

Cool Link (Holdings) Limited

(Incorporated in the Cayman Islands with limited liability)

Stock code: 8491

2021

**ENVIRONMENTAL,
SOCIAL AND GOVERNANCE REPORT**

Environmental, Social and Governance Report

INTRODUCTION

Cool Link (Holdings) Limited (the “Company”), together with its subsidiaries (the “Group”) is a Singapore-based importer of food products with over 19 years of experience in the ship supply industry in Singapore, the Group believes sustainability is the key to achieve continuous success and has integrated it into the Group’s business strategies.

This Environmental, Social and Governance Report (the “ESG Report”) summarizes the environmental, social and governance (“ESG”) initiatives, plans and performances of the Group and demonstrates its commitment to sustainability development.

REPORTING SCOPE

Unless specified otherwise, the ESG Report covers the Group’s business activities in Singapore office and warehouses (the “Reporting Scope”), which represent more than 85% of the Group’s revenue during the year ended 31 December 2021. The Reporting Scope is determined based on the financial threshold and the full year effect of operation. The ESG Report covers the Group’s policies, compliance issues as well as key performance indicators (“KPI”) in environmental and social areas. The Group will extend the scope of disclosures when and where applicable.

REPORTING FRAMEWORK

The ESG Report has been prepared in compliance with all applicable provisions set out in the “Environmental, Social and Governance Reporting Guide” (the “ESG Reporting Guide”) contained in Appendix 20 to the Rules Governing the Listing Securities on GEM of the Stock Exchange of Hong Kong Limited.

For the Group’s corporate governance practices, please refer to P.24 to P.33 for the section “Corporate Governance Report” contained in the Group’s Annual Report 2021.

During the preparation for the ESG Report, the Group has applied the reporting principles in the ESG Reporting Guide as follow:

Materiality: Materiality assessment was conducted to identify material issues for the year ended 31 December 2021, thereby adopting the confirmed material issues as the focus for the preparation of the ESG Report. The materiality of issues was reviewed and confirmed by the Board and senior management. For further details, please refer to the sections headed “Stakeholder Engagement” and “Materiality Assessment”.

Quantitative: The standards, methodologies and applicable assumptions used in the calculation of KPIs data were supplemented by explanatory notes.

Consistency: Unless otherwise stated, the preparation approach of the ESG Report is consistent with the previous year for comparison. If there are any other changes in the scope of disclosure and calculation methodologies that may affect comparison with previous reports, explanations will be provided to the corresponding data.

Balance: The ESG Report has provided an unbiased picture of the Group’s performance. It avoids selections, omissions, or presentation formats that may inappropriately influence a decision or judgment by the reader.

REPORTING PERIOD

The ESG Report describes the ESG activities, challenges and measures taken by the Group during the year ended 31 December 2021 (“2021” or the “Reporting Period”).

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ESG GOVERNANCE STRUCTURE

The Group has developed an ESG governance structure to ensure ESG governance aligns with its business strategy and to integrate ESG management into its business operations and decision-making process.

The Board of Directors (the “Board”) holds the overall responsibility for the Group’s ESG issues and sets out ESG management approach, strategy, priorities and objectives. The Board is also responsible for setting up ESG targets, aiming at aligning with the global vision of carbon neutrality and enhancing corporate reputation. In order to better manage the Group’s ESG performance, related issues and potential risks, the Board regularly evaluates and determines ESG-related risks and opportunities of the Group, as well as reviews its performance against ESG-related targets. The Board is also responsible for ensuring the effectiveness of the Group’s risk management and internal control systems and approving disclosures in the ESG Report.

To develop systematic management of ESG issues under the Board’s delegations, the Group has assigned designated personnel for management and assistance in oversight. The assigned personnel have the responsibility for collecting and analysing ESG data, monitoring and evaluating the Group’s ESG performance, keeping track of and reviewing the progress made against the Group’s ESG-related targets, ensuring compliance with ESG-related laws and regulations, assisting in conducting materiality assessment and preparing ESG reports. The assigned personnel also arrange meetings regularly to evaluate the effectiveness of current policies and procedures, and formulates appropriate solutions to improve the overall performance of ESG policies. Furthermore, the assigned personnel report to the Board periodically, assist in assessing and identifying the Group’s ESG risks and opportunities, ensuring the implementation and effectiveness of the risk management and internal control systems.

STAKEHOLDER ENGAGEMENT

The Group values its stakeholders and their feedback regarding the Group’s businesses and ESG aspects. In order to understand and address their key concerns, the Group has maintained close communication with its key stakeholders, including but not limited to shareholders and investors, customers and business partners, employees, suppliers, media, non-governmental organizations (“NGOs”) and the public, as well as government bodies and regulators. The Group considers stakeholders’ expectations in formulating its businesses and ESG strategies by utilizing diversified engagement methods and communication channels, shown as below.

Stakeholders	Communication channels	Expectations
Shareholders and investors	<ul style="list-style-type: none">• Annual general meeting and other shareholder meetings• Financial reports• Announcements and circulars• Company website	<ul style="list-style-type: none">• Compliant operation• Risk management• Anti-corruption• Economic performance• Corporate sustainability
Customers and business partners	<ul style="list-style-type: none">• Customer satisfaction survey• Customer service team• Customer support hotline and email	<ul style="list-style-type: none">• Food safety and quality• Protection of customers’ interest• Quality of products and services provided• Product and service responsibility• Customer information and privacy protection• Compliant operation

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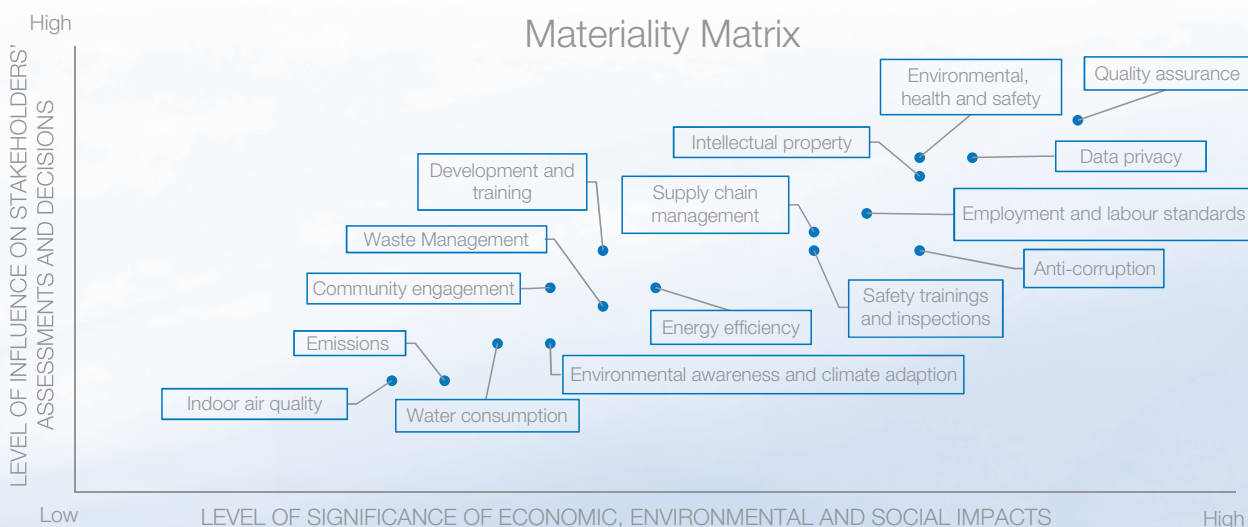
Stakeholders	Communication channels	Expectations
Employees	<ul style="list-style-type: none"> • Trainings, seminars, and briefing sessions • Regular meetings • Regular performance reviews 	<ul style="list-style-type: none"> • Employee health and safety • Employee development and training • Protection of employees' rights and interests • Compliant operation • Equal opportunities
Suppliers	<ul style="list-style-type: none"> • Supplier management meetings and events • Supplier audit 	<ul style="list-style-type: none"> • Fair and open procurement • Sustainable development of supply chain • Business ethics and reputation
Media, NGOs, and the public	<ul style="list-style-type: none"> • Community activities • ESG reports 	<ul style="list-style-type: none"> • Transparent information disclosure • Community service • Environmental protection
Government bodies and regulators	<ul style="list-style-type: none"> • Legal and compliance advisor 	<ul style="list-style-type: none"> • Compliant operation • Risk management • Payment of tax

The Group aims to collaborate with its stakeholders to improve its ESG performance and create greater value for the wider community on a continuous basis.

MATERIALITY ASSESSMENT

The management and staff of the Group's respective major operations have participated in the preparation of the ESG Report to assist the Group in reviewing its operations and identifying relevant ESG issues and assessed the importance of related matters to its businesses and stakeholders. Based on the assessed significant ESG issues, a data collection questionnaire was prepared to collect information from relevant departments and business units of the Group.

The following is a matrix of the Group's material ESG issues included in the ESG Report:



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The Group confirmed that it has established appropriate and effective management policies and internal control systems for ESG issues and confirmed that the disclosed contents are in compliance with the requirements of the ESG Reporting Guide.

CONTACT US

The Group welcomes stakeholders to provide their opinions and suggestions. You can provide valuable advices in respect of the ESG Report or its performances in sustainable development by email at enquiry@coolink.com.sg.

A. ENVIRONMENTAL

A1. Emissions

The Group primarily acts as a Singapore-based importer of food products. Business operations include but are not limited to the supply of various types of food products, including canned food and packaged beverages in the dry category, various dairy products in the chilled category and ice cream and frozen cakes and pies in the frozen category to the Group's ship supply customers in Singapore. The Group integrates environmental concerns into its decision-making processes and consider potential positive and negative environmental impacts of its businesses.

Given the business nature of the Group, the Group believes that there are only minimal direct environmental impacts in its operations. Nevertheless, the Group continues to stay alert to the potential environmental impacts. The Group has established related environmental policies and green measures to enhance its environmental governance practices and mitigate potential environmental impacts caused by its operations.

On the other hand, the Group is committed to raising employees' environmental awareness and complying with relevant environmental laws and regulations. In the long run, the Group will continue to enhance its environmental management strategies regularly in monitoring and minimizing the environmental impacts brought by its businesses. As such, the Group has established environmental targets in four areas, namely greenhouse gas ("GHG") reduction, energy efficiency, waste management and water conservation, aiming at aligning with the global and national vision of carbon neutrality, leveraging its corporate social responsibility and enhancing corporate reputation. The Group will strive to achieve the targets by implementing appropriate measures in its operation and reviewing the progress towards the targets set. The progress towards the targets set will be reported to the Board by the assigned personnel at least once a year. The following table summarises the targets established by the Group:

Aspect	Targets
GHG Emissions	<ul style="list-style-type: none">Using 2021 as the baseline year, the Group will reduce its GHG intensity within the Reporting Scope by at least 5% by the financial year ended 31 December 2025
Waste Management	<ul style="list-style-type: none">The Group will implement recycling programme at its operation and participate waste reduction awareness activity each year
Energy Efficiency	<ul style="list-style-type: none">Using 2021 as the baseline year, the Group will reduce its energy efficiency intensity within the Reporting Scope by at least 5% by the financial year ended 31 December 2025
Water Conservation	<ul style="list-style-type: none">The Group will participate water saving awareness activity each year

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For each target set, the corresponding measures to achieve such target will be disclosed in the sections of “Emissions” and “Use of Resources”.

During 2021, the Group did not have any violation of relevant local environmental laws and regulations in relation to exhaust gas and GHG emissions, water and land discharge, and the generation of hazardous and non-hazardous wastes, including but not limited to Environmental Protection and Management Act of Singapore, Environmental Public Health (General Waste Collection) Regulations of Singapore and Control of Vector and Pesticides Act of Singapore that have a significant impact on the Group.

Emissions

Exhaust Gas Emissions

Due to the Group's business nature, the Group pays attention to the relevant air emissions generated at its operations. It strives to mitigate the exhaust gas and GHG generated from its operation process as much as possible. The Group's major sources of exhaust gas emissions are combustion of diesel and petrol from vehicles. During 2021, the amount of exhaust gas generated from vehicles were approximately 0.86 kg (2020: approximately 1.02 kg) of sulphur oxides, approximately 255.57 kg (2020: approximately 300.82 kg) of nitrogen oxides and approximately 24.48 kg (2020: approximately 28.81 kg) of particulate matter.

The Group has set up a monitoring system for petrol and diesel consumption on site to track the amount of petrol and diesel consumed, and the causes of unexpected high amount of petrol and diesel consumption will be examined. Other measures to mitigate exhaust gas emissions for vehicles are mentioned in the following section on “GHG Emissions”.

GHG Emissions

The principal GHG emissions of the Group are direct GHG emissions generated from the petrol and diesel consumption of vehicles (Scope 1) and energy indirect GHG emissions from purchased electricity (Scope 2). The Group has adopted the following measures to mitigate the direct GHG emissions from petrol and diesel consumption in its operations and to achieve its established target:

- Examined and obtained certification for the vehicles under Section 90 of the “Road Traffic Act” on the prescribed statutory requirements;
- Switched off engine whenever the vehicle is idled;
- Provided maintenance service to the vehicles on a regular basis to ensure the engine performance and its efficient use of fuel; and
- Installed solar energy panels in its Singapore operation and performed feasibility study for expansion of solar energy coverage by launching extended installation.

Consumption of electricity is accounted as the most significant source of indirect GHG emissions. The Group has implemented measures as stated in “Energy Efficiency” of Aspect A2 below in order to reduce energy consumption, and thereby minimizing carbon footprint.

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Through these GHG emissions mitigating measures, the employees' awareness on GHG emissions mitigation has been enhanced. During 2021, the total GHG emissions has slightly increased to approximately 543.62 tCO₂e (2020: approximately 534.65 tCO₂e) as a result of increased business activities.

The summary of GHG emissions performances:

Indicator ¹	Unit	2021	2020
Direct GHG emissions (Scope 1)			
— Petrol and diesel consumption	tCO ₂ e	148.75	189.06
Energy indirect GHG emissions (Scope 2)			
— Purchased electricity	tCO ₂ e	393.09	343.79
Other indirect GHG emissions (Scope 3)			
— Business air travel	tCO ₂ e	1.78	1.80
Total GHG emissions (Scope 1, 2 and 3)	tCO ₂ e	543.62	534.65
Intensity ²	tCO ₂ e/m ²	0.06	0.06

Notes:

- GHG emission data is presented in terms of carbon dioxide equivalent and are based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Resources Institute and the World Business Council for Sustainable Development, 2020 Electricity Grid Emission Factor issued by the Energy Market Authority of Singapore, "How to prepare an ESG Report — Appendix 2: Reporting Guidance on Environmental KPIs" issued by the Stock Exchange of Hong Kong Limited, "Global Warming Potential Values" from the IPCC Fifth Assessment Report, 2014 (AR5).
- As at 31 December 2021 and 31 December 2020, the Group's total floor area within the Reporting Scope were approximately 9,316.20 m² respectively. The data is also used for calculating other intensity data.

Sewage Discharge

The Group does not consume significant volume of water throughout its business activities, and therefore its business activities did not generate material portion of discharge into water. During 2021, the amount of sewage discharged has increased to approximately 2,798.76 m³ (2020: approximately 1,578.00 m³). Its intensity was approximately 0.30 m³/m² (2020: approximately 0.17 m³/m²). The Group has established related procedures for water discharge at its operations to prevent water pollution.

Waste Management

Hazardous waste handling method

Despite the Group did not generate hazardous wastes due to its business nature, it has established guidelines in governing the management and disposal of hazardous wastes. In case there is any hazardous waste produced, the Group must engage a qualified chemical waste collector to handle such waste, which is complied with the relevant environmental regulations and rules.

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Non-hazardous waste handling method

The Group's wastes mainly come from office operation, including non-hazardous wastes such as paper. With the aim of minimizing the environmental impacts from non-hazardous wastes generated from its business operations, the Group has implemented measures to handle such wastes and launched different reduction initiatives.

The Group has implemented the following procedures to encourage employees to share responsibilities in waste management and minimize waste generations:

- Used double sided printing or photocopying wherever possible;
- Utilized electronic media for communication;
- Recycled one-sided printed paper;
- Avoided single-use disposable items; and
- Placed "Green Message" reminders on office equipment.

Employee's waste management awareness has been enhanced through the above measures. During 2021, the total non-hazardous waste generated has decreased to approximately 16.37 tonnes (2020: approximately 30.37 tonnes). This shows the Group's efforts in waste reduction and recycling during its operation.

The summary of major non-hazardous wastes discharge performance:

Category of waste	Unit	2021	2020
Paper	tonnes	0.37	0.37
General waste	tonnes	16.00	30.00
Total non-hazardous waste	tonnes	16.37	30.37
Intensity	tonnes/m ²	0.002	0.003

A2. Use of Resources

Responsible use of resources is one of the Group's missions in achieving sustainability. During the Group's operations, fuels and electricity are frequently consumed. In order to optimize the Group's resource usage, it has established relevant policies and procedures in governing the efficient use of resources, implemented initiatives to reduce unnecessary use of materials and increase energy efficiency, and adopted eco-friendly approaches in its operations. The Group will also learn from the best practices in the industry in order to improve its environmental performance for use of resources.

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Energy Efficiency

The major energy consumption of the Group in daily operation is electricity consumption, as well as petrol and diesel consumption via transportation.

Since energy consumption accounts for the major resource consumption in the Group, it aims to identify and adopt appropriate measures to minimize its potential environmental impacts. The Group has developed related policies and initiatives on energy conservation to show its concern on energy efficiency. Regular review is conducted on its energy objectives and targets to seek continuous improvement in the Group's energy performance. Unexpected high electricity consumption will be investigated to find out the root cause and preventive measures will be taken.

During 2021, the Group has performed the following measures relating to promote and enhance energy efficiency:

- Installed solar energy panels in its Singapore operation and performed feasibility study for increasing of solar energy coverage;
- Selected energy-efficient equipment and electrical appliances for production, office and domestic electricity use;
- Encouraged employees to turn off all electrical appliances that come with them when they leave office;
- Turned off all unnecessary lights, air conditioners, computers and other office equipment in office areas, conference rooms and corridors when they are not in use to avoid waste of electricity;
- Regulated the use of air conditioners strictly to prevent waste of electricity;
- Turned off computers (host and monitor) when employees go out for a long time, and switched computers to standby or sleep mode when employees go out for lunch; and
- Enhanced the maintenance and overhaul of equipment, maintain the best condition of all electronic equipment for efficient use of electricity.

As a result, the employees' awareness of energy conservation has been increased through these energy-saving measures.

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During 2021, the total energy consumption of the Group has slightly increased to 1,542,730.94 kWh (2020: approximately 1,524,702.53 kWh) due to increased business activities. The energy consumption of the Group and its intensity were as follows:

Type of energy ³	Unit	2021	2020
Petrol	kWh	11,585.05	6,977.78
Diesel	kWh	567,699.58	676,124.52
Electricity	kWh	963,446.31	841,600.23
Total energy consumption	kWh	1,542,730.94	1,524,702.53
Intensity	kWh/m ²	165.60	163.66

Note:

- The unit conversion method of energy consumption data is based on the Energy Statistics Manual issued by the International Energy Agency.

Water Consumption

Water consumption of the Group is mainly for cleaning and sanitation in office and warehouses. The Group has set up procedures for water conservation measures, and encouraged all employees to develop the habit of water conservation. The Group has been strengthening its promotion on water-saving, posting water saving reminders, and guiding employees to use water reasonably.

Due to the increased frequency of cleaning, the total water consumption of the Group increased to approximately 2,798.76 m³ in 2021 (2020: approximately 1,578.00 m³). The summary of water consumption during 2021:

Freshwater consumed	Unit	2021	2020
Total consumption	m ³	2,798.76	1,578.00
Intensity	m ³ /m ²	0.30	0.17

The Group has implemented the following procedures to improve its water efficiency:

- Carried out regular leakage tests on concealed piping and checked for overflowing tanks, blockage, worn tap washers and other defects in the water supply system;
- Fixed dripping taps immediately; and
- Reduced water pressure to the lowest practical level.

With the above measures, the Group is able to raise employees' awareness on water conservation. The Group did not set a quantitative target for water efficiency as it is subject to the condition of COVID-19. Instead, the Group is committed to launch awareness enhancement programme.

Since the Group's operation mainly involved administrative office environment and warehouses for storing and packaging shipment goods and geographical location where it operates, there was no significant issue regarding sourcing water that is fit for purpose.

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Use of Packaging Materials

As an importer of food products in the ship supply industry, the Group's major packaging materials are pallets, pallet stretch film and foam box. During 2021, the Group has consumed approximately 130.73 tonnes of pallets and pallet stretch film in total (2020: 140.10 tonnes). Furthermore, the Group collected and reused foam box during 2021, while the Group consumed approximately 1.4 tonnes of purchased foam box in 2020.

A3. The Environment and Natural Resources

Although the core businesses of the Group have limited impact on the environment and natural resources, it recognizes the importance in minimizing the negative environmental impacts of its business operations as an ongoing commitment to corporate social responsibility. The Group follows the related policy to regularly assess the environmental risks of its businesses, adopts preventive measures to reduce potential risks and ensures compliance with relevant laws and regulations. The Group is also devoted to achieving sustainable development for generating long-term values to the community and its stakeholders.

Environmental Awareness

Apart from the measures mentioned in the previous sections, the Group also focuses on raising employees' awareness on the environment and natural resources through various means of environmental education. The Group encourages its staff to participate in campaign or activities relating to the promotion of green environment. Green messages are also posted on the message board to remind colleagues of supporting environmental conservation.

Indoor Air Quality

The Group strives to maintain a good air quality at the workplace, for both office and warehouse. Indoor air quality at the workplace is regularly monitored and measured. By adopting air-purifying equipment in the workplace as well as conducting regular cleaning of air conditioning system, these measures resulted in maintaining indoor air quality and filtering out pollutants, contaminants and dust particles.

A4. Climate Change

Identification and Response

The Group recognizes that climate change has been affecting the Group's stakeholders, business operations and communities at different levels. The Group has developed its Climate Change Policy to enhance its ability to respond to climate impacts and to mitigate the risks and impacts of climate change on the Group, thereby assisting the Group to adapt to and resist climate change. During the Reporting Period, the Group has been monitoring the potential and actual impact of climate change as described below.

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Physical Risks

For the acute physical risks, weather-related events such as typhoons and natural disasters may disrupt the business operation in the short term. In order to minimise the disruptions to its business operation, the Group has devised a set of contingency measures that are applicable to the most weather-related events. The Group has developed typhoon and rainstorm arrangements to safeguard the safety of its employees under extreme weather conditions. The work arrangements included reporting for duty, early release from work, the resumption of work, and the special arrangements in respect of essential staff in situations of adverse weather. The Group also gives consideration as much as possible to the different situations faced by individual employees, such as their place of residence, the road and traffic conditions in the vicinity, and adopt a flexible approach with due regard to their actual difficulties and needs.

Transition Risks

For transition risks, the Group may bear higher operating costs due to the potential regulatory change related to carbon reduction requirements. To manage the legal risks that may be brought along by the climate crisis, the Group has taken an array of actions. First, the Group constantly monitors any changes in relevant laws or regulations. Second, the Group has sought compliance consultancy services to reduce legal risks. Third, the Group has been taking comprehensive measures to protect the environment, including measures aimed at reducing GHG emissions. By going beyond current compliance requirements, the Group has a better chance to adapt swiftly to regulatory changes.

B. SOCIAL

B1. Employment

Human resources are the foundation for the Group's continuous development. Hence, it has established relevant employment policies, adopting people-oriented management and realising the full potential of employees. Relevant employment policies are formally documented, covering recruitment, compensation, promotion, working hours and rest periods, diversity and equal opportunities, etc. The Group reviews these policies and its employment practices periodically to ensure continuous improvements of its employment standards.

During 2021, the Group was not aware of any material non-compliance with employment-related laws and regulations including but not limited to the Employment Act of Singapore, that would have a significant impact on the Group.

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As at the year ended 31 December 2021, there were 53 employees within the Reporting Scope. The following shows a summary of the Group's employment data within the Reporting Scope:

	Number of employees (as at 31 December 2021)	Number of employees (as at 31 December 2020)
Workforce by category		
By employment type		
Full time	52	57
Part time	1	1
By gender		
Male	35	38
Female	18	20
By age group		
18–25 years old	1	2
26–35 years old	15	17
36–45 years old	15	20
46–55 years old	11	10
56 years old or above	11	9
By geographical region		
Singapore	53	58

During the Reporting Period, the Group's total employee turnover rate within the Reporting Scope was approximately 9.01%, with the breakdown as follows:

Turnover rate by category⁴	2021
By gender	
Male	8.90%
Female	9.21%
By age group	
18-25 years old	16.67%
26-35 years old	7.81%
36-45 years old	14.29%
46-55 years old	9.52%
56 years old or above	–
By geographical region	
Singapore	9.01%

Note:

4. The overall employee turnover rate is calculated by dividing the total number of employees leaving employment during the Reporting Period by the average number of employees at the beginning and the end of the Reporting Period.

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The Group adopts robust and transparent recruitment processes based on merit selection against the job criteria applied. Recruitment of individuals is based on their suitability for the position and potential to fulfil the Group's current and future needs. The Group ensures its employees and applicants are treated and evaluated in a fair way.

Employees are entitled to remuneration package, which includes medical coverage, dental allowance, different types of leaves, company activities and service awards. Bonus and variable bonus will be distributed to staffs based on the Group's yearly sales performance and achievement, as well as their performance appraisal that is also reviewed regularly by heads of department for potential promotion opportunities for employees.

It is the Group's policy, through its Performance Management Process, to review all employees' performance and effectiveness on an ongoing basis. The process is designed to meet the needs and align expectations of both managers and employees and to ensure that all employees have the opportunity to develop and succeed in his or her new job. A new employee will be subject to a probation period as stipulated in his or her employment contract. This can ensure that the Group's new recruits are satisfied with their employment and have the capability of meeting or exceed the requirements of the position at hand. During this period, their performance and suitability for continued employment will be assessed at regular intervals. At the end of the probation period, a performance review will be conducted to ensure that they are capable of achieving the work performance expectations, KPIs set and productivity standards of the Group.

Working Hours and Rest Periods

The Group has formulated policies in determining the working hours and rest periods for employees in accordance with the Singapore's Ministry of Manpower ("MOM") regulation. Timecards are used to record the attendance and working time of employees to ensure appropriate reimbursement is provided for overtime working. The Group's employees enjoy sufficient benefits including annual leave, public holiday, medical leave, maternity leave, paternity leave, child care leave, extended child care leave, compassionate leave, as well as celebration on their birthday, Chinese New Year, Labour Day, Hari Raya Puasa, Deepavali and Christmas in a form of company trip or Chinese New Year dinner, in which the employees' immediate family member are also invited. Additionally, the Group has set up Long Service Award and Superstar Award to commend employees' contribution and hard work.

Communication Channels

The Group recognizes the importance to maintain close and open communication with employees. Employees are encouraged to exchange information, ideas and views about matters of mutual interest and concern through both formal and informal channels. The Group has established various communication channels with employees. Management reviews the result of the survey and implement corresponding improvement actions.

To foster good relations among employees and between employees and management, the Group recognizes the accumulation of unspoken, unanswered complaints, questions and suggestions will result in employee dissatisfaction and threaten what otherwise can be a satisfactory working environment. Thus, related grievance policy is established to provide procedures and options to employees on how to handle the issues concerned.

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Diversity, Equal Opportunities and Anti-discrimination

A diverse and skilled workforce is crucial for its business. The Group is committed to creating and maintaining an inclusive and collaborative workplace culture. The Group is dedicated to providing equal opportunities in all aspects of employment and maintaining workplace that are free from discrimination, physical or verbal harassment against any individual because of race, religion, colour, gender, physical or mental disability, age, place of origin, marital status, and sexual orientation. The Group also strives to ensure that complaints, grievances and concerns, including whistle blowing, are dealt with promptly and confidentially. The Group has zero tolerance on sexual harassment or abuse in the workplace in any form. Regular meetings among management are held semi-annually, and among the heads of department are held weekly. The Group commits to organise five events yearly to bond and better communicate with employees across the operation.

B2. Health and Safety

Environmental, Health and Safety

The Group is committed to providing and maintaining a safe and healthy working environment for the benefit of employees and suppliers. A section on Occupational, Health and Safety Policy Statement has been incorporated in the Employee Handbook, in which the Group is committed to provide, with the assistance of employees, a working environment that protects the health and safety of each team member, customer and visitor. House rules are also established to ensure each department are responsible for maintaining safe working environment. The Group will continue to invest sufficient resources and devote efforts to maintain and enhance safety management to reduce the risks involved in health and safety.

During 2021, the Group was not aware of any material non-compliance with health and safety-related laws and regulations including but not limited to “Workplace Safety and Health Act”, that would have a significant impact on the Group. During the past three years including 2021, there were no work related fatalities. The Group did not record any lost days due to work injuries in 2021 (2020: 9 lost days).

Safety Trainings and Inspections

The Group has incorporated various steps for different levels of management to ensure safety standards are met in its operation. Supervisors are required to check all warehouse facility at the beginning and end of the day to survey for any inconsistencies or safety issues. Assistant checkers are required to perform daily clearance check on worker housekeeping to ensure personal safety.

The Group emphasises to its employees that strict compliance with safety requirements is vital to avoid accidents to themselves or others at work. The Group also requires suppliers to abide by all applicable laws, regulations and safety requirements imposed by the relevant government authorities.

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Response to the COVID-19 Pandemic

To cope with the COVID-19 pandemic, the Group has formulated the Operational Guidelines for Pandemic Prevention during the outbreak with reference to the guidelines and announcement on pandemic prevention given by the local government. The Group also set up special work arrangement plan and adopted enhanced health and anti-pandemic measures in its premises to minimise disruption brought by the pandemic to its operation. To secure employees' health and safety and control the risks arising from the pandemic, the Group has stringently monitored the health and safety inspections, routinely disinfected and maintained the cleanliness of its premises and reminded its employees of personal hygiene and social distance.

B3. Development and Training

Development and Training

The Group regards its staff as the most important asset and resource. The Group recognises the valuable contribution its talents make to the continued success of the Group. The Group is committed to unleashing employee potentials towards the delivery of excellence through development of training strategy that focuses on creating values and serving the needs of customers, talents and society.

The Group understands that training and development is indispensable for its staff to keep abreast with the latest trend in the industry. Nurturing talents and polishing the skills of its human capital is critical in leading us to excellence.

Each department in the Group is responsible to review and plan on-the-job training schedule, in which trainings usually include product knowledge and provide better understanding on standard operating procedures. As indicated in the Employee Handbook, employees shall also attend safety courses related to forklift handling and operating, PSA safety regulation and any other in-house or external workshops, which may relate to work safety requirements and within their work scope.

The Group is committed to providing, with the assistance of its staff, a work environment that protects the safety and health of team members, customers and visitors through the identification and control of hazard. Necessary procedures, practices, guidance and information are implemented to assist managers, team members to provide and maintain this environment as mentioned in the Occupational, Health and Safety Policy Statement.

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During 2021, the total training hours of employees were approximately 441 hours (2020: approximately 448 hours). The percentages breakdown of employees trained by gender and employee category together with their average training hours were as follows:

	2021	
	Percentage of employees trained ⁵	Average number of training hours for employees ⁶
By Category		
By gender		
Male	66.04%	8.49
Female	33.96%	8.00
By employee category		
Senior Management	5.66%	8.67
Middle Management	11.32%	10.50
General staff	83.02%	8.00

Notes:

5. The percentage of employees trained by category is calculated by dividing the number of employees in the specified category who took part in training during the Reporting Period by the total number of employees who took part in training during the Reporting Period.
6. The average training hours completed per employee by category is calculated by dividing the number of training hours for employees in the specified category during the Reporting Period by the number of employees in the specified category at the end of Reporting Period.

B4. Labour Standards

Prevention of Child and Forced Labour

Child and forced labour are strictly prohibited during the recruitment process as defined by laws and regulations. The Group strictly complies with MOM regulation in Singapore, and no child or forced labour is allowed. No employee will be compelled to work against his or her will through force or intimidation of any form or subjected to corporal punishment or coercion of any type related to work. The Human Resource Department has the right to immediately terminate employment contract with employee who violates the laws and regulations.

Personal data are collected during the process to assist in the selection of suitable candidates and to verify candidates' personal data including their age. The Human Resources Department also ensures identity documents are carefully checked. When any irregularities are found, the Group will immediately investigate and take disciplinary actions. If necessary, the Group will further improve the employment mechanism against non-compliance.

Environmental, Social and Governance Report

In addition, employees of the Group work overtime on a voluntary basis and the relevant working hours and overtime regulations are set out in detail in the Employee Handbook in order to avoid any violation of labour standards and to safeguard the rights and interests of employees in a practical manner. The Group prohibits any form of forced labour practices, slavery and trafficking of labour. If any form of forced labour is found, the Group will immediately investigate and immediately stop the forced labour situation, and will communicate and discuss the situation investigated and the opinions collected to the senior management in a timely manner to jointly seek a solution.

During 2021, the Group was not aware of any material non-compliance with child and forced labour-related laws and regulations, including but not limited to the Employment Act of Singapore that would have a significant impact on the Group.

B5. Supply Chain Management

Supply Chain Management

The Group highly values its relationship with suppliers and regards them as important business partners. All suppliers are evaluated carefully and subjected to regular monitoring and assessment. The Group has formulated related policies and procedures to manage its suppliers and the policies and procedures are reviewed regularly.

The Group has standard procedures in engaging any new suppliers and on evaluating and follow-up with existing ones regarding their performance on meeting the product or service specifications, pricing, meeting delivery lead-time and schedule, as well as responsiveness.

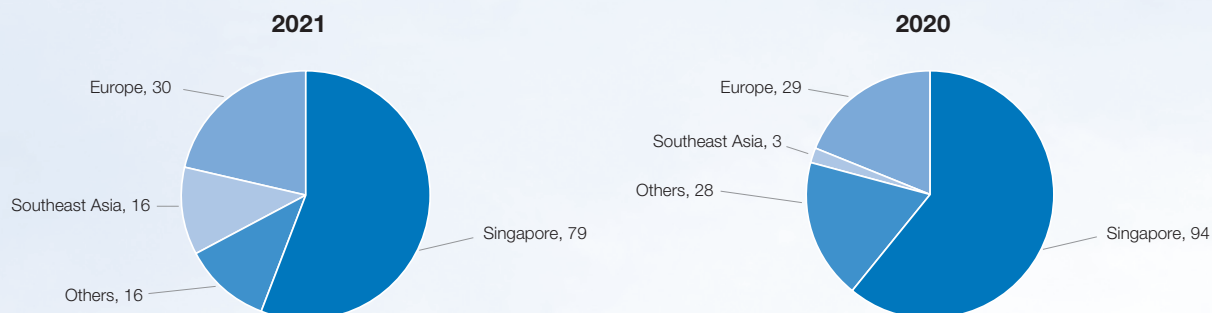
The Group would ensure that the procurement are carried out based on the principles of openness, fairness and impartiality to raise efficiency, secure quality, lower risks concerning procurement. The senior management has overall supervision of the procurement process and will regularly carry out supervision and evaluation work, and implement rectification against non-compliance if any.

The Group endeavours to support local economies and prioritises the procurement from local and regional suppliers to lower the carbon footprint during transportation. The Group has also adopted the principle of green procurement and gives priority to suppliers that use environmentally preferable products and services in the selection process. Additionally, the Group concerns about the integrity of suppliers, and selects suppliers and partners with a good business track records and without any material violations of laws or business ethics in the past. The Group would not tolerate any behaviours regarding bribery and corruption, and strictly forbid suppliers from obtaining procurement contracts or partnerships through any forms of transfer of benefits or gifts. If any material violations of laws and regulations are found, the Group will terminate the contract with such suppliers.

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During 2021, the Group had 141 suppliers within the Reporting Scope (2020: 154 suppliers), which are all subject to supplier engagement practice. The breakdown of the Group's suppliers were as follows:

The Group's suppliers by geographical region



Environmental and Social Responsibilities of Suppliers

Apart from managing quality and cost, the Group also considers suppliers' environmental and social responsibilities as one of the assessment criteria during its procurement processes. For example, the Group examines whether existing or potential suppliers comply with environmental laws and laws governing minimum wage remuneration. The Group maintains close contact with our suppliers and meets regularly to share market information and to ensure compliance with local laws and regulations. Looking forward, the Group will continue to require business partners to attach more importance to the sustainable development performances, to promote the sustainable development of the industry as a whole.

B6. Product Responsibility

The Group highly values customers' satisfaction and end-users' requirements in its services and products provided. In pursuit of quality excellence, the Group is committed to producing the highest quality food products in a safe and clean environment, adhering strictly to industry hygiene, safety and quality standards.

During 2021, the Group was not aware of any incidents of non-compliance with laws and regulations concerning advertising, labelling and privacy matters relating to products and services provided that have a significant impact on the Group, including but not limited to the "Personal Data Protection Act", "Sale of Food Act", "Wholesome Meat and Fish Act" and "Regulation of Imports and Exports Act".

Quality Assurance

The Group highly emphasises on its product quality, especially focusing on food safety and quality management. In order to ensure food safety, the Group has formulated different guidelines and practices, for instance Food Storage and Food Safety Guide and Refrigerated Storage Practices. These guidelines and practices are carried out by different levels of management parties so to ensure food products are in good conditions. The ISO 22000 Food Safety Team will carry out all elements of the food safety programme, and review the ISO 22000 food safety programme annually and follow significant changes to the process.

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The Group has standard recall procedures for imported food products including meat, seafood, fresh fruits and vegetables, as well as processed food. All requests for returns or refund will be reviewed on case-by-case basis and subjected to the Group's approval.

During 2021, there were no products sold or shipped subject to recalls for safety and health reasons. Also, there were no material complaints received, including those regarding food quality in terms of the unpleasant odour of sardine and mouldy yoghurt. Random checking are carried out more often to prevent occurrence of such incidents.

Data Privacy

The Group respects the values and rights of customers' information assets, and strictly complies with the customers' information security management systems and standards. As stated in the Employee Handbook, employee shall not at any time during or after resignation or termination with the Company, reveal or cause to be revealed to any person or company, any of the trade secrets, confidential operations, processes, dealings or any information concerning the organization, business, finances, transactions or any of its related. In addition, employees shall not download any software to any computer workstation without prior consent of the organization.

Customer Services

To provide a pleasant user experience for its customers, the Group has long established a set of procedures to handle customers' feedbacks or complaints in a professional manner. Customers' information will be recorded and enquiries or complaints cases received will be transferred to the Business Development Department for further handling. Reviews on feedback or complaints is conducted, and action plans are in place promptly to address the identified issues. Customers' satisfaction is evaluated after the cases are settled, and feedbacks or complaints may be circulated to management if necessary.

Intellectual Property ("IP") Rights

The Group has indicated clearly in the employment contract regarding IP ownership. In addition, staff are not allowed to install any unauthorised or unlicensed software on their working computers provided by the Group. The Group obtains authorisation in the use of computer software by licensed third parties and adhere to all applicable terms of use prior to utilisation of any properties. The Group also regularly evaluates whether the products and/or services of all its suppliers and partners infringe the intellectual property rights of any third parties. If any party is found to be infringing intellectual property rights, the Group will terminate the cooperation with the organisation.

Advertising and Labelling

As the Group's operational process does not involve advertising and labelling practices, the information relating to advertising and labelling is considered as immaterial to the Group.

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B7. Anti-corruption

The Group has zero toleration on any corruptions, frauds and all other behaviours violating work ethics. The Group values and upholds integrity, honesty and fairness in the way it conducts businesses. The Group's major operations formulated such policies on the control and prevention of bribery, extortion, fraud and money laundering between shareholders and related parties in each business operation and trade activity.

During 2021, the Group did not notify any material non-compliance with the relevant laws and regulations of bribery, extortion, fraud and money laundering, including but not limited to the "Prevention of Corruption Act". The Group has not had concluded legal cases regarding corrupt practices brought against the Group and its employees during 2021.

Anti-corruption and Whistleblowing mechanism

The Group has established a Code of Conduct, which defines misconduct such as bribery, extortion, fraud, and money laundering and the employee shall be liable to dismissal for their misconducts. The management shall continue monitoring the implementation and effectiveness of the established whistle-blowing policy to provide a reporting channel for all employees on any potential unethical acts and malpractices.

The Group commits to raising employees' awareness through providing training on ethical conduct and anti-corruption to employees and directors of the Group. The Group's directors and staff regularly receive anti-corruption training to enhance their knowledge on anti-corruption legislation as well as necessary skills to handle ethical dilemmas at the workplace. Anti-corruption training also helps to encourage a culture of integrity and enables employees to be disciplined and dedicated to their duties. During 2021, one-hour anti-corruption training had been conducted by a legal professional.

In addition, the Group has adopted a whistleblowing mechanism that allows employees to report anonymously on any possible improprieties, misconducts, malpractices, or irregularities. Reports and complaints received will be handled in a prompt and fair manner. When investigating the authenticity of a case, the Group will seal all relevant documents and suspend relevant personnel to cooperate with relevant departments for review. Once it is determined as material misconduct, the Group will take necessary disciplinary and legal actions. The whistleblower system would be regularly reviewed to assess its implementation effectiveness.

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B8. Community Investment

The Group believes that returning society through social participation and contribution is a form of showing corporate citizenship. The Group also sees the potential in nurturing corporate culture and inspires its employees towards social concerns in the daily work life. The Group would embrace the human capital into the social management strategies to sustain its corporate social responsibility as a part of the strategic development of the Group.

Community Engagement

As a socially responsible corporation, the Group is committed to serving the communities where it operates. The Group recognizes the importance of the welling-being of the local communities to the continuous growth of its business. Therefore, the Group follows its ESG Policy to encourage its employees to take part in a wide range of community activities. The Group believes that by participating in community activities, it can increase employees' awareness of citizenship and build positive value.

The Group tries its best to undertake a wide range of philanthropic efforts as well as community initiatives that are catered to the needs of the communities where it operates. Focus areas of the Group's community initiatives include healthcare and elderly care.

During 2021, the Group has donated approximately S\$9,000 in order to support the organization's value-added community based services and support for the needy individuals and families.

Upon the publication of the ESG Report, the outbreak of COVID-19 pandemic has still been occurred globally, including Singapore and Hong Kong. The consequence and impact of this outbreak is still manifesting not only in the loss of human lives but in the potential disruption to economic and social activities in the markets that the Group operates in. Nevertheless, the Group has shouldered its corporate social responsibilities on contributing the community as well as fighting the pandemic. In view of the large-spread of COVID-19 in Hong Kong in the first quarter of 2022, the Group had donated six-thousand bottles of natural disinfectant products giving to Caritas Hong Kong for underprivileged groups and the elderly.

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THE ESG REPORTING GUIDE CONTENT INDEX OF THE STOCK EXCHANGE OF HONG KONG LIMITED

Mandatory Disclosure Requirements

Governance Structure
Reporting Principles
Reporting Boundary

Section/Declaration

ESG Governance Structure
Reporting Framework
Reporting Scope

Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect A1: Emissions		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to Exhaust Gas and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste.	Emissions — Emissions; Waste Management
KPI A1.1	The types of emissions and respective emissions data.	Emissions — Emissions; Waste Management
KPI A1.2	GHG emissions in total (in tonnes) and intensity.	Emissions — Emissions
KPI A1.3	Total hazardous waste produced (in tonnes) and intensity.	Not applicable — Explained
KPI A1.4	Total non-hazardous waste produced (in tonnes) and intensity.	Emissions — Waste Management
KPI A1.5	Description of emission target(s) set and steps taken to achieve them.	Emissions — Emissions
KPI A1.6	Description of how hazardous and non-hazardous wastes are handled, and a description of reduction target(s) set and steps taken to achieve them.	Emissions — Emissions; Waste Management
Aspect A2: Use of Resources		
General Disclosure	Policies on the efficient use of resources, including energy, water and other raw materials.	Use of Resources — Energy Efficiency; Water Consumption; Use of Packaging Materials

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
KPI A2.1	Direct and/or indirect energy consumption by type in total and intensity.	Use of Resources — Energy Efficiency
KPI A2.2	Water consumption in total and intensity.	Use of Resources — Water Consumption
KPI A2.3	Description of energy use efficiency target(s) set and steps taken to achieve them.	Emissions Use of Resources — Energy Efficiency
KPI A2.4	Description of whether there is any issue in sourcing water that is fit for purpose, water efficiency target(s) set and steps taken to achieve them.	Emissions Use of Resources — Water Consumption
KPI A2.5	Total packaging material used for finished products (in tonnes) and with reference to per unit produced.	Use of Resources — Use of Packaging Materials
Aspect A3: The Environment and Natural Resources		
General Disclosure	Policies on minimizing the issuer's significant impact on the environment and natural resources.	The Environment and Natural Resources — Environmental Awareness; Indoor Air Quality
KPI A3.1	Description of the significant impacts of activities on the environment and natural resources and the actions taken to manage them.	The Environment and Natural Resources — Environmental Awareness; Indoor Air Quality
Aspect A4: Climate Change		
General Disclosure	Policies on identification and mitigation of significant climate-related issues which have impacted, and those which may impact, the issuer.	Climate Change
KPI A4.1	Description of the significant climate-related issues which have impacted, and those which may impact, the issuer, and the actions taken to manage them.	Climate Change

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B1: Employment		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to compensation and dismissal, recruitment and promotion, working hours, rest periods, equal opportunity, diversity, antidiscrimination, and other benefits and welfare.	Employment
KPI B1.1	Total workforce by gender, employment type, age group and geographical region.	Employment
KPI B1.2	Employee turnover rate by gender, age group and geographical region.	Employment
Aspect B2: Health and Safety		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to providing a safe working environment and protecting employees from occupational hazards.	Health and Safety
KPI B2.1	Number and rate of work-related fatalities occurred in each of the past three years including the reporting year.	Health and Safety
KPI B2.2	Lost days due to work injury.	Health and Safety
KPI B2.3	Description of occupational health and safety measures adopted, how they are implemented and monitored.	Health and Safety

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B3: Development and Training		
General Disclosure	Policies on improving employees' knowledge and skills for discharging duties at work. Description of training activities.	Development and Training
KPI B3.1	The percentage of employees trained by gender and employee category (e.g. senior management, middle management).	Development and Training
KPI B3.2	The average training hours completed per employee by gender and employee category.	Development and Training
Aspect B4: Labour Standards		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to preventing child and forced labour.	Labour Standards
KPI B4.1	Description of measures to review employment practices to avoid child and forced labour.	Labour Standards
KPI B4.2	Description of steps taken to eliminate such practices when discovered.	Labour Standards
Aspect B5: Supply Chain Management		
General Disclosure	Policies on managing environmental and social risks of the supply chain.	Supply Chain Management
KPI B5.1	Number of suppliers by geographical region.	Supply Chain Management
KPI B5.2	Description of practices relating to engaging suppliers, number of suppliers where the practices are being implemented, how they are implemented and monitored.	Supply Chain Management
KPI B5.3	Description of practices used to identify environmental and social risks along the supply chain, and how they are implemented and monitored.	Supply Chain Management

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
KPI B5.4	Description of practices used to promote environmentally preferable products and services when selecting suppliers, and how they are implemented and monitored.	Supply Chain Management
Aspect B6: Product Responsibility		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to health and safety, advertising, labelling and privacy matters relating to products and services provided and methods of redress.	Product Responsibility
KPI B6.1	Percentage of total products sold or shipped subject to recalls for safety and health reasons.	Product Responsibility
KPI B6.2	Number of products and service related complaints received and how they are dealt with.	Product Responsibility
KPI B6.3	Description of practices relating to observing and protecting intellectual property rights.	Product Responsibility
KPI B6.4	Description of quality assurance process and recall procedures.	Product Responsibility
KPI B6.5	Description of consumer data protection and privacy policies, how they are implemented and monitored.	Product Responsibility

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Subject Areas, Aspects, General Disclosures and KPIs	Description	Section/Declaration
Aspect B7: Anti-corruption		
General Disclosure	Information on: (a) the policies; and (b) compliance with relevant laws and regulations that have a significant impact on the issuer relating to bribery, extortion, fraud and money laundering.	Anti-corruption
KPI B7.1	Number of concluded legal cases regarding corrupt practices brought against the issuer or its employees during the reporting period and the outcomes of the cases.	Anti-corruption
KPI B7.2	Description of preventive measures and whistle-blowing procedures, how they are implemented and monitored.	Anti-corruption
KPI B7.3	Description of anti-corruption training provided to directors and staff.	Anti-corruption
Aspect B8: Community Investment		
General Disclosure	Policies on community engagement to understand the needs of the communities where the issuer operates and to ensure its activities take into consideration the communities' interests.	Community Investment
KPI B8.1	Focus areas of contribution (e.g. education, environmental concerns, labour needs, health, culture, sport).	Community Investment
KPI B8.2	Resources contributed (e.g. money or time) to the focus area.	Community Investment