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# Expanding Our Position

GATEWAY TO A SUSTAINABLE FUTURE



**Food Empire**

SUSTAINABILITY REPORT 2022

Special Express

## TRAIN TICKET

BOARDING PASS

MacCoffee

# Café PHỞ

Getnamese Iced Coffee

3in1 Coffee



# Let's begin our journey to a sustainable future.

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# BOARD STATEMENT

[GRI 2-1] [GRI 2-3] [GRI 2-22]

The Board of Directors (the “Board”) is pleased to present the annual Sustainability Report of Food Empire Holdings Limited (“Food Empire” or together with its subsidiaries, “the Group”) for the financial year ended 31 December 2022 (“FY2022”). The report highlights the Group’s efforts and achievements in environmental, social, and governance (ESG) performance.

In FY2022, the Board continues to affirm Food Empire’s commitment to sustainability. We are pleased to share that all sustainability targets for FY2022 have been achieved. In line with the new SGX Requirements on climate-related disclosures that came into effect recently, Food Empire has also embarked on a journey to adopt the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). We have started work on a high-level climate scenario analysis by identifying climate-related risks and opportunities across our value chain.

The Board collectively holds responsibility for the company’s long-term success, which includes establishing sustainability-focused strategic objectives. Additionally, the Board retains ultimate responsibility for Food Empire’s sustainability reporting. A reassessment of Food Empire’s existing material topics was conducted to ensure that they remained relevant for the ever-changing business landscape. Following stakeholder surveys and desktop research, Food Empire has revised and expanded two key material topics. ‘Energy Consumption and Greenhouse Gas (GHG) Emission’ was renamed to ‘Climate Change’, and ‘Employment Practices’ was expanded to cover topics related to diversity and inclusion. The Board remains dedicated to ensuring that these material sustainability matters are monitored and managed appropriately and remains committed to collaborating with management to drive sustainable growth and deliver long-term value for all our stakeholders.

Check Airline **Fare Rules** Most Airlines charge Baggage Fees. **Check Baggage** Fees for complete details.



**1,919**  
EMPLOYEES



IN VIETNAM, RUSSIA AND SINGAPORE

**ZERO**

CONFIRMED CASES OF  
CORRUPTION AND NON-COMPLIANCE



WITH ALL LAWS AND  
REGULATIONS

BRAND VALUE FOR THE GROUP  
INCREASED TO



IN 2022.

THE GROUP WAS AWARDED A BRAND RATING OF 'A'  
AND RANKED 55<sup>TH</sup> PLACE IN BRAND FINANCE'S  
TOP 100 MOST VALUABLE SINGAPOREAN BRANDS.



**ZERO**

WORK-RELATED FATALITIES  
IN ALL OUR OPERATIONS



IMPLEMENTED  
**ENERGY SAVING  
ACTIONS**

SUCH AS DAY/NIGHT LIGHT SWITCHING SYSTEM,  
SOLAR ELECTRICITY FOR PERIMETER LIGHTS,  
SKY LIGHT FOR WAREHOUSES  
ENERGY SAVING LED LAMPS



About

# FOOD EMPIRE

[GRI 2-1] [GRI 2-6]

**Our mission is to be a leading global food and beverage company providing quality products and services. We will achieve this goal as we have the people, the passion and the enterprising spirit to make a difference.**

**SOLD IN OVER  
60  
COUNTRIES**

**>16  
BRANDS**

**US\$ 398.4  
MILLION  
NET REVENUE IN FY2022**

**8  
MANUFACTURING  
FACILITIES**

**23  
OFFICES WORLDWIDE**

## **A TRUSTED LEADER IN THE GLOBAL F&B MARKETS**

Food Empire is a global branding and manufacturing company in the food and beverage (F&B) sector listed on the SGX Mainboard since April 2000.

Today, our quality products – which include instant beverage products and snack food – are exported to more than 60 countries around the world.

We operate 8 manufacturing facilities and 23 representative and liaison offices worldwide.

# OUR AWARD-WINNING BRANDS

Aiming to deepen our presence in existing markets and expand our global customer base, Food Empire is continually enhancing customers' experience with innovative and high-quality product offerings.

We currently own portfolio of brands that span a wide variety of products including coffee, chocolate, tea, and potato chips. In addition to producing and selling retail products, we sell our manufactured ingredients to other food manufacturers internationally. Our brands are tailored to match local tastes, adapting to the preference of the markets in which they are sold.

Since our public listing in 2000, Food Empire has won various recognition and awards. Our flagship brand, MacCoffee, has been identified as one of "The Strongest Singapore Brands" by Enterprise Singapore and has been consistently ranked as the top 3-in-1 instant coffee brand.

Food Empire has also been acknowledged by Enterprise Singapore as one of the "Most Valuable Singapore Brands". Forbes Magazine has twice named it as one of Asia's "Best under a Billion" companies. Food Empire was emerged as the winner of The Enterprise Award at the Singapore Business Awards 2020/2021. In FY2022, Food Empire was ranked 55th in Brand Finance's Top 100 "Most Valuable Singaporean Brands" and was awarded a brand rating of 'A', with an increased brand value to US\$101 million in 2022 from US\$86 million in 2021.

## Q OUR KEY BRANDS



### Instant Beverages

CaféPHÓ	MacChocolate
CaféRite	MacChoco
FesAroma	MacCoffee
Hillway	MacFito
Klassno	NutriRite
MacTea	Petrovskaya Sloboda
MacCereal	

### Snack Food

Kracks	Chizzpa
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### Coffee Capsules

Tazzanera
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# SUSTAINABILITY AT FOOD EMPIRE

## OUR SUSTAINABILITY FOCUS

At Food Empire, our sustainability ambitions surrounding Planet, Principles and People guide our business practices and decision-making processes. Commitment to all our stakeholders sees us conduct our activities with a focus on sustainability, to serve their needs and interests the best we can.



# STAKEHOLDER ENGAGEMENT & MATERIALITY

## Key stakeholders [GRI 2-12] [GRI 2-29]

Food Empire is committed to aligning our company with the interests of our stakeholders. We focus on building strong relationships with our stakeholders and engaging with them frequently to understand their needs and concerns better. An overview of our key stakeholders, their expectations, and our engagement channels is presented below.

### SHAREHOLDERS

#### Key Interests:

- ▶ Financial and operational performance
- ▶ Good corporate governance
- ▶ Sustainability
- ▶ Transparency

#### Our response and engagement platforms

- ▶ Cultivate a culture of transparent and timely communications
- ▶ Provide reliable and relevant information to investors through:
  - Annual Report and Sustainability Report (Annual)
  - Annual shareholder meeting (Annual)
  - Announcements and circulars (Regular)
  - Investor relations channel (Active)
  - Investor presentations, roadshows, dialogue sessions (Regular)
  - Quarterly reports (Quarterly)

### REGULATORS

#### Key Interests:

- ▶ Compliance to relevant laws and regulations
- ▶ Contributions to economic and social development
- ▶ Environmental impacts of operations

#### Our response and engagement platforms

- ▶ Comply with all applicable environmental and socio-economic regulations
- ▶ Contribute to the local economy through local employment and tax payments to the government
- ▶ Implement safe distancing practices in the workplace
- ▶ Engage regulators through:
  - Annual Report and Sustainability Report (Annual)
  - Industry sector participation channels (Ad hoc)
  - Participation in conferences, meetings and discussions
  - Site visits and audits/ checks

### EMPLOYEES

#### Key Interests:

- ▶ Equal opportunities and non-discrimination
- ▶ Health, safety and well-being
- ▶ Job satisfaction
- ▶ Remuneration
- ▶ Training and development

#### Our response and engagement platforms

- ▶ Establish a fair and diverse working environment
- ▶ Provide competitive remuneration and employment benefits
- ▶ Engage employees through annual performance appraisals, employee engagement surveys
- ▶ Provision of trainings and volunteering opportunities
- ▶ Implement new workplace arrangements to enhance safety
- ▶ Engage employees through:
  - Company events and activities (Regular)
  - Control self-assessment for Senior Management (Regular)
  - Human resource channel (Active)
  - Staff appraisal (Regular)
  - Surveys and interviews (Ad hoc)
  - Training and development programs (Regular)
  - Volunteer and Community activities (Ad hoc)



## CUSTOMERS

### Key Interests:

- ▶ Business ethics and sustainable practices
- ▶ Food safety and hygiene
- ▶ Innovation
- ▶ Product quality and nutritional value
- ▶ Responsible marketing and labelling

### Our response and engagement platforms

- ▶ Continue to deliver quality products
- ▶ Engage customers through:
  - Annual Report and Sustainability Report (Annual)
  - Consumer enquiries channel (Active)
  - Marketing and labelling of products (Active)
  - Mass media and social media (Regular)
  - Point of sale (Active)
  - Surveys and market research (Ad hoc)

## FINANCIERS

### Key Interests:

- ▶ Financial and operational performance
- ▶ Good corporate governance
- ▶ Sustainability of Food Empire
- ▶ Timely repayment of loan principal and interest

### Our response and engagement platforms

- ▶ Cultivate a culture of transparent and timely communications
- ▶ Provide reliable and relevant information to financiers through:
  - Annual Report and Sustainability Report (Annual)
  - Direct communication, meetings and discussion (Annual)
  - Announcements and circulars (Regular)

## SUPPLIERS AND BUSINESS PARTNERS

### Key Interests:

- ▶ Business ethics and sustainable practices
- ▶ Long-term business relationship with Food Empire
- ▶ Financial and operational performance
- ▶ Sustainability

### Our response and engagement platforms

- ▶ Close collaboration with our suppliers to achieve a long, sustainable relationship
- ▶ Regular communications and meeting with suppliers
- ▶ Conducting supplier audits annually
- ▶ Engage suppliers through:
  - Annual Report and Sustainability Report (Annual)
  - Direct communication, meetings and discussions (Regular)
  - Evaluation and monitoring (Ad hoc)
  - Joint initiatives and programmes (Ad hoc)
  - Site visits and audits/checks (Ad hoc)
  - Survey (Ad hoc)

## COMMUNITY

### Key Interests:

- ▶ Contribution to economic and social development
- ▶ Environmental impact of operations
- ▶ Local employment

### Our response and engagement platforms

- ▶ Supporting local communities through corporate sustainability programmes
- ▶ Engage community through:
  - Annual Report and Sustainability Report (Annual)
  - Corporate social responsibility initiatives (Ad hoc)
  - Sponsorship and philanthropy (Ad hoc)

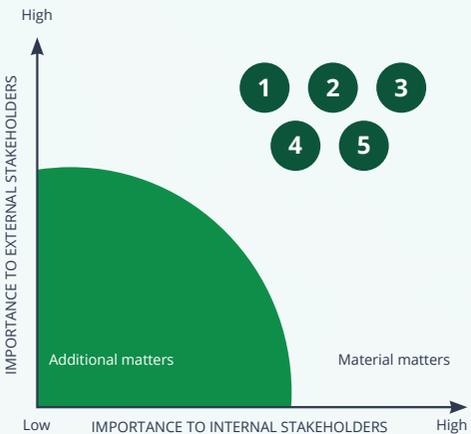
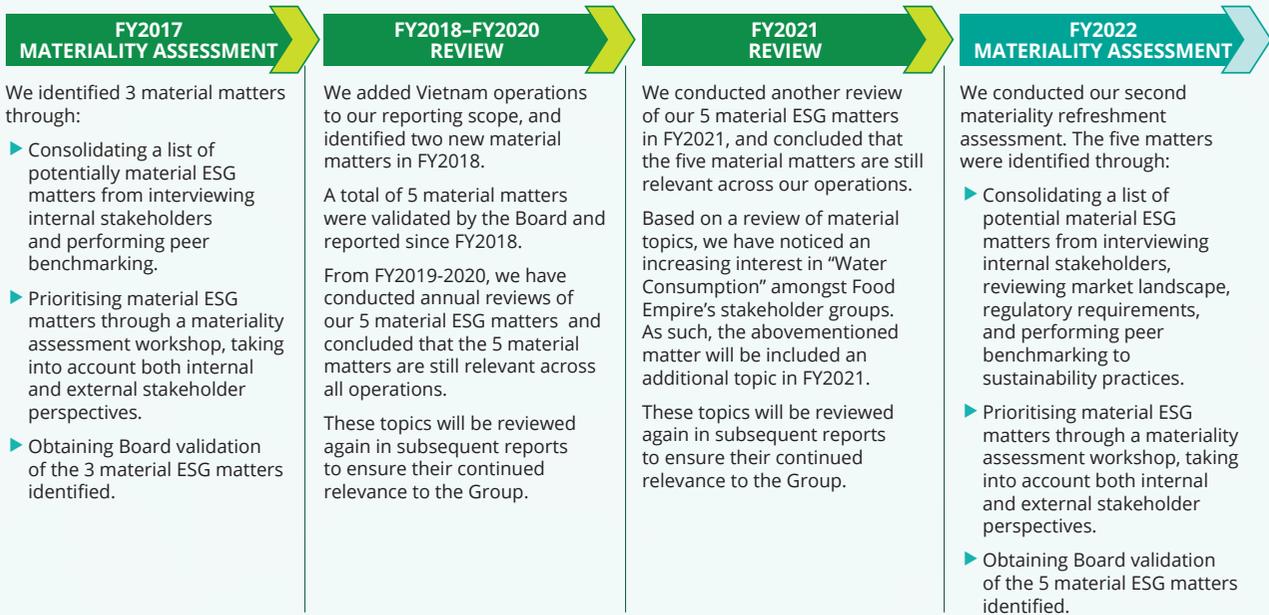


## 📍 Materiality assessment [GRI 2-14] [GRI 3-1] [GRI 3-2]

Amidst the post-pandemic world and changing operating landscape due to geopolitical and global supply chain upheavals, we have reassessed our material topics to ensure that they remain relevant. Following landscape research of sustainability and F&B-specific trends, peer benchmarking of sustainability practices, and considering both internal and external stakeholder perspectives, Food Empire has concluded that our five material topics remain relevant for the company. In line with best practice for materiality assessment, the material topics were prioritised based on the impacts of Food Empire’s operations to the society and environment.

To keep Food Empire’s topics relevant to the current operating landscape, we have expanded and revised two of our material topics. ‘Employment Practices’ has now been expanded to include diversity and inclusion related topics; and ‘Energy Consumption and Greenhouse Gas Emission’ has been renamed to ‘Climate Change’, which covers a broader scope of topics.

The diagram below illustrates Food Empire’s journey in materiality assessment and the five material sustainability matters identified for the business.



Material Topics Mapped To GRI Disclosures		
No.	Sustainability Matters	Relevant GRI Standards Topics
1	Climate Change	GRI 302: Energy GRI 305: Emissions
2	Consumer Safety	GRI 416: Customer Health and Safety GRI 417: Marketing and Labeling
3	Anti-corruption	GRI 205: Anti-Corruption
4	Occupational Workplace Health and Safety	GRI 403: Occupational Health and Safety
5	Employment practices	GRI 401: Employment GRI 404: Training and Education

# PRINCIPLES

Food Empire believes that upholding high standards of corporate governance is of utmost importance to our continued success and is a key enabler for the achievement of the Group's sustainability aspirations across all levels of the organisation.

## Sustainability Governance [GRI 2-9] [GRI 2-12] [GRI 2-13] [GRI 2-14]

A well-defined structure with clear delegation of responsibilities is vital in achieving strong sustainability governance and enabling the advancement of Food Empire's sustainability strategy.



### THE BOARD

At the highest level, The Board of Directors ("the Board") is responsible for the Group's sustainability performance and ensures that sustainability matters are incorporated in the Group's formulation of business strategies. The Board also identifies material sustainability matters and ensures they are well managed with appropriate policies and practices in place.



### FOOD EMPIRE TOP MANAGEMENT

The Management team oversees the implementation of all sustainability policies and regularly monitors the progress of key metrics relevant to the Group's sustainability performance. The Management provides regular updates to the Board on the overall progress towards achieving its Sustainability goals.



### FOOD EMPIRE SUSTAINABILITY COMMITTEE

The Food Empire Sustainability Committee reports directly to top management. The Committee includes sustainability coordinators from our headquarters in Singapore as well as from Vietnam and Russia. Market representatives work with local teams to ensure that specific policies are adhered to at the operational level, and to track the country's sustainability performance. The Committee meets regularly to discuss key updates on potential improvements to Food Empire's sustainability reporting and performance.



## Our Business Ethics [GRI 2-1] [GRI 2-16] [GRI 2-23] [GRI 2-24] [GRI 2-25] [GRI 2-26] [GRI 2-27] [GRI 3-3]

### WHY IS ANTI-CORRUPTION IMPORTANT?

Unethical and corruptive practices have serious legal and monetary ramifications with severe repercussions on business operations and an organisation's reputation. Food Empire recognises the importance of good governance and integrity to retain the confidence of our communities and shareholders.

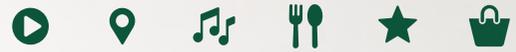
In efforts to maintain the trust of our stakeholders, we have adopted a strict-zero tolerance policy towards fraud, bribery and corruption. Furthermore, we are committed to investigate and resolve any incidence that may occur within the organisation by taking appropriate disciplinary action against them.

### MANAGEMENT APPROACH



Food Empire is determined to continue maintaining high standards of corporate governance and business conduct. We ensure our conduct is in alignment with Food Empire's Business Ethics and Code of Conduct Policy, which is communicated to all employees and members of leadership. The table below provides a summary of the key aspects of this code. Food Empire also issues periodic advisories to employees to remind them of the company's strict business ethics.

Policies and procedures	Summary
<b>Legal compliance</b>	Employees and directors are expected to comply with the local laws and regulations (e.g., Anti-Corruption, Labour, Immigration Act etc.) in all the countries we operate in.
<b>Product quality and safety</b>	Products must meet all applicable food safety and hygiene standards required by law in the countries we manufacture and supply to.
<b>Gifts, loans and entertainment</b>	Employees and directors should not, directly or indirectly, accept gifts of cash, favours or anything of value which could impair, or appear to impair their ability to perform their duties or exercise their judgment in a fair and unbiased manner.
<b>Interest in other business and organisations</b>	Employees and directors should not, directly or indirectly, engage in any work or business other than those in connection with their duties. This includes not having any deemed interest in any transaction, competitor or supplier which could influence objectivity and create a conflict of interest.
<b>Indirect interests and relationships</b>	Employees and directors should not be in a position to make or influence any decision made pertaining to any transaction or business endeavour which might involve their relatives.
<b>Confidentiality and use of company information</b>	Employees and directors should not use for personal benefit or disclose any company information and data to any other person or entity, even after termination of employment.
<b>Diversion of corporate opportunities</b>	Employees and directors should not appropriate or divert any business or financial opportunity to any other person or entity.
<b>Safeguarding company property</b>	Employees and directors should utilise the company's resources and assets in a most efficient manner, to increase competitiveness and provide the best possible service to customers.
<b>Code of Conduct</b>	Employees and directors are expected to follow the Code of Conduct, which covers: <ol style="list-style-type: none"> <li>High Standard of Honesty and Integrity</li> <li>Loyalty to Company</li> <li>Conflict of Interest</li> <li>Cost Effectiveness</li> </ol>



Perpetual target	FY2022 performance
Zero cases of non-compliance with all applicable laws and regulations	● Achieved
Zero confirmed incidents of corruption	● Achieved



A Group-wide grievance mechanism has been implemented via our Whistleblowing Policy. The Whistleblowing Policy enables employees to voice concerns in a safe and confidential manner on wrongdoings, financial malpractice, illegal acts or business practices that go against Food Empire's code of conduct. Employees can report any breach of trust through this mechanism without worrying about retaliation and victimisation.

The Audit Committee ("AC") oversees and implements this Policy. Specifically, the AC Chairman ("ACC") handles the following functions:

- ▶ Receive complaints
- ▶ Perform a preliminary review of the complaints and report valid complaints to the AC
- ▶ Set up and maintain a Complaints Register

# PEOPLE

As a business that prioritises the well-being and joy of our consumers and employees, we centre our purpose around caring for people. At Food Empire, we aim to positively impact consumers' lives by providing high-quality food and beverages and bringing greater value to our consumers, stakeholders, partners, and community at large through our brands. We also pride ourselves on our commitment to diversity and inclusion, and we provide equal opportunity to all employees regardless of race, gender, religious beliefs, nationality, or other differences.

## Our Employment Practices

[GRI 2-7] [GRI 2-8] [GRI 2-16] [GRI 2-23] [GRI 2-24] [GRI 2-25] [GRI 3-3]

### WHY ARE EMPLOYMENT PRACTICES IMPORTANT?

Food Empire recognises that our employees are our most valuable assets and are essential for the business's long-term success. We are committed to creating a fair and inclusive work environment that provides equal opportunities for continual development to achieve high retention levels and overall productivity in our workforce. We believe in hiring practices that are non-discriminatory, objective, and solely based on merit. In 2022, we observed zero cases of discrimination.

Food Empire understands the importance of employee learning and development for career advancement and is committed to providing equal opportunities for our workforce's career development. Our strong employment practices prevent potential negative impacts, such as the Group's reputation as a fair employer being impacted by disgruntled employees.

### MANAGEMENT APPROACH [GRI 3]



Our employment policies cover a wide range of employment practices which includes recruitment, employment benefits and career development. The table below lists our Group's key policies and procedures.

Policies and procedures	Summary
<b>Recruitment</b>	This policy serves as the basis of our recruitment practices. It embodies our commitment to providing equal employment opportunities regardless of race, national origin, religion, age, or gender.
<b>Employment benefits</b>	This policy sets out the guidelines and procedures of employee benefits which include compensation benefits, leave policy and administration, and medical and dental benefits.
<b>Career development</b>	This policy provides guidelines to ensure that a consistent and systematic approach is taken to manage career development activities for employees, through activities such as performance appraisals, succession planning, and training and development.



Daily HR operations are managed by the local HR team in each country of operation, who is also responsible for adopting the Group's employment policies and tailoring them to meet their local regulations. HR Policies are accessible to employees and are disseminated in different forms based on the region. For example, Singapore's HR Policies are available on the Intranet, while in Vietnam the Recruitment Policy as well as information on Food Empire's values are shared during a new hire's orientation phase.

To ensure effective implementation of these policies, key stakeholders will be informed of any changes or updates. In Singapore, employees will be informed via email of changes to the policy, while in Vietnam employees would be updated via a Townhall. Monthly management meetings are also carried out to discuss progress on HR-related matters.

This arrangement ensures consistency in HR practices across the Group, while still providing local HR teams with the flexibility to adapt the practices to the different regulatory requirements in each country.



**Grievance  
procedures**

In line with our commitment to creating a fair and inclusive working environment, Food Empire takes any incidents of harassment and discrimination seriously.

We have implemented a framework for employees' grievances to be heard. Through the informal grievance procedure, employees can raise their grievances to their immediate superior who will identify possible resolution methods with the employees. If the matter is unable to be resolved, the case will be escalated to the formal grievance procedure.

In the formal grievance procedure, employees will submit an official report to their superior or the head of Group HR. A grievance manager will conduct the investigations and close them only when the matter has been resolved, or if the employee decides to withdraw their complaint. Employees may also appeal against the decision if they feel that the matter has not been sufficiently resolved.



**Commitment**

Food Empire is committed to creating a fair and inclusive working environment for our employees and workers.

## 📍 Initiatives and performance

### PROFILE OF OUR WORKFORCE

In FY2022, Food Empire had a total of 1,919 employees in Singapore, Russia and Vietnam. Workforce numbers are calculated by headcount at the end of the reporting period.

In Singapore, where our headquarters are located, the number of employees in 2022 remained relatively stable through the year at 45 permanent employees. The majority of employees in Singapore are working in corporate support functions.

As a business and operational entity, Vietnam had 1,108 permanent employees and the number of employees remained relatively stable throughout the reporting period. Most employees in Vietnam are working in sales and production to support business growth.

The majority of employees in Russia are involved in production. In 2022, Russia had a total of 766 employees, consisting of 557 permanent and 209 temporary staff. Since Russia faces manpower shortages regularly, it is the industry practice for manufacturing companies to employ temporary workers. All our temporary employees are entitled to a full-benefits package comparable to that of permanent employees. The entitlements include free meals, official transport, payment of primary and periodic medical examinations.

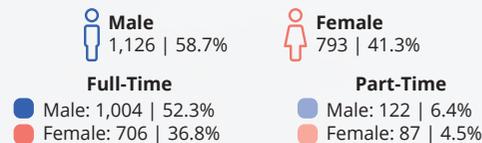
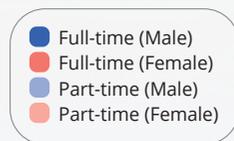
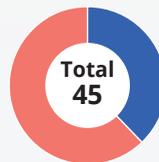


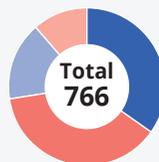
Figure 1: Group's Employee Profile by Gender and Employment Type



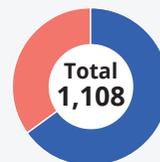
#### Singapore Employees Profile by Gender and Employment Contract



#### Russia Employees Profile by Gender and Employment Contract



#### Vietnam Employees Profile by Gender and Employment Contract



Note: Singapore and Vietnam have no temporary staff, only permanent staff.

Figure 2: Group's Employee Profile by Gender and Employment Contract (by Country<sup>1</sup>)



In this reporting period, there were 1,328 new hires across our reported operations, with turnover recorded at 1,417 employees.

Vietnam accounted for most of our new hires and turnovers in 2022. Most of these changes in our employees occurred within our sales division. Similar to previous years, it has been an industry trend in Vietnam for sales jobs to have a high turnover rate due to the demographics of individuals. Sales jobs mainly attracted young males, who have a higher tendency to value flexibility in their employment and are more likely to change jobs. FY2022 also saw an increase in turnover rate as a result of the market recovering from the COVID-19 pandemic, with more opportunities back on the labour market. Nonetheless, the number of employees working for Food Empire in Vietnam has remained stable throughout the years. Food Empire is committed to further improve the employee retention rates within the company.

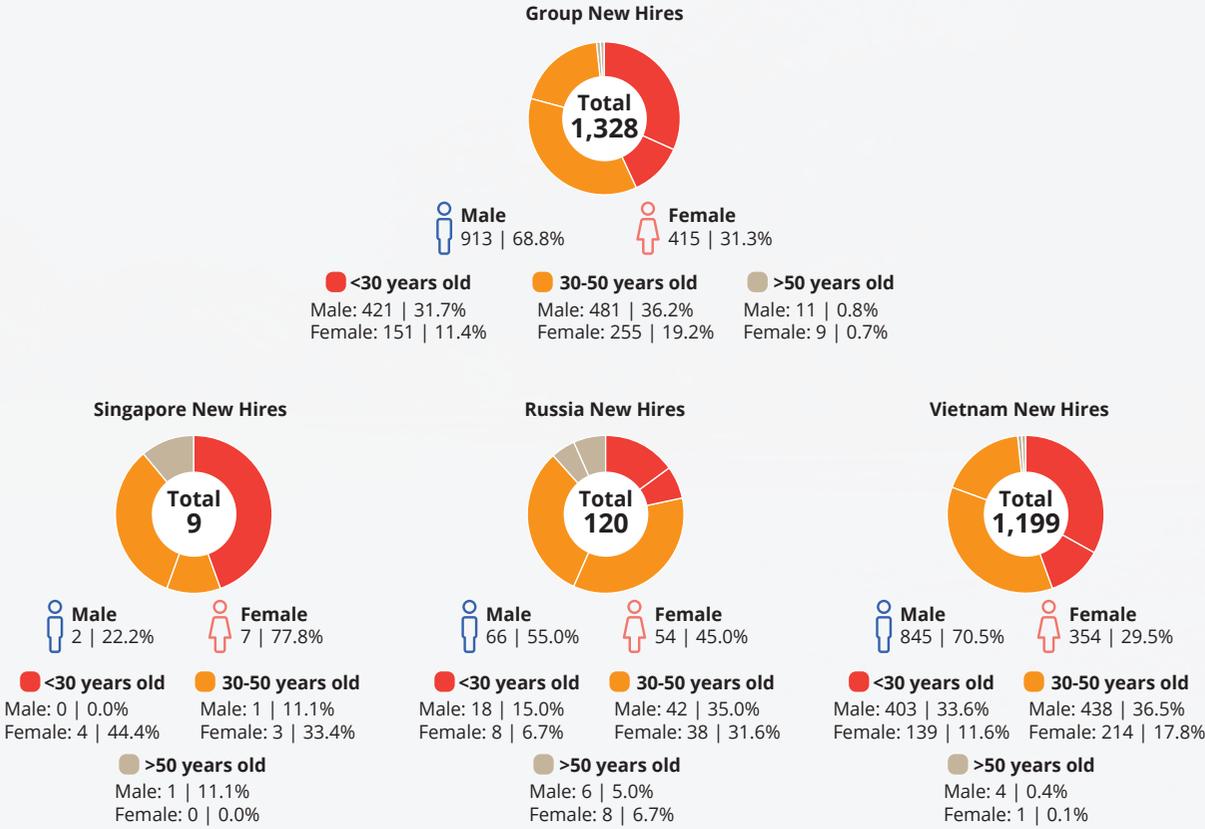


Figure 3: Group's New Hires by Gender<sup>2</sup> and Age Group<sup>3</sup> (by Country<sup>4</sup> and Group) [GRI 401-1]

<sup>1</sup> Total % of employees by gender in each country: Total employees of respective gender groups in each country/ total number employees of each country

<sup>2</sup> Total new hire rate of Food Empire by gender is calculated based on: Total new hires of respective gender groups across Food Empire Singapore, Vietnam and Russia / total new hires in Food Empire Singapore, Vietnam and Russia

<sup>3</sup> Total new hire rate of Food Empire by age group is calculated based on: Total new hires of each age group across Food Empire Singapore, Vietnam and Russia / total new hires in Food Empire Singapore, Vietnam and Russia

<sup>4</sup> Total new hire rate of each country by gender and age group is calculated based on:

- Gender: total new hires of respective gender groups of each country/ total new hires of each country
- Age Group: total new hires of each age group of each country/ total hires of each country

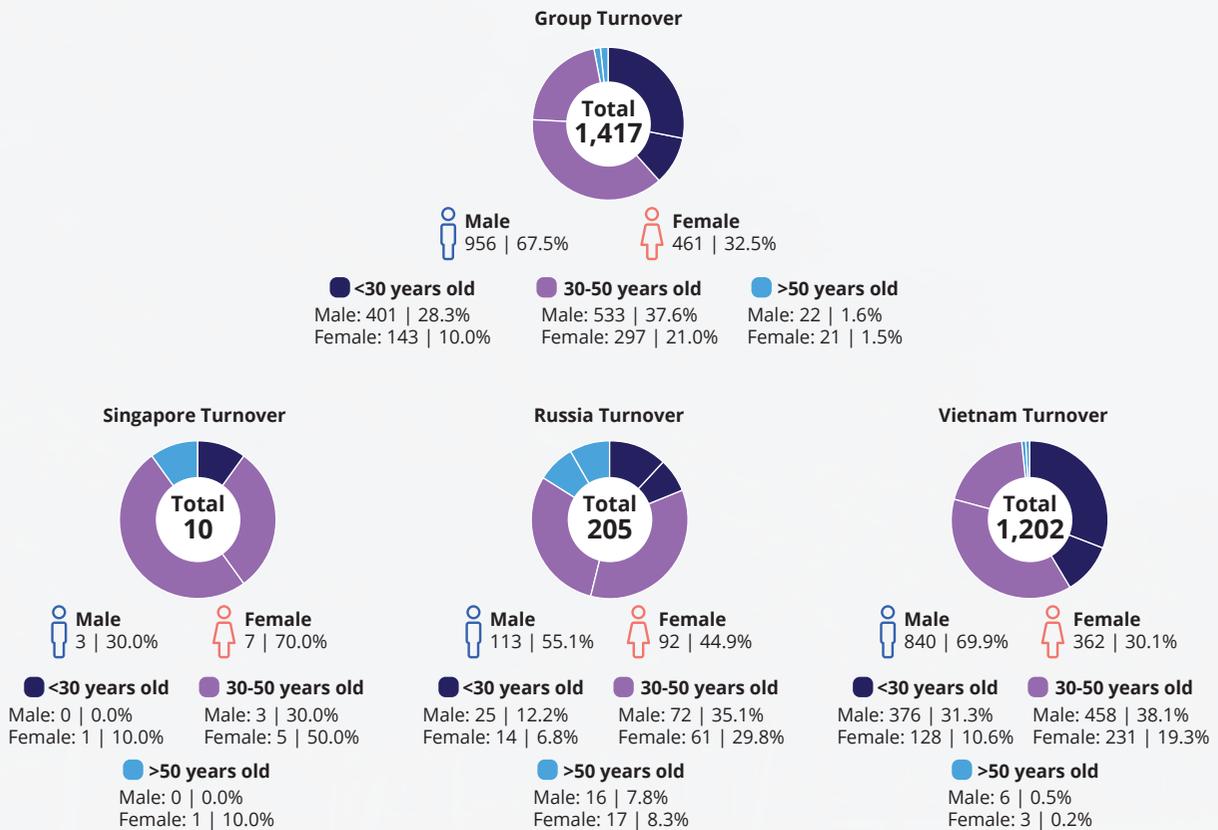


Figure 4: Group's turnover by Gender<sup>5</sup> and Age Group<sup>6</sup> (by Country<sup>7</sup> and Group) [GRI 401-1]

## WORKERS WHO ARE NOT EMPLOYEES [GRI 2-8]

In FY2022, Food Empire is expanding the reporting coverage within our workforce section to include workers who are not employees, as per the new GRI 2021 requirements. This disclosure provides additional information necessary to fully understand Food Empire's employment practices.

In Food Empire Singapore, the numbers of workers who are not employees is one as of end FY2022. In FY2021, Food Empire engaged four workers via third party agencies to perform security and cleaning functions. This reduction in workers engaged from four to one was due to ownership changes at Food Empire's operations location. As the building was sold to another company in 2022, Food Empire's prior third-party agency agreements were transferred to the buyer of the building. The worker hired by Food Empire Singapore managed the cleanliness and hygiene of the facilities.

<sup>5</sup> Total turnover rate of Food Empire by gender is calculated based on: Total turnover of respective gender groups across Food Empire Russia, Singapore and Vietnam / total turnover of Food Empire Russia, Singapore and Vietnam

<sup>6</sup> Total turnover rate of Food Empire by age group is calculated based on: Total turnover of each age group across Food Empire Russia, Singapore and Vietnam / total turnover of Food Empire Russia, Singapore and Vietnam

<sup>7</sup> Total turnover of each country by gender and age group is calculated based on:

- Gender: Total turnover of respective gender groups of each country / total turnover of each country
- Age Group: total turnover of each age group of each country / total turnover of each country



In Food Empire Vietnam, the number of agency workers hired decreased by 62% from 146 workers in FY2021 to 56 workers in FY2022. This decline in headcount was attributed to changes in the number of shifts in manual packaging factories, whereby number of shifts per day decreased from three to two. The workers engaged are a small fraction of the overall employees in Vietnam (<6%).

In Food Empire Russia, two workers who are not employees were engaged to perform operational services.

### **EMPLOYMENT BENEFITS AND COLLECTIVE BARGAINING** [GRI 2-30] [GRI 401-2]

In line with our commitment to our employees, all Food Empire staff enjoy medical insurance and healthcare benefits. Recognising the importance of a balanced lifestyle, employees are also entitled to annual paid leave, parental leave and statutory retirement provisions. On top of this, other benefits include transport reimbursements, recreation activities, mobile phone subscription reimbursements, parental benefit-related gifts, overtime meal allowance, and service awards. Food Empire's benefits package complies with local laws and regulations in the regions of operation.

Within Food Empire's Russia operations, no employees are covered by collective bargaining agreements as all employee relations are determined by the Labour Code of the Russian Federation. At Food Empire Vietnam, 100% of employees are covered by collective bargaining agreements alongside with Food Empire's Labour Policy.





# FOOD EMPIRE VIETNAM: CARING FOR EMPLOYEES HEALTH AND WELL-BEING

The Working-From-Home (WFH) arrangement has been prominent since the outbreak of COVID-19. The WFH arrangement has brought about increased productivity as well as greater work life balance for our employees. While this arrangement has brought about many perks to both the organisation and employees, it has also significantly reduced our daily physical movements and interaction.

As part of our effort to care for our employees' physical and mental health, we have carried out the following activities to bring some fun to our work lives and boost employee morale:

- ▶ Internal engagement activities
- ▶ Townhall
- ▶ Team building exercises
- ▶ Christmas celebration
- ▶ Innovation award





# FOOD EMPIRE RUSSIA: PROMOTING INCLUSIVITY AT WORK

In caring for our community, Food Empire Russia has implemented programmes to ensure the livelihood of the less protected segments of the society are well taken care of.

As of 2022, we employed seven individuals with physical disabilities as indicated in the rehabilitation card. These individuals take on various roles such as repair mechanics, warehouse worker for raw materials and finished goods. We also ensure all employees receive benefits and compensation in accordance with the applicable law, regardless of any physical limitations imposed. To meet the needs of our special

needs employees, we have also created unique working conditions for them as needed according to medical reports.

Food Empire Russia has provided help to the less than fortunate of the society through supporting families of disabled people and providing humanitarian assistance. Items such as monthly financial assistance and food packages were provided to the families with disabled children. In addition, Food Empire Russia provided gifts as a sign of support to children in the Dmitrovsky Family Center. In 2022, Food Empire provided social assistance totalling 480,000 rubles.



## TRAINING AND DEVELOPMENT [GRI 404-1]

As a conscientious employer who values our staff, Food Empire recognises that training and development are key to equipping our employees with the competencies needed to excel at their roles. As such, we offer our employees a variety of training opportunities to develop their technical and management skills. The following section details our performance on this front, covering the trainings received by Food Empire employees across our global operations.

### SINGAPORE

In FY2022, Food Empire Singapore provided ad-hoc training programmes that were tailored to employees and their job scope. These training sessions were mostly in collaboration with and held by external training institutions. In line with our commitment to sustainability, our directors completed the core module on “Environmental, Social and Governance Essentials” and we have also provided in-house training sessions that include courses such as “Environmental, Social, and Governance (ESG)” and “Ethical Breaches and Issues in our Real-Life Business Environment” for our staff in Singapore.

Staff at Food Empire Singapore received 271 hours of training in 2022. Male employees received an average training of 3.74 hours, while females received an average training of 7.41 hours. Of which, staff received an average of 5.25 training hours, while supervisors and middle management received 5.27 average training hours, and senior management received 8.7 average training hours.



### GENERAL HR TRAININGS



### TAILORED TRAININGS

#### General Training Programmes:

- ▶ Welcome training for all categories of employees
- ▶ Standards of marketing strategy and sales activities
- ▶ Occupational health and safety programmes
- ▶ Programmes of trainings for development required professional skills and knowledges

#### FY2022 Special Training Programmes:

- ▶ “Environmental, Social and Governance” training programme for staff
- ▶ “Ethical Breaches and Issues in our Real-Life Business Environment” for staff
- ▶ Essentials of ESG module conducted by Singapore Institute of Directors for Directors

### RUSSIA

Food Empire Russia received 2,796 hours of training in FY2022. Male employees received 5.36 average hours of training, while females received 1.90 average hours of training. Of which, 2.78 average training hours were provided to factory staff and 17.97 average training hours were provide to middle management and supervisors.

### VIETNAM

Food Empire Vietnam received 4,707 hours of training in FY2022. Male employees received 3.77 average hours of training, while females received 5.14 total hours of training. Additionally, 8.80 hours of training were provided to factory and sales staff while 14.08 hours were provided to supervisors and middle management and 5.33 hours provided to senior management. The increase in average training hours was attributed to the increased training and talks conducted to help our employees transition back to post-pandemic market.



# Occupational Health and Safety

[GRI 2-23] [GRI 3-3] [GRI 403-1] [GRI 403-2] [GRI 403-3] [GRI 403-4] [GRI 403-5] [GRI 403-6] [GRI 403-7] [GRI 403-9]

## WHY IS OCCUPATIONAL HEALTH AND SAFETY (OHS) IMPORTANT?

Food Empire strongly emphasises the health and safety of our employees. The COVID-19 pandemic further strengthened the need to create and maintain a healthy and safe work environment for all employees, to mitigate the spread of the virus. The Group has incorporated best practices proposed by local governments to execute measures to ensure the safety of employees. Food Empire recognises the safety of our people as a salient human rights issue.

## MANAGEMENT APPROACH [GRI 3]



The safety of our staff remains our top priority and we are committed to working towards our goal of zero work-related fatalities. To achieve this goal, country-specific safety committees, safety management systems and policies are established in each operating country to provide greater flexibility in responding to different regulations on health and safety.

Policies and procedures	Coverage of Policies	Summary
<b>Accident management procedures</b>	Group-wide	This procedure outlines the steps that need to be taken when an accident occurs, which includes accident reporting process.
<b>Emergency response procedures</b>	Group-wide	This procedure provides the appropriate protocols that should be followed in the case that there are emergencies occur.
<b>Safety, health, and environment ("SHE") policy</b>	Vietnam	This policy serves as a framework to protect the safety and health of our employees and outlines the company's principle "all occupational accident, disease, and environmental incident shall be prevented"



At the operational level, employees would have greater visibility over any potential workplace hazards. As such, it is important to ensure that proper grievance mechanisms are in place for employees to flag any potential issues. For example, Food Empire Vietnam has a STOP card programme for employees to report any safety or environmental issues.



Perpetual target	FY2022 performance
Perpetual target of zero confirmed work-related fatalities in all our operations	● Achieved
100% of workers receive at least one safety training annually	● Achieved

## INITIATIVES AND PERFORMANCE

### RUSSIA

In Russia, a Labour Safety Management System (LSMS) has been developed in accordance with the Labour Code of the Russian Federation and other federal laws concerning workforce safety, and has been externally certified.

Standards certified	Description of standard
<b>GOST 12.0.230-2007<sup>8</sup></b> Occupational safety standards system	This standard outlines the general requirements of the occupational safety and health management system.
<b>GOST R 12.0.007-2009</b> Labour protection management systems in organisations	This standard sets out the requirements for the development and implementation of safety management system and its audit and improvement plan.

The LSMS acts as a framework to support implementation of our safety management systems in Russia. A safety committee oversees the application of the LSMS. This committee meets up regularly to conduct safety inspections and discuss potential areas of improvement when safety breaches are identified.

To ensure that all employees have the necessary knowledge to carry out their work in a safe manner, Food Empire has established an annual training programme for our employees. All employees undergo mandatory safety training sessions. Instances of unsafe practices at work are communicated and highlighted to our employees during routine pre-work briefings. Employees are also given annual health screenings while working for Food Empire Russia.

As of FY2022, there were no fatalities, high-consequence injuries, major injuries or occupational injuries. However, there were two reportable injuries related to forklift operation and packing production work. Upon getting notified on these incidents, Food Empire has taken the following steps to investigate, address and limit the occurrence of such accidents from occurring again.

Description of Reportable Injuries in FY2022	Action taken by Food Empire to investigate and address the incident
Incident relating to forklift operation	<ol style="list-style-type: none"> <li>1. Identify the causes of the incident and bring them to the attention of the heads of department and specialists.</li> <li>2. Conduct an unscheduled briefing for relevant individuals including regime controllers, storekeepers, and forklift drivers, paying special attention to specific safety instructions for performing loading and unloading operations (especially with non-standard cargo).</li> <li>3. Analyse and make additions to the instructions for loading and unloading operations, in order to prevent future accidents.</li> <li>4. Check for and eliminate any shortcomings in terms of uneven areas and places for loading and unloading, primarily warehouse ramps.</li> </ol>

<sup>8</sup> Gosudarstvennyy Standart (GOST) refers to a set of technical state standards maintained by the Euro-Asian Council for Standardisation, Metrology and Certification (EASC), a regional standards organisation operating under the auspices of the CIS. These state standards are an analogue of the corresponding International Organisation for Standardisation (ISO) standards.



Description of Reportable Injuries in FY2022	Action taken by Food Empire to investigate and address the incident
Incident relating to packing production work	<ol style="list-style-type: none"> <li>1. Identify the causes of the incident and bring them to the attention of the heads of department and specialists.</li> <li>2. Conduct an unscheduled briefing for relevant individuals including packers on the production line, paying special attention to specific safety instructions for packaging work.</li> <li>3. Prevent future accidents by creating safer working environment, such as by restricting the access of production line operators to cut-off knife.</li> </ol>

### VIETNAM

In Vietnam, all employees are covered by a Safety, Health, and Environment (“SHE”) policy.

Safety, Health, and Environment (“SHE”) Policy			
Management Committee	Committee Responsibility	Reporting Line and Policy Applicability	Reporting Frequency
<b>Health and Safety Committee</b>	<ul style="list-style-type: none"> <li>▶ Discuss potential areas for improvement</li> <li>▶ Highlight any identified unsafe practices</li> </ul> <p>In the event of workplace incident:</p> <ul style="list-style-type: none"> <li>▶ Discuss and implement corrective action in a timely manner</li> <li>▶ Using hierarchy of control management system to minimize further occurrence of any workplace incidents</li> </ul>	<p>Receive reporting / sharing of materials from:</p> <ul style="list-style-type: none"> <li>▶ Members of various departments who are responsible for planning, implementing, and reporting of safety issues within their respective departments</li> </ul> <p>Applicable to all contractors who operate within Food Empire premises</p>	<ul style="list-style-type: none"> <li>▶ Various committees meet on a monthly basis</li> <li>▶ Policy reassessed on an annual basis to ensure continued relevance</li> </ul>

To further ensure workplace safety, all employees are to attend mandatory general safety training and role-specific safety training. For our new hires, Food Empire has implemented an occupational health and safety orientation programme that requires mandatory attendance prior to the start of their duties. In addition, all employees are eligible for regular healthcare services as well as health insurance.

In FY2022, Vietnam reported zero fatalities and zero lost time accidents. The factory proudly reports that up to today it has worked 410 days without a lost time accident. This was achieved through commitments from all employees, continuous training and management routines to inspect the factory. Management inspections include daily safety walks, weekly safety audits, and weekly KPI measuring. These inspections would identify safety issues and correct them.

A summary of hours worked and work-related injury rate (serious injury) in 2022 for Vietnam and Russia are shown below

	2021 <sup>9</sup>	2022	2021 <sup>10</sup>	2022
	Russia	Russia	Vietnam	Vietnam
<b>Number of hours worked</b>	-	1,271,591	2,836,776	2,906,256
<b>Number of fatalities</b>	-	0	0	0
<b>Fatality rate</b>	-	0.00	0.00	0.00
<b>Number of high consequence injuries<sup>11</sup></b>	-	0	0	0
<b>Rate of high consequence injuries</b>	-	0.00	0.00	0.00
<b>Number of work-related injuries</b>	-	2	1	0
<b>Work-related injury rate<sup>12</sup></b>	-	1.57	0.40	0.00

<sup>11</sup> Under GRI, high consequence injuries refer to injuries where the worker cannot, does not, or is not expected to fully recover to pre-injury health status within 6 months

<sup>12</sup> Work-injury is calculated based on the number of injuries per 1,000,000 hours worked



**📍 Consumer Safety** [GRI 3-3] [GRI 416-1] [GRI 416-2] [GRI 417-2]

**WHY IS CONSUMER SAFETY IMPORTANT?**

As a food manufacturing company, we place significant emphasis on ensuring that our products are safe for consumption with no inaccurate labelling. We understand that mismanagement of our products can result in a loss of reputation, financial penalties, and possible breach of product safety laws in affected market. Breach of product safety can also have serious effects on consumer well-being, for example by causing food poisoning or other related illness.

**MANAGEMENT APPROACH** [GRI 3]



Our food safety and quality policies are constantly reviewed to ensure that they satisfy new regulatory requirements and customer preferences. These policies enable us to continue to produce products of the highest quality that are implemented at country level to ensure compliance with local regulations.

**Russia**

Policies and procedures	Summary
<b>Quality and Food Safety</b>	Manufacture products that meet or exceed our quality and food safety standards and statutory and regulatory requirements Develop and implement the Quality Management System and Product Safety System and validate their effectiveness through internal and external verification processes Engage with vendors on their quality systems and specifications for inspection, handling, storage, and dispatch of raw materials and packaging materials Communicate with consumers on product stage and other consumer guidelines



Policies and procedures	Summary
<b>Food Safety Policy</b>	Outline food safety and quality management system and guidelines to meet the food safety standard
<b>Quality manual</b>	Set out the key steps in quality control procedures
<b>Good manufacturing practices ("GMP") manual</b>	Provide guidance on best practices in manufacturing process to ensure the health and safety of our product
<b>Supplier control manual</b>	Outline the controls to ensure the quality of the supply
<b>Warehouse standard manual</b>	Set out the requirements for safe storage; for example; hygiene practices, humidity level and temperature.
<b>Transportation manual</b>	Provide guidelines to our drivers on how to maintain the quality of our supply and product during transportation



Perpetual target	FY2022 performance
Zero confirmed incidents of non-compliance with all applicable laws and regulations concerning consumer health and safety.	● Achieved
Zero confirmed incidents of non-compliance with applicable regulations concerning product information and labelling.	● Achieved

## INITIATIVES AND PERFORMANCE

### RUSSIA

Our Food Safety and Quality Management system in Russia is certified by the GOST standards, a regulatory requirement for food manufacturers in Russia. The following table summarises our current food safety and quality certifications<sup>13</sup>.

Standards certified	Description of standard
<b>GOST<sup>14</sup> R ISO 22000-2019 (ISO 22000: 2018)</b> Food Safety Management Systems	This standard sets out the requirements for a food safety management system and maps out what an organisation needs to do to demonstrate its ability to control food safety hazards and ensure food safety.
<b>GOST ISO 9001-2015 (ISO 9001:2015)</b> Quality Management Systems – Requirements	This standard sets out the criteria for an effective quality management system and it is designed to help organisations ensure that they meet the needs of stakeholders, and statutory requirements.
Halal Certified according to ICC-H.RUS:2018 Standard	Food Empire Russia products are Halal certified.

To ensure zero cases of non-compliance with the regulations concerning consumer health and safety, we have conducted health and safety impact assessment of our products across its whole lifecycle. Additionally, Food Empire Russia's food safety management system is based on the principles of the HACCP. We have also been open in taking feedback from our stakeholders and have made improvements to our manufacturing process to ensure its safety and quality.

As of 2022, there were no cases of non-compliance with all applicable laws and regulations concerning consumer health and safety in Russia.

### VIETNAM

In Vietnam, our Food Safety and Quality Management system is certified and in compliance with ISO 22000:2005. To ensure continued relevance, policies and practices in Vietnam were constantly updated.

Standards certified	Description of standard
<b>ISO 22000: 2005</b> Food Safety and Quality Management Systems	This standard sets out the requirements for a food safety management system and maps out what an organisation needs to do to demonstrate its ability to control food safety hazards and ensure food safety.

<sup>13</sup> These certifications relate to the entity FES Products LLC in Russia, whose principal activities include the manufacturing and distribution of our products.



To maintain compliance to our Group's food safety standards, we have mobilised a team comprising of members from various operation unit to oversee the management of these standards. Specifically, this team is responsible for the tracking and reviewing of the performance of products. To ensure high quality review of product is carried out, the team has undergone training for international standards. These trainings include, ISO certification, GMP training, hazard analysis and critical control points ("HACCP") training, that are assessed frequently for improvements.

We have also conducted supplier audits annually to review the food safety performance of our suppliers. This enables us to uphold our high standards in managing food safety across our entire supply chain. We have also conducted a comprehensive assessment to identify operational prerequisite programmes ("ORP") and critical control point ("CCP") in our key processing steps. Food Empire was able to implement a robust monitoring procedure to maintain the highest standards for our products by identifying ORP and CCP.

As of 2022, there were no cases of non-compliance with all applicable laws and regulations concerning consumer health and safety in Vietnam.

# OUR COMMUNITY



## FOOD EMPIRE VIETNAM: CHARITY EVENT AT BINH PHUOC ORPHANAGE

In July 2022, Food Empire Vietnam organised a donation drive for individuals residing at Binh Phuoc orphanage, situated near the Cambodia border. Through the event, our employees have donated household items, notebooks, stationery, toys and even provided cash contributions. As an organisation, Food Empire also shared with the orphanage our favourite products that include CaféPHỐ, MacCereal, Oat Cereal, Hillway Bubble Tea, etc.

Along with a few members of the local authority, 30 of our Food Empire employees travelled down to the orphanage to hand deliver and share with the individuals the items collected.



# OUR PLANET

Studies estimate that between 25-35% of global greenhouse gas emissions are from food and agriculture<sup>15</sup>. As a food manufacturing business, Food Empire recognises the importance of improving resource use efficiency and reducing emissions throughout its global operations and value chain.

## Our Environment [GRI 3-3] [GRI 302-1] [302-3] [305-1] [305-2] [305-4]

### WHY IS THE MANAGEMENT OF ENERGY USE AND EMISSIONS IMPORTANT?

Climate change presents a complex challenge that will have a long-lasting impact on us and future generations. Food Empire is committed to being part of the solution to support and manage physical and transitional risks. By implementing these climate change mitigation initiatives, we aim to draw on our unique business competencies and create greater value for all our stakeholders. Food Empire is fully aware of the threat climate change poses on the Group's business operations and remains committed to enhancing our resilience to the effects of climate change by striving for more efficient production planning, replacing obsolete and inefficient equipment, and recycling where possible. In playing our part to combat climate change, we also avoid potential negative impacts such as business disruptions brought about by extreme weather events.

### CLIMATE RELATED-FINANCIAL DISCLOSURE

As part of our commitment to increase transparency of climate-related reporting, Food Empire will be publishing its inaugural climate-related financial disclosures within this section of the report. This disclosure is prepared in accordance with the recommendations of the Task Force on Climate-Related Financial Disclosures (TCFD) and listing requirements from SGX.

#### GOVERNANCE

At Food Empire, governance of climate-related issues falls within the broader sustainability governance structure. The Board has committed to strategically integrate climate-related risk and opportunities across its operations and value chain. The Board receives quarterly updates from the Management team and Sustainability Committee, which oversee the implementation of all sustainability policies and track progress of key metrics. For additional details on Food Empire's sustainability governance, please refer to the Governance section on pg. 9. While this existing governance structure covers climate-related issues, Food Empire acknowledges the importance of having dedicated individuals take responsibility for overseeing the organisation's climate strategy, policies, and performance. To this end, we are in the process of strengthening our climate-specific governance structures, and we plan to provide updates in subsequent reports where relevant.

#### STRATEGY

In FY2022, Food Empire began identifying climate-related risks and opportunities faced by the business. This process covered both physical and transition risks<sup>16</sup>, and spanned selected Food Empire operations in Singapore, Vietnam, and Russia as per the reporting scope within this report.

<sup>15</sup> "How much of global greenhouse gas emissions come from food" by Hannah Ritchie, 18 March 2021. Accessed at: <https://ourworldindata.org/greenhouse-gas-emissions-food>

<sup>16</sup> Climate-related risks typically fall into two categories: physical risk and transition risk. 'Physical risk' refers to the physical impacts of climate change on the environment, and could include extreme weather conditions (e.g., extreme heat, flooding) known as acute impacts, or long-term changes in the climate (e.g., sea level rise, prolonged drought) known as chronic impacts. 'Transition risk' refers to the impacts from the process of shifting towards a low-carbo economy, which may include market, policy and legal, technology, and reputational-related impacts.

In order to identify climate-related risks and opportunities for Food Empire, detailed background research on our sector and regions of operation was carried out. This research was complemented with numerous discussion sessions with stakeholders across the organisation including management, risk teams, and business units on the ground. The climate-related risks and opportunities identified are outlined in the table below. We have chosen to organise them by value chain points to facilitate easier understanding of how these issues impact Food Empire in different ways.

As Food Empire is in our first year of climate-related reporting against the TCFD recommendations, we plan to incorporate qualitative scenario analysis, including short, medium, and long-term time horizons, in future disclosures. Our phased approach is aligned with SGX and enables us to ensure that existing disclosures are robust and business-relevant, before building on them further.

### FOOD EMPIRE'S CLIMATE-RELATED RISKS AND OPPORTUNITIES

Value Chain Point	Risks and Opportunities Identified	Mitigation Measures and Plans to Leverage on Opportunities
<b>Sourcing (Raw material)</b> 	<b>Physical risks</b> <ul style="list-style-type: none"> <li>▶ Extreme weather events such as floods or droughts may cause damage to key crops such as coffee, potentially increasing the price or disrupting yields</li> </ul>	<ul style="list-style-type: none"> <li>▶ Food Empire maintains a flexible and nimble procurement strategy to react quickly to price changes.</li> </ul>
<b>Manufacturing and Packaging Plants</b> 	<b>Physical risks</b> <ul style="list-style-type: none"> <li>▶ Extreme temperature spells or changes in average temperature could impact Food Empire's plants, requiring additional provisions (e.g., cooling equipment in hot regions) to ensure a safe and productive working environment for staff</li> <li>▶ Extreme weather events such as storms or flash floods could impact Food Empire's plants by potentially causing operational disruptions and requiring additional capital expenditure to retrofit existing plants to withstand weather events</li> </ul> <b>Transition risks</b> <ul style="list-style-type: none"> <li>▶ Additional costs associated with transitioning to lower emissions technologies in manufacturing and packaging plants</li> </ul> <b>Opportunities</b> <ul style="list-style-type: none"> <li>▶ Adopting renewable energy as an additional energy source, thus avoiding potential carbon taxes in the future</li> </ul>	<b>Response to physical risks</b> <ul style="list-style-type: none"> <li>▶ Given that certain regions have already seen extreme temperature spells (e.g., Russia), Food Empire has systems in place to adjust the temperature of plant to ensure safe and productive working environment.</li> </ul> <b>Response to transition risks and potential opportunities</b> <ul style="list-style-type: none"> <li>▶ Food Empire has leveraged on renewable energy in certain regions. See pg. 32 for further details.</li> </ul>
<b>Distribution and Logistics</b> 	<b>Physical risks</b> <ul style="list-style-type: none"> <li>▶ Extreme weather events could impact the distribution of Food Empire's products, resulting in delayed deliveries and unavailability of products at the various points of sales</li> </ul>	<b>Response to physical risks</b> <ul style="list-style-type: none"> <li>▶ Food Empire's factories are spread out across a range of different locations, reducing the likelihood of all factories being hit by extreme weather events at the same time.</li> <li>▶ In the event of logistical delays, certain Food Empire's distributors also maintain buffer stocks of their product to reduce interruptions.</li> </ul>



Value Chain Point	Risks and Opportunities Identified	Mitigation Measures and Plans to Leverage on Opportunities
<b>Retail and Marketing</b> 	<b>Physical risks</b> <ul style="list-style-type: none"> <li>▶ Extreme weather events could impact brick-and-mortar stores where Food Empire brands are sold, resulting in lower sales from physical stores</li> </ul> <b>Transition risks</b> <ul style="list-style-type: none"> <li>▶ National mandates to ban or reduce the use of single-use packaging would lead to additional costs for Food Empire</li> <li>▶ Consumer preferences may shift in favour of more environmentally conscious brands, for example those using less packaging</li> </ul>	<b>Response to physical risks</b> <ul style="list-style-type: none"> <li>▶ To reduce reliance on brick-and-mortar stores, Food Empire also sells its products online.</li> </ul> <b>Response to transition risks</b> <ul style="list-style-type: none"> <li>▶ While the approach to packaging varies by region due to supplier differences, Food Empire has explored alternative and more sustainable packaging options where feasible.</li> </ul>
<b>All value chain points</b> 	<b>Transition risks</b> <ul style="list-style-type: none"> <li>▶ Enhanced emissions reporting obligations which could incur additional costs</li> </ul>	<b>Response to transition risks</b> <ul style="list-style-type: none"> <li>▶ Food Empire continuously monitors the regulatory landscape to ensure compliance with relevant laws and regulations.</li> </ul>

## RISK MANAGEMENT

Food Empire is fully aware of the threat climate change poses on the Group's business operations and remains committed to improving our ability to mitigate and adapt to the effects of climate change. Our processes for identifying, assessing, and managing climate-related risks draw on our Enterprise Risk Management framework, which recognises prolonged adverse weather conditions as a key strategic risk for the organisation.

As we mature in our reporting and management of climate-related issues, Food Empire continues to work towards integrating processes for identifying, assessing, and managing climate-related risks into our enterprise decision making and overall risk management.

## METRICS AND TARGETS

The organisation tracks and reports a number of climate-related metrics including energy consumption, and Scope 1 and Scope 2 GHG emissions. Food Empire also integrates energy-related targets as part of its production KPIs for certain regions, which further incentivises action to reduce energy intensity and consumption. This management approach demonstrates the company's commitment to playing its part to reduce emissions where possible. For further information on Food Empire's performance in managing our carbon footprint, see subsequent sections on our management approach and performance on Climate Change, which we have selected as a material topic for FY2022.

Moving forward in our sustainability journey, Food Empire will continue to explore setting more detailed targets aligned with both TCFD recommendations and SGX's phased approach guidelines.

## MANAGEMENT APPROACH [GRI 3-3]



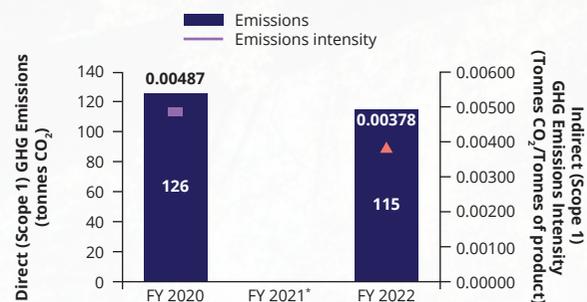
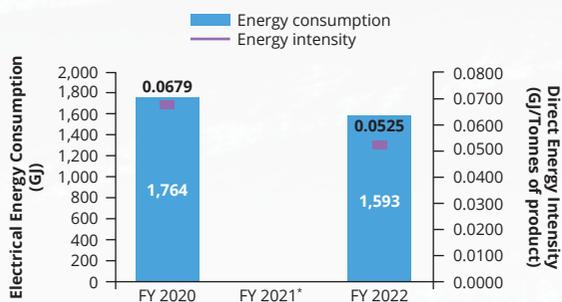
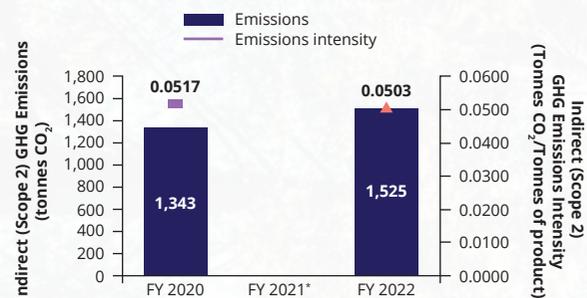
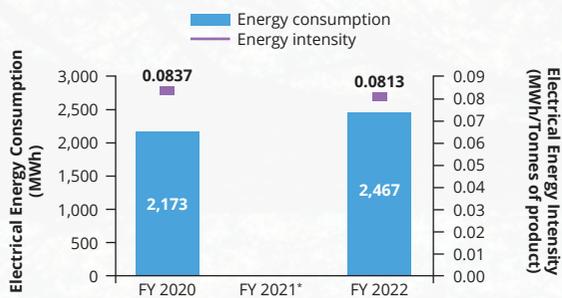
Food Empire acknowledges the importance of doing our part to reduce our carbon footprint in order to mitigate the worst effects of climate change. We have implemented various energy conservation initiatives across our global operations, including leveraging on solar energy where possible. We also continuously monitor our energy consumption and integrate energy-related targets into our production KPIs for certain regions. We always strive to align our energy and emissions management with the various country-specific energy regulations and policies, and we continue to explore innovative ways to increase our overall resource efficiency.

## INITIATIVES AND PERFORMANCE

Food Empire will continue to focus on environmental stewardship, regularly monitoring our environmental performance and introducing new environmental-related initiative to reach our sustainability targets.

### RUSSIA<sup>17</sup>

In FY2022, our operations in Russia consumed a total of 2,467 MWh of electrical energy resulting in 1,525 tonnes of CO<sub>2</sub>e emissions. Additionally, we use liquefied petroleum gases (LPG) and motor gasoline to fuel our forklifts and company vehicles. The direct energy consumed from this was 1,593 GJ resulting in 115 tonnes of CO<sub>2</sub>e emissions in FY2022.



\*Note: Russia's performance data was excluded from SR2021 due to the Russia-Ukraine conflict.

Our electricity energy and indirect (Scope 2) GHG emission intensity has amounted to be 0.0813 MWh/ tonnes of products and 0.0503 CO<sub>2</sub>e / tonnes of products respectively. As for the direct energy consumed, our total direct energy intensity and direct (Scope 1) GHG Emission intensity has amounted to be 0.0525 Gj/ tonnes of products and 0.00378 CO<sub>2</sub>e / tonnes of product respectively.

<sup>17</sup> Russia's performance data was excluded from SR2021 due to the Russia-Ukraine conflict.



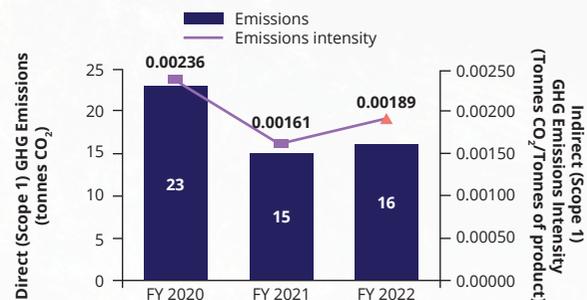
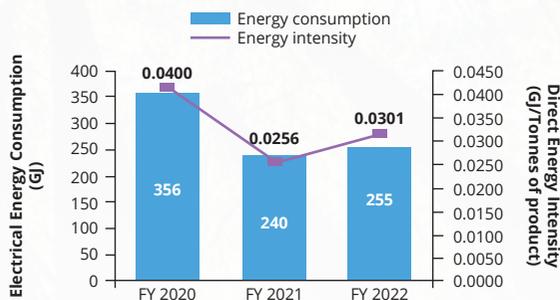
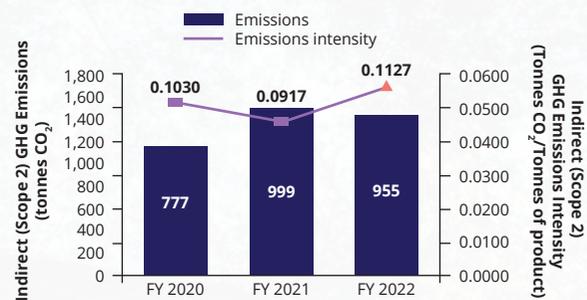
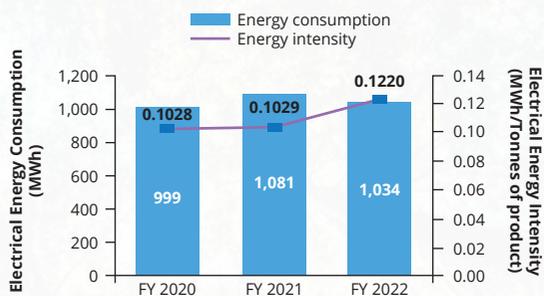
## VIETNAM

In FY2022, our Vietnam operations consumed a total of 1,034 MWh of electrical energy resulting in 955 tonnes of CO<sub>2</sub>e emissions (FY2021: 1,081 MWh<sup>18</sup> of energy resulting in 999 tonnes of CO<sub>2</sub>e emissions). The total electrical energy consumption and electrical energy intensity decreased by about 4% when compared to FY2021. The decrease in electrical consumption was a result of higher efficiency, reducing the hours of work needed. In addition, Food Empire Vietnam has installed solar panel and skylights which have further assisted the reduction in electricity consumption. The direct energy consumed was 255 GJ resulting in 16 tonnes of CO<sub>2</sub>e emissions in FY2022 (FY2021: 240 GJ direct energy consumed resulting in 15 tonnes of CO<sub>2</sub>e emissions). This was a slight increase of 6% in direct energy consumed compared to the previous reporting period. The higher direct energy consumption was a result of:

- ▶ Breakdown of an electrical forklift that was replaced by a gas operated forklift for 3 months
- ▶ Reduced operation in FY2021 due to a shut down and limited operating period for 3 months

Additionally, overall production output declined in 2022 due to a decrease in sales.

Our electricity energy and indirect (Scope 2) GHG emission intensity amounted to 0.1220 MWh / tonnes of products and 0.1127 CO<sub>2</sub>e / tonnes of products respectively. As for the direct energy consumed, our total direct energy intensity and direct (Scope 1) GHG Emission intensity has amounted to be 0.0301 GJ / tonnes of products and 0.0019 CO<sub>2</sub>e / tonnes of products respectively.



<sup>18</sup> In the FY2021 report, FY2021 electrical energy consumption and its corresponding emission for our operation in Vietnam were misprinted as 967 MWh and 861 tonnes of CO<sub>2</sub>e produced. We have corrected the misprint in FY2022 report.



# FOOD EMPIRE VIETNAM: NEW ENERGY SAVING INITIATIVES

As of 2022, Food Empire Vietnam has implemented energy saving actions with the purpose to reduce electricity consumption and emissions. We have successfully installed day/night light switching system, solar electricity for perimeter lights, sky light in our warehouses and energy saving LED lamps. Such measures have encouraged many of our production and office staff in adopting wide range of electricity saving alternatives.



# ABOUT OUR REPORT

[GRI 2-1] [GRI 2-3] [GRI 2-6]

## REPORTING FRAMEWORK

This report was prepared in compliance with SGX-ST Listing Rule 711A and the primary components of Sustainability Reporting as set out in Listing Rule 711B.

In 2021, the Global Reporting Initiative announced a revision of their universal standards. The update requires all companies reporting in accordance with the GRI Standards to identify and disclose how severe risks to the economy, environment and people are identified. We have chosen to report using the GRI Standards for its universally recognised and standardised approach in disclosing material sustainability matters. Reference has also been drawn from the SGX's Practice Note 7.6 Sustainability Reporting Guide.

## REPORTING PERIOD & SCOPE

The report covers information on our sustainability performance from 1 January 2022 to 31 December 2022 ("FY2022"), with performance from the prior years ("FY2021" and "FY2020") included for comparison where possible. This report is to be published on 1 May 2023. In FY2022, our reporting scope covers our operations in Russia, Vietnam, and our headquarters in Singapore. This is a deviation from FY2021, where Food Empire's Russia operations were excluded from reporting in light of the Russia-Ukraine Conflict. The following table summarises the entities covered in this report.

Country	Entities and Activities
 Singapore	Future Enterprises Pte Ltd - Sales and marketing of instant food and beverages
 Vietnam	FES (Vietnam) Co., Ltd - Manufacturing and distribution of instant food and beverages
 Russia	FES Products LLC ("FESP") - Manufacturing and distribution of instant food and beverages

As we mature in our Sustainability Reporting journey, we will reassess our reporting scope to include more of our operations. The ultimate goal is for us to publish a comprehensive Sustainability Report that covers the full spectrum of Food Empire's operations.

## INDEPENDENT ASSURANCE

Independent assurance has not been sought for this report. We may consider external assurance in future as our reporting matures over time. In FY2022, Food Empire embarked on internal review of its sustainability reporting processes over the next couples of years as per IIA and SGX guidelines.

## FEEDBACK

Food Empire is fully committed to providing clear and transparent disclosures for our stakeholders. We welcome all feedback, views and comments to improve our sustainability practices and reporting process. Please send your views and suggestions to [corporate@foodempire.com](mailto:corporate@foodempire.com).

# APPENDIX A:

## NOTES ON DATA REPORTING METHODOLOGY

This section explains the boundaries and calculation methodologies used in the computation of Food Empire's energy and greenhouse gas (GHG) emissions data.

### REPORTING BOUNDARY

Operations in Russia and Vietnam have been included in the scope for environmental performance. As the headquarters in Singapore are limited to corporate support function, they were deemed to be insignificant and are excluded from the reporting boundary.

### EMPLOYMENT

Food Empire reports employment related numbers as actual numbers at the end of the reporting period. The number of workers who are not employees are not included in the total headcount (1,919 as of FY2022), but in a separate count. As per GRI's definition, 'workers' are defined to be people who work for Food Empire, but are not in an employment relationship with Food Empire (e.g., third party agencies, contractors, etc.).

### EMISSIONS CALCULATION APPROACH

Food Empire adopts the Operational Control Approach, as outlined in the GHG Protocol Corporate Standard, to determine organisational boundaries. This attributes accountability for the GHG emissions from operations over which the organisation has control.

### ENERGY CONSUMPTION

Energy consumption within Food Empire includes both fuel (including LPG, Diesel and Gasoline) and use of electricity from the grid.

For fuel use, energy consumption is expressed in Gigajoules (GJ). Energy use is calculated using the Net Calorific Value as prescribed by IPCC Guidelines for National Greenhouse Gas Inventory (2006).

- a. Diesel – 43 Terajoules/Gigagrams
- b. Motor Gasoline – 44.3 Terajoules/Gigagrams
- c. Liquid Petroleum Gas – 47.3 Terajoules/Gigagrams

For purchased electrical energy use, energy consumption is expressed in Megawatt hours (MWh) and values are obtained directly from invoices.

Intensity metrics are expressed as Gigajoules per tonnes of product and Megawatts per tonnes of product.

### GHG EMISSIONS

Scope 1 emissions are calculated from the direct consumption of LPG and diesel in Vietnam and Russia, and expressed in tonnes of CO<sub>2</sub> equivalents.

Scope 1 emissions were calculated using the CO<sub>2</sub>e emission factors as prescribed by IPCC Guidelines for National Greenhouse Gas Inventory (2006).

- a. Diesel – 74.1 Tonnes of CO<sub>2</sub>e / Terajoules
- b. Motor Gasoline – 69.3 Tonnes of CO<sub>2</sub>e / Terajoules
- c. Liquid Petroleum Gas – 63.1 Tonnes of CO<sub>2</sub>e / Terajoules

Scope 2 emissions are calculated from the consumption of grid electricity in Vietnam and Russia, expressed in tonnes of CO<sub>2</sub>e. Figures were calculated using the grid emissions factors as prescribed by the Institute of Global Environmental Strategies ("IGES") 2022; for Vietnam (0.9242kg CO<sub>2</sub>e /kWh) and Russia (0.618kg CO<sub>2</sub>e /kWh).

Intensity metrics are expressed as tonnes of CO<sub>2</sub>e per tonnes of product.

# APPENDIX B:

## GRI CONTENT INDEX

GRI Standards Disclosure		Reference and/or Reason for Omission	Page Reference
<b>Organisation and its reporting process</b>			
2-1	Organisational details	Board Statement About Food Empire About Our Report	1 3 35
2-2	Entities included in the organisation's sustainability reporting	About Our Report	35
2-3	Reporting period, frequency and contact point	Board Statement About Our Report	1 35
2-4	Restatements of information	Electricity consumption figures and number of working hours for Vietnam in FY2021 were restated.	N/A
2-5	External assurance	Food Empire has not conducted external assurance for this year's report.	N/A
<b>Activities and Workers</b>			
2-6	Activities, value chain and other business relationships	About Food Empire About Our Report Annual Report	3 35
2-7	Employees	Our Employment Practices	12
2-8	Workers who are not employees	Our Employment Practices	12
<b>Governance</b>			
2-9	Governance structure and composition	Corporate Governance Report (AR) Sustainability Governance	21 9
2-10	Nomination and selection of the highest governance body	Corporate Governance Report (AR)	21
2-11	Chair of the highest governance body	Corporate Governance Report (AR)	21
2-12	Role of the highest governance body in overseeing the management of impacts	Stakeholder Engagement Sustainability Governance	6 9
2-13	Delegation of responsibility for managing impacts	Sustainability Governance	9

GRI Standards Disclosure		Reference and/or Reason for Omission	Page Reference
2-14	Role of the highest governance body in sustainability reporting	Sustainability Governance Materiality Assessment	9 8
2-15	Conflicts of interest	Corporate Governance Report (AR)	21
2-16	Communication of critical concerns	Our Business Ethics Our Employment Practices	10 12
2-17	Collective knowledge of the highest governance body	Corporate Governance Report (AR) Training and Development	21 20
2-18	Evaluation of the performance of the highest governance body	Corporate Governance Report (AR)	21
2-19	Remuneration policies	Corporate Governance Report (AR)	21
2-20	Process to determine remuneration	Corporate Governance Report (AR)	21
2-21	Annual total compensation ratio	Not disclosed due to commercial confidentiality reasons.	N/A

### Strategy, Policy and Practices

2-22	Statement on sustainable development strategy	Board Statement	1
2-23	Policy commitments	Our Business Ethics Our Employment Practices Occupational Health and Safety <i>Precautionary approach is taken with regards to sustainability management and reporting.</i>	10 12 21
2-24	Embedding policy commitment	Our Business Ethics Our Employment Practices	10 12
2-25	Processes to remediate negative impacts	Our Business Ethics Our Employment Practices Occupational Health and Safety	10 12 21
2-26	Mechanisms for seeking advice and raising concerns	Our Business Ethics	10
2-27	Compliance with laws and regulations	Our Business Ethics	10
2-28	Membership associations	Not applicable.	N/A

### Stakeholder Engagement

2-29	Approach to stakeholder engagement	Stakeholder Engagement	6
2-30	Collective bargaining agreements	Our Employment Practices	12

## Appendix B: GRI Content Index



GRI Standards Disclosure		Reference and/or Reason for Omission	Page Reference
<b>Disclosure of Material Topics</b>			
3-1	Process to determine material topics	Materiality Assessment	8
3-2	List of material topics	Materiality Assessment	8
<b>Material Topic: Climate Change</b>			
3-3	Management of material topics	Our Planet	29
302-1	Energy consumption within the organisation	Our Planet: Initiatives and Performance	32
		Appendix A: Notes on Data Reporting Methodology	36
302-3	Energy intensity	Our Planet: Initiatives and Performance	32
		Appendix A: Notes on Data Reporting Methodology	36
305-1	Direct (Scope 1) GHG emissions	Our Planet: Initiatives and Performance	32
		Appendix A: Notes on Data Reporting Methodology	36
305-2	Energy indirect (Scope 2) GHG emissions	Our Planet: Initiatives and Performance	32
		Appendix A: Notes on Data Reporting Methodology	36
305-4	GHG emissions intensity	Our Planet: Initiatives and Performance	32
		Appendix A: Notes on Data Reporting Methodology	36
<b>Material Topic: Consumer Safety</b>			
3-3	Management of material topics	Consumer Safety	25
416-1	Assessment of the health and safety impacts of product and service categories	Consumer Safety	25
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Consumer Safety	25
417-2	Incidents of non-compliance concerning product and service information and labelling	Consumer Safety	25

## Appendix B: GRI Content Index



GRI Standards Disclosure		Reference and/or Reason for Omission	Page Reference
<b>Material Topic: Anti-Corruption</b>			
3-3	Management of material topics	Our Business Ethics	10
205-2	Communication and training about anti-corruption policies and procedures	Our Business Ethics Corporate Governance Report (AR)	10 21
205-3	Confirmed incidents of corruption and actions taken	Our Business Ethics	10
<b>Material Topic: Occupational Workplace Health &amp; Safety</b>			
3-3	Management of material topics	Occupational Health and Safety	21
403-1	Occupational health and safety management system	Occupational Health and Safety	21
403-2	Hazard identification, risk assessment, and incident investigation	Occupational Health and Safety	21
403-3	Occupational health services	Occupational Health and Safety	21
403-4	Worker participation, consultation, and communication on occupational health and safety	Occupational Health and Safety	21
403-5	Worker training on occupational health and safety	Occupational Health and Safety	21
403-6	Promotion of worker health	Occupational Health and Safety	21
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Occupational Health and Safety	21
403-9	Work-related injuries	Occupational Health and Safety	21
<b>Material Topic: Employment Practices</b>			
3-3	Management of material topics	Our Employment Practices	12
401-1	New employee hire and turnover	Our Employment Practices	12
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employee	Our Employment Practices	12
404-1	Average training hours per employee	Our Employment Practices	12

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# Food Empire

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