thousand m<sup>3</sup> in FY2020. We will continue to do our part to protect our environment and work towards reducing our electricity, gas and water consumption.

RESOURCE	UNIT OF MEASUREMENT	FY2021 TARGET	FY2021 PERFORMANCE
Electricity	million kWh	Reduce consumption (FY2020 usage: 3.2)	2.9
Gas	million kWh	Reduce consumption (FY2020 usage: 1.5)	0.8
Water	thousand m <sup>3</sup>	Reduce consumption (FY2020 usage: 36)	23

### (a) CODE OF CONDUCT

Our Employee Code of Conduct sets out the standards of integrity and accountability for our employees. All employees are expected to adhere to the Code of Conduct while performing their duties and to always act in the best interest of Sakae. For example, employees are not allowed to solicit or accept any gifts or gratitude from our business partners. Any gift with commercial value that is not refused due to practicality or courtesy must be declared to the Human Resources Department for a decision on the treatment of the gifts. Under no circumstances are employees allowed to accept cash gifts.

Employees who are found to have breached the Code of Conduct after investigations will be subjected to disciplinary action and/or report to necessary authority if warranted.

### (b) INTERESTED PERSON TRANSACTIONS

Sakae has established procedures to ensure that all transactions with interested persons are reported in a timely manner to the Audit Committee and that any such transactions are on an arm's length basis. We did not carry out interested person transactions for the reporting period. The Management and key executives are also required to submit a conflict of interest declaration annually for independent assessment to demonstrate their willingness to adhere to the conflicts of interest policy. Employees who are found to have breached the Code of Conduct after investigations will be subjected to disciplinary action.

### (c) WHISTLE BLOWING POLICY

Sakae's Audit Committee has established a whistle blowing policy and formed a Whistle Blowing Committee. Our Whistle Blowing Committee comprises of our Independent Non-Executive Directors to ensure an appropriate level of management over whistle blowing matters. The Whistle Blowing Committee provides a channel for our employees to report in confidence any possible corporate improprieties including corruption. The Whistle Blowing Committee and the Board's Audit Committee are vested with the power and authority to receive, investigate and enforce appropriate action when any such improprieties are brought to their attention.

There were no incidents related to corruption in FY2021. We will continue to monitor and ensure our compliance with anti-corruption laws.

# 10 TARGET SETTING

Our sustainability performance targets for the next reporting period FY2022 are:

S/N	MATERIAL FACTOR	PERFORMANCE MEASURE	PERFORMANCE TARGET (FY2022)
1	Customer Satisfaction	<ul style="list-style-type: none"> <li>Customer Review rate</li> </ul>	<ul style="list-style-type: none"> <li>Improve customer review rate</li> </ul>
2	Food Safety, Hygiene and Quality	<ul style="list-style-type: none"> <li>Food Hygiene Grading</li> <li>Suppliers obtaining approval from Singapore Food Agency (SFA)</li> </ul>	<ul style="list-style-type: none"> <li>Maintain all restaurant outlets' 'A' grade</li> <li>Procure from established suppliers with approvals from SFA</li> </ul>
3	Training and Education	<ul style="list-style-type: none"> <li>Move towards more skilled and educated workforce</li> </ul>	<ul style="list-style-type: none"> <li>Improve employees' skillsets</li> </ul>
4	Workplace Equality, Diversity and Inclusivity	<ul style="list-style-type: none"> <li>Gender and age diversity</li> </ul>	<ul style="list-style-type: none"> <li>Work towards inclusive workforce with balanced ratios for gender and age diversity</li> </ul>
5	Recruitment and Retention	<ul style="list-style-type: none"> <li>Employee retention rate</li> </ul>	<ul style="list-style-type: none"> <li>Improve employee retention</li> </ul>
6	Occupational Health and Safety	<ul style="list-style-type: none"> <li>Review workplace accidents resulting in death or permanent disability</li> </ul>	<ul style="list-style-type: none"> <li>Maintain strong workplace safety emphasis and zero workplace accidents resulting in death or permanent disability</li> </ul>
7	Local Communities Engagement / Corporate Social Responsibility	<ul style="list-style-type: none"> <li>Contributions to our communities</li> </ul>	<ul style="list-style-type: none"> <li>Engage communities through various initiatives</li> </ul>
8	Energy and Water Conservation	<ul style="list-style-type: none"> <li>Energy consumption</li> <li>Water consumption</li> </ul>	<ul style="list-style-type: none"> <li>Reduce energy consumption (kWh)</li> <li>Reduce water consumption (m<sup>3</sup>)</li> </ul>
9	Anti-Corruption	<ul style="list-style-type: none"> <li>Number of corruption cases</li> </ul>	<ul style="list-style-type: none"> <li>Zero corruption cases</li> </ul>

GRI STANDARD DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE	PAGE
<b>GRI 102: GENERAL DISCLOSURES</b>			
<b>ORGANISATIONAL PROFILE</b>			
102-1	Name of the Organisation	Sakae Holdings Ltd.	-
102-2	Activities, brands, products, and services	Annual Report 2021 - Corporate Structure and Global Presence	4-11
102-3	Location of Headquarters	Annual Report 2021 - Corporate Information	-
102-4	Location of Operations	Annual Report 2021 - Corporate Structure and Global Presence	4
102-5	Ownership and Legal Form	Annual Report 2021 - Notes to the Financial Statements	57
102-6	Markets Served	Annual Report 2021 - Corporate Structure and Global Presence	4-11
102-7	Scale of the Organisation	Annual Report 2021 - Corporate Structure and Global Presence	4-11
102-8	Information on employees and other workers	Material Factors - Workplace Equality, Diversity and Inclusivity	17
102-9	Supply Chain	Material Factors - Food Safety, Hygiene and Quality	15
102-10	Significant Changes to Organisation and its Supply Chain	Material Factors - Food Safety, Hygiene and Quality	15
102-11	Precautionary Principle or Approach	Annual Report 2021 - Corporate Governance Report	31
102-12	External Initiatives	Material Factors - Local Communities Engagement / Corporate Social Responsibility	21-22
102-13	Membership of Associations	Restaurant Association of Singapore Singapore Business Federation Singapore Manufacturing Federation	-

GRI STANDARD DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE	PAGE
<b>STRATEGY</b>			
102-14	Statement from Senior Decision Maker	Board's Statement	3
<b>ETHICS AND INTEGRITY</b>			
102-16	Values, Principles, Standards, and Norms of Behaviour	Annual Report 2021 - Corporate Profile	-
<b>GOVERNANCE</b>			
102-18	Governance Structure	Annual Report 2021 - Corporate Governance Report	17-38
<b>STAKEHOLDER ENGAGEMENT</b>			
102-40	List of Stakeholder Groups	Stakeholder's Engagement	6-7
102-41	Collective Bargaining Agreements	Not Applicable	N.A.
102-42	Identifying and Selecting Stakeholders	Stakeholder's Engagement	6-7
102-43	Approach to Stakeholder Engagement	Stakeholder's Engagement	6-7
102-44	Key Topics and Concerns Raised	Materiality Assessment	10

GRI STANDARD DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE	PAGE
<b>REPORTING PRACTICE</b>			
102-45	Entities Included in the Consolidated Financial Statements	Annual Report 2021 - Notes to the Financial Statements	94-99
102-46	Defining Report Content and Topic Boundaries	Materiality Assessment	9-11
102-47	List of Material Topics	Materiality Assessment	10
102-48	Restatements of Information	Not Applicable	N.A.
102-49	Changes in Reporting	Not Applicable	N.A.
102-50	Reporting Period	Reporting Period and Scope	5
102-51	Date of Most Recent Report	29 November 2020	N.A.
102-52	Reporting Cycle	Reporting Period and Scope	5
102-53	Contact Point for Questions regarding the report	Feedback	5
102-54	Claims of reporting in accordance with the GRI Standards	Reporting Framework	5
102-55	GRI Content Index	GRI Content Index	27-30
102-56	External Assurance	No external assurance was sought for this Sustainability Report. The Group will consider to seek external assurance in the future, if necessary.	N.A.
<b>GRI 103: MANAGEMENT APPROACH</b>			
103-1	Explanation of Material Topic and Its Boundaries	Material Factors	12-26
103-2	The Management Approach and Its Components	Material Factors	12-26
103-3	Evaluation of the Management Approach	Material Factors	12-26

GRI STANDARD DISCLOSURE NUMBER	DISCLOSURE TITLE	REFERENCE	PAGE
<b>TOPIC SPECIFIC DISCLOSURES</b>			
<b>ECONOMIC</b>			
201-1	Direct Economic Value generated and distributed	Annual Report 2021 - Consolidated Statement of Profit and Loss and Other Comprehensive Income	49-56
<b>ENVIRONMENTAL</b>			
302-1	Energy Consumption within the Organisation	Material Factors - Energy and Water Conservation	23-24
303-1	Water withdrawal by source	Material Factors - Energy and Water Conservation	23-24
<b>SOCIAL</b>			
401-1	New employee hires and employee turnover	Material Factors - Recruitment and Retention	18
401-2	Benefits provided to Full-Time employees that are not provided to Temporary or Part-Time Employees	Material Factors - Recruitment and Retention	18
403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Material Factors - Occupational Health and Safety	19
404-2	Programmes for upgrading employee skills and transition assistance programmes	Material Factors - Training and Education	16
405-1	Diversity of governance bodies and employees	Material Factors - Workplace Diversity, Equality and Inclusivity	17
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Material Factors - Food Safety, Hygiene and Quality	14-15
<b>GOVERNANCE</b>			
205-3	Confirmed incidents of corruption and actions taken	Material Factors - Anti-Corruption	25

**SAKAE HOLDINGS LTD.  
SUSTAINABILITY REPORT 2021**

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